QNB

Thriving together towards excellence

Annual Report 2023



About the 2023 Annual Report

The 2023 Annual Report of PT Bank QNB Indonesia Tbk contains material information about the Bank's business activities conducted in 2023.

This Annual Report is presented to all stakeholders as part of the Bank's accountability for its execution of business strategy and value creation to all relevant parties in 2023. This Annual Report contains a comprehensive, accurate, and relevant set of information, complemented with analyses on the Bank's 2023 performance in various aspects, from operational and financial, to environmental, social, and governance.

In 2023, the Bank did not involve any local party in the formulation and planning of its Sustainable Finance business process apart from those explained in the Sustainability chapter, but it may do so in the future.

The contents of PT Bank QNB Indonesia Tbk's 2023 Annual Report have not been verified by any independent party.

This Annual Report covers events, results and achievements recorded within the period of 1 January 2023 to 31 December 2023. The report's editorial date is 28 March 2024.

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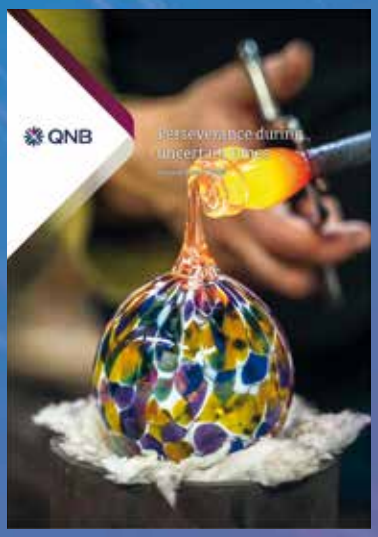
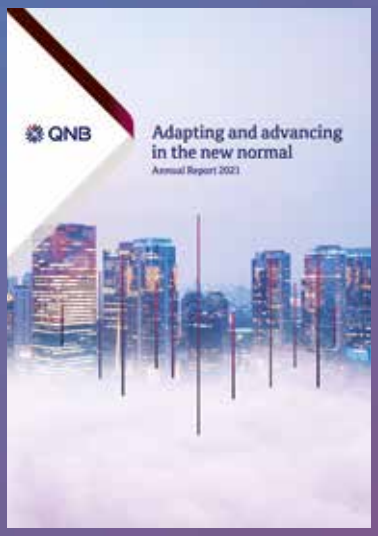
Theme Continuity



2020
Perseverance during uncertain times

The world in 2020 was beset with an unprecedented level of uncertainty, with the Covid-19 pandemic forcing a transformative rethinking of how to survive in such an uncertain time. Against this, QNB Indonesia has persevered to deliver a resounding, all-round response and rose above the challenges. It has swiftly and prudently deployed the necessary measures to deal with debt quality deterioration while steadfastly catering to its customers' needs amidst the pandemic by enhancing its digital offerings. With an unwavering support from its parent entity, the QNB Group, the Bank is navigating the vast uncharted waters of uncertainty with a confident grip of the wheel, and a solid vision to thrive along a path of sustainable growth.



2021
Adapting and advancing in the new normal

As the world shifted to a higher gear in tackling pandemic challenges and living in the "new normal", global economies have rebounded, invigorated by unprecedented stimulus measures from authorities worldwide. The banking industry, a key facilitator of wider economic activities, had shown strength and preparedness to deal more effectively with the current crisis than in previous ones. Moving ahead in the industry, QNB Indonesia demonstrated agility in adopting transformative technology and mindset to future-proof its business, rolling out strategic and comprehensive initiatives to enhance its service and enrich its offerings. With three monumental leaps in 2021—improving loan quality, entering the mass market segment, and reinforcing its balance sheet with capital support from QNB Group—the Bank stands ready to progress and deliver sustainable value in the post pandemic era.



2022
Driving growth for a sustainable future

Throughout the Covid-19 pandemic, QNB Indonesia had grappled with significant challenges resulting from the restrictions and the ensuing economic downturn. Yet the Bank successfully navigated through the turbulence. In the process, it has strengthened asset quality and laid a solid foundation for future expansion. The Bank has been able to capture growth opportunities and improve its financial footing thanks to robust governance, effective risk management, and its shareholders' staunch support for long-term financial stability. Having weathered the severe headwinds of the recent times, the Bank is now poised to pursue sustainable growth forward. QNB Indonesia aspires to drive its progress along a prudent and responsible pathway, while simultaneously creating meaningful value for the shareholders, customers, employees, and the community at large.

Theme Rationale

Thriving together towards excellence

Net Interest Margin (NIM) improved to

3.83%

Capital Adequacy Ratio (CAR) increased to

62.23%

Liquidity Coverage Ratio (LCR) increased to

465.30%

Net Stable Funding Ratio (NSFR) increased to

190.59%

In 2023, QNB Indonesia's strategic resilience, financial discipline, and commitment to excellence was made manifest in the Bank's more stringent risk management, enhanced level of customer service, and a positive net profit that heralded a new era of strong and sustainable financial results going forward. These achievements, underscored by equally significant progress in digital innovation, sustainability, and corporate governance, reflect a united effort of the Bank to shore up collective action, with various relevant parties, to thrive towards excellence.
This 2023 Annual Report theme is highlighting the Bank's collaborative success, adaptability, and foresight in navigating challenges and setting a foundation for lasting growth and prosperity.



The Bank looks ahead and upwards to thrive together and reach greater heights.

2023 Highlights





QNB Indonesia strives to progress at pace, with a keen attention to sustainability principles.

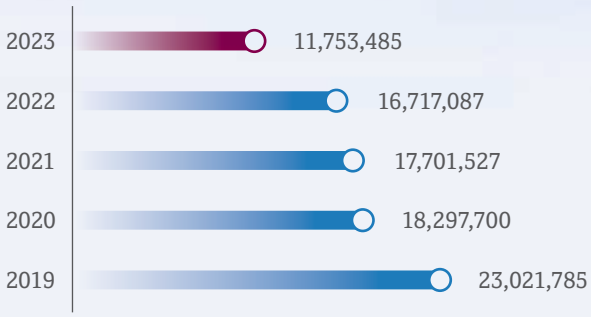
Financial Highlights

(in million Rupiah)

Statement of Financial Position	2023	2022	2021	2020	2019
ASSETS					
Cash	24,445	33,354	36,785	37,456	51,446
Current Accounts with Bank Indonesia	543,920	919,797	472,517	517,632	1,098,363
Current Accounts with Other Banks - Net	184,089	148,347	275,568	134,274	73,089
Placements with Bank Indonesia and Other Banks	1,092,008	1,032,898	1,979,562	1,683,860	1,656,505
Derivative Receivables	11	108	1,307	5,741	5,059
Acceptance Receivables - Net	-	188,295	6,775	129,036	211,522
Securities Purchased under Agreement to Resell	2,977,202	3,072,222	2,350,769	982,688	304,673
Loans - Net	5,449,285	9,256,123	9,615,446	11,267,424	13,876,418
Securities - Net	389,952	513,987	953,854	1,286,846	3,642,725
Prepayments	33,035	22,687	30,462	66,995	61,323
Deferred Tax Assets - Net	280,354	272,500	280,285	374,275	314,839
Fixed Assets and Right-of-Use Assets	212,916	275,398	321,226	365,906	138,903
Intangible Assets	59,892	57,148	52,779	34,524	30,010
Foreclosed Assets - Net	250,416	665,046	1,001,757	1,280,395	1,358,462
Other Assets - Net	255,960	259,177	322,435	130,648	198,448
Total Assets	**11,753,485**	**16,717,087**	**17,701,527**	**18,297,700**	**23,021,785**
LIABILITIES					
Liabilities Payable on Demand	12,555	24,028	16,247	15,425	29,570
Deposits from Customers	6,339,203	10,604,624	12,015,196	11,965,297	15,909,399
Deposits from Other Banks	1,832	7,302	7,771	7,664	1,361,492
Acceptance Payables	-	26,336	6,778	129,058	211,522
Derivative Payables	1,838	90	1,256	5,636	425
Securities Sold under Repurchase Agreements	385,051	-	-	-	-
Borrowing	-	1,000,000	1,000,000	1,060,000	-
Marketable Securities Issued	-	-	99,888	545,122	547,811
Obligation for Employment Benefits	67,187	68,066	81,610	74,016	67,852
Accruals and Other Liabilities	254,370	333,222	446,233	383,040	204,150
Total Liabilities	**7,062,036**	**12,063,668**	**13,674,979**	**14,185,258**	**18,332,221**
EQUITY					
Share Capital - par value of Rp250 (whole Rupiah) per share Authorized Capital 40,000,000,000 shares as of December 31, 2023 and 2022, respectively Issued and Fully Paid Capital 35,158,048,365 and 20,436,685,984 shares as of December 31, 2023 and 2022, respectively	8,789,512	5,109,171	5,109,171	5,109,171	5,109,171
Additional Paid-in Capital - Net	(33,588)	(30,150)	(30,150)	(30,150)	(30,150)
Advanced Capital	3,652	3,683,926	2,683,926	1,183,926	741,696
Fair Value Reserve - Net	(61)	28,183	8,605	18,782	(458)
Retained Earnings (Deficit):					
Appropriated	6,396	6,396	6,396	6,396	5,396
Unappropriated	(4,074,462)	(4,144,107)	(3,751,400)	(2,175,683)	(1,136,091)
Total Equity	**4,691,449**	**4,653,419**	**4,026,548**	**4,112,442**	**4,689,564**
Total Liabilities and Equity	**11,753,485**	**16,717,087**	**17,701,527**	**18,297,700**	**23,021,785**

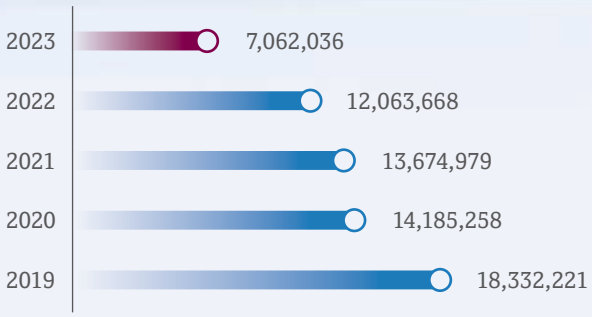
Total Assets

(in million Rupiah)



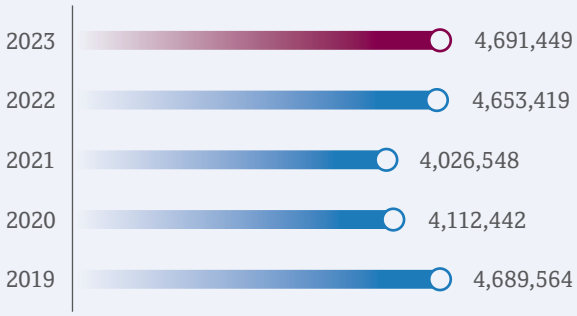
Total Liabilities

(in million Rupiah)



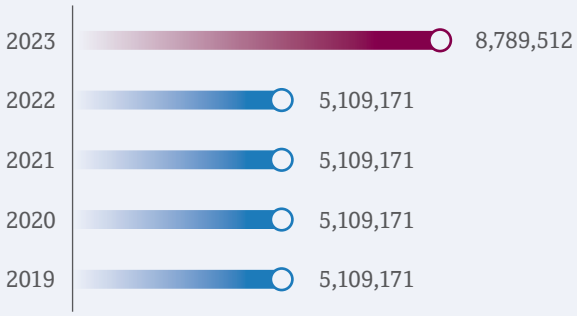
Total Equity

(in million Rupiah)



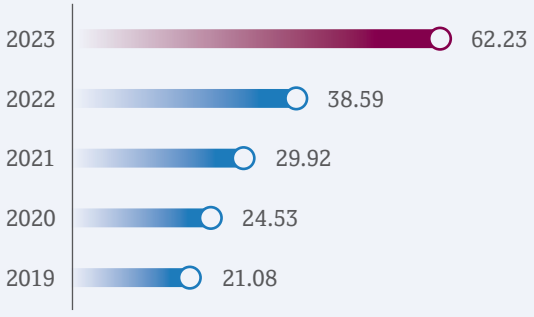
Share Capital

(in million Rupiah)



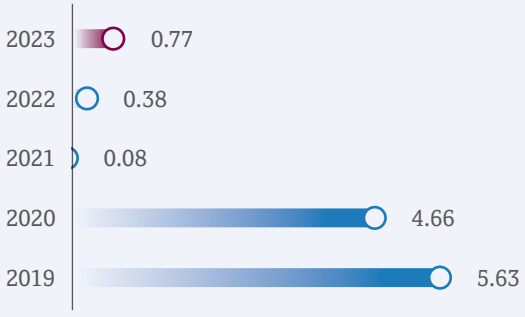
Capital Adequacy Ratio

(in %)



NPL Gross

(in %)



Financial Highlights *(Continued)*

(in million Rupiah)

Statement of Profit or Loss and Other Comprehensive Income	2023	2022	2021	2020	2019
OPERATING INCOME AND EXPENSES					
Interest Income	944,701	863,896	871,120	1,233,605	1,401,513
Interest Expense	(440,803)	(431,896)	(533,643)	(971,493)	(979,937)
Net Interest Income - Net	503,898	432,000	337,477	262,112	421,576
OTHER OPERATING INCOME					
Fees and Commission - Net	63,006	68,127	56,006	38,785	56,887
Trading Income - Net	19,895	21,034	14,936	34,261	76,968
Recovery from Non-Performing Loan Sale Transactions	-	-	-	23,911	-
Others	163,011	180,294	146,977	25,532	42,748
Total Other Operating Income	**245,912**	**269,455**	**217,919**	**122,489**	**176,603**
OTHER OPERATING EXPENSES					
Personnel Expenses	(289,816)	(280,414)	(311,973)	(307,967)	(267,667)
General and Administrative Expenses	(209,734)	(202,517)	(187,521)	(158,788)	(175,598)
Provision for Impairment Losses on Financial Assets	(136,468)	(613,732)	(1,531,916)	(172,522)	(95,062)
Loss on Sale of Financial Assets	(39,668)	-	-	-	-
Others	(4,875)	(5,524)	(7,981)	(24,704)	(55,705)
Total Other Operating Expenses	**(680,561)**	**(1,102,187)**	**(2,039,391)**	**(663,981)**	**(594,032)**
Profit (Loss) Before Income Tax	69,249	(400,732)	(1,483,995)	(279,380)	4,147
Income Tax (Expense) Benefit	-	-	(94,782)	(142,788)	1,130
Profit (Loss) for the Year	69,249	(400,732)	(1,578,777)	(422,168)	5,277
OTHERS COMPREHENSIVE INCOME					
Item that would be Reclassified to Profit or Loss:					
Fair Value Changes of Securities Measured at Fair Value Through Other Comprehensive Income	(36,210)	25,100	(12,446)	24,088	(607)
Income Tax related to Items that would be Reclassified to Profit or Loss	7,966	(5,522)	2,269	(4,848)	152
Items that would not be Reclassified to Profit or Loss:					
Remeasurements of Obligation for Post-Employment Benefits	508	10,288	4,537	5,693	16,910
Income Tax related to Items that would not be Reclassified to Profit Or Loss	(112)	(2,263)	(1,477)	(226)	(4,228)
Other Comprehensive (Loss) Income Net of Tax	(27,848)	27,603	(7,117)	24,707	12,227
Total Comprehensive Income (Loss) for the Year	**41,401**	**(373,129)**	**(1,585,894)**	**(397,461)**	**17,504**

(in %)

Financial Ratios	2023	2022	2021	2020	2019
CAPITAL					
Capital Adequacy Ratio (CAR)	62.23	38.59	29.92	24.53	21.08
PRODUCTIVE ASSETS					
Productive Assets & Non-Productive Assets (Non-Performing Assets) to Total Productive Assets & Non-Productive Assets	2.38	4.32	6.03	9.64	9.36
Non-Performing Productive Assets to Total Productive Assets	0.37	0.29	0.05	3.54	5.63
Allowance for Impairment Losses to Productive Assets	4.15	3.26	2.36	4.19	0.84
Non-Performing Loans (NPL) Gross	0.77	0.38	0.08	4.66	5.63
Non-Performing Loans (NPL) Net	0.09	0.08	0.04	1.21	4.45
PROFITABILITY					
Return on Assets (ROA)	0.48	(2.42)	(8.50)	(1.24)	0.02
Return on Equity (ROE)	1.65	(11.74)	(54.71)	(13.54)	0.05
Net Interest Margin (NIM)	3.83	3.19	2.34	1.61	2.56
LIQUIDITY					
Macroprudential Intermediation Ratio (MIR)	93.94	91.11	80.95	97.02	84.70
COMPLIANCE					
Percentage of Legal Lending Limit Violation					
Related Parties	-	-	-	-	-
Non-Related Parties	-	-	-	-	-
Daily Minimum Reserve Requirement (Rupiah)	10.08	9.30	3.43	3.50	6.00
Average Minimum Reserve Requirement (Rupiah)	8.84	9.01	3.50	3.50	6.00
Minimum Reserve Requirement (Foreign Currency)	4.01	4.05	4.08	4.02	8.02
Net Open Position (NOP)	0.04	0.15	0.25	1.06	0.46

Share Highlights

Period	Opening Price	Highest Price	Lowest Price	Closing Price	Transaction Volume	Number of Shares Issued	Market Capitalisation
2023							
Triwulan I	102	109	75	89	99,457,300	20,436,685,984	1,818,865,052,576
Triwulan II	89	118	81	88	203,407,800	35,158,048,365	3,093,908,256,120
Triwulan III	88	101	84	87	180,554,600	35,158,048,365	3,058,750,207,755
Triwulan IV	87	88	77	81	130,514,900	35,158,048,365	2,847,801,917,565
2022							
Triwulan I	192	206	134	156	828,233	20,436,685,984	3,188,123,013,504
Triwulan II	192	206	120	130	1,539,559	20,436,685,984	2,656,769,177,920
Triwulan III	130	135	106	110	1,878,346	20,436,685,984	2,248,035,458,240
Triwulan IV	110	137	96	102	2,652,368	20,436,685,984	2,084,541,970,368

Throughout 2023, the Bank's shares listed on the IDX under the stock ticker code "BKSW", were traded normally.



Success in building relationships that benefit customers is a source of satisfaction for the Bank's employees.

Corporate Actions

At the Extraordinary General Meeting of Shareholders (EGMS) on 16 February 2023, the Bank obtained shareholder approval to carry out a Limited Public Offering to Shareholders for Addition of Capital by Issuing Pre-emptive Rights (Right Issue) VII. The Bank had implemented Rights Issue VII according to the schedule. The number of shares resulting from the implementation of Rights Issue VII amounted to 14.72 billion shares with a nominal value of Rp250 each share, bringing the total proceeds for the Bank amounted to Rp3.68 trillion.



Significant Events



Mini Directorate Townhall 2023

January

> Mini Directorate Townhall 2023


Qatar Sports Day 2023

February

> Qatar Sports Day 2023
> Extraordinary General Meeting of Shareholders



Senior Leadership Engagement

March

> Senior Leadership Engagement
> Launching of QNB First The Premiere


QNB Indonesia's Anniversary

April

> QNB Indonesia's Anniversary


Annual General Meeting of Shareholders

May

> Annual General Meeting of Shareholders
> CSR financial literacy – QNB Indonesia Goes to School at SMKN 30 Jakarta


Launching of C-Boost Programme

June

> Launching of C-Boost Programme



MDP campus hiring



QNB Juang 2023

July

> Customer Loyalty Awards PRIMA Network
> MDP campus hiring

August

> Blood donation
> QNB Juang 2023



Students visit to Semarang Branch



MDP 2021 graduation celebration

September

> Students visit to Semarang Branch

October

> MDP 2021 graduation celebration
> Wealth Award Night



Launching of First Starter Programme



Year-end gathering

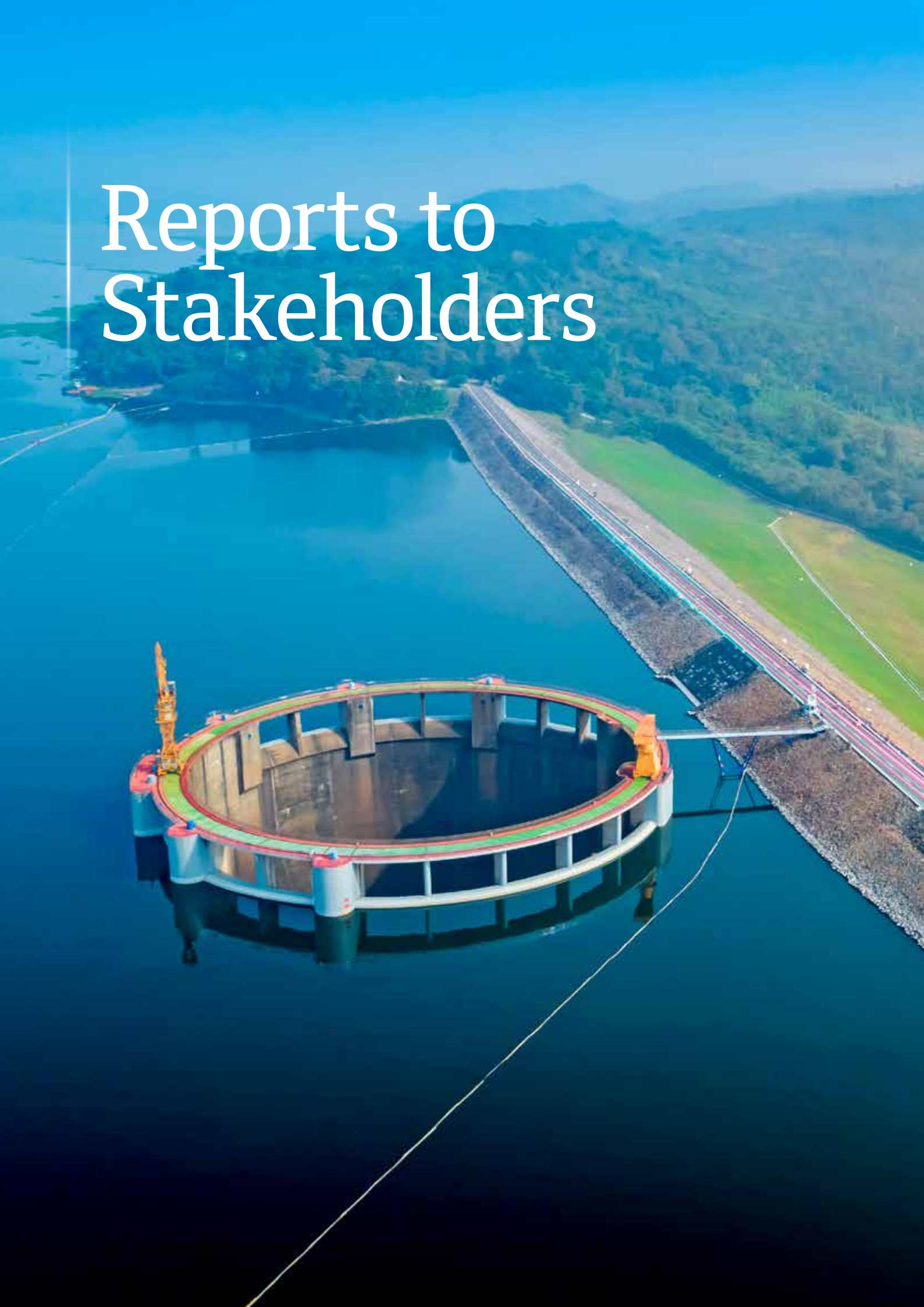
November

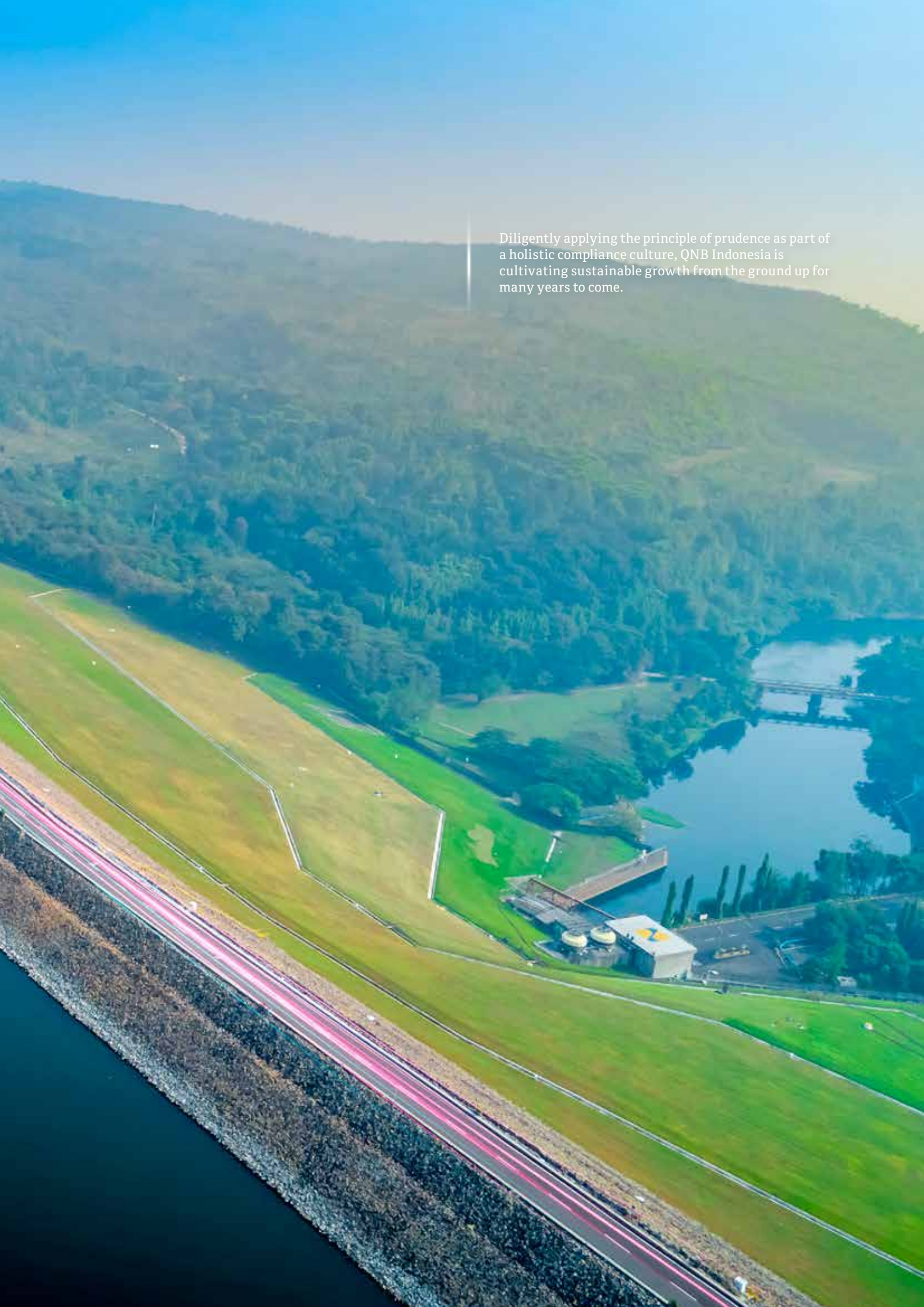
> Launching of First Starter Programme

December

> Year-end gathering
> CSR financial literacy – QNB Indonesia Goes to School at SMK Wisata Indonesia

Reports to Stakeholders





Diligently applying the principle of prudence as part of a holistic compliance culture, QNB Indonesia is cultivating sustainable growth from the ground up for many years to come.

Message from the Board of Commissioners



Fatma Abdulla Al-Suwaidi
President Commissioner

"The BoD successfully ushered the Bank back to the path of profitability, as we concurrently underscore the importance of diversifying the lending base and managing portfolio quality continually."

Assalamu'alaikum, greetings to you all,

On behalf of the Board of Commissioners, I am pleased to report how Indonesia in 2023 went through an exuberant era of resilience and growth, despite tremendous headwinds from the global economy. The interplay of Indonesia's robust economic dynamics had resulted in a 5.1% expansion in GDP, fueled by an increase in both private and government consumption, a steady flow of foreign investment, and a significant drive from the younger generation to play their part in the economy.

In tandem with the wider economy, the banking sector in Indonesia demonstrated a positive trajectory, marked by credit expansion across various sectors. Indonesian banks had navigated persistent high inflation, hawkish monetary policies, and looming recession risks with composure and flair. The banking industry's growth, combined with stability in key performance indicators, signaled a healthy financial environment.

Supervision of the Board of Directors' Strategy and Performance in 2023

QNB Indonesia shone through these times thanks to the vision and leadership of the Board of Directors (BoD). It had executed the Bank's business plans with strategic precision, focusing on risk mitigation, effective liquidity management, and cost control, while maintaining the Bank upward momentum in lending capability.

The BoD had steered the Bank through scores of challenges in the economy with a prudent hand. In particular, we highlight the commendable efforts orchestrated by the BoD that led to an improvement in the Bank's Risk-Based Bank Rating (RBBR), signifying the Bank's strengthened risk management framework.

As the BoD managed the Bank's liquidity position, maintaining optimal key financial ratios, it also enacted strict control over costs, reinforcing the Bank's commitment to "Capital Discipline". This strategy proved vital to upholding financial integrity and generating value, especially during periods of unpredictability in the credit market. We applaud the BoD's success in ushering the Bank back to the path of profitability, as it posted Rp69.2 billion in net profit. Concurrently, we underscore the importance of diversifying lending base and managing portfolio quality continually.

View on Corporate Governance

The BoC maintained rigorous oversight throughout the year, ensuring that the Bank's strategic direction and entire operation adhered to the highest standards of corporate governance, compliance, and accountability. The Independent Commissioners continued to provide their invaluable and objective insights and safeguard stakeholder rights, particularly those of minority shareholders.

Throughout 2023, the BoC and its three committees—the Audit Committee, the Remuneration & Nomination Committee, and the Risk Oversight Committee—effectively performed their respective duties to ensure that the principles of GCG and prudential banking were embodied by all staff across the Bank's business dealings. We are grateful for their members' exemplary professionalism in their capacities.

Review of 2024 Business Prospects and Plans

Looking forward, the Bank is training its sights on sustaining profitable operations throughout 2024 and beyond. To achieve this, the BoD has formulated a comprehensive strategy that will focus on enhancing funding quality and lowering cost of fund, boosting cross-selling and fee-based services, strengthening process automation to solidify our information technology architecture, and elevating workplace culture through our long-standing programmes like internal promotions and talent development.

Acknowledgments

The BoC extends gratitude to all shareholders, the management, and employees of the Bank for their contribution to the Bank. With support from the QNB Group's global presence and the firm supervision of OJK, BI, and other regulators, the BoC is optimistic in the Bank's ability to thrive amid future challenges together with our customers and the Indonesian nation.

Report of the Board of Directors



Haryanto Suganda
President Director

> "Our strong liquidity profile strengthened our ability to meet short and long-term obligations, effectively securing a healthy balance sheet to pursue bold objectives in the future. "

Distinguished shareholders and stakeholders,

Reflecting on 2023, on behalf of the Board of Directors I am heartened to report how it has been a year of notable advancements for QNB Indonesia. Building upon years of resolute efforts, the Bank has yielded positive results that we hope will propel its growth along a favourable trajectory going forward.

Amid the evolving economic landscape, Indonesia demonstrated resilience and adaptability throughout 2023. The country's GDP growth, at 5.1%, was slightly lower than 2022's figure of 5.3%. Indonesia's robust growth was supported by solid domestic demand. Household consumption grew by 5.06% year-on-year, in line with the uptick in mobility, vigorous purchasing power, and high consumer confidence. Inflation over the course of the year was held steady at 2.61%, within the target range of 2 to 4% set by Bank Indonesia.

Indonesia's stable economic environment has certainly benefitted the Bank's business. We have been able to overcome the historical challenges of previous years—brought by our legacy loans and impaired by the Covid-19 pandemic—to emerge stronger and record our first profit for the year since 2020. Having brought this difficult period to a close, the Bank has now pivoted back to a sounder financial footing. A key contributor to this turnaround has been a marked enhancement in our asset quality. Although our loan book growth has been more modest than anticipated, the assets we hold are now much more robust. This healthy portfolio quality will form the baseline for our growth outlook.

2023 Strategy: Prudent Execution and Financial Discipline

In 2023, QNB Indonesia embarked on a strategic journey guided at all times by the principle of prudence. Our strategy is derived from QNB Group's global strategy, which is based on three pillars: focusing on its core as a wholesale bank by providing a best-in-class offering to its customers, leveraging technology and innovation as a strategic enabler, and embedding sustainability into its business and operating model to make a positive contribution to our societies. These three pillars are embedded into how we structure our strategy in Indonesia. We also leveraged lessons from the past to refine our operational strategies, which we devised with vision and executed with rigour. This approach significantly shrank our cost of funds, reflecting our judicious approach to overall financial management and demonstrating our commitment to financial discipline and cost control.

In our Corporate & Institutional Banking segment—a core part of our strategy and operations—we concentrated our financial intermediation role on three critical sectors: metals & mining, manufacturing, and multifinance. Each of these sectors, in our view, presented a unique set of opportunities and challenges, which are particularly pertinent with our plan to align loan book growth with our stringent risk appetite, given the high-rate environment prevalent in 2023. High interest rates called for a rethinking of our strategy and a revision of several business targets, a situation mirrored across the banking sector. We approached this by strategically bringing top-tier players from said sectors into our portfolio, in effect expanding our reach while adhering to risk management.

In the metals & mining sector, we capitalised on certain opportunities. The groundwork for sustainable financing emerged as one of key focus areas in this sector for 2023 and will continue to be a priority in our strategy. The global shift towards sustainability has created a trend among coal companies to diversify into renewable energy. We actively support this transition, aiding these companies in redefining their business in line with more sustainable practices.

Our lending base was also extended to infrastructure, telecommunications, consumer finance, logistics, and consumer goods. In consumer finance, we selectively partnered with high-quality players, backing the government's initiative to bolster MSMEs as the lifeblood of Indonesia's economy. We directed a significant portion of our 2023 rights issue proceeds to maximize returns through expanded lending.

Our Retail Banking segment intensely focused upon delivering unparalleled value-added service to our clientele. Our commitment was embodied in how we enhanced customer experience at every point of interaction. Our exacting standards in customer service ensure that they received the highest level of support and meticulously tailored conveniences that met their individual needs. A highlight of our customer-centric approach was the unveiling of the First Starter programme, aimed at QNB First customers with children aged 17–30. This innovative programme underscores our commitment to support the educational aspirations of the next generation. We have partnered with education consultants that offer comprehensive overseas education consultation services, helping young individuals and their families navigate the complexities of pursuing education abroad and robustly plan their finances to achieve this goal.

Sustainable Finance

QNB Indonesia is actively engaging in a transformative ESG initiative, aligning with the broader commitment of QNB Group to foster sustainable and responsible banking practices. Central to this initiative is our focus on green financing. In this ESG journey, we made the call to gradually downshift our coal-based portfolio and direct more funding towards pivotal sectors in the green economy, to mark the Bank's commitment to combating global warming by transitioning towards cleaner energy. For 2024, our strategy involves engaging industry sectors instrumental in fostering sustainable development, such as renewable energy, electric vehicle (EV) supply chain, transition metals, and downstream nickel processing.

Innovative Mind-set

QNB Indonesia relentlessly pursues progress as we aim to be better in what we do and what we deliver to our customers. Our drivenness to innovate in 2023 was articulated in various aspects of our operations—from the new products and value proposition we introduced to our clientele, to the numerous enhancements and strengthening of our internal systems, with two highlights being risk management and regulatory compliance. We are determined to build upon the improvements we had accumulated over the years, to further sharpen our expertise and enrich our offerings in the years to come.

Financial Results

In 2023, QNB Indonesia implemented strategic measures that boosted the Bank's financial standing, surpassing targets for net interest income, total income, expenses, and operating profit. Our loan portfolio at year-end stood at Rp5.4 trillion, with third-party funds rising to Rp6.3 trillion. This led to an LDR of 87%, in line with our target.

Our focus on serving corporate customers in the industries within our expertise corridor, combined with an improved funding balance, allowed us to book net interest income of Rp69.25 billion, a 117% increase from 2022. We successfully kept NPL ratio at 0.09%, markedly lower than the industry average of 2.19%. This keystone metric set us up for more optimised provisioning expenses.

Report of the Board of Directors

Our liquidity position was robust, with liquidity coverage ratio of 465.3% and net stable funding ratio of 190.59% by end of 2023, both well above the regulatory minimum of 100%. This strong liquidity profile strengthened our ability to meet short and long-term obligations, effectively securing a healthy balance sheet.

Regulatory Compliance and Governance

To ensure long-term success and resilience, especially in these challenging times, the Bank unwaveringly adheres to GCG practices in conducting our operations. The Bank maintains a close working relationship with the OJK to stay updated with new regulatory changes. Our GCG framework is updated to reflect the latest regulatory releases, and the updates are integrated and communicated across our organisation.

We strengthened the leadership team by filling senior positions, enhancing our capabilities and building readiness for the challenges and opportunities we expect to encounter over the next few years. This advancement received the backing from our BoC, which represents QNB Group's and our other shareholders' confidence in the Bank's direction and in Indonesia's potentials.

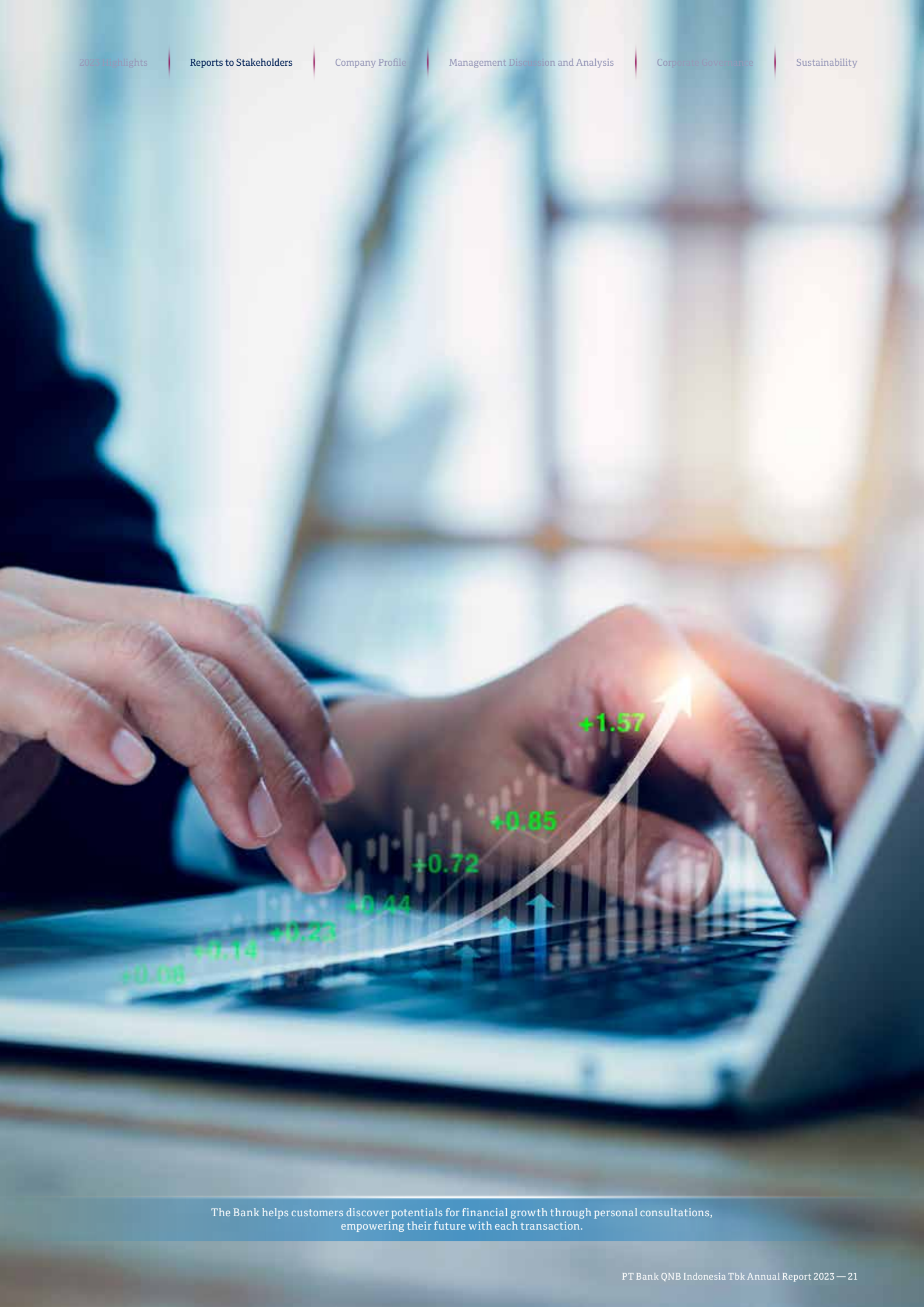
2024 Outlook, Strategy, and Targets

Our outlook for the Indonesian economy is marked by optimism, driven by the nation's inherent resilience and potential for growth. We have shaped this outlook by taking into account not only our internal achievements but also the broader economic context. Indonesia's GDP growth is expected to moderate slightly with further easing of the commodity boom. Private consumption is projected to be the primary growth driver. We expect a surge in business investment and public spending, bolstered by ongoing reforms and initiatives from the new administration.

In light of this economic forecast, the Bank's strategy is to balance growth with a disciplined risk management approach. We will continue to disburse loans more widely while maintaining a vigilant eye on NPL and provisioning adequately to minimise credit risk. QNB Indonesia's strategy will be refined continuously, informed by the evolving market dynamics and following the Group's overall strategy. We recognise the sheer potential of the digital economy, and thus will keep on enhancing the foundation and support system inside our UCan product. This, we believe, will help in expanding the offer and shall boost the Bank's standing in the retail segment as well as overall profitability.

Acknowledgments

We express our gratitude to the BOC, shareholders, our banking clientele, and all stakeholders for their support and trust in the Bank's undertakings, as well as to our employees for their hard work and contribution. We are poised for a vibrant year in 2024, deepening our focus on sustainable growth, digital innovation, in service to our customers and the Indonesian nation.



The Bank helps customers discover potentials for financial growth through personal consultations, empowering their future with each transaction.

Statement of Responsibility of Members of the Board of Directors and Board of Commissioners for the 2023 Annual Report of PT Bank QNB Indonesia Tbk

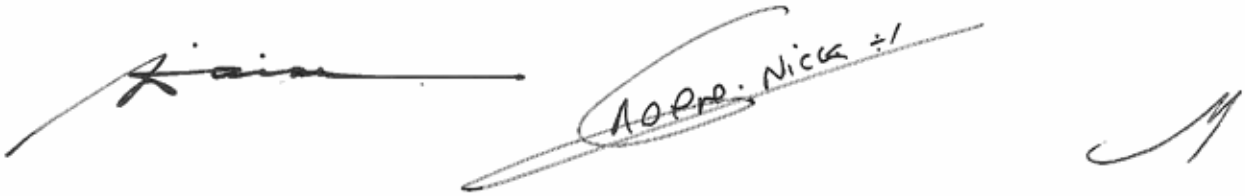
We the undersigned hereby state that all information contained within the 2023 Annual Report of PT Bank QNB Indonesia Tbk has been presented in full and that we assume full responsibility for the truthfulness of the contents of the Company's Annual Report.

Thus we have made this statement truthfully.

Members of the Board of Directors



Haryanto Suganda
President Director



Windiartono Tabingin
Director

Nicolas Alix Groene (Nick Groene)
Director

Soemenggrie Jongkamto
Director

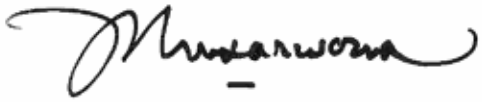
Members of the Board of Commissioners



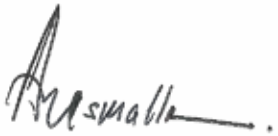
Fatma Abdulla Al-Suwaidi
President Commissioner



Khalid Ahmed Al-Sada
Commissioner

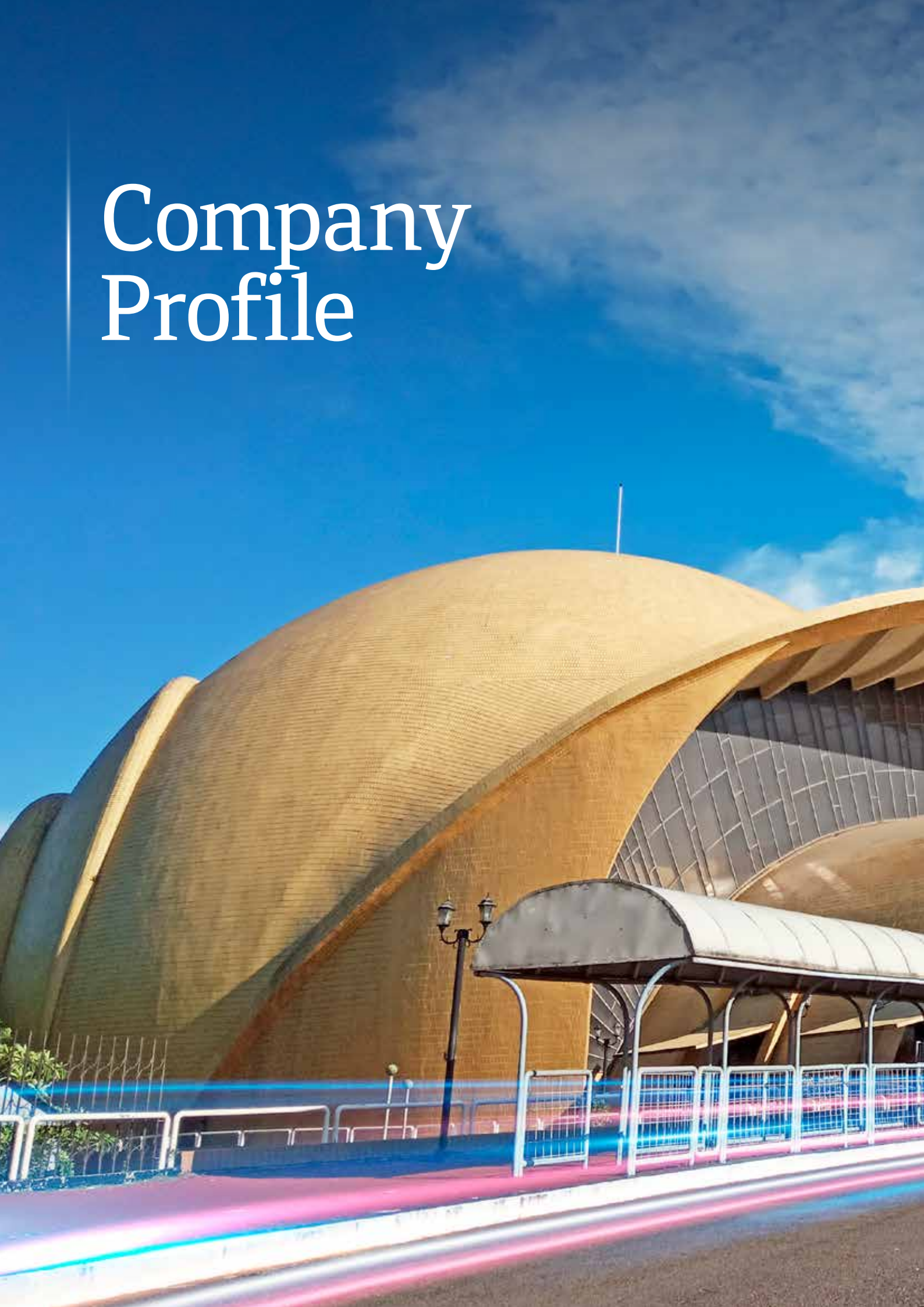


Djoko Sarwono
Independent Commissioner



Muhammad Anas Malla
Independent Commissioner

Company Profile





The Bank is committed to making every interaction bring about smarter financial decisions and open up a more prosperous future.

Corporate Identity

Company Name	:	**PT Bank QNB Indonesia Tbk**
Line of Business	:	Banking
Share Ownership	:	> Qatar National Bank (Q.P.S.C.) (95.63%) > Public (4.37%)
Date of Establishment	:	28 April 1913
Legal Basis of Establishment	:	Deed No. 53 dated 28 April 1913, prepared before Leonard Hendrik-Willem Van Sandick, Notary in Medan, approved by *Besluit Gouverneur Generaal* of the Dutch East Indies No. 58 dated 16 July 1913, and announced in the *Extra Bijvoegesel der Javasche Courant* No. 78 dated 30 September 1913
Authorised Capital	:	Rp10,000,000,000,000 (ten trillion rupiah)
Issued and Fully Paid Capital	:	Rp8,789,512,091,250 (eight trillion seven hundred and eighty nine billion five hundred and twelve million ninety one thousand and two hundred fifty rupiah)
Share Listing	:	The Bank's shares were listed on the Indonesia Stock Exchange (previously Jakarta Stock Exchange) on 21 November 2002.
Ticker Code	:	BKSW
SWIFT Code	:	AWANIDJA
Ratings	:	"AAA(idn)" with "Stable" outlook from Fitch Ratings.
Number of Employees	:	402 personnel
Address	:	Revenue Tower, 8th Floor District 8, SCBD Lot 13 Jl. Jenderal Sudirman Kav. 52–53 Jakarta 12190 Telephone (+62 21) 515 5155 Fax (+62 21) 515 5388
Website	:	www.qnb.co.id
Contact Center	:	Telephone (+62 21) 300 55 300 E-mail contact.center@qnb.co.id
Publication & Media	:	corporate.communication@qnb.co.id
Network	:	1 head office 6 branch offices 2 sub-branch offices 11 ATMs
Subsidiaries	:	As at the end of 2023, PT Bank QNB Indonesia Tbk had no subsidiaries.

Milestones

1913 — Established in Medan as NV Chunghwa Shangyeh Maatschappij (The Chinese Trading Company Limited).

1958 — Commenced operations as a Commercial Bank.

1962 — Changed its name to PT Bank Chunghwa Shangyeh.

1965 — Changed its name to PT Bank Kesawan.

1990 — Relocation of headquarters to Jakarta

1996 — Obtained license as a Foreign Exchange Bank.

1998 — Awarded "Bank A" category from Bank Indonesia.

Milestones *(Continued)*

2002
Initial Public Offering by listing 78.8 million shares on the Indonesia Stock Exchange.

2009
Rights Issue I.

2011
- Rights Issue II.
- Qatar National Bank (Q.P.S.C.) became majority shareholder with 69.59% ownership.
- Changed its name to PT Bank QNB Kesawan Tbk.

2012
Relocation of headquarters and launching of new logo.

2013
Rights Issue III

2014
- Name and logo transformation to PT Bank QNB Indonesia Tbk.
- Rights Issue IV.
- Qatar National Bank (Q.P.S.C.)'s share ownership increased to 82.59%.

2015
Subordinated loan of USD 70 million for 5 years, calculated as Tier II Capital as of 30 September 2015

2016

Earned "idAA" rating with "Stable" outlook from Pefindo.

2017

- Rights Issue V.
- Qatar National Bank (Q.P.S.C.)'s share ownership increased to 90.96%.

2018

- Rights Issue VI.
- Qatar National Bank (Q.P.S.C.)'s share ownership increased to 92.48%.
- Received "idAA" rating with "Stable" outlook by Pefindo.
- Received accolade as Perception Bank in Administration of State Revenue Through the 2nd Generation State Revenue Module.

2019

- Relocation of headquarters in Jakarta.
- Received "idAAA" rating with "Stable" outlook by Pefindo.
- Received "AAA(idn)" rating with "Stable" outlook by Fitch Ratings.
- Issued Sustainable Bonds I Phase I of Rp100 billion and Sustainable Bonds I Phase II of Rp452 billion.

2020

Issued Sustainable Bonds I Phase III of Rp448 billion.

2022

Collaborated with Indosat Ooredoo Hutchison to launch UCan, the first digital lending product in Indonesia resulting from partnership between a bank and a telco company.

2023

- Rights Issue VII.
- Qatar National Bank (Q.P.S.C.)'s share ownership increased to 95.63%.

Vision, Mission, and QNB Values



Gazing into the future with hopeful anticipation, the Bank stands ready to forge partnerships that realise the dreams and financial successes of each of its valued clients.

Vision

We will be:

An icon* in Indonesia that grows together with our stakeholders.

A top-tier bank in terms of financial performance in Indonesia.

* In terms of technology-enabled convenience and process simplicity.

The Bank's Vision was ratified via BoD Decree No. 003/SK-Direksi/II/2017 dated 16 February 2017.

Mission

We provide outstanding technology-enabled banking products and services supported by an international network that delivers enhanced stakeholder value to be a financial institution of choice.

QNB Values



In 2015, the Bank renewed its QNB Values and Service Spirit through BoD Decree No. 074/SK-Direksi/VI/2015 dated 1 June 2015. The QNB Values are as follows:

1. **Passion for Excellence**
   We strive to go the extra mile to achieve the highest professional standard.
2. **Innovative**
   We shall be adaptive to change and value creative thinking to continuously attain superior benefits.
3. **Synergistic Team**
   We shall effectively harness our strength to achieve our common goals with pride.
4. **Responsible Citizenship**
   We shall respect with dignity and be concerned for the well-being of people and environment in which we operate.
5. **Professionalism with Integrity**
   We shall continuously develop our competencies and behavior to reliably deliver what is expected from us. We shall be honest, fair, and accountable.

Line of Business



The Bank stands poised to engage with discerning clients, offering unparalleled service to steward their far-reaching financial aspirations.

Pursuant to Article 3 of the Bank's Articles of Association, the Bank's business purpose and activities are to conduct operations in the banking sector in accordance with the prevailing regulations.

In order to achieve its purpose, the Bank may conduct its main business activities, as follows:

a. Receiving funds from public in the form of deposits including demand deposits, time deposits, certificates of deposit, savings, and/or other similar forms.
b. Extending loans, including long-term, medium-term or short-term loans or loans in any other forms commonly granted in the banking sector.
c. Issuing promissory notes.
d. Purchasing, selling, or guaranteeing at its own risk and for the benefit of and under the instruction of its customers, the following:
   > Negotiable instruments, including negotiable instruments that are accepted by banks whose periods of terms are no longer than the normal practice in the trading of such negotiable instruments;
   > Acknowledgements of indebtedness and other trade papers whose terms are no longer than normal practice in the trading of such papers;
   > State Treasury Certificates and Government Guarantees;
   > Bank Indonesia Certificates;
   > Bonds;
   > Fixed-term trade papers;
   > Other fixed term commercial papers instruments.
e. Transferring funds for the Bank's own interests and for the interests of its customers.
f. Placing funds with, borrowing funds from, or lending funds to other banks using paper, telecommunications facilities and bearer negotiable instruments, cheques or other means.
g. Receiving payments of claims in respect of commercial papers and conducting calculations with or between third parties.
h. Providing place for storage of valuable items and papers.
i. Providing custodian services to other parties on a contractual basis.
j. Investing in bonds and securities, both registered and unregistered on the stock exchange.
k. Providing financing and/or engaging in other activities according to the sharia principle, pursuant to the provisions stipulated by Bank Indonesia.
l. Engaging in factoring activities, credit card business and trusteeship services.
m. Issuing letters of credit in various forms and bank guarantees.
n. Engaging in foreign exchange activities.
o. Engaging in capital investment activities in banks or other companies in the financial sector, such as financing, fund management, leasing, venture capital, securities company, insurance, clearing house and guarantee as well as clearing settlement and depository institution.
p. Engaging in temporary capital investment activities in dealing with non-performing loans or financing, under sharia and non-sharia principles.
q. Acting as founder and manager of pension funds.
r. Purchasing collateral, both entirely or partly, through or outside an auction, in the event that the debtor fails to fulfil its obligation to the Bank, provided that the purchase must be immediately saleable.
s. Engaging in other activities that banks customarily engage in, so far as they do not violate the provisions of the legislations.

Aside from the main activities as stipulated above, the Bank may perform additional business activities as long as they do not violate the provisions of the prevailing laws and regulations, specifically in relation to Banking.

In 2023, the Bank carried out retail and corporate banking activities according to the abovementioned stipulations.

Products and Services



With a panoply of banking products and services on offer, the Bank is empowering every customer to prepare a robust financial plan in line with their preferences.

Saving Products

Savings Account

Savings account provides easy and convenient banking transactions for customers.

Advantages

> Affordable initial deposit.
> Zero fees for balance inquiry, cash withdrawal, and overbooking transfer across all ATM Bersama and PRIMA networks.
> Online banking services through QNB Indonesia Mobile Banking & QNB Online Banking.

Premium Savings Account

Savings account with higher interest rates than regular savings accounts.

Advantages

> Higher interest rates than regular savings accounts.
> Zero fees for RTGS, LLG, and clearing transactions, terms and conditions apply.
> Zero fees for cash withdrawal across all QNB Indonesia ATMs, ATM Bersama and PRIMA networks.
> Free monthly administration fee, terms and conditions apply.
> Online banking services through QNB Indonesia Mobile Banking & QNB Online Banking.

Checking Account

Created for your ease of business transactions.

Advantages

Checking account in Rupiah allows customers to withdraw cash using cashier cheques or bank drafts.

Premium Checking Account

Checking account with premium features that provide ease of transaction to support businesses and offers higher interest rates than regular checking accounts.

Advantages

> Higher interest rates than other checking accounts.
> Zero fees for RTGS, LLG, and clearing transactions, terms and conditions apply.

Switching Account

For safe and easy investing featuring six currencies within one account.

Advantages

> Six currency options: USD, SGD, AUD, GBP, JPY and EUR.
> Competitive exchange rates providing customers with more favourable rates.
> Easy monitoring of fund through monthly e-statement.

Global Account

Provides customers with ease in investing safely in foreign exchange.

Advantages

> Eight currency options: USD, SGD, AUD, HKD, GBP, JPY, EUR, and QAR.
> Relatively affordable initial deposit.
> Competitive exchange rates providing customers with more favourable rates.
> Easy monitoring of fund through monthly e-statement.

Products and Services *(Continued)*

Global Checking Account

Foreign currency checking account that provides ease in foreign currency transactions.

Advantages

> Eight currency options: USD, SGD, AUD, HKD, GBP, JPY EUR, and QAR.
> Competitive exchange rates providing customers with more favourable rates.
> Available for individuals and corporations.
> Reports in account statements easily monitored by customer.

Forex

Foreign exchange transactions with competitive exchange rates.

Advantages

> Available in eight foreign currencies.
> Exact, competitive, and real-time prices.
> Products in foreign exchange investment.

Loan Products

Comprehensive Corporate & Institutional Banking (CIB) solutions for investment and working capital financing, trade transactions, integrated cash management, time deposit, and foreign exchange transactions.

Advantage

Products and services designed to meet the needs of large and mid-size companies, which includes, local corporates, multi-national companies, State-Owned Enterprises, as well as financial institutions.

Working Capital Loan and Trade Financing

Short-term trade and non-trade financing facility with tenor of up to one year.

Advantage

Tailored and flexible requirements for customers in need of working capital, including but not limited to invoice financing, post-import financing, supply chain financing, bills discounting, etc.

Investment Credit

Medium-term and long-term financing facilities.

Advantage

Can be used to finance the acquisition of capital goods intended for rehabilitation, modernisation, expansion, or establishment of new projects as well as refinancing.

Bank Guarantees and Standby Letter of Credit (SBLC)

Guarantee issued by the Bank to provide assurance of the applicant's capability to fulfil contractual obligations.

Advantages

Specifically designed in support of the applicant's business activities to meet the requirements of a project or transaction. Types of bank guarantees include bid bond, performance bond, advance payment bond, maintenance, etc.

Letter of Credit (L/C)

Comprehensive L/C solutions and services from export L/C collections and import L/C issuances to outward and inward documentary collection for the purchase and sale of overseas goods and services to and from Indonesia's custom area.

Advantage

Safe and secure transactions for clients with export-import activities. For import transactions in particular, payment will only be made to the beneficiary after all of the accepted documents have met the previously-agreed requirements.

Supply Chain Financing

A set of solutions that optimises cash flow by lengthening Buyers' payment terms to their Sellers while providing the option for Sellers to get paid early.

Advantage

Supply Chain Financing allows a Seller to sell its invoices to the Bank at a discount as soon as the invoices are approved by the Buyer to be paid later and by the Seller to secure its money earlier, resulting in stronger buyer–seller relationships.

NPG Debit Card QNB Indonesia (GPN & VISA Contactless)

Advantages

> Payment for retail transactions in any EDC terminal on the PRIMA and ATM Bersama network.
> Equipped with the National Indonesian Standard Chip Card Specification (NISCCS), providing a safer and more secure environment for customer data.
> Part of the National Payment Gateway (NPG) programme that offers standardized security features, allowing customers to conduct transactions securely in all payment channels in Indonesia.
> No minimum amount for retail transaction payments on EDCs with PRIMA, ATM Bersama, and VISA logos, and no cash withdrawal fees on PRIMA and ATM Bersama ATM networks across Indonesia.

UCan

A digital loan product that caters to customers' needs in a simple, fast, and convenient way. Through collaboration of QNB Indonesia with Indosat Ooredoo Hutchison, a leading telecommunication operator in Indonesia, and a leading information technology company and a world-class fintech partner, UCan offers cash advance products to customers in a seamless all-digital process, from account opening to cash withdrawal.

Advantages

> Reliable service with convenient payment.
> Instant application processing and disbursement.
> Bank-level security to protect customer personal data and privacy.
> Competitive rates and exclusive discounts.
> New subscriber data quota rewards.



QNB Indonesia's Wealth Management products prepare customers from all layers of society to build their assets with greater assurance thanks to the advice of our competent staff.

Wealth Management Products

Bancassurance

Allianz Assetlink Optima

Life insurance product with a single premium payment that provides Death Benefit, Death Benefit Due to Accident, as well as Investment Benefits with a choice of Subfunds that suit customer needs.

Advantages

> Investment benefit.
> Single Premium Unit Link with life Insurance benefit.

Allianz Wealthlink Protection Life

Life insurance product with regular premium payments that provides protection solutions along with the potential of long-term investment asset development for your future financial plans remain protected from various life risks.

Advantages

> Complete benefit.
> Investment benefit.

Allianz Wealthlink Prestige Life II

Unit link life insurance product with regular premium payments that provides solutions in efficient protection for optimal investment potential throughout your future financial planning.

Advantages

> Complete benefit.
> Investment benefit.

First LifePasti

Traditional life insurance product with regular premium payment with life protection and critical illness benefit and cash benefit that will be received at the end of the insurance policy period, as long as the policy is active and the insured is still alive until the end of the insurance period.

Advantages

> Natural death benefit.
> Death benefit caused by accident.
> Critical illness benefit.
> Contract termination benefit.

QNB Indonesia collaborates under a reference business model in offering bancassurance products with PT Allianz Life Indonesia.

Mutual Fund

Open-End Mutual Funds

The best investment managers are managing a broad selection of products that provide optimum investment returns in line with the customer's risk profile, with their financial objectives in mind. The investment managers are as follows.

> PT Batavia Prosperindo Aset Manajemen
> PT FWD Asset Management[1]
> PT Mandiri Manajemen Investasi
> PT Manulife Aset Manajemen Indonesia
> PT Trimegah Asset Management
> PT Syailendra Capital

[1]Product liquidated on 13 October 2023

Products and Services *(Continued)*



The Bank's clientele can enjoy the luxury of our banking services anytime and anywhere, with just the touch of a finger.

Advantages

> High liquidity investment products.
> A variety of quality products with different risk levels.
> Ease of subscription and redemption of mutual fund units through the branches of QNB Indonesia.
> Consolidated statements to view and monitor all transactions and investment returns.

Closed-End Mutual Funds

Funds offering competitive investment returns paid regularly up to maturity date. Principal investment is protected 100% up to maturity date.

Advantages

> Competitive investment returns.
> Coupon paid regularly.
> Fixed return of investment.
> Principal investment sum returned in full upon maturity date.
> Consolidated statements to view and monitor all transactions and investment returns.

Electronic Retail Government Bonds (e-SBN)

Bonds issued by the Indonesian Government dedicated for retail/individual investors, and offered on the primary market through online order mechanism.

Advantages

> Coupons paid regularly.
> Guaranteed by the Indonesian Government.
> Potential capital gain.

QNB Indonesia participates in offering e-SBN through the e-SBN Sub-Selling Agent agreement with PT Trimegah Sekuritas Tbk.

Services

ATM

Real-time and online electronic banking services.

Advantages

> Ease of doing financial and non-financial transactions for all customers across 11 QNB Indonesia ATMs as well as ATM Bersama/PRIMA networks and international network from Visa.
> QNB ATMs are integrated to the National Payment Gateway (NPG) network.

Remittance

Foreign currency fund transfer service among banks.

Advantage

Can be done to anywhere in the world, quickly and securely, in various foreign currencies with competitive telegraph exchange rates and fees.

RTGS/LLG/Clearing/BI-FAST

Rupiah fund transfer service among banks.

Advantage

Can be done quickly and securely with competitive prices.

QNB First

Banking services for priority customers.

Advantages

> Privileges to enjoy a comfortable QNB First Lounge service that offers top-end facilities.
> Additional travel privileges, such as airport transfer, and access to domestic airport lounges, as well as festive hampers and birthday treats.
> Free transaction fee through mobile banking and internet banking.
> Free medical check up to selected QNB First Customers with Prodia.

SDB

Safety deposit box rental facilities for storing goods, valuables, or important documents.

Advantage

Secure and protected deposit box with competitive prices.

Virtual Account Services

Provide ease in collections with an accurate reconciliation process.

FX Today

Purchase or sale of foreign exchange with rates determined at time of transaction, as well as payment and delivery that take place the same day as transaction date.

Advantage

Services with accurate and competitive rates.

FX Tomorrow

Purchase or sale of foreign exchange with rates determined at the time of transaction, with payment and delivery on the next working day after the transaction date.

Advantages

> Services with competitive rates.
> Customer foreign exchange rate hedging allows customers to hedge their foreign exchange risk exposure to fluctuations in exchange rates.

FX Spot

Purchase or sale of foreign exchange with rates determined at the time of transaction, and payment and delivery that take place two days after the transaction date.

Advantages

> Services with competitive rates.
> Customer foreign exchange rate hedging allows customers to hedge their foreign exchange risk exposure to fluctuations in exchange rates.

FX Forward

Transaction based on an agreement to exchange a certain amount of foreign currency at a pre-agreed rate of exchange and on a certain future date.

Advantages

> Services with competitive rates.
> Customer foreign exchange rate hedging allows customers to hedge their foreign exchange risk exposure to fluctuations in exchange rates.

FX Swap

Purchase or sale of foreign exchange of similar principal value with rates determined at the time of transaction, with payment and delivery on two different days, using the agreed swap price.

Advantages

> Services with competitive rates.
> Customer foreign exchange rate hedging allows customers to hedge their foreign exchange risk exposure to fluctuations in exchange rates.

Other Services

QNB Indonesia Mobile Banking

One mobile application for all transactions.

Advantages

> Smartphone application with easy-to-use features.
> QNB Indonesia Mobile Banking allows customers' daily banking transactions to be simpler, swift, secure and can be done anytime and anywhere.
> Offer variety services to manage daily transactions online, such as foreign currency account opening for existing customers and time deposit opening, bill payments, e-Wallet top ups, forex transactions, Life Rewards, QRIS, e-statement, and other financial/non-financial transactions.

Corporate Internet Banking

Internet banking service designed specifically for corporate customers.

Advantages

> Ability to make banking transactions anywhere and anytime.
> Ability to self-customise daily transaction limit and number of registered users.
> Flexible authorization, as simple or tiered matrix.
> Token to guarantee secure transactions and SSL-protected web pages.

QNB Online Banking

Web-based internet banking service for individual customers.

Advantages

> Daily transactions can be performed anywhere at all times from computer, laptop, smartphone and tablet.
> A variety of banking services to manage daily transactions online, such as time deposit opening, bill payments, e-statement, and other financial/non-financial transactions.
> Manageable financial control with easy-to-use menu.

QNB Indonesia Life Rewards

A reward point program from QNB Indonesia which enables customers to earn reward points from various banking transactions specified by the Bank.
The points can be redeemed with various rewards on QNB Indonesia Mobile Banking application on the customer's own device.

Advantages

> All You Can Earn point reward system integrated across seven retail products.
> Attractive merchant partners across different reward categories.
> Digitally processed reward redemption.

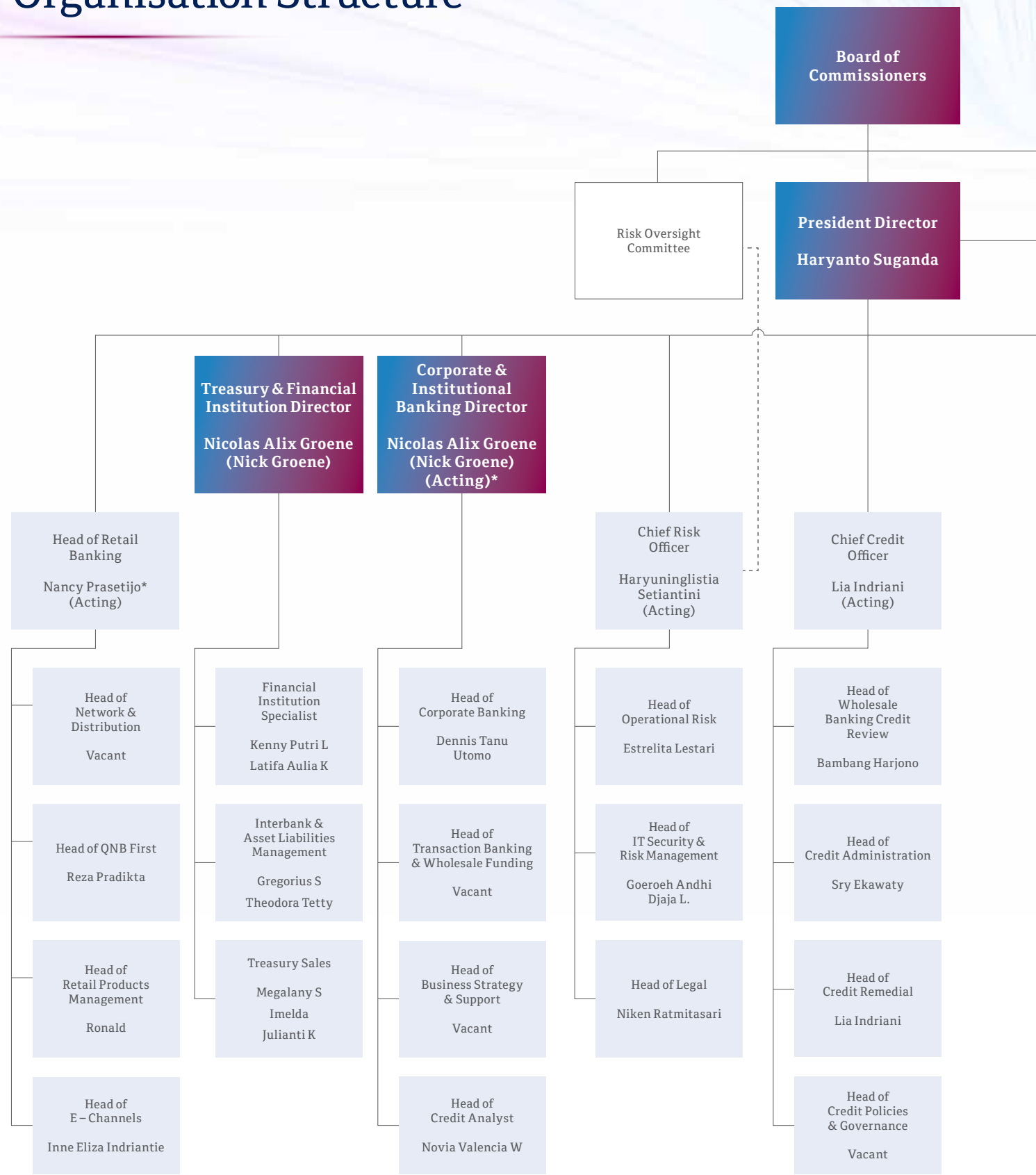
Cash Pick Up & Delivery

Cash delivery service for CIB customers to facilitate the customers' cash management.

Advantages

> Convenient use of service.
> Safe and insured.

Organisation Structure



*) Double-hatting



BoC Committee
1. Audit Committee
2. Risk Oversight Committee
3. Remuneration & Nomination Committee

BoD Committee
1. Asset & Liability Committee (ALCO)
2. HR Committee
3. Credit Committee
4. Credit Remedial Committee
5. Risk Management Committee
6. New Products and Activities Committee
7. Operational Risk Committee
8. Fraud Oversight Committee
9. Purchasing Committee
10. Early Alert Committee
11. Credit Policy Committee
12. AML CFT Committee
13. IT Committee
14. UCan Product Committe
15. Governance Risk and Compliance Committee

Branch Offices

Branch

Jakarta – Gajah Mada	**Mediterania Gajah Mada** Tower Alpha No. TUD 16 Lt. UG Jl. Gajah Mada No. 174 Jakarta 11130
Jakarta – SCBD	**Revenue Tower District 8** Ground Floor Jl. Jenderal Sudirman Kav. 52–53 Jakarta 12190
Bandung – Dago	Jl. Ir. H. Juanda No. 11 (Dago) Bandung 40116
Medan – Pemuda	Jl. Pemuda No. 5 Medan 20151
Surabaya – Darmo	Jl. Raya Darmo No. 108 Surabaya 60264
Semarang – Gajah Mada	Jl. Gajah Mada No. 101B Semarang 50134

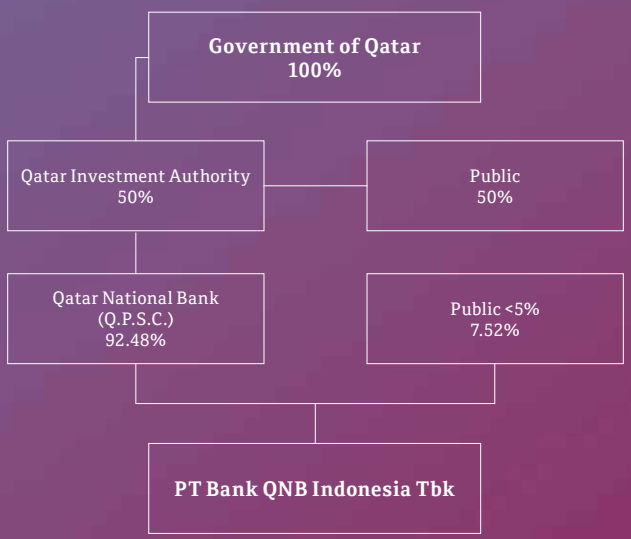
Sub-Branch

Jakarta – Pluit	**Ruko Sentra Bisnis Pluit** Jl. Pluit Sakti Raya No. 28 Blok A12 Jakarta 14450
Medan – Cemara Asri Centre Point	Komplek Cemara Asri Jl. Cemara Boulevard H1-91, Medan Estate Deli Serdang 20371

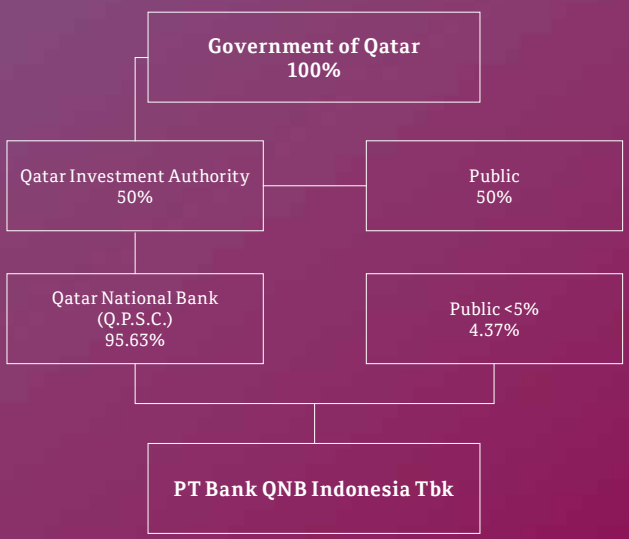
Shareholders

Shareholding Structure

as at 1 January 2023

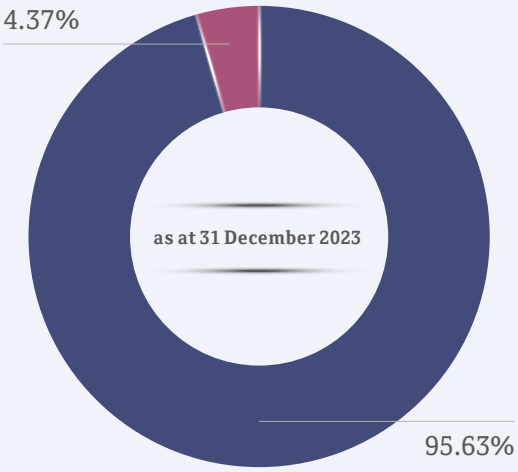


as at 31 December 2023



Shareholders Composition





Ownership of Shares by Board of Commissioners and Board of Directors

Name	Position	Ownership at Beginning of Year (%)		Ownership at End of Year (%)	
		Direct	Indirect	Direct	Indirect
Fatma Abdulla Al-Suwaidi	President Commissioner	0	0	0	0
Khalid Ahmed Al-Sada	Commissioner	0	0	0	0
Djoko Sarwono	Independent Commissioner	0	0	0	0
Muhammad Anas Malla	Independent Commissioner	0	0	0	0
Haryanto Suganda	President Director	0	0	0	0
Windiartono Tabingin	Director	0	0	0	0
Nicolas Alix Groene (Nick Groene)	Director	0	0	0	0
Soemenggrie Jongkamto	Director	0	0	0	0

Distribution of the Company's Shareholders by Investor Category (as at 31 December 2023)

No	Category	Shares Owned	Percentage
1	Domestic Individual Investors	1,097,270,327	3.12
2	Domestic Institutional Investors	388,479,247	1.10
3	Foreign Individual Investors	131,694	0.00
4	Foreign Institutional Investors	33,672,167,097	95.77
Total		**35,158,048,365**	**100.00**

Majority and Controlling Shareholders

As stated in the diagram above, the majority and controlling shareholder of the Bank is the Qatar National Bank (Q.P.S.C.), an international banking company headquartered in Doha, Qatar.

The ultimate beneficiary owner of the Bank is the Government of Qatar.

Board of Directors Profile



Haryanto Suganda

> President Director

Indonesian Citizen, 52 years old. Domiciled in Jakarta, Indonesia.

Mr. Haryanto Suganda earned his Bachelor of Business Administration (1994) and Master of Business Administration (1995), both from University of Portland, Oregon, USA.

Mr. Haryanto Suganda was appointed as President Director of the Bank based on the EGMS Resolution dated 23 December 2021, and received the effective letter from OJK on 22 April 2022, to serve until the 2024 AGMS

Mr. Haryanto Suganda has more than 28 years of experience in banking industry. Prior to joining PT Bank QNB Indonesia Tbk as Advisor (February–April 2022), Mr. Haryanto Suganda held several leadership positions in Standard Chartered Bank (2018–2022) with his last position as Managing Director – Head of CCIB (Corporate, Commercial and Institutional Banking) Client Coverage. Prior to that, Mr. Haryanto Suganda worked for HSBC (2004–2018) with his last position there as Director, Head of Coverage, with the responsibility to grow the business across sectors within Global Banking.

Mr. Haryanto Suganda has been appointed as Chairman of several committees under the Board of Directors: Asset & Liability Committee, Fraud Oversight Committee, Human Resources Committee, New Products & Activities Committee, Credit Policy Committee, UCan Product Committee, and AML-CFT Committee. Mr. Haryanto Suganda is also a member of the Purchasing Committee, Credit Committee, Credit Remedial Committee, and Risk Management Committee.

In 2023, Mr. Haryanto Suganda attended the following competence development programmes:

> Management Engagement
> Sanction Awareness
> Job Evaluation Kick Off and Workshop
> Risk Management Certification Refreshment Session for Executives Level 7
> APU-PPT Refreshment Programme
> Anti-Fraud, Anti-Bribery & Corruption
> Cyber Awareness
> Audit Module
> In-house Refreshment Level 6 & Level 7 (Risk Management Certification Refreshment Session for Executives)

Mr. Haryanto Suganda has no affiliate relationship with other members of the BoD, members of the BoC, and the controlling shareholders of the Bank.



Windiartono Tabingin

> Compliance Director

Indonesian Citizen, 62 years old. Domiciled in Jakarta, Indonesia.

Mr. Windiartono Tabingin earned his bachelor's degree from Jenderal Soedirman University, Purwokerto (1984), and a graduate degree of Finance and HRM & Organisational Behaviour from Rensselaer Polytechnic Institute (RPI), Troy, New York, USA (1994).

Mr. Windiartono Tabingin was first appointed as Director of the Bank based on the EGMS resolution dated 29 November 2012, and was declared effective by Bank Indonesia on 25 February 2013. Mr. Windiartono Tabingin was then reappointed as Director based on AGMS resolution on 19 August 2021, to serve until the 2024 AGMS.

Mr. Windiartono Tabingin has been appointed as member of several committees under the BoD, namely: Human Resources Committee, New Products & Activities Committee, Operational Risk Committee, Risk Management Committee, Alternate Chairman and member of Fraud Oversight Committee, and Chairman of AML-CFT Committee.

Mr. Windiartono Tabingin has more than 37 years of extensive banking experience in Indonesia. Mr. Windiartono Tabingin started his career at Bank Rakyat Indonesia (Persero) (1986–2012), and was subsequently appointed as Commissioner of PT Asuransi Jiwa Bringin Jiwa Sejahtera (2011–2012).

Mr. Windiartono Tabingin is also active in various associations in the Indonesian Banking industry, such as BARa as Secretary-General, the IBI as Member of the Board of Social Affairs and Sports (2015–2019), the association of the Compliance Directors' Communication Forum (FKDKP) as Deputy Secretary General and the Perbanas as member of Legal and ESG. Currently Mr. Windiartono Tabingin is a certified assessor at the Professional Certification National Board (BNSP). Mr. Windiartono is also certified in competency for Risk Management Level 7 and competency for Compliance Level 3.

In 2023, Mr. Windiartono Tabingin attended the following competence development programmes:

> "Prevailing Overturbulance Macro Day" by Mandiri Investment
> "Digitalisation of Risk Management" by BARa Risk Forum
> "Workshop Metodology Assesment Risk Management" by LSPP
> "Climate Risk Stress Testing" by BARa Risk Forum
> "Implementation of Personal Data Protection Laws & Challenges to their Implementation" by FKDKP
> "ERM & Cyber Security: How to Mitigate & Protect" by BARa Risk Forum
> "Asset Liability Management: Creating Value in a Fast Changing Banking World" by BARa Risk Forum
> "Sound Risk Management: Framework, Implementation and Oversight" by BARa Risk Forum
> In-house Refreshment Level 6 & Level 7 (Risk Management Certification Refreshment Session for Executives)

Mr. Windiartono Tabingin has no affiliate relationship with other members of the BoD, members of the BoC, and the controlling shareholders of the Bank.

Board of Directors Profile *(Continued)*



Nicolas Alix Groene (Nick Groene)

> Treasury & Financial Institution Director

French citizen, 48 years old. Domiciled in Jakarta, Indonesia.

Mr. Nick Groene is a Harvard Business School alumnus, earned an MBA (Master of Business and Administration) from The University of Chicago Booth School of Business, a Master's degree from SKEMA Business School, France, and an MSc in Economics and Finance from Paris University.

Mr. Nick Groene joined the Bank in 2020 as GM Treasury and was appointed as Director of the Bank based on the EGMS resolution dated 17 December 2020, and was declared effective by OJK on 31 March 2021. Mr. Nick Groene was then reappointed as Director based on AGMS resolution on 19 August 2021, to serve until the 2024 AGMS.

Mr. Nick Groene has been appointed as member of several committees under the BoD, namely: Asset & Liability Committee, New Products & Activities Committee, Risk Management Committee, IT Steering Committee, UCan Product Committee, Credit Committee, Credit Policy Committee, Early Alert Committee and Human Resources Committee.

Mr. Nick Groene has more than 24 years of experience in Financial Markets, Asset & Liability Management, Treasury and Finance. Previously Mr. Nick Groene worked with QNB Group in Qatar for 10 years as Head of International Treasury, where he managed the Treasury functions of QNB branches and affiliated companies across 33 countries (in Asia Pacific, Middle East, Europe and across Africa). Mr. Nick Groene also has various working experiences with top tier 1 banks and financial institutions in Japan, Luxembourg, UK, Iceland, and UAE.

In 2023, Mr. Nick Groene attended the following competence development programmes:

> Refreshment of Risk Management Certificate Level 5 by RDS Consultant
> Refreshment of Treasury Certification Level Advanced by RDS Consultant
> Job Evaluation Training 2023
> "Inflation Recession and Political Instability" by Chicago Booth
> "Inflation, Interest Rates and Risks Facing Asian Economies" by Chicago Booth Business School
> "Global Instability, Economic uncertainty and what lies Ahead" by Chicago Booth Business School
> "How AI will transform EMEA Labour Market" by Chicago Booth Business School
> "Business And Global Climate Politics" by Harvard Business School
> "Carbon Technocracy: Energy Regimes in Modern East Asia" by Harvard Business School
> "Business and the State in Authoritarian Asia" by Harvard Business School

Mr. Nick Groene has no affiliate relationship with other members of the BoD, members of the BoC, and the controlling shareholders of the Bank.



Soemenggrie Jongkamto

> Finance Director

Indonesian citizen, 60 years old. Domiciled in Jakarta, Indonesia.

Mr. Soemenggrie Jongkamto earned his bachelor's degree in Economics from Trisakti University, Jakarta (1988).

Mr. Soemenggrie Jongkamto was appointed as Director of the Bank based on the AGMS resolution dated 19 August 2021 and was declared effective by OJK on 18 November 2021, to serve until the 2024 AGMS.

Mr. Soemenggrie Jongkamto has been appointed as member of several committees under the BoD, namely: Asset & Liability Committee, Human Resources Committee, New Products & Activities Committee, Purchasing Committee, Information Technology Steering Committee, Operational Risk Committee, and Risk Management Committee.

Mr. Soemenggrie Jongkamto has more than 31 years of extensive banking experience in Indonesia, starting his career at Bank of America (1991–1995), then continued at JP Morgan (until 2007), at ABN Amro Bank (until 2010), and then at the Royal Bank of Scotland (RBS) (until 2016). Before joining QNB Indonesia, Mr. Soemenggrie Jongkamto was anchored at Rabobank (until 2020).

In 2023, Mr. Soemenggrie Jongkamto attended the following competence development programmes:

> APU-PPT Refreshment
> Internal Audit Module
> Sanctions Awareness
> Anti-Fraud, Anti-Bribery & Corruption
> In-house Refreshment Level 6 & Level 7 (Risk Management Certification Refreshment Session for Executives)

Mr. Soemenggrie Jongkamto has no affiliate relationship with other members of the BoD, members of the BoC, and the controlling shareholders of the Bank.

Board of Commissioners Profile



Fatma Abdulla Al-Suwaidi

> President Commissioner

Qatari Citizen, 47 years old. Domiciled in Doha, Qatar.

Ms. Fatma Al-Suwaidi joined QNB in 2000 and, with over 20 years' experience in banking, she currently serves as its Group Chief Risk Officer, having previously been Head of Credit Administration (2012–2013) and Assistant General Manager – Group Credit (2013–2018). In addition, Ms. Fatma Al-Suwaidi is currently a Board Member of QNB Finansbank, Turkey.

Ms. Fatma Al-Suwaidi has a BSc in Accounting (1999), a Master's Degree in Business Administration from Qatar University (2004), a MSc in Risk Management from University of New York (2015), a Juris Doctor in Law Degree from Hamad Bin Khalifa University (2019), and a Doctorate in Business Administration from Grenoble University, France on the subject of "Innovation in Banking and Financial Markets", focusing on crypto currencies (2022).

Based on EGMS resolution dated 17 December 2020, Ms. Fatma Al-Suwaidi was appointed as President Commissioner of the Bank and was declared effective by OJK on 4 June 2021. Ms. Fatma Al-Suwaidi was reappointed as President Commissioner of the Bank based on AGMS resolution on 19 August 2021, to serve until the 2024 AGMS.

Ms. Fatma Al-Suwaidi has no affiliate relationship with other members of the BoC nor members of the BoD. However, Ms. Fatma Al-Suwaidi is affiliated with the controlling shareholder of the Bank, namely Qatar National Bank (Q.P.S.C.).



Khalid Ahmed Al-Sada

> Commissioner

Qatari Citizen, 46 years old. Domiciled in Doha, Qatar.

Mr. Khalid Al-Sada has over 26 years of banking experience and 19 years within QNB Group where he has held numerous key positions. Since 2021, Mr. Khalid has held the position of Senior Executive Vice President – Group Corporate and Institutional Banking, and previously he held the position of General Manager – Group International Business Division during 2011–2021. Mr. Khalid Al-Sada specialises in corporate and international banking, with profound knowledge of overseas business environments and banking regulations in different jurisdictions. Mr. Khalid Al-Sada is also a board member in QNB Al Ahli in Egypt and Al Mansour Bank in Iraq.

Mr. Khalid Al-Sada earned his Diploma in Banking Operations from Institute of Administrative Development, Qatar (2004), and High Performance Board Programme from IMD (2016), in addition to many global competence development programmes like IMF.

Mr. Khalid Al-Sada was appointed as Commissioner of the Bank based on the Resolution of Annual GMS dated 26 June 2019, and was declared effective by OJK on 11 October 2019. Mr. Khalid Al-Sada was reappointed as Commissioner of the Bank based on AGMS resolution dated 19 August 2021, to serve until the 2024 AGMS. Aside from serving as Commissioner of the Bank, Mr. Khalid Al-Sada also concurrently serves as member of the Bank's Remuneration and Nomination Committee.

Mr. Khalid Al-Sada has no affiliate relationship with other members of the BoC nor members of the BoD. However, Mr. Khalid Al-Sada is affiliated with the controlling shareholder of the Bank, namely Qatar National Bank (Q.P.S.C.).

Board of Commissioners Profile *(Continued)*



Djoko Sarwono

> Independent Commissioner

Indonesian Citizen, 73 years old. Domiciled in Jakarta, Indonesia.

Mr. Djoko Sarwono has more than 45 years banking experiences starting career from Bank Indonesia since 1977 and has held numerous positions include as Executive Director of Banking Regulation & Development Department of Bank Indonesia (1998–2001), Chief Office of Bank Indonesia–Bandung Region (2001–2003), President Director of Indover Bank, Amsterdam (2003–2006), and Assistant to Governor of Bank Indonesia (2007–2009). After career in Bank Indonesia, Mr. Djoko Sarwono joined the Indonesian Banking Development Institute (LPPI) as Advisor to the Board of Directors and as Senior Faculty (2010-2015). From 2011 to 2015, Mr. Djoko Sarwono was President Commissioner of Pefindo Rating Agency, then became President Commissioner of PT NISP Asset Management (2013–2014), Vice President Commissioner of PT Aberdeen Asset Management (2014–2015), and President Commissioner of Pefindo Credit Bureau (2014–2017).

Mr. Djoko Sarwono earned his Bachelor's degree in Law from Trisakti University (1975), Master in Public Administration (MPA) from University of Southern California, Los Angeles, USA (1985), and Doctor of Philosophy in Public Administration (DPA) from University of Southern California, Los Angeles, California, USA (1989).

Based on EGMS resolution dated 9 October 2015, Mr. Djoko Sarwono was appointed as Independent Commissioner of the Bank, and was declared effective by OJK on 11 November 2015. Mr. Djoko Sarwono was reappointed as Independent Commissioner of the Bank based on AGMS resolution dated 19 August 2021 to serve until the 2024 AGMS. Aside from serving as Independent Commissioner of the Bank, he also serves as Chairman of the Bank's Risk Oversight Committee.

In 2023, Mr. Djoko Sarwono attended BARa Risk Forum: ERM and Cyber Security: How to Mitigate and Protect, held by Bankers Association for Risk Management (BARa).

Mr. Djoko Sarwono has no affiliate relationship with other members of the BoC, members of the BoD, nor the controlling shareholder of the Bank.



Muhammad Anas Malla

> Independent Commissioner

Indonesian Citizen, 66 years old. Domiciled in Jakarta, Indonesia.

Mr. Anas Malla has over 40 years of banking experience. Starting career from 1982 in PT Bank Negara Indonesia (Persero) Tbk until 2011, where he has held numerous key positions with his last position as Internal Audit Division Head. From 2012 to 2013, Mr. Anas Malla served as Commissioner of PT Swadarma Sarana Informatika, and subsequently from 2013 to 2021, served as President Commissioner of PT Swadarma Sarana Informatika.

Mr. Anas Malla earned his Bachelor's degree in Law from Trisakti University, Jakarta (1989) and his Master of Laws from Tulane University, New Orleans, USA (1998).

Based on the EGMS resolution dated 16 September 2011, Mr. Anas Malla was first appointed as Independent Commissioner of the Bank, and was declared effective by Bank Indonesia on 24 November 2011. Mr. Anas Malla was reappointed as Independent Commissioner of the Bank based on AGMS resolution dated 19 August 2021, to serve until the 2024 AGMS. As Independent Commissioner, Mr. Anas Malla was assigned as Chairman of Audit Committee as well as the Chairman of Remuneration and Nomination Committee in the Bank.

In 2023, Mr. Anas Malla attended BARa Risk Forum: ERM and Cyber Security: How to Mitigate and Protect, held by Bankers Association for Risk Management (BARa).

Mr. Anas Malla has no affiliate relationship with other members of the BoC, members of the BoD, nor the controlling shareholder of the Bank.

Changes in Board of Commissioners and Board of Directors' Composition

In 2023, pursuant to the resolution of the AGMS on 30 May 2023, there was a change to the composition of the BoD, with the resignation of Geoffry Nugraha from his position as Director, effective from 30 May 2023.

Following the change, the composition of the BoD and the BoC of the Bank became as follows:

Prior to 30 May 2023

Board of Directors

President Director	: Haryanto Suganda
Director	: Geoffry Nugraha
Director	: Windiartono Tabingin
Director	: Nicolas Alix Groene (Nick Groene)
Director	: Soemenggrie Jongkamto

Board of Commissioners

President Commissioner	: Fatma Abdulla Al-Suwaidi
Commissioner	: Khalid Ahmed Al-Sada
Independent Commissioner	: Djoko Sarwono
Independent Commissioner	: Muhammad Anas Malla

From 30 May 2023 Onwards

Board of Directors

President Director	: Haryanto Suganda
Director	: Windiartono Tabingin
Director	: Nicolas Alix Groene (Nick Groene)
Director	: Soemenggrie Jongkamto

Board of Commissioners

President Commissioner	: Fatma Abdulla Al-Suwaidi
Commissioner	: Khalid Ahmed Al-Sada
Independent Commissioner	: Djoko Sarwono
Independent Commissioner	: Muhammad Anas Malla

Executive Management Profiles

Haryuninglistia Setiantini

> Act. Chief Risk Officer

Joined QNB Indonesia on 27 July 2020 as Head of Market Liquidity & Enterprise Risk and currently serving as Act. Chief Risk Officer since 1 April 2023. Graduated with a Bachelor of Science (Mathematics) from Bandung Institute of Technology. Started her career in Bank Danamon and has more than 15 years of experience in banking. Prior to joining QNB Indonesia, served as Head of Market and Balance Sheet Risk Management at Bank Commonwealth.

Carina Hastari Tanubrata

> Head of Human Resources

Serving as Head of Human Resources since 20 March 2023. Earned a Bachelor of Arts degree (double degree in Psychology & Political Science) from the University of Melbourne and a Master of Human Resource Management degree from Monash University. Started her career as HR Manager at PSKD Mandiri School in 2002, then as HR Relationship Manager at Standard Chartered Bank, HRBP for business and support functions at Bank Commonwealth and Prudential Life Assurance and finally served as HR Business Partner Division Head at PT Bank OCBC NISP Tbk.

David Liswandi

> Head of Information Technology

Serving as Head of Information Technology since 1 July 2019. Earned his Bachelor's degree in Computer Science and Bachelor of Statistics from Bina Nusantara University. Experienced in managing IT Operations across multiple industries. Previously worked for ANZ Bank Indonesia as Head of Technology Infrastructure & End User Services, managing several operational projects at ANZ Hong Kong and Taiwan. Previous to that, he worked as IT Infrastructure Specialist at Coca Cola Amatil Indonesia and as Consultant at Mitra Integrasi Informatika.

Romy Yulianto Santoso

> Chief Auditor

Serving as Chief Auditor since 1 July 2020.
Graduated with a Bachelor's degree in Economics from Bina Nusantara University, and earned the Indonesia Internal Audit Practitioners (IIAP) from IIA Indonesia.
Has more than 22 years of experience in audit and risk management, having worked at various multinational banking institutions, among others Hana Bank, Maybank Indonesia, OCBC, Danamon and UOB.

Nancy Prasetijo

> Act. Head of Retail Banking

Serving as Head of Retail Banking since 6 November 2023. Obtained her Bachelor of Industrial Management & Engineering from University of Surabaya, and Master of Business Administration from Murdoch University, Perth, Australia. Her experience spans more than 20 years in Retail Banking and Commercial Banking from various Banks such as ABN AMRO, Royal Bank of Scotland, and Commonwealth Bank.

Bambang Harjono

> Head of Wholesale Banking Credit Review

Serving as Head of Wholesale Banking Credit Review since 4 March 2022. Earned his Master of Marketing Management from Universitas Indonesia and Master of Business Administration from National University of Singapore. He has 26 years of banking experience including in BCA, Citibank, Barclays, DBS and ANZ, with his last position as Senior Corporate Credit Reviewer in Bank UOB Indonesia.

Charly Ferdinandus

> Head of Operations

Serving as Head of Operations since 11 April 2022. Earned his Bachelor of Economics degree from Airlangga University, Surabaya. He started his banking career since 1999, and has working experience of more than 20 years in Banking Operation, having worked at Citibank, Commonwealth Bank, with the last position being Head of Banking Service Management in PT Bank KEB Hana Indonesia.

Dennis Tanu Utomo

> Head of Corporate Banking

Serving as Head of Corporate Banking since 14 August 2023. He earned her Bachelor of Business & Commerce from Monash University. He has experience for 17 years in several multinational Bank, such as HSBC Indonesia, DBS and Standard Chartered Bank.

Executive Management Profiles *(Continued)*

Denny Soedharmo

> Head of General Services

Serving as Head of General Services Division since 12 May 2014. Earned his Bachelor of Architecture from Tarumanagara University and Master of Management from Trisakti University. Previously, he worked as GM Facility & General Services at BAT/Bentoel Group, Head of Facility Management – Corporate Real Estate at Bank Ekonomi (member of HSBC Group), and Head of Property and Facility Management Services at ABN AMRO/RBS.

Estrelita Lestari

> Head of Information Technology

Serving as Head of Operational Risk since 2 January 2020. Graduated from Hofstra University, New York, USA, with a Master of Science in Finance degree, and has more than 12 years of experience in banking risk. Had served in various positions at Bank Commonwealth, among others as Head of Operational Risk, Head of Credit Quality Review & Credit Policy and Head of Credit Policy.

Goeroeh Andhi Djaja L.

> Head of IT Security & Risk Management

Serving as Head of IT Security & Risk Management since 3 February 2020. An expert in IT with more than 27 years working in financial industry and banking, including at Citibank, BTPN, and prior to joining QNB Indonesia, serving as Bank Information Security Officer at Bank CIMB Niaga

Ibnu Gutomo

> Head of Strategy Execution

Joined QNB Indonesia on 4 September 2014 and has worked in the Wholesale Banking division as well as in Retail Banking, before now serving as Head of Strategy Execution under Finance Directorate. He graduated from Bina Nusantara University majoring in Information Engineering with a variety of work experiences in banking industry for 15 years. He had worked at several foreign banks, such as ABN-AMRO, The Royal Bank of Scotland (RBS), and then HSBC as Corporate Liaison.

Indah Mathilda

> Head of Corporate Secretary

Serving as Head of Corporate Secretary since 11 May 2018. Obtained a Diploma from LPK Tarakanita. She has more than 23 years of banking experience, having served in various positions, including Head of Banking Marcom at Citibank Indonesia, Head of Marketing for Private Banking, Commercial and Branding and Segment Head for Retail Banking at at PT Bank ANZ Indonesia. She is a member of Indonesia Corporate Secretary Association (ICSA).

Inggrid Ratna Hindiyani

> Head of Financial Crime Compliance

Serving as Head of Financial Crime Compliance (FCC) since January 2023. She earned her Bachelor's degree in Accounting from Padjadjaran University. Previously served as AMLO CTF Head at PT Bank KEB Hana Indonesia, as well as Regional Financial Crime Advisory, Asia Pacific at HSBC Corp. Ltd. Hong Kong

Inne Eliza Indriantie

> Head of E-Channels

Serving as Head of E-Channels since 2 January 2019. Previously held the position of E-Banking Sales Acquisition Head. She earned her Bachelor of Management from Parahyangan University, Bandung. She has extensive experience working in Digital Banking & Acquiring Business in multiple banks, such as CIMB Niaga, Bank Mandiri, Bank Permata, and Bank Mega.

Lia Indriani

> Head of Credit Remedial

Joined QNB Indonesia on 1 July 2019 and currently serving as Head of Credit Remedial. Earned her Bachelor of Arts in Business Administration and Master of Business in International Management from Baldwin-Wallace College, Cleveland, USA. Started her banking career at Bank Credit Lyonnais Indonesia and for almost 16 years worked in the Corporate Banking Business of Bank Permata Indonesia, with her last position as Head of Corporate Group.

Muhammad Habib Ubaidillah

> Head of Regulatory Compliance

Serving as Head of Regulatory Compliance Division QNB Indonesia since April 2023. Obtained a Bachelor of Laws degree from Islamic University of Indonesia and a Master of Laws degree from Gadjah Mada University with a concentration in Business Law. Before Joining QNB Indonesia, he worked at several banks, including PT Bank ICBC Indonesia and PT Bank CTBC Indonesia.

Niken Ratmitasari

> Head of Legal

Joined QNB Indonesia on 20 May 2023 as Head of Legal. Graduated from the Faculty of Law, University of Indonesia in 1995 with a major in Law on Economic Activities. Experienced as Head of Legal at MUFG Jakarta branch, and as part of the legal team at HSBC. Before joining HSBC, she was part of AHP & Partners, PT Sigma Batara, and HPRP Law Firm (aka HSP Law Firm).

Novia Valencia Wibowo

> Head of Credit Analyst

Joined QNB Indonesia on 2 January 2023 as Head of Credit Analyst – Corporate & Institutional Banking. Industrial Engineering graduate from Pelita Harapan University with experience in the corporate banking segment, including at BCA, HSBC Indonesia, and OCBC NISP, with the last position as Enterprise Banking Credit Analyst Head.

Reza Pradikta

> Head of QNB First

Joined QNB Indonesia on 2 September 2019 as QNB First Product Management Head and currently serving as Head of QNB First. Obtained his Bachelor of Psychology with double degree from University of Indonesia and University of Queensland. He has more than 15 years of banking experience with his last position prior to joining QNB Indonesia as Customer Proposition in HSBC Indonesia.

Ronald

> Head of Retail Products Management

Serving as Head of Retail Products Management since 1 March 2021. Earned his Bachelor of Engineering from University of Indonesia and Master of Management from Krida Wacana Christian University. His experience in Banking spans more than 20 years and previously he served as Wealth Management Product Head in PT Bank UOB Indonesia.

Sry Ekawaty

> Head of Credit Administration

Serving as Head of Credit Administration since 18 September 2017. Earned her Bachelor's degree in Accounting from Trisakti University. Previously served as Document Processing Head at PT Bank UOB Indonesia Tbk, and had served as Activation & Documentation Manager at Bank DBS, Team Leader Credit Documentation at Deutsche Bank, and several positions at ABN AMRO Bank with the last position as Team Leader of Private Segment Market and continued with Wholesale Segment, Citibank, with last position as frontliner at branch.

Teresa Ardania Gunadi

> Head of Corporate Communication

Serving as Head of Corporate Communication since August 2018. Earned her Bachelor's degree in Economics from Atma Jaya University, Jakarta. Previously, she served as Branding Head and Credit Card, QNB First & E-Banking Marcomm Head in Corporate Communication Division. Prior to that, she had served as Head Marketing Strategic Initiatives (MSI) Section at Marketing and Communication Department of Asuransi Jiwa Manulife Indonesia, and Proposition & Customer Loyalty Manager Preferred, Private and Wealth Management at CIMB Niaga.

Shares & Other Securities Listing Chronology

Share Listing Chronology

Corporate Action	Date	Number of Shares Issued	Par Value	Offering Price	Paid Up Capital
Prior to Initial Public Offering of Shares	-	-	Rp250	-	321,200,000 shares ~ Rp80,300,000,000
Initial Public Offering of Shares	31 October 2002	78,800,000	Rp250	Rp250	400,000,000 shares ~ Rp100,000,000,000
Warrant Series I	21 November 2002	101,219,000	Rp250	Rp250	501,219,000 shares ~ Rp125,304,750,000
Rights Issue I	15 June 2009	125,304,750	Rp250	Rp320	626,523,750 shares ~ Rp156,630,937,500
Rights Issue II	27 December 2010	2,935,263,768	Rp250	Rp250	3,561,787,518 shares ~ Rp890,446,879,500
Rights Issue III	27 May 2013	2,596,543,000	Rp250	Rp250	6,158,330,518 shares ~ Rp1,539,582,629,500
Rights Issue IV	2 June 2014	2,598,815,479	Rp250	Rp250	8,757,145,997 shares ~ Rp2,189,286,499,250
Rights Issue V	20 June 2017	8,235,719,252	Rp250	Rp250	16,992,865,249 shares ~ Rp4,248,216,312,250
Rights Issue VI	22 May 2018	3,443,820,735	Rp250	Rp250	20,436,685,984 shares ~ Rp5,109,171,496,000
Rights Issue VII	28 April 2023	14,721,362,381	Rp250	Rp250	35,158,048,365 shares ~ Rp8,789,512,091,250

Other Securities Listing Chronology

Name of Securities	Issuance Year	Coupon (%)	Maturity Date	Offering Value (Rp billion)	Securities' Rating	Ratings Agency
Shelf Registration Bond I Phase I Year 2019 Bank QNB Indonesia	2019	9.50% per annum	5 July 2022	100	AAA(idn)	Fitch Ratings
Shelf Registration Bond I Phase II Year 2019 Bank QNB Indonesia	2019	7.10% per annum	6 December 2020	452	AAA(idn)	Fitch Ratings
Shelf Registration Bond I Phase III Year 2020 Bank QNB Indonesia	2020	6.25% per annum	10 November 2021	448	AAA(idn)	Fitch Ratings

Public Accountant



The Bank embraces the principle of transparency, reporting its financial statements to the prevailing standards of auditing.

Appointment of External Auditor

The Bank appointed Public Accounting Firm Purwantono, Sungkoro & Surja to audit the Bank's financial statements for 2023. The appointment was made in accordance with the regulations of Bank Indonesia, OJK, and other relevant regulations.

Audit Implementation

To ensure optimal audit processes and results, the Financial Accounting & Control Division is responsible for conducting coordination and communications with the external auditor.

The Public Accounting Firm Purwantono, Sungkoro & Surja is responsible to conduct the following activities:

1. Investigate all material accounts, based on applicable Professional Public Accountant Standards and ensure its compliance with applicable Indonesia Accounting Standards;
2. Communicate audit findings to the Bank's management and OJK; and
3. Maintain independence while carrying out its duties.

For 2023, the Public Accounting Firm performed its assignment for the first year for the Bank, with its scope of work including limited review, interim audit, and year-end audit. The Public Accounting Firms and the Public Accountants who had provided financial audit services to the Bank in the past five years are presented in the table below:

Fiscal Year	Public Accounting Firm	Public Accountant
2023	Purwantono, Sungkoro & Surja (a member of Ernst & Young Global Limited)	Christophorus Alvin Kossim
2022	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of RSM Global)	Rudi Hartono Purba S.E., Ak., CA., CPA.
2021	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of RSM Global)	Bimo I. Santoso, S.E., Ak., CPA.
2020	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of RSM Global)	Bimo I. Santoso, S.E., Ak., CPA.
2019	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of RSM Global)	Bimo I. Santoso, S.E., Ak., CPA.

The fees for the audit of financial statements for the 2023 financial year paid to the above mentioned Public Accounting Firm amounted to Rp1.4 billion.

Capital Market Supporting Institutions and Professions

Share Registrar

PT Adimitra Jasa Korpora

Jl. Kirana Avenue III
Blok F3 No.5 Kelapa Gading
North Jakarta

Tel : (+62 21) 297 452 22
Fax : (+62 21) 292 899 61
Services rendered : Administration of shares.
Assignment period : January–December 2023.
Fees in 2023 : Rp207,600,000.

Notary

Notaris Fathiah Helmi SH

Graha Irama, 6th Floor
Jl. H. R. Rasuna Said Blok X-1, Kav. 1 & 2
Kuningan, South Jakarta 12950

Tel : (+62 21) 5290 7304–6
Fax : (+62 21) 526 1136
Services rendered : Notarial services.
Assignment period : January–December 2023.
Fees in 2023 : Rp110,390,000.

Stock Exchange

PT Bursa Efek Indonesia

Bursa Efek Indonesia Building, Tower I
Jl. Jend. Sudirman Kav. 52–53
Jakarta 12190

Tel : (+62 21) 515 0515
Fax : (+62 21) 515 4153
Email : listing@idx.co.id
Website : www.idx.co.id
Services rendered : Listing of shares
Assignment period : January–December 2023.
Fees in 2023 : Rp444,000,000.

Securities Companies

Indopremier

Pacific Century Place 16/F SCBD Lot.10
Jl. Jend. Sudirman Kav. 52–53
Jakarta 12190

Tel : (+62 21) 508 87200
Website : www.indopremier.com
Services rendered : Arranger in Rights Issue.
Assignment period : January–December 2023.
Fees in 2023 : Rp955,859,000.

Public Accounting Firm

RSM Indonesia

Plaza ASIA, Level 10
Jl. Jend. Sudirman Kav. 59
Jakarta 12190

Tel : (+62-21) 5140 1340
Fax : (+62-21) 5140 1350
Services rendered : Audit in Rights Issue VII.
Assignment period : January–December 2023.
Fees in 2023 : Rp1,249,250,000.

Ernst and Young

Gedung Indonesia Stock Exchange
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190

Tel : (+62-21) 528 95000
Website : www.ey.com
Services rendered : Audit of financial statements.
Assignment period : January–December 2023.
Fees in 2023 : Rp1,400,000,000.

Securities Depository and Settlement Institution

PT Kustodian Sentral Efek Indonesia

Bursa Efek Indonesia Building, Tower I 5th Floor
Jl. Jend. Sudirman Kav. 52–53
Jakarta 12190

Tel : (+62 21) 515 2855
Fax : (+62 21) 5299 1199
Toll-Free : 0800 186 5734
Email : helpdesk@ksei.co.id
Website : www.ksei.co.id
Services rendered : Custodianship of securities.
Assignment period : January–December 2023.
Fees in 2023 : Rp11,100,000.

Legal Consultant

Warens & Partners

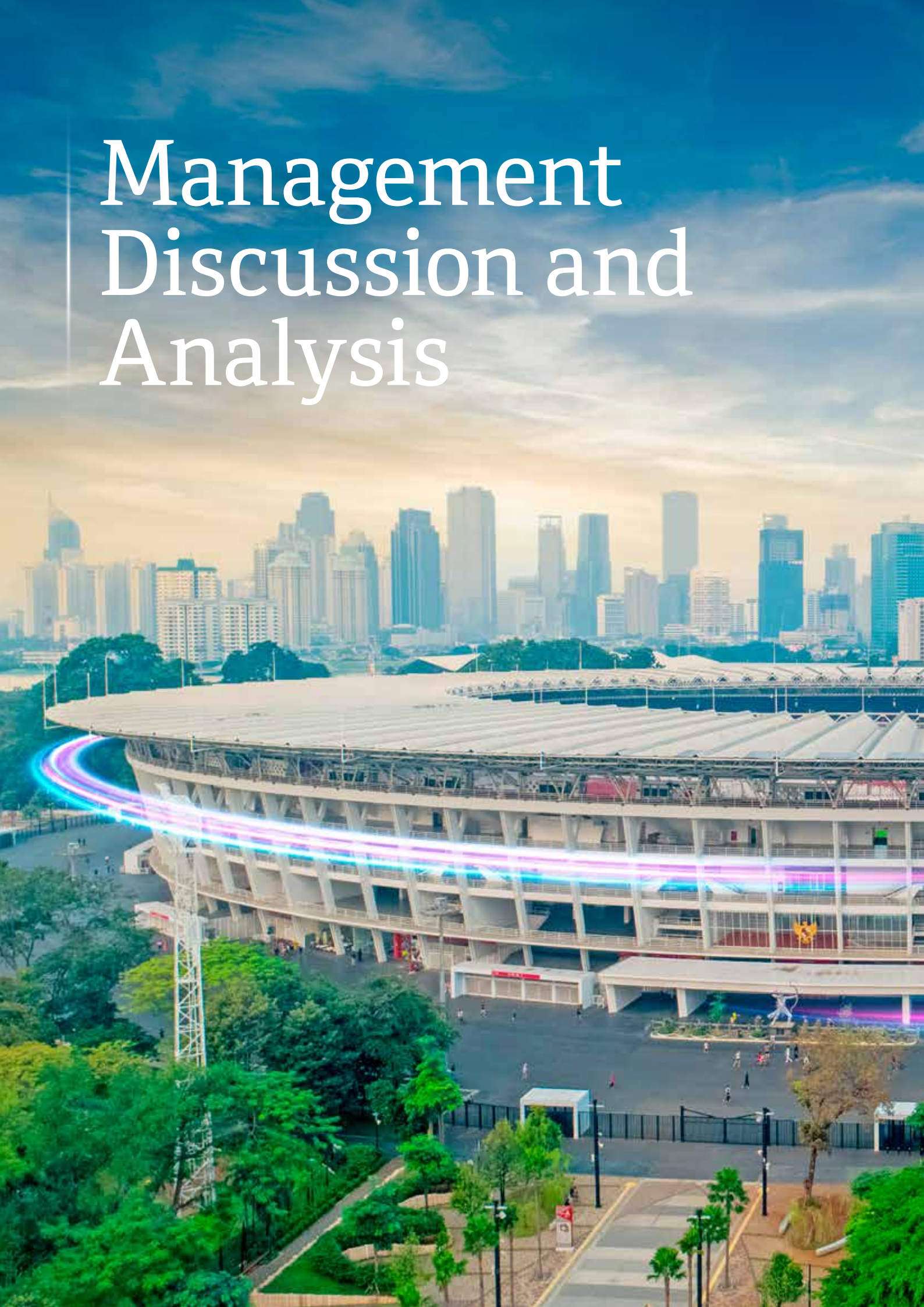
Millenium Centennial Center 1st Floor Unit C
Jl. Jend. Sudirman Kav.25
Jakarta 12920

Tel : (+62 21) 397 39933
Website : www.warenslaw.com
Services rendered : Legal consultancy in Rights Issue.
Assignment period : January–December 2023.
Fees in 2023 : Rp349,650,000.

Membership in Associations

No	Association	Membership Period	Membership Status		
			Member	Committee	Position in Committee
1	Ikatan Auditor Internal Bank (IAIB)	2020–2023	X	X	Membership Administrator
2	Institute of Internal Auditors (IIA) Indonesia (only Chief Auditor & Sub Division Head)	2021–2024	X	-	Member
3	Indonesian Banking Dispute Settlement Alternatives Institution (LAPSPI)	2021–2023	X	-	Member
4	Aswiftindo	2022–2023	X	-	Member
5	Indonesian Payment Systems Association (ASPI)	2021–2022	X	-	Member
6	Banker Association for Risk Management (BARa)	-	X	X	Secretary General
7	Bankers Association of Indonesia (IBI)	-	X	X	Member
8	Banking Compliance Directors Communications Forum (FKDKP)	-	X	X	Deputy Secretary General
9	National Banks Association (Perbanas)	-	X	X	Legal and ESG Administrator
10	Indonesia Corporate Secretary Association (ICSA)	-	X	-	Member
11	Information Systems Audit and Control Association (ISACA)	2022–2023	X	-	Member
12	Association of Mutual Fund Selling Agent Banks of Indonesia (ABAPERDI)	2024–2025	X	-	Member
13	National Standardisation Agency	2024–2025	X	-	Member

Management Discussion and Analysis





Versatile in function and elegant in form is what QNB Indonesia aspires to be, serving as a reliable financial provider and partner of sustainable growth for its customers and the nation as a whole.

Industry Review



In tandem with the country's economic progress, QNB Indonesia is creating opportunities out of the challenges it faces.

Global economic developments

The global economy faced an array of challenges in 2023, with a significant slowdown in growth, moderating but still elevated inflation rates, and heightened geopolitical tensions. The IMF reported a decelerating global GDP growth, from 3.5% in 2022 to 3.1% in 2023, well below the historical average of 3.7%. OECD projections, meanwhile, anticipated a further decline in growth rates. The primary drivers of this downturn were the monetary policy tightening to control inflation and the geopolitical unrest in Europe and the Middle East, which had a pronounced impact on disposable incomes and energy security.

Inflation continued to drag economies worldwide in 2023, although the latter half of the year saw a noteworthy easing in these pressures. This reduction in inflation was largely attributed to a confluence of factors, including a slowdown in economic momentum, easing of supply chain pressures, declining energy prices, and effective monetary policy interventions.

The US Federal Reserve's response to inflationary pressures was marked by a series of interest rate hikes throughout the year, to temper the rising cost of living. By the end of 2023, however, with the inflation rate seemingly under control while the economy demonstrated resilience, the Federal Reserve opted to maintain its benchmark rate, in stark contrast to the aggressive rate hikes seen earlier in the year.

The decrease in economic activity, alongside the normalisation of supply chains after the pandemic and Ukraine War shocks, helped alleviate cost pressures across various sectors, easing inflation. Notably, energy prices saw a substantial drop from their peak in 2022, as reflected by the prices of Brent crude and US West Texas Intermediate crude contracting by around 8-10% in 2023. Lower energy costs in turn proved pivotal to the overall inflation reduction. In the Group of Twenty (G20) countries, median consumer price index (CPI) inflation fell to 3.9% in October 2023, a sharp drop from its peak of 7.7% in July 2022. In the OECD countries, CPI went down to 5.4% in November 2023, from a recent peak of 10.7% in October 2022.

Indonesian economy and banking industry

In 2023, despite global economic uncertainties and inflationary pressures, Indonesia's economy exhibited resilient growth. Bank Indonesia raised its BI 7-Day Reverse Repo Rate (BI7DRR) by 0.25% to 6.00% in September 2023, effectively stabilising the rupiah and managing imported inflation. Inflation was kept within the target range of 3.0%±1% in 2023, and the projection of 2.5%±1% in 2024 is set to be achieved.

Indonesia's economic performance was buoyed by strong domestic demand, including both private and government consumption, as well as consistent investment growth. The economy grew by 5.1% for the full year, as reported by Statistics Indonesia. Private consumption, especially among younger generations, played a key role in driving this economic vitality. There was increased consumption in the services sector, and with high consumer confidence, household consumption grew significantly. Increased mobility and stable purchasing power contributed to this robust consumer sentiment. On the investment front, growth was also robust, in line with the government's ongoing infrastructure development across Indonesia, chief of which being the IKN (Ibu Kota Nusantara, new capital project) in East Kalimantan.

The Indonesian banking industry recorded some respectable growth throughout all these encouraging developments. Credit was recorded 10.4% higher than at the end of 2022, with expansion seen across various loan books. Investment loans increased by 12.3%, working capital loans by 10.1%, and consumption loans by 9.3% from their respective figures one year prior. Additionally, the growth in third-party funds was 3.7% year, bolstered by a 4.5% increase in funds stored in time deposits.

The banking sector demonstrated stability and safety in its performance ratios. There were significant improvements in NPL and other problematic credits. CAR was high at 27.8% at the end of the year, indicating a strong capital base and a buffer against financial stresses. The sector showed improving credit quality, with a net NPL ratio of 0.75% and a gross NPL of 2.2%, underscoring effective risk management and control of credit quality within the industry.

Banking Business Review

Corporate & Institutional Banking

The Corporate & Institutional Banking (CIB) Directorate of the Bank consists of several divisions: Corporate Banking, Transaction Banking & Wholesale Funding, Business Strategy & Support, and Credit Analyst. The CIB segment serves a diverse range of clients, from local corporates, multinational companies, state-owned enterprises, to non-bank financial institutions.

The global economy saw a slight slowdown amid ongoing inflation battles and a recession in the Eurozone during 2023. Despite this, emerging Asian economies, led by India and Indonesia, continued to grow moderately, fuelled by internal demand and exports. Indonesia's economy expanded 5.05% YoY in 2023, with significant contributions from the transportation, warehouse, and mining sectors, highlighting the domestic rebound in tourism and the steady rise in infrastructure investment.

Operation and Marketing

In the Corporate & Institutional Banking segment, the focus of financial intermediary role was set on three main sectors: mining and metals, manufacturing, and multifinance. Each sector offered the Bank with unique opportunities and challenges. They played a pivotal role in shaping the strategy for loan book growth, which the Bank safeguarded with stringent risk management policies, in light of the high interest rate environment throughout 2023.

Responding to sector-specific dynamics called for a comprehensive recalibration of the Bank's business objectives, mirroring a common trend in the banking industry. To address these challenges, the Bank integrated leading companies from these key sectors into its portfolio, expanding its scope while upholding a strong commitment to the principles of prudence and compliance.

The Bank's approach in the mining and metals sector involved seizing specific opportunities, particularly in the burgeoning field of sustainable financing. This was a significant focus for the Bank in 2023, as well as an ongoing priority. The global shift towards sustainability had led many coal companies to begin diversifying into renewable forms of energy. The Bank actively supported this transition towards the greener economy, financially assisting these firms to realign their business models with more sustainable practices.

The Bank expanded its lending to include infrastructure, telecommunications, consumer finance, logistics, and consumer goods. In consumer finance, the Bank formed selective partnerships with top-tier entities, supporting the government's initiative to strengthen Micro, Small, and Medium Enterprises (MSMEs) as a key driver of Indonesia's economy. The Bank allocated a substantial part of its 2023 rights issue proceeds to enhance returns via increased lending.

In executing this strategy, the Bank's top priority was attracting customers with solid creditworthiness. By evaluating each potential client's business performance and the sustainability of their industry, the Bank engaged new customers in sectors which the Bank has expertise in, particularly those showing resilience and recovery post-pandemic. This approach enabled the Bank to identify new growth opportunities, establish stronger relationships with promising businesses, and manage risks according to the approved level of risk appetite.

The strategy extended beyond just the acquisition of selective customers. It also involved offering a suite of supportive services, including integrated cash management, foreign exchange transactions, and trade finance. These services played a crucial role in reinforcing financial foundations and enhancing profitability. They provided critical insights into the financial status of each client. Such insights help detect early indicators of financial distress, allowing the Bank to take timely and effective mitigation actions.

For robust liquidity management, the Bank sought to acquire moderate or low-cost funding sources to bolster funding base. Underpinning this approach were the additional features offered to clients, to position the Bank as the preferred institution for their operating accounts. These features included advanced internet banking, innovative foreign exchange solutions, and comprehensive cash management services.

In adherence to best practices in risk management, the Bank limited the concentration of risk by widening its customer base, in terms of the number of customers and across a broad spectrum of industries. It promoted a balanced and risk-conscious business model, diminishing the Bank's reliance on any singular customer group and thereby sustaining its overall financial stability.

2023 Achievements

Throughout 2023, the Bank executed its funding strategy in its CIB segment, achieving a total funding balance of Rp2.76 trillion, of which low-cost funds (CASA) made up 21%. The Bank also maintained robust liquidity throughout the year, evidenced by its Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) standing at 190.37% and 465.30% respectively, by year-end.

Future Trajectory

The main objective of the Bank in the CIB segment is to uphold the business foundations that had been set in earlier years, which in turn had brought the financial successes recorded in 2023. The strong growth momentum—boosted by collaboration and collective flourishing of the country's financial ecosystem players—shall be sustained, even intensified with scaled-up and sector-specific offerings from the Bank.

The CIB strategy is to promote growth across the Bank's mainstay sectors, especially those that have proven themselves to be particularly resilient during the pandemic and the ensuing period of global uncertainty. Growth will also be pursued along fee-based activities, while tapping into the QNB Group's vast network and engagements in the global financial markets.

Banking Business Review *(Continued)*

Retail Banking

In 2023, the Retail Banking segment focused on three key areas of improvement: enhancing customer engagement in the QNB First high-networth segment, refining operational processes for enhanced risk management, and implementing a cautious approach to interest rate and liquidity management. This multifaceted strategy was designed to elevate the banking experience for its retail customers, while ensuring the Bank's financial stability and growth.

Central to this strategy was the Bank's dedication to serving its affluent customer base with a suite of exclusive products and services. The Bank recognised the unique needs of this demographic and responded by offering bespoke banking solutions. These included priority banking services, which granted customers preferential access to various facilities and additional privileges, catering specifically to the higher end of the affluent market.

Operations

Retail Banking took an innovative approach especially in QNB First enhancements. The emphasis was on refining acquisition strategies and portfolio management, to offer more comprehensive service packages through improved product bundling, thus deepening the wealth management services provided to QNB First customers. Through these, the Bank seeks to provide a banking experience that was not only integrated but also rich in value, tailored to meet the specific needs of this segment.

Complementing this approach were several key initiatives designed to enrich the QNB First experience. The launch of "QNB First the Premiere" campaign directly took customers' lifestyle and entertainment needs, particularly those in major Indonesian cities, to the centre stage. Furthermore, the Bank introduced First Starter, an innovative program that provides a financial head-start for the next generation seamlessly integrated with wealth management products like bancassurance and mutual funds. The First Starter program offers comprehensive financial solutions that support younger clients' financial literacy and future security.

QNB Indonesia demonstrated its commitment to sustainability in the Retail Banking segment by introducing a new type of electric vehicle for the airport transfer facility that its select customers can take advantage of. This move not only showcased the Bank's dedication to eco-friendly practices but also added a unique, value-added service to its portfolio, aligning with the growing trend towards environmental responsibility.

The Bank collaborated with its stakeholders to improve end-to-end retail loan management process continuously. management efficiency, the Bank enhanced the security and reliability of its services for customers while mitigating the associated risks.

The Bank's approach to the high interest rate environment emphasised promoting time deposits with tenures ranging from three to six months. This policy was crafted to enhance the Bank's funding capabilities by appealing to a broad spectrum of depositors, particularly extending beyond the top 20. With this approach, the Bank aimed to achieve a more balanced and diverse deposit base, thereby reducing concentration risk and fostering greater stability in its funding structure.

Despite the above endeavours, 2023 presented significant challenges. The Bank grapped with intense competition borne out of an uncertain market, necessitating continuous innovation and adaptability. The Bank has refined its strategies to differentiate itself in this tighter market while catering to evolving customer demands. Aligned with liquidity needs, the Retail Banking segment also navigated the complexities of managing the retail cost of funds. This management approach significantly decreased funding volume, balancing liquidity and profitability in fluctuating market conditions.

2023 Achievements

While striving to align the Bank's liquidity and lending strategies, the Retail Banking segment overcame certain challenges in meeting funding targets. The challenges were primarily due to adjustments made in funding approach, which were necessary to align with the broader objectives of the Bank resulting total funding from Retail Banking as at the end of 2023 reached Rp 3.57 trillion.

Despite the challenges faced by the Bank, there was a notable success in wealth management. Focusing on offering comprehensive financial solutions such as mutual fund and forex led to significant growth of wealth management fee income by 36.18% from 2022 figure.

Marketing

The Bank undertook a multi-pronged marketing strategy on augmenting QNB First's value proposition. This enhancement revolved around three areas surrounding its customers' lives: Travel and Lifestyle, Health, and Education. The goal was to offer a more holistic and appealing value proposition that resonated with the modern consumer's lifestyle preferences.

Through consistent portfolio management and targeted acquisition initiatives, the Bank attracted high-quality customers who would benefit most from the enriched QNB First offerings. In its execution, the Bank aims to expand its customer base and attract the right kind of customers who would find value in the Bank's specialised services.

The Bank leveraged the expertise of its wealth management partners to optimise its internal development for payment and transaction capabilities through electronic channels. Leveraging digital enhancement was crucial for meeting the evolving needs of customers in a rapidly digitalised world, offering them convenience and efficiency in financial transaction.

Furthermore, the Bank incorporated digital initiatives into its marketing strategy to enhance customer engagement, which would foster business growth. In tune with the increasing mobile phone usage in Indonesia, the Bank crafted an extensive mobile offering designed to boost customer loyalty. This mobile platform extends beyond conventional banking services, offering an array of financial and non-financial transaction features, such as time deposit opening, foreign exchange transactions, foreign currency account opening, QRIS transactions, e-wallet top-up, and a rewards loyalty program. The success of this digital strategy was evident: 80% of retail transactions in 2023 were executed through digital channels.

Integral to QNB Indonesia's digital marketing efforts was promoting its digital loan application, UCan. Far from being a mere financial tool, UCan has been instrumental in fostering financial inclusivity and stimulating the local economy. Moreover, it continues to be the Bank's spearhead in broadening retail lending portfolio.

Plans for 2024

For 2024, the Bank has outlined the direction that Retail Banking shall pursue. The plan encompasses a holistic approach to enhance customer base and portfolio quality. This will be achieved through the enrichment of the QNB First proposition and benefits, supplemented by a comprehensive range of products and services, including the capabilities of e-channels. Staff productivity, particularly in branch operations, will be continuously enhanced, so each branch can reach profitability, optimise resources, and deliver services efficiently and satisfactorily.

Retail loan growth will be another area of focus, mainly cultivated through UCan. The Bank will achieve this guided by comprehensive risk management, so the loan portfolio's expansion does not come at the expense of deteriorating risk profile. This will be how the Bank strikes a balance between sustainable growth and financial soundness.



QNB Indonesia is here to accompany each personal client in every aspect of their financial needs through best-in-class Retail Banking products.

Human Resources



QNB Indonesia nurtures its human capital to possess strong competence within the framework of the values and corporate culture we embrace.

To effectively tackle with the evolving challenges in the banking sector in the post-pandemic digital age, QNB Indonesia in 2023 focused its human resources (HR) management strategy on enhancing practices and policies to deepen employee engagement and broaden their competence, therefore augmenting productivity across the board. This strategy has been robustly supportive of the Bank's path towards improving financial soundness, as shown by its return to profitability, a first in many years.

Employee recruitment, which had been put on hold in 2022 in light of the Bank's organisational streamlining, was resumed in 2023 with the flourishing of the Bank's business. While keeping to the tenets of a lean organisation, the Bank brought on board new recruits to fill critical vacancies. The Bank also welcomed nine fresh graduates through its Management Development Programme, which was also restarted during the year. For more critical and leadership roles, the Bank prioritised nurturing those in its existing talent pool. Following their performance evaluations, held every half-year, certain employees were assigned to positions with higher levels of responsibility as part of their career development and succession planning.

To efficaciously guide employees along their respective career paths while giving them ample autonomy to augment their skills based on the Bank's needs but also their own interests, training and development programmes were provided and consistently enriched. Modules covered in the training programmes—available in online and offline formats—ranged from regulatory compliance and leadership to green financing and cybersecurity. The Bank ensured that recent developments in the banking sector as well as relevant trends in the workplace are adequately covered in the training modules. Among the key enrichments made to the learning array in 2023 pertained to process automation and sustainable finance, the latter in response to the enactment of the Indonesia Green Taxonomy by the OJK in 2022.

Total training hours per year

40 hours

For each employee, the Bank sets a mandatory competence development period of at least 40 hours per year. Beyond that, employees are encouraged to take part in training activities in line with their own aspirations, while maintaining their work-life balance. The Bank's progressive orientation in this regard is reflected in the attention paid to promoting employee well-being, through regular adjustments of employee benefits in keeping with the Bank's financial condition and market rates.

Overall engagement level

74%

An improvement from the previous year's

71%

The combination of clear career pathing and firm support for professional development yielded an uptick in employee engagement. In 2023, overall engagement level was measured at 74%, an improvement from the previous year's 71%. A contributing factor was the Bank's success in conducting the QNB Juang event in a fully-offline setting in August 2023. This annual event, which was conducted online during the three years of the pandemic, is held in commemoration of the Republic of Indonesia's independence and is aimed at boosting employee creativity and camaraderie at work. In December, the Bank also held a year-end gathering event, a first in more than five years. Increasing employee engagement went in tandem with improvements in employee retention and productivity metrics.

Workforce Profile

While the number of branch offices reduced from 9 to 8 branches in Q1 2023, the Bank's new employee acquisitions in 2023 ensured that the workforce remains right-sized but prepared to seize a sustainable growth in the coming years. As at 31 December 2023, the Bank had 401 employees, with their demographic distributions as follows:

Gender	Headcount
Female	201
Male	200
Total	**401**

Position Level	Headcount
Senior Executive Vice President (SEVP) and Director	6
Executive Vice President (EVP)	5
Senior Vice President (SVP)	17
Vice President (VP)	36
Assistant Vice President (AVP)	49
Senior Manager (SMgr)	44
Manager (Mgr)	40
Assistant Manager (AMgr)	49
Senior Officer (SO)	45
Officer (O)	40
Senior Assistant (SAsst)	37
Assistant (Asst)	33
Non-Clerical (NC)	0
Total	**401**

Education	Headcount
Master's Degree/Doctoral Degree	39
Bachelor's Degree	298
Diploma 4	0
Diploma 3	40
Diploma 2	0
Diploma 1	2
Senior High School	21
Junior High School	1
Total	**401**

Age	Headcount
>= 55 years old	7
50–54 years old	44
45–49 years old	49
40–44 years old	89
35–39 years old	89
30–34 years old	72
25–29 years old	39
20–24 years old	12
Total	**401**

Term of Office	Headcount
<1 year	66
1–5 years	133
6–10 years	90
11–15 years	71
16–20 years	16
>= 21 years	25
Total	**401**

Employment Status	Headcount
Permanent Employee	379
Contract Employee	22
Total	**401**

Information Technology



Extensive utilisation of information technology systems has become a robust pillar for the Bank's sustainable transformation in the digital era.

QNB Indonesia is placing itself on a stronger footing in the Indonesian banking landscape in part through an extensive utilisation of information technology (IT) across its processes. This is further underpinned by three intertwining components: robust infrastructure, a powerful technology stack, as well as user awareness and competence.

In 2023, the Bank was focused on leveraging IT capabilities to automate manual processes, so that existing systems can be augmented, while overall efficiency and productivity improvements can be achieved. The Bank's expansion of process automation has been done within the framework of minimising errors and enhancing employee workflows, intended to benefit everyone within the Bank's lean organisation structure.

In light of the Bank's more intensive efforts to strengthen its project delivery capabilities, existing operational systems in the Bank were upgraded and optimised, with certain systems consolidated into a unified platform for a more assured control. Furthermore, a dedicated Project Delivery Sub-division was formed in 2023 to expedite relevant processes by working together with other teams within the Bank, and oversee the quality of project execution.

The IT Division also plays a crucial role in ensuring the Bank's compliance with regulatory reporting and auditing requirements, by developing and maintaining applications using protocols that are aligned with the prevailing standards applicable in Indonesia and best practices in commercial banking. These include Bank Indonesia's Antasena for integrated reporting, SLIK for financial information inquiries, and PPATK for suspicious transactions reporting.

All IT initiatives of the Bank are grounded upon an acute attention to customer data privacy and security. The Bank has set a stringent policy with respect to data protection and infrastructure integrity. The Bank's entire IT infrastructure is maintained on premise, with adequate backup systems in place within the Business Continuity Plan to be activated at the event of a disruption to the main system. This ensures seamless operations throughout the Bank's network.

Meanwhile, all digital assets, including customer data, are stored in a fully encrypted form and secured by an array of cybersecurity measures. These protection measures are constantly updated to guard the Bank's assets from cyber threats, which have been proliferating both in number and variety in recent years. The IT Division has been actively and consistently promoting awareness among the Bank's employees regarding cybersecurity through a range of campaigns and training.

While issues of data security and privacy will remain a key point of attention for the Bank in the years to come, IT initiatives in 2024 will be focused on process automation acceleration, technology stack streamlining, and supportability. These initiatives will set the Bank on a path of sustainable growth and empower it with the expertise it needs to thrive in Indonesia's increasingly-digitised financial ecosystem.

Financial Analysis

Statement of Financial Position

(in million Rupiah)

Description	2023	2022	Change	
			Total	Percentage
ASSETS				
Cash	24,445	33,354	(8,909)	(26.71%)
Current Accounts with Bank Indonesia	543,920	919,797	(375,877)	(40.87%)
Current Accounts with Other Banks				
Related Parties	282	338	(56)	(16.57%)
Third Parties	183,822	148,042	35,780	24.17%
Less: Allowance for Impairment Losses	(15)	(33)	18	54.55%
Current Accounts with Other Banks – Net	184,089	148,347	35,742	24.09%
Placements with Bank Indonesia and Other Banks	1,092,008	1,032,898	59,110	5.72%
Derivative Receivables	11	108	(97)	(89.81%)
Acceptance Receivables				
Third Parties	-	188,512	(188,512)	(100.00%)
Less: Allowance for Impairment Losses	-	(217)	217	100.00%
Acceptance Receivables – Net	-	188,295	(188,295)	(100.00%)
Securities Purchased under Agreement to Resell	2,977,202	3,072,222	(95,020)	(3.09%)
Loans				
Related Parties	1,976	493,666	(491,690)	(99.60%)
Third Parties	5,954,448	9,168,584	(3,214,136)	(35.06%)
Sub-Total	5,956,424	9,662,250	(3,705,826)	(38.35%)
Less: Allowance for Impairment Losses	(507,139)	(406,127)	(101,012)	(24.87%)
Loans – Net	5,449,285	9,256,123	(3,806,838)	(41.13%)
Securities				
Third Parties	389,952	514,182	(124,230)	(24.16%)
Sub-Total	389,952	514,182	(124,230)	(24.16%)
Less: Allowance for Impairment Losses	-	(195)	195	100.00%
Securities – Net	389,952	513,987	(124,035)	(24.13%)
Prepayments	33,035	22,687	10,348	45.61%
Deferred Tax Assets – Net	280,354	272,500	7,854	2.88%
Fixed Assets and Right-of-Use-Assets				
Net of Accumulated Depreciation of Rp296,756 and Rp293,951 as of 31 December 2023 and 2022, respectively	212,916	275,398	(62,482)	(22.69%)
Intangible Assets				
Net of Accumulated Depreciation of Rp104,519 and Rp92,209 as of 31 December 2023 and 2022, respectively	59,892	57,148	2,744	4.80%
Foreclosed Assets	250,416	665,046	(414,630)	(62.35%)
Other Assets	255,960	259,177	(3,217)	(1.24%)
Total Assets	**11,753,485**	**16,717,087**	**(4,963,602)**	**(29.69%)**
LIABILITIES AND EQUITY				
LIABILITIES				
Liabilities Payable on Demand	12,555	24,028	(11,473)	(47.75%)

Financial Analysis *(Continued)*

(in million Rupiah)

Description	2023	2022	Change	
			Total	Percentage
Deposits from Customers				
Related Parties	80,145	97,411	(17,266)	(17.72%)
Third Parties	6,259,058	10,507,213	(4,248,155)	(40.43%)
Sub-total	6,339,203	10,604,624	(4,265,421)	(40.22%)
Deposits from Other Banks				
Related Parties	276	22	254	1154.55%
Third Parties	1,556	7,280	(5,724)	(78.63%)
Sub-total	1,832	7,302	(5,470)	(74.91%)
Acceptance Payables	-	26,336	(26,336)	(100.00%)
Derivative Payables	1,838	90	1,748	1942.22%
Securities Sold Under Repurchase Agreements	385,051	-	385,051	~
Borrowing	-	1,000,000	(1,000,000)	(100.00%)
Obligation for Post-Employment Benefits	67,187	68,066	(879)	(1.29%)
Accruals and Other Liabilities	254,370	333,222	(78,852)	(23.66%)
Total Liabilities	**7,062,036**	**12,063,668**	**(5,001,632)**	**(41.46%)**
EQUITY				
Share Capital par value of Rp250 (whole Rupiah) per share Authorised Capital 40,000,000,000 shares as of 31 December 2023 and 2022 respectively Issued and Fully Paid Capital 35,158,048,365 and 20,436,685,984 shares as of 31 December 2023 and 2022 respectively	8,789,512	5,109,171	3,680,341	72.03%
Additional Paid-in Capital – Net	(33,588)	(30,150)	(3,438)	(11.40%)
Advanced Capital	3,652	3,683,926	(3,680,274)	(99.90%)
Fair Value Reserve – Net	(61)	28,183	(28,244)	(100.22%)
Retained Earnings (Deficit)				
Appropriated	6,396	6,396	-	-
Unappropriated	(4,074,462)	(4,144,107)	69,645	1.68%
Total Equity	**4,691,449**	**4,653,419**	**38,030**	**0.82%**
Total Liabilities and Equity	**11,753,485**	**16,717,087**	**(4,963,602)**	**(29.69%)**

Assets

Total assets of the Bank stood at Rp11.75 trillion as at 31 December 2023, 29.69% lower than the amount recorded as at 31 December 2022. The decline was due to a significant reduction in loan disbursements, whose total reached Rp5.96 trillion in 2023, down 38.35% or Rp3.71 trillion, from 2022.

The main contributors to total lending by the end of 2023 were services, manufacturing, construction, as well as trading, restaurant, and hotel businesses. The Bank continued to exercise utmost prudence and thus had been very selective on lending to clients.

There was also a 40.87% drop, amounting to Rp375.88 billion, in the amount of current accounts with Bank Indonesia, from the end of 2022.

Liabilities

Total liabilities at the end of 2023 were Rp7.06 trillion, which was 41.46% lower than the Rp12.06 trillion recorded at the end of 2022.

The Bank's liabilities primarily comprised third party deposits from customers, amounting to Rp6.26 trillion. This figure was 40.43% less than the Rp10.51 trillion in 2022.

All other components of liabilities decreased in comparison to their 2022 values, except for securities sold under repurchase agreements, which stood at Rp385.05 billion as at the end of 2023, whereas the value one year prior was nil.

Equity

In 2023 the Bank conducted Rights Issue VII with total proceeds amounting to Rp3.68 trillion, resulting in the increase in issued and fully paid capital from 20,436,685,984 shares as at 31 December 2022 to 35,158,048,365 shares as at 31 December 2023. This brought the Bank's share capital amount to Rp8.79 trillion as at the end of 2023, 72% higher than Rp5.11 trillion as at the end of 2022.

Net equity was comparatively unchanged from 2022, increasing slightly by Rp38.03 billion or 0.82% to Rp4.69 trillion as at the end of 2023. The increase in equity was primarily owing to the Bank's success in recording profit in 2023.

Statement of Profit or Loss

(in million Rupiah)

			Change	
Description	**2023**	**2022**	**Total**	**Percentage**
OPERATING INCOME AND EXPENSES				
Interest Income	944,701	863,896	80,805	9.35%
Interest Expense	(440,803)	(431,896)	(8,907)	(2.06%)
Net Interest Income	503,898	432,000	71,898	16.64%
OTHER OPERATING INCOME				
Fees And Commission – Net	63,006	68,127	(5,121)	(7.52%)
Trading Income – Net	19,895	21,034	(1,139)	(5.42%)
Others	163,011	180,294	(17,283)	(9.59%)
Total Other Operating Income	245,912	269,455	(23,543)	(8.74%)
OTHER OPERATING EXPENSES				
Personnel Expenses	(289,816)	(280,414)	(9,402)	(3.35%)
General and Administrative Expenses	(209,734)	(202,517)	(7,217)	(3.56%)
Provision for Impairment Losses on Financial Assets	(136,468)	(613,732)	477,264	77.76%
Loss on Sale of Financial Assets	(39,668)	-	(39,668)	~
Others	(4,875)	(5,524)	649	11.75%
Total Other Operating Expenses	(680,561)	(1,102,187)	421,626	38.25%
Profit (Loss) Before Income Tax	**69,249**	**(400,732)**	**469,981**	**117.28%**
Income Tax (Expense) Benefit	-	-	-	-
Profit (Loss) for the Year	**69,249**	**(400,732)**	**469,981**	**117.28%**
OTHER COMPREHENSIVE INCOME				
Fair Value Changes of Securities Measured at Fair Value Through Other Comprehensive Income	(36,210)	25,100	(61,310)	(244.26%)
Income Tax related to Items that would be Reclassified to Profit or Loss	7,966	(5,522)	13,488	244.26%
Remeasurements of Obligation for Post-Employment Benefits	508	10,288	(9,780)	(95.06%)
Income Tax related to Items that would not be Reclassified to Profit or Loss	(112)	(2,263)	(2,151)	(95.05%)
Other Comprehensive Income (Loss), Net of Tax	(27,848)	27,603	(55,451)	(200.89%)
Total Comprehensive Income (Loss) for the Year	**41,401**	**(373,129)**	**414,530**	**111.10%**
Basic Profit (Loss) per Share	**2.50**	**(24.28)**	**27**	**110.30%**

Financial Analysis *(Continued)*

Net Interest Income

The amount of net interest income in 2023 increased by 16.64% to Rp503.90 billion, indicating continuous growth in the Bank's business and operations. The rise in interest income by 9.35% to Rp944.70 billion was the main driver of the increase in income, which amounted to Rp863.90 billion in 2022.

Meanwhile, interest expense paid to depositors increased by 2.06% or Rp8.91 billion, from Rp431.90 billion in 2022 to Rp440.80 billion in 2023.

Other Operating Income

The Bank recorded total other operating income of Rp245.91 billion in 2023, 8.74% lower than in 2022. This was mainly due to the lower amount of loans disbursed in 2023.

Other Operating Expense

In 2023, the Bank recorded a slight increase of 3.35% in personnel expenses, from Rp280.41 billion in 2022 to Rp289.82 billion, while general and administrative expenses rose by a similar margin, namely 3.56%, from Rp202.52 billion to Rp209.73 billion within the same period.

In 2023, the Bank made substantial progress in improving the quality of its lending. Consequently, its provision for impairment losses on financial assets decreased significantly to Rp136.47 billion, marking a 77.76% reduction from the previous year's figure. This enhancement has positively affected the Bank's total operating expenses.

Total other operating expenses in 2023 were Rp680.56 billion, showing a 38.25% decrease from the Rp1.10 trillion in 2022.

Profit Before Income Tax

In 2023, the Bank achieved a financial turnaround and reported a profit before income tax of Rp69.25 billion. This figure contrasted with a loss of Rp400.73 billion in 2022.

Profit for the Year

The Bank did not have any income tax benefit or expense owing to its accumulated losses from the previous year. However, the year 2023 marked the first time in eight years that the Bank recorded profit, amounting to Rp69.25 billion, while in 2022, it recorded loss for the year of Rp400.73 billion.

Comprehensive Income for the Year

The Bank recorded other comprehensive loss – net of tax amounting to Rp27.85 billion in 2023 as a result of the fair value losses of securities measured at fair value through other comprehensive income.

With this, the Bank's total comprehensive income for the year reached Rp41.40 billion in 2023, a striking turnaround from having booked Rp373.13 billion in total comprehensive loss for 2022.

Thus, basic profit per share in 2023 was Rp2.50, in contrast to a basic loss per share of Rp24.28 in 2022.

Statements of Cash Flows

(in million rupiah)

			Change	
Description	**2023**	**2022**	**Total**	**Percentage**
Cash Flows From Operating Activities	587,672	(1,942,042)	2,529,714	130.26%
Cash Flows From Investing Activities	128,992	422,690	(293,698)	(69.48%)
Cash Flows From Financing Activities	(1,027,519)	870,226	(1,897,745)	(218.07%)
Net Increase (Decrease) In Cash and Cash Equivalents	(310,855)	(649,126)	338,271	52.11%
Effect of Foreign Exchange	20,903	19,077	1,826	9.57%
Cash and Cash Equivalents, at Beginning of the Year	2,134,429	2,764,478	(630,049)	(22.79%)
Cash and Cash Equivalents, at End of the Year	**1,844,477**	**2,134,429**	**(289,952)**	**(13.58%)**

Cash Flows from Operating Activities

At the end of 2023, the Bank recorded a net cash inflow from operating activities amounting to Rp587.67 billion. In 2022, the Bank recorded a net cash outflow for operating activities of Rp1.94 trillion. This change in operational cash flows was primarily caused by a substantially lower amount of loans disbursed by the Bank in 2023.

Cash Flows from Investing Activities

Net cash inflow from investing activities in 2023 amounted to Rp128.99 billion, obtained mostly from receipts from securities reaching maturity. The amount recorded in 2022 was Rp422.69 billion.

Cash Flows from Financing Activities

The Bank recorded a net cash outflow for financing activities in 2023 of Rp1.03 trillion, primarily due to the prepayment of a loan from Bank BCA. In contrast, in 2022 the Bank recorded net cash inflow from financing activities amounting to Rp870.23 billion.

Cash Position at End of Year

The Bank's cash and cash equivalents at the end of the year 2023 amounted to Rp1.84 trillion due to the cash flow movements mentioned. This reflects a 13.58% decline from its position on 31 December 2022.

Key Financial Ratios

Description	2023	2022	Change
CAPITAL			
Capital Adequacy Ratio (CAR)	62.23	38.59	61.26%
PRODUCTIVE ASSETS			
Productive Assets & Non-Productive Assets (Non-Performing Assets) to Total Productive Assets & Non-Productive Assets	2.38	4.32	(44.85%)
Non-Performing Productive Assets to Total Productive Assets	0.37	0.29	25.53%
Allowance for Impairment Losses to Productive Assets	4.15	3.26	27.38%
Gross Non-Performing Loans (NPL)	0.77	0.38	102.48%
Net NPL	0.09	0.08	7.56%
PROFITABILITY			
Return on Assets (ROA)	0.48	(2.42)	119.81%
Return on Equity (ROE)	1.65	(11.74)	114.06%
Net Interest Margin (NIM)	3.83	3.19	20.03%
LIQUIDITY			
Macroprudential Intermediation Ratio (MIR)	93.94	91.11	3.11%
COMPLIANCE			
Percentage of Legal Lending Limit Violation			
Related Parties	-	-	-
Non-Related Parties	-	-	-
Minimum Reserve Requirement (Rupiah)	10.08	9.30	8.39%
Minimum Reserve Requirement (Foreign Currency)	4.01	4.05	(1.04%)
Net Open Position	0.04	0.15	(73.24%)

Solvency

The Bank continued to uphold strong capital reserves to ensure its long-term business continuity, showcasing its robust capability to expand its operations in the near future.

By the end of 2023, the Bank had improved its solvency significantly as a result of decreased total risk-weighted assets.

The Bank's Capital Adequacy Ratio (CAR) therefore stood at 62.23%, much higher than 38.59% as at the end of 2022.

Liquidity

The Macroprudential Intermediation Ratio (MIR) increased from 91.11% at the end of 2022 to 93.94% at the end of 2023, indicating improved operational performance and liquidity of the Bank.

Profitability

As the Bank recorded profit in 2023, its profitability ratios demonstrated a significant turnaround, from negative values to positive ones. The Bank's ROA and ROE, in 2022 amounting to –2.42% and –11.74%, respectively, became 0.48% and 1.65% in 2023.

Financial Analysis *(Continued)*

Receivables Collectability

Gross NPL ratio increased from 0.38% in 2022 to 0.77% in 2023. Following this, net NPL ratio increased slightly from 0.08% to 0.09% during the same period. Despite this, the Bank has remained stringent and cautious in lending to customers.

Capital Structure and Management Policy on Capital Structure

In accordance with OJK Regulation No. 34/POJK.03/2016, the Bank's capital structure consists of core capital (Tier I) and supplementary capital (Tier II). Core capital consists of paid-up share capital and additional capital reserves, while supplementary capital refers to capital instrument in the stock form or other capital instrument that fulfill the requirements as well as general reserves of provision for asset losses over productive assets.

In the assessment of capital adequacy, the Bank uses the Standardised Approach to measure capital adequacy for Credit Risk and Market Risk, whereas for Operational Risk, the Bank uses the Basic Indicator Approach.
This assessment refers to the provisions of OJK Circulars No. 11/SEOJK.03/2018, No. 38/SEOJK.03/2016, and No. 24/SEOJK.03/2016.

The disclosure of the Bank's capital structure complies with OJK Regulation No. 37/POJK.03/2019 and OJK Circular No. 9/SEOJK.03/2020. The Bank has complied with all capital requirements set by OJK throughout the year.

Capital Adequacy Ratio (CAR) was maintained at a healthy level, 62.23% as at the end of December 2023. This shows the Bank still has a strong ability to expand.

The Bank has applied a policy related to capital structure composition that can facilitate internal level of business risk, while remaining in compliance with the minimum requirements specified in OJK regulations.

Further explanation on the Bank's capital structure and management policy on capital structure is presented in Note 3.f to the Financial Statements, on pages 69–71.

Material Commitments for Investment in Capital Goods

In the reporting period up to 31 December 2023, the Bank did not have any material commitments for investment in capital goods.

Material Information and Facts after the Accountant's Report

There are no significant events that occurred after 31 December 2023 and until the financial statements were issued that would require adjustments to or disclosure of in the financial statements.

Comparison of 2023 Targets and Achievements

The Bank has succeeded in posting a net profit of Rp69.25 billion, which was Rp20.95 billion higher than the target set at Rp48.30 billion. The Bank's net profit achievement was driven by net interest income and operational expenses, as well as interest performance that surpassed the target.

Achievement of most financial ratios was in line with and even better than the targets set, especially profitability, liquidity and capital adequacy ratios.

The Bank's profitability ratios showed an improved performance in 2023, as reflected in the ROA, ROE and NIM ratios, which were recorded at 0.48%, 1.65% and 3.83% respectively.

On the liquidity side, the Bank's MIR reflects liquidity of 93.94%, higher than the target and the regulator's minimum requirement of 84%.

The Bank posted core (Tier 1) capital of Rp4.19 trillion and supplementary (Tier 2) capital of Rp55.52 billion at the end of 2023, with a CAR of 62.23%. Thus, the Bank has succeeded in exceeding the CAR target set in the 2023 Revised Business Plan as well as the minimum regulatory limit from the regulator (8%), showing a very high level of capital adequacy in 2023.

Dividend Policy

The Bank maintains a policy to distribute dividends from the net profit as a means to shore up shareholder value. Details regardingthe amount and procedures of the dividend distribution are set at the GMS. In 2023, the Bank did not distribute any dividend, in accordance with the 2023 AGMS resolution.

Management and Employee Stock Option Programme

Up to the end of the reporting period, the Bank had never conducted a management or employee stock option program.

Share and Bonds Buyback

Up to the end of the reporting period, the Bank had never conducted any buyback of its shares or bonds.

Commitments and Contingencies

As at 31 December 2023, the Bank had entered commitment and contingencies regarding unused loan facilities and Letters of Credit (L/C) with various parties, as detailed below:

1. The Bank's unused loan facilities (uncommitted) granted to customers as at 31 December 2023 and 2022 amounted to Rp3.90 trillion and Rp3.00 trillion, respectively.
2. As at 31 December 2023, the term of Letters of Credit (L/C) were approximately 1 month to 3 months, while the term of bank guarantees issued ranged between 3 month to 3 year. As at 31 December 2022, the term of Letters of Credit (L/C) were approximately 1 month to 6 months, while the term of bank guarantees issued ranged between 1 month to 1 year.

Explanation on the Bank's commitments and contingencies is presented in Note 39 to the Financial Statements, on pages 129.

Use of Public Offering Proceeds

In 2023, the Bank conducted Rights Issue VII with Preemptive Rights on 14,721,362,381 shares. Proceeds from the Rights Issue VII, less all related fees, have been used according to the plan for the use of proceeds as stipulated in the Prospectus, and stated in the Bank Report dated 15 January 2024 and summarised in the table below.

(Rp million)

Type of Public Issuance	Effective Date	Actual Public Offering Proceeds			Planned Use of Proceeds		Realisation of Use of Proceeds		Remaining Public Offering Proceeds
		Total Public Offering Proceeds	Public Offering Fees	Net Proceeds	Working Capital for Business Development in the Form of Credit Expansion	Total	Working Capital for Business Development in the Form of Credit Expansion	Total	
Rights Issue VII	28 April 2023	3,680,341	3,437	3,676,904	3,676,904	3,676,904	340,049	340,049	3,336,855

Other Material Financial Information

Throughout 2023, the Bank did not perform any material transactions or activities related to investment, expansion, divestment, merger, acquisition, or debt/capital restructuring.

Information on Material Transaction Containing Conflict of Interest and/or Transaction with Affiliated Parties

Transaction with Related Parties

The following table describes the Bank's significant transactions with related parties during 2023:

Related Party	Nature of Relationship	Type of Transactions
Ooredoo Asia	Affiliated company	Demand deposits
Qatar National Bank (Q.P.S.C.)	Parent company	Deposits from other banks, Standby Letter of Credit, and Bank Guarantee
PT Indosat Tbk	Entity controlled by the same government as the ultimate shareholder, State of Qatar	Demand deposits and time deposits

Further explanation on the Bank's transactions with related parties is presented in Note 38 to the Financial Statements, on pages 127–128.

Tax Compliance

Throughout 2023, the Bank fulfilled all of its tax obligations in accordance with the applicable taxation regulations.

Affiliated Transactions with Controlling Shareholders

Throughout 2023, the Bank did not directly perform any affiliated transactions with its controlling shareholder.

Changes in Regulations and Their Impacts

There were no changes to the regulations taking place in 2023 that had a significant impact on the Bank's performance.

Changes in Accounting Policy and Their Impacts

On 1 January 2023, the Bank began to apply the new Statement of Financial Accounting Standards ("SFAS"). The Bank has updated its accounting policy to reflect these standards and their interpretation. The Indonesian Financial Accounting Standards Board of IAI (DSAK-IAI) has issued several accounting standards that took effect on 1 January 2023.

The new accounting standards and their impacts on financial statements are elaborated further in Note 2.ad to the Financial Statements, on page 43.

2024 Strategy and Projections



At the Bank, encouraging collective thinking and open communication brings about significant advances to how we operate as a trusted financial institution.

The global economy is expected to experience a steady growth in 2024, with the world's GDP set to expand by 3.1%, at a pace similar to in 2023. The Bank anticipates that after a period of consolidation, it is poised for a strategic leap forward in the years 2024 to 2026. Given the global economy's growth trajectory and a possibility of soft landing following a period of persistent heightened inflation, QNB Indonesia will leverage this alongside regional economic dynamism to solidify its standing as an established financial institution in Indonesia.

With the foundation secured and momentum building after two successful years, the Bank projects a continued emphasis on employee-centric culture and value creation to drive productivity and profitability. By harnessing the core values of integrity, teamwork, and accountability, the Bank aims to navigate through the intricacies of the financial landscape and unlock new opportunities for growth and customer satisfaction.

The strategic direction for 2024–2026 includes a commitment to excellence, underpinned by high-value business frameworks and strong governance. These pillars will support the Bank's medium-term targets of sustainable business and financial performance. Particular attention will be paid to upholding and growing a healthy portfolio, optimising resources, and developing competitive products aligned with market demands.

In the short term, the Bank seeks to focus on sustaining financial performance and managing non-performing loans (NPL) to ensure profitability and compliance with the regulations. Moreover, capital adequacy will be held at above 20%, to meet immediate and future challenges, while the LCR and NSFR kept well above regulatory requirements. Armed with strong liquidity, the Bank seeks to maintain its LDR and RIM at above 84% as per required by the authorities, and record NIM of above 3% and book positive net profit in 2024.

As the Bank moves forward, it will continue to target key market segments, strengthen the Corporate & Institutional Banking services, and foster strategic partnerships throughout all productive channels. Internal Key Performance Indicators (KPIs) will be rigorously managed to ensure alignment with bank-wide and divisional targets.

Innovation will be at the heart of the Bank's operations, with a focus on magnifying the positive impacts of the business and operational models to elevate customer experience and satisfaction. Digital platforms will be further improved to deliver seamless and efficient banking services.

QNB Indonesia resolves to promote prosperity and sustainable growth. As part of the QNB Group, the Bank will capitalise on the Group's leading presence in the Middle East, Africa, and Southeast Asia to amplify its business results in the long run. Through strategic initiatives and a culture of excellence, the Bank will strive to exceed the expectations of customers and stakeholders while contributing significantly to the country's economic progress.

These strategies are in line with QNB Group's aspiration is to be one of the leading Middle East, Africa and South East Asia (MEASEA) banks while maintaining their number one position in MEA. Their strategy is complemented by two pillars, first, to leverage innovation as a strategic enabler and second, to embed sustainability and ESG practices into their business and operating model to make a positive contribution to the societies. Hence, going forward, QNB Indonesia will continue to be a an important component of QNB Group's strong network, and support its vision of being a leading bank in MEASEA.



QNB Indonesia is always ready to serve valued customers with products and services that cater most effectively to their their financial needs.



Corporate Governance



QNB Indonesia forges itself to serve as a useful hub for the financial needs of its customers, empowering a diverse range of sectors for Indonesia's prosperity.

GCG Foundations and Policy

The Bank applies the principles of good corporate governance (GCG) in its day-to-day activities through comprehensive internal policies and regulations aimed at ensuring and enhancing its corporate governance quality.

Foundation of Corporate Governance Implementation

GCG implementation will support the achievement of business targets, in terms of performance, profitability, and added value for all stakeholders, while also ensuring long-term business sustainability. The Bank regularly makes adjustments to stay abreast with the best GCG practices.

GCG implementation by the Bank refers to the standards and guidelines set by OJK as well as the applicable laws and regulations, among others:

1. Law No. 10/1998 on the Amendment to Law No. 7/1992 on Banking, as subsequently amended and most recently with the Law No. 4/2023 on Financial Sector Development and Strengthening;
2. Law No. 40/2007 on Limited Liability Companies;
3. OJK Regulation No. 21/POJK.04/2015 dated 16 November 2015 on Guidelines for Implementation of Corporate Governance for Public Companies;
4. OJK Circular No. 32/SEOJK.04/2015 dated 17 November 2015 on Guidelines for Implementation of Corporate Governance for Public Companies;
5. OJK Regulation No. 45/POJK.03/2015 dated 23 December 2015 on Implementation of Governance in Providing Remuneration for Commercial Banks;
6. OJK Regulation No. 4/POJK.03/2016 dated 3 February 2016 on Financial Soundness Assessment for Commercial Banks;
7. OJK Circular No. 40/SEOJK.03/2016 dated 26 September 2016 on the Implementation of Governance in Providing Remuneration for Commercial Banks;
8. OJK Circular No. 13/SEOJK.03/2017 dated 17 March 2017 on Implementation of Corporate Governance for Commercial Banks;
9. OJK Circular No. 14/SEOJK.03/2017 dated 17 March 2017 on Financial Soundness Assessment for Commercial Banks;
10. OJK Regulation No. 29/POJK.04/2016 dated 29 July 2019 on Annual Report of Issuers or Public Companies;
11. OJK Regulation No. 37/POJK.03/2019 dated 19 December 2019 on Transparency and Publication of Bank Reports;
12. OJK Circular No. 9/SEOJK.03/2020 dated 30 June 2020 on Transparency and Publication of Commercial Bank Reports;
13. OJK Circular No. 16/SEOJK.04/2021 dated 29 June 2021 on Form and Content of Annual Report of Issuers or Public Companies;
14. OJK Regulation No. 14/POJK.04/2022 dated 22 August 2022 on Periodical Financial Statement Submission by Issuer or Public Company; and
15. OJK Regulation No. 17 dated 14 September 2023 on Implementation of Corporate Governance for Commercial Banks.

In addition to the above, the following internal charters serve as a guideline for the Bank's corporate governance measures:

1. Board of Commissioners' Charter;
2. Board of Directors' Charter;
3. Remuneration and Nomination Committee Charter;
4. Audit Committee Charter;
5. Risk Oversight Committee Charter; and
6. Good Corporate Governance Charter.

GCG Implementation Objectives

The main objectives of GCG implementation in every business activity of the Bank at all levels of the organisation related to the Bank and Shareholders' interests are as follows:

1. Achieving sustainable growth through a management system based on five basic principles of good governance;
2. Empowering functions and independence of each organ in the Bank, namely the General Meeting of Shareholders (GMS), the Board of Commissioners (BoC), and the Board of Directors (BoD);
3. Encouraging Shareholders, members of the BoC, and members of the BoD to make decisions and actions based on moral principles and strong compliance with laws and regulations;
4. Encouraging awareness of social responsibility, especially on environmental and social interests of the communities in which the Bank operates; and
5. Boosting the Bank's competitiveness, both in national and international scope, to enhance market confidence that can encourage investment flow and ensure a sustainable national economic growth.

GCG Principles

The Bank upholds these five principles of GCG:

1. Striving to ensure its business activities are carried out with the principle of openness;
2. Having key performance indicators consistent with the corporate values, business goals, and strategies so as to reflect the Bank's accountability;
3. Building on prudent banking practices and ensuring compliance with all applicable provisions to demonstrate its responsibility;
4. Promoting decision-making that is independent, objective, and free of conflict of interest; and
5. Continuing to take stakeholders' interests into account based on fairness principle.

Based on the above five GCG principles, the Bank's corporate governance framework becomes as follows:

GCG Principle	Description	Implementation
Transparency	Preserve and maintain objectivity in business practice, the Bank shall provide material and relevant information that is easily accessible and comprehensible by stakeholders. To take the initiative to disclose not only issues mandated by laws and regulations, but also other information deemed necessary by shareholders, creditors, and other stakeholders for their decision-making.	1. Disclosure of information in a timely, appropriate, clear, accurate and comparable manner, making it accessible to stakeholders in accordance with their rights. 2. Disclosure of information which includes but not limited to the Bank's vision, mission, business targets and strategy, financial condition, composition and compensation of the management, controlling shareholders, shares owned by members of the BoD and the BoC and their family members in the company and other companies, risk management system, oversight and internal control system, GCG structure and mechanism and its level of compliance, and important events that may affect the condition of the Bank. 3. Fulfillment of provisions on confidentiality in accordance with laws and legislations, professional confidentiality, and personal rights. 4. Formal written policies are proportionally communicated to stakeholders.
Accountability	Account for its performance transparently and fairly and to manage business in a proper and measurable manner, such that it is aligned with the interest of the Bank by also considering the interest of shareholders and other stakeholders. Accountability is a prerequisite to achieve sustainable performance.	1. Clear definition of job descriptions and responsibilities of each organ and all employees that are in line with the Bank's vision, mission, corporate values, and strategy. 2. Assurance that all of the Bank's organs and employees have the qualifications that fit their respective duties, responsibilities, and roles in GCG implementation. 3. Assurance of the existence of an effective internal control system within the Bank. 4. Establishment of performance indicators for all members of the BoD and the BoC as well as employees that are consistent with the Bank's objectives, and the presence of a reward and punishment system. 5. Assurance that each organ of the Bank and all employees uphold business ethics and code of conduct in executing their duties and responsibilities.
Responsibility	Abide by laws and regulations and fulfil its responsibility to the communities and environment for the purpose of maintaining long-term sustainability of the business and to be recognised as a good corporate citizen.	1. Assurance that all of the Bank's organs apply prudent banking principles and comply with the laws and regulations, its articles of association, and internal regulations. 2. Fulfillment of social responsibility by having an awareness of the environmental and society interests of the communities in which the Bank operates through an appropriate planning and implementation to address the issues.

GCG Principles *(Continued)*

GCG Principle	Description	Implementation
Independency 	Accelerate the implementation of the GCG principles by operating independently with an appropriate balance of power, in such a manner that no single organ shall dominate the other and that no intervention from other party shall exist.	1. Assurance that each organ precludes any party's domination, is free from the influence from any certain interest, avoids conflict of interest and any influence or pressure, so that decision-making can be carried out objectively. 2. Assurance that each organ exercises its functions and duties in accordance with the Articles of Association and also the laws and regulations, not dominating each other and or shifting responsibility to others.
Fairness 	Always consider the interests of shareholders and other stakeholders based on a fairness principle in conducting business activities.	1. Opportunities for stakeholders to provide input and opinions in the interest of the Bank, and establish access to the Bank's information in accordance with the transparency principle and within the scope of their respective capacities. 2. A fair and equitable treatment to stakeholders in accordance with benefit and contribution given to the Bank. 3. Equal opportunity in recruitment of employees, in career development and for employees to carry out their duty professionally.

GCG Roadmap

The Bank maintains a roadmap to lead itself along a continuous improvement in GCG implementation. This roadmap contains three strategic phases, namely: Corporate Governance Commitment, Good Governed Company, and Good Corporate Citizen. Each of the above phases represents a range of processes that include formulation, implementation, as well as monitoring and evaluation on a continuous basis, in order to achieve excellence in GCG practices.

QNB Indonesia's GCG Roadmap

1

Corporate Governance Commitment

Commitment

The Bank complies with GCG guidelines, both mandatory and advisory.

2

Good Governed Company

System

The Bank runs an excellent operation through a disciplined and sound implementation of internal control, risk management, and whistleblowing system.

3

Good Corporate Citizen

Culture

The Bank is accepted as part of the community through a holistic CSR approach.

GCG Mechanism

The Bank relies on various key mechanisms that have been established to ensure that GCG principles are implemented in its daily operations. These mechanisms are applied broadly, and they range from a set of charters to comprehensive internal policies.

The Bank's key GCG mechanisms for implementing GCG in the Bank include: Good Corporate Governance Charter, Code of Conduct, Board of Commissioners Charter, Directors' Charter, Remuneration and Nomination Committee Charter, Audit Committee Charter, Risk Monitoring Committee Charter, Conflict of Interest and Insider Dealing Policy, QNB Indonesia Compliance Collated Policy, Internal Audit Policy, Financial Accounting Policy, Risk Management Policy, Funding Policy, Information Technology Policy, Human Resources Policy, Sustainability Policy, Information Security Policy, Whistleblowing Policy, Anti-Fraud Policy, Anti-Bribery and Corruption Policy, and Investment Policy.

Following through these GCG mechanisms will not only ensure consistency and efficacy of GCG performance in the Bank when dealing with its stakeholders, but also help the Bank achieve the following long-term goals:

1. Reduction of the cost of capital;
2. Increase in shareholder value; and
3. Stronger support from stakeholders for the Bank to operate and grow sustainably.

GCG Programmes in 2023

The GCG Guideline in Indonesian Banking Industry stipulates that commitment to implementation of GCG has an important role for a Bank to achieve its business goals and generate sustainable benefits. Specifically, the application of policies and code of conduct must be enforced for each person at the Bank. The Bank therefore has complied with the GCG basic principles, reflecting its strong commitment, including:

1. A clear and realistic vision and mission.
2. Corporate values that reflect a good moral attitude in doing business.
3. Board Charters, which contain work guidelines for the BoC and BoD.
4. A set of business ethics and code of conduct formulated by involving GCG organs and supporting work units. Business ethics and code of conduct shall be enforced in a continuos and consistent manner to build a robust corporate culture which manifest the organisation's core values.
5. Internal policies, which can ensure rights and obligation of all parties to create a conducive workplace.
6. Whistleblowing system, which can accommodate reports, complaints, inputs, and corrective feedbacks from employees and other stakeholders.

In the future, the Bank will continue to improve its GCG implementation with the latest GCG practices and standards as well as in line with its operational policies. Initiatives that will be continuously implemented are:

1. Enhancement of transparency via website and annual reporting based on industry best practices.
2. Design and development of a management information system to support business and control processes.
3. Financial literacy.
4. Dissemination of GCG practices.
5. Implementation of Sustainable Finance in its operations.
6. Application of consumer protection by paying attention to the principles of openness and transparency of information; fair and responsible treatment; protection of customer assets, privacy, and data; as well as effective handling and completion of complaints.
7. Compliance with the commitments made the Bank to OJK and/or other authorised supervisory authority.
8. Effective risk management in implementing the Bank's products by ensuring conformity with the Bank's strategy, Business Plan, and statutory provisions.

In 2023, the Bank focused on carrying out the following GCG-related programmes and activities::

1. Update on the Bank's organisation structure.
2. Update on the BoC Charter.
3. Update on the BoD Charter.
4. Update on Committees under the BoC: Risk Oversight Committee and Remuneration and Nomination Committee.
5. Update on Committees under the BoD.
6. Compliance with OJK, BI, and other legislation provisions by strengthening the Culture of Risk Management Compliance continuously, carried out by increasing the effectiveness of the Compliance Culture implementation.
7. Monitoring of the Bank's commitments to the regulator.

GCG Assessment

The implementation of GCG principles is an important factor in assessing a bank's soundness level in addition to the bank's risk profile, profitability and capital strength as stipulated in OJK Circular No. 13/SEOJK.03/2017 and OJK Regulation No. 17/2023 on the Implementation of Governance for Commercial Banks. To implement the principles of Good Corporate Governance, the Bank must ensure that the five basic principles of GCG have been implemented by conducting self-assessments periodically, or once every six months, which includes at least 16 factors for assessing GCG implementation.

GCG self-assessment was carried out comprehensively and has been grouped into a governance system consists of three aspects of governance: governance structure, governance process and governance outcome.

Based on the results of the Bank's GCG self-assessment for 2023, as reflected in the GCG Assessment Matrix, the Bank received rank 2 with the "Good" rating, the same as 2022's achievement. The following table contains details of the self-assessment results as follows:

No	Scoring Criteria	Rank	
		2022	2023
1	Implementation of Duties, Responsibilities and Authorities of the Board of Commissioners	2	2
2	Implementation of the Duties, Responsibilities and Authorities of the Board of Directors	2	2
3	Completeness and Implementation of Committee Duties	2	2
4	Handling Conflicts of Interest	1	1
5	Implementation of the Compliance Function	2	2
6	Implementation of the Internal Audit Function	2	2
7	Implementation of the External Audit Function	1	1
8	Implementation of Risk Management including Internal Control System	2	2
9	Provision of Funds to Related Parties and Provision of Large Funds	2	2
10	Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports, and Internal Reporting	1	1
11	Bank Strategic Plan	2	2
	Composite Score based on the Bank's self-assessment	**2**	**2**

With the enactment of POJK No. 17 of 2023 on the Implementation of Governance for Commercial Banks, the Bank commits to continously improving GCG implementation with the latest GCG practices and standards related to:

- Providing Remuneration;
- Integrity of Reporting and Information Technology Systems;
- Shareholder Aspect;
- Implementation of Anti-Fraud Strategy including Anti-Bribery;
- Implementation of Sustainable Finance, including the implementation of Social and Environmental Responsibility, as well as
- Implementation of governance within the Bank's business groups.

Initiatives to be implemented on an ongoing basis are:

1. Increase transparency in GCG implementation through websites and annual reports based on best industry practices.
2. Development of information management designs and systems to support business and internal control processes.
3. Financial literacy.
4. Dissemination and socialisation of GCG practices.
5. Implementation of Sustainable Finance in operational activities.

In 2023, the Bank implemented a number of programs and activities related to GCG, as follows:

1. Renewal of the Bank's organisational structure.
2. Updates to the BoC Charter.
3. Updates to the BoD Charter.
4. Updates to committees under the BoC:
   a. Risk Oversight Committee
   b. Remuneration and Nomination Committee
5. Updates to committees under the BoD, including:
   a. HR Committee
   b. IT Committee
   c. Risk Management Committee
   d. Asset & Liability Committee
   e. Credit Committee
   f. Purchasing Committee
   g. New Product & Activities Committee
   h. Fraud Oversight Committee
   i. Operational Risk Committee
   j. Credit Policy Committee
   k. Early Alert Committee
   l. AML CFT Committee
   m. UCan Product Committee
   n. Governance Risk Compliance Committee
   o. Credit Remedial Committee
6. Ensure the Bank's compliance with the provisions of the OJK, Bank Indonesia and other laws and regulations by continuously strengthening the Compliance Risk

Management culture by increasing the effectiveness of implementing the compliance culture.
7. Ensure the Bank's compliance with Data Protection.
8. Monitoring the Bank's commitment to regulators.

Summary of Governance Self-Assessment Composite Score Calculation

Based on the self-assessment working paper on the implementation of Bank QNB Indonesia's governance for 2023, the rating reflects that the Bank's Management has implemented good governance. This is represented in the adequate fulfillment of governance principles and if there are weaknesses in the implementation of governance principles, these weaknesses will be immediately followed up and resolved by Bank's Management by taking into account Bank's prudential principles.

1. Governance Structure

Positive factors in the aspects of Bank's governance structure are:

a. The Bank's organisational structure is in accordance with applicable regulations, namely in terms of composition, independence, appointment/dismissal and quality of human resources for the BoC, BoD, committees under the BoC, including the completeness of independent parties, Compliance Working Units, Internal Audit Unit, and the Risk Management Unit, namely:
   > The number, composition, criteria and independence of the BoD have met OJK regulations.
   > The number, composition, criteria and independence of the Bank's BoC members have complied with OJK regulations.
   > The formation, structure and membership of the Audit Committee, Risk Oversight Committee, and Remuneration and Nomination Committee are in accordance with applicable regulations.
   > BoC, Committees under the coordination of the BoC, BoD, Senior Management and Executive Officers and employees have taken steps to avoid conflicts of interest.

b. The Bank has various policies, systems and procedures for resolving conflicts of interest as stated in the Articles of Association, Good Corporate Governance Charter, BoC and BoD Charters, Self Assessment Policy for the Performance of the BoC and BoD, Conflict of Interest and Insider Dealing Policy, Disclosure and Transparency Policy, Stakeholder's Rights Policy, Policies and Procedures for the Nomination, Appointment, Replacement and/or Dismissal of Members of the BoC, BoD and Committees Reporting to the BoC, Audit Committee Charter, Charter of Rules and Work Guidelines for the Risk Monitoring Committee, Remuneration and Nomination Charter, QNB Values, Directors' Decree on Gift and Entertainment Procedure, policies related to the implementation of risk management and internal control as well as having policies and procedures to regulate the implementation of anti-fraud strategies, Whistleblowing Policy, Fraud Investigation Policy, Sanctions Policy, and other internal policies.

Negative factors in aspects of the Bank's governance structure are:

In principle, all critical positions including positions in the IT division have been filled.
However, there are several positions required as follows:

a. Director of Corporate & Institutional Banking

   In an effort to maintain and improve performance at the Corporate & Institutional Banking Directorate, during the recruitment process, the Director of Treasury & Financial Institution, Nicolas Alix Groene (Nick Groene), was also assigned as Director of Corporate & Institutional Banking starting on 1 December 2023.

b. Chief Credit Officer (CCO)

   To fill the CCO vacancy, since 21 October 2023, Ms. Lia Indriani was assigned as Act. CCO.

2. Governance Process

Positive factors in the Bank's governance process aspects are:

a. The implementation of duties, functions and responsibilities of all lines and functions in the Bank has been carried out well, including implementing transparency for the BoC and the BoD as well as Bank's employees, implementing a culture of compliance, implementing whistleblowing and anti-fraud, increasing risk awareness and adequate internal control.
b. The Bank has also implemented periodic transparency of financial and non-financial conditions to stakeholders in accordance with applicable regulations, implemented transparency of Bank product information, and implemented consumer protection through adequate and easily accessible media for customers and the wider public.
c. There are no transactions that contain conflicts of interest and no decisions are made that could harm/reduce the Bank's profits. If this was found, it will be properly administered and documented based on applicable regulations.

Negative factors in the Bank's governance process aspects are:

The resolution of Bank credit problems has not been fully resolved and is reflected with continued high ratio of Low Quality Loans (KKR/LQL), Foreclosed Assets (AYDA), and concentration of core debtors, however, the Bank continues to strive to:

a. Develop healthy credit and ensure that KKR/LQL does not experience deterioration.
b. As of November 2023, of the 65 AYDAs, 55 AYDAs (85%) have been sold, the remaining unsold AYDAs are 10 AYDAs (15%) with a value of Rp250,415,607,899 or 2.04% of total assets as of November 2023. The Bank continues to strive to reduce this percentage by making maximum sales efforts, bearing in mind that some of the remaining unsold AYDAs is under the supervision of curators and has low marketability.
c. For the concentration of core debtors which is still high, Bank continues to strive to grow loans that are healthier and more spread-out.

GCG Assessment *(Continued)*

3. Governance Outcome

Positive factors in the Bank's governance outcome aspects are:

a. Regarding repeated findings, the Bank followed up by carrying out comprehensive refinements, including improving processes, products and increasing the risk awareness of Bank employees through dissemination and training. The follow-up process is carried out thoroughly and continuously.
b. Bank has strived to achieve the best performance, It recorded profit in 2023 and is believed to be sustainable and will continously improve.

Negative factors in the Bank's governance outcome aspects are:

a. There is a decrease in total assets and total credit as of September 2023, however, the remaining outstanding is of better quality, with this the Bank can continue to strive in growing back again a sustainable total credit.
b. There are still fines imposed by regulators from both OJK and Bank Indonesia, but they are not significant and the root cause can be immediately corrected by the Bank.

GCG Structure

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is a governance body of the Bank that retains the highest authority not conferred on the Board of Commissioners (BoC) or the Board of Directors (BoD), within the limits stipulated under the Limited Liability Company Law and/or the Articles of Association.

The GMS comprises the Annual GMS (AGMS) and other GMS. The AGMS shall be held at the latest within 6 months since the end of the financial year, or under other conditions or timelines as stipulated by the OJK. The other GMS, namely the Extraordinary GMS (EGMS), may be held at any time as deemed necessary.

Holding of 2023 GMS

In 2023 the Bank conducted 2 GMS, namely the EGMS on 16 February 2023 and the AGMS on 30 May 2023.

The processes involved in the EGMS are as follows:

Notification to OJK	: 3 January 2023
GMS Announcement	: 10 January 2023
GMS Invitation	: 25 January 2023
GMS Implementation Date	: 16 February 2023
GMS Resolution Announcement	: 20 February 2023
GMS Minutes Submission	: 24 February 2023

The 2023 EGMS was attended physically by 1 member of the BoC and 5 members of the BoD as well as shareholders and their proxies representing 18,918,266,831 shares (92.57% of total shares with valid voting rights that had been issued by the Bank).

The table below provides the summary of the meeting agendas as well as their implementation status.

Agenda #	Agenda	EGMS Resolution	Implementation Status
First	Additional issued and paid-up capital by granting Pre-emptive Rights (PMHMETD VII) and changes to article 4 paragraphs 2 and 3 of the Company's Articles of Association.	I. Approved the increase of issued and paid-up capital by granting Preemptive Rights VII ("PMHMETD VII") a maximum of 14,721,515,640 (fourteen billion seven hundred twenty one million five hundred fifteen thousand six hundred and forty) new shares, with a nominal value of Rp250.00 (two hundred and fifty rupiah) per share. The certainty of the number of shares and implementation price will be disclosed in the PMHMETD VII Prospectus, which will be made available to the entitled shareholders in accordance with applicable laws and regulations. II. Authorising the BoD to take all necessary actions in connection with the PMHMETD VII of the Company, including but not limited to fulfilling the requirements specified in the applicable laws and regulations including POJK 32/2015 Juncto POJK 14/2019, which includes among others: 1. Determining the certainty of the number of shares issued in the context of PMHMETD VII;	Implemented in 2023

Agenda #	Agenda	EGMS Resolution	Implementation Status
		2. Determining the ratios of Shareholders entitled to Preemptive Rights; 3. Determining the exercise price in the framework of PMHMETD VII; 4. Determining the certainty of the date of the Register of Shareholders (DPS) entitled to Preemptive Rights; 5. Determining the certainty of the use of funds; 6. Determining the certainty of PMHMETD VII schedule; 7. Signing the documents required for PMHMETD VII including notary deeds and their amendments and/or additions. III. Approved changes to Article 4 paragraph 2 and paragraph 3 of the Company's Articles of Association in connection with the implementation of PMHMETD VII, namely: a. Additional issued and paid-up capital after the implementation of PMHMETD VII is a maximum of 14,721,515,640 (fourteen billion seven hundred twenty one million five hundred fifteen thousand six hundred forty) new shares, with a nominal value of Rp250.00 (two hundred and fifty rupiah) per share to a maximum of Rp8,789,550,406,000.00 (eight trillion seven hundred eighty nine billion five hundred fifty million four hundred six thousand Rupiah). b. Authorised the BoC of the Company to state the realization of the number of shares issued in the PMHMETD VII and determine the certainty of the amount of capital in connection with the additional issued and paid-up capital of the Company in a separate Notary deed including to administer notifications to the Ministry of Law and Human Rights of the Republic of Indonesia as decided at the Meeting. IV. Giving power of attorney to the BoD of the Company to take all necessary actions to: a. Registering the Company's shares in collective custody in accordance with the regulations of the Indonesian Central Securities Depository. b. Listing the Company's shares which are shares that have been issued and fully paid up on the Stock Exchange with due observance of the applicable laws and regulations in the Capital Market sector.	

The processes involved in the AGMS are as follows:

Notification to OJK	: 11 April 2023
AGMS Announcement	: 18 April 2023
AGMS Invitation	: 8 May 2023
AGMS Implementation Date	: 30 May 2023
AGMS Resolution Announcement	: 5 June 2023
AGMS Minutes Submission	:12 June 2023

The 2023 AGMS was attended physically by 3 members of the BoC and 4 members of the BoD as well as shareholders and their proxies representing 18,918,529,831 shares (92.57% of total shares with valid voting rights that had been issued by the Bank).

The table below provides the summary of the meeting agendas as well as their implementation status.

Agenda #	Agenda	AGMS Resolution	Implementation Status
First	To approve the Annual Report of the Company, including the BoD's Report, the BoC's Supervisory Report, and to ratify the Financial	1. Accepted and approved the Company's Annual Report for the fiscal year ending 31 December 2022, including the Report of the BoD and the Report on the Supervision of the BoC;	Implemented in 2023

GCG Structure *(Continued)*

Agenda #	Agenda	AGMS Resolution	Implementation Status
		2. Received and approved the Company's Financial Statements for the fiscal year ending 31 December 2022 which have been audited by Amir Abadi Jusuf, Aryanto, Mawar & Partners Public Accountants according to their Report Number: 00017/2.1030/AU.1/07/ 0501-1/1/II/2023 dated 10 February 2023, with "fairly, in all material respects, the financial position of PT Bank QNB Indonesia Tbk as of 31 December 2022, and its financial performance and cash flows for the year ended, in accordance with Indonesian Financial Accounting Standards", thereby freeing the members of the Company's Directors and BoC from the responsibility and all liabilities (acquit et de charge) for the management and supervision actions that have been carried out during the 2022 financial year, as long as their actions are stated in the Financial Statements for the 2022 fiscal year and are not criminal, provided that the exemption does not apply to members of the BoD who have been proven or have acted outside their authority (ultra vires) and have violated the principle of sound banking prudence.	
Second	To appoint a Public Accountant and/or Public Accounting Firm to audit the Company's Financial Statements for the Financial Year of 2023 and determine the honorarium for the Public Accountant and other terms ofappointment.	1. Approved the delegation of authority to the BoC of the Company to appoint and determine the honorarium of the Independent Public Accountant in carrying out an audit of the Company's Financial Statements for the fiscal year ending 31 December 2023 with criteria as follows: > The Public Accountant must be authorised and listed by Otoritas Jasa Keuangan (OJK); > The Public Accountant has the competence to meet the deadline assigned by the Company; > The appointment must align with the recommendation from the Company's Audit Committee; > The honorarium and other appointment criteria for Public Accountant must be fair; and > The appointment is not against the prevailing laws and regulation. 2. Authorised the BoC to determine the honorarium and other requirements for the Public Accountant, and determine a replacement Public Accountant from another Public Accountant Office. In case the appointed Public Accountant is unable to complete an audit of the Company's Financial Statements for financial year ending 31 December 2023 due to any reasons.	Implemented in 2023
Third	To determine of honorariums/ salaries and other allowances for the members of the BoC and BoD of the Company for the fiscal year of 2023.	Approved the delegation of authority to Qatar National Bank (Q.P.S.C.) as the Controlling Shareholder of the Company to determine the amount of salary, fees and other allowances of the members of the BoD and the BoC of the Company for the 2023 financial year.	Implemented in 2023

Agenda #	Agenda	AGMS Resolution	Implementation Status
Fourth	To approve any change(s) to the BoD of the Company.	1. Approved the resignation of Mr. Geoffry Nugraha from his position as Director. The resignation is effective on 30 May 2023. 2. After the effective resignation of Mr. Geoffry Nugraha as Director on 30 May 2023, the composition of the BoD and BoC of the Company since the closing of the Meeting is as follows: Board of Directors > President Director : Mr. Haryanto Suganda > Director : Mr. Windiartono Tabingin > Director : Mr. Nicolas Alix Groene (Nick Groene) > Director : Mr. Soemenggrie Jongkamto Board of Commissioners > President Commissioner : Ms. Fatma Abdulla SS Al-Suwaidi > Commissioner : Mr. Khalid Ahmed Al-Sada > Independent Commissioner : Mr. Djoko Sarwono > Independent Commissioner : Mr. Muhammad Anas Malla The terms of office of the BoD and BoC of the Company above are for the terms of office which will expire at the close of the Annual General Meeting of Shareholders of the Company which will be held in 2024, without prejudice to the right of the General Meeting of Shareholders to dismiss them at any time. 3. Approved to grant power and authority to the Directors of the Company, with the right of substitution, to state the Meeting resolution in the fourth agenda in a deed drawn before a Notary, and subsequently deliver notification to the authorities, and take all and every action needed in connection with such decision in accordance with applicable laws and regulations.	Implemented in 2023

Implementation of 2022 GMS Resolutions

No resolutions from the GMS held in 2022 were implemented in 2023, as all the resolutions from the 2022 AGMS had been fully implemented in 2022.

Board of Commissioners

The Board of Commissioners (BoC) is a governance body of the Bank that is tasked to provide general and specific forms of supervision in accordance with the Articles of Association and provide advice to the Board of Directors (BoD).

Members of the BoC are individuals that satisfy the requirements for OJK approval, i.e., having integrity, competence, and upstanding reputation throughout their term of office.

Board of Commissioners' Charter

The BoC has a working guideline (Charter) that binds each member of the BoC. The most recent BoC Charter of the Bank is No. 1/04/001.03/V/2023, ratified on 31 May 2023. This charter stipulates the structure and membership; criteria for membership; term of office; duties and responsibilities; authorities; work ethics; work values; meetings; reporting and responsibility; as well as transparency of the BoC.

Appointment and/or Replacement or Dismissal

Every recommendation for the appointment and/or replacement or dismissal of any member of the BoC submitted to the GMS must take into account the recommendation of the Remuneration & Nomination Committee. Appointment and/or replacement of any member of the BoC puts forth the composition of the BoC in terms of professionalism, independence, alignment of competences, and diversity, all of which are specifically required for discharging the duties and responsibilities of the BoC.

Procedures for BoC members' appointment and/or replacement or dismissal are detailed in the BoC Charter.

GCG Structure *(Continued)*

Composition & Membership

The Bank, with 4 members in its BoC, has fulfilled the provisions for BoC composition, i.e., consisting of minimum 3 members and maximum the same number of BoD members. Two commissioners are domiciled in Indonesia. Two commissioners are Independent Commissioners.

BoC Composition as at 31 December 2023

Name	Position	Most Recent Legal Basis of Appointment	BI or OJK Approval	Term of Office
Fatma Abdulla Al-Suwaidi	President Commissioner	AGMS on 19 August 2021 (Initial appointment: EGMS on 17 December 2020)	4 June 2021	June 2021–August 2021 2021–2024
Khalid Ahmed Al-Sada	Commissioner	AGMS on 19 August 2021 (Initial appointment: AGMS on 26 June 2019)	11 October 2019	2019–2021 2021–2024
Djoko Sarwono	Independent Commissioner	AGMS on 19 August 2021 (Initial appointment: EGMS on 9 October 2015)	11 November 2015	2015–2018 2018–2021 2021–2024
Muhammad Anas Malla	Independent Commissioner	AGMS on 19 August 2021 (Initial appointment: EGMS on 16 September 2011)	24 November 2011	2011–2012 2012–2015 2015–2018 2018–2021 2021–2024

Training

The Bank always strives to enhance its BoC members with the necessary tools to carry out their relevant functions, and this is pursued among others through regular and ongoing training. Some BoC members participated in various training and development programmes in 2023. These are listed in their respective profiles in the Board of Commissioners Profiles section in this Annual Report, on pages 46–49.

Independence

Independent Commissioners are members of the BoC who do not have financial, management, share ownership and/or family relationships with members of the BoD, other members of the BoC, and/or controlling shareholders including the ultimate controlling shareholder, or any relationships with the Bank that could affect their capabilities to act independently.

Independent Commissioners must have adequate knowledge in the banking sector that is relevant to their position and experience in the banking and/or financial sector.

The number of Independent Commissioners in the Bank is 2, in accordance with the mandatory provisions of at least 50% of the total members of the BoC. Both of them have served as Independent Commissioners for more than 2 consecutive terms. The two Independent Commissioners were reappointed with the consideration that they had signed a Statement Letter stipulating that the supervisory function has been and will be carried out independently, and the resolution of the BoC meeting stipulating that the persons concerned act independently and the their statement of independence have been accepted at the GMS.

Ownership of Shares by Members of the BoC

BoC members disclose their share ownership amounting to 5% or more in the Bank and other banks or companies domiciled domestically or abroad. The report is updated annually, and immediately following a change in the share ownership, to the authorities. As at 31 December 2023, no BoC members held more than 5% of the paid-up capital of the Bank or that of other banks, non-bank financial institutions, or other companies in Indonesia or abroad.

Concurrent Positions

Members of the BoC are prohibited from holding concurrent positions in accordance with statutory provisions. There are several positions that are not considered concurrent positions as per OJK regulations, as long as they do not result in the person concerned neglecting their duties and responsibilities as a member of the BoC. The positions held by each member of the BoC at the end of 2023 are listed in their respective profiles in the Board of Commissioners Profiles section of this Annual Report, on pages 46–49.

Financial or Familial Relations of BoC Members

The table below shows the familial and financial relationships between each BoC member and other BoC members, BoD members, and the Controlling Shareholder including the Ultimate Controlling Shareholder:

Name	Family Relationship with						Financial Relationship with					
	BoC		BoD		Controlling Shareholder		BoC		BoD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Fatma Abdulla Al-Suwaidi		V		V		V		V		V	V	
Khalid Ahmed Al-Sada		V		V		V		V		V	V	
Djoko Sarwono		V		V		V		V		V		V
Muhammad Anas Malla		V		V		V		V		V		V

Duties & Responsibilities

The BoC is tasked with supervising in the interests of the Bank over the policies and course of management by the BoD, providing advice to the BoD and holding responsibility for such supervision, in accordance with the Bank's aims and objectives as stipulated in the provisions of laws and regulations, the Articles of Association, and GMS resolutions. The complete duties of the BoC are stated in the Bank's Articles of Association and the BoC Charter.

The main duties of the BoC relating to the main aspects are, among others:

1. General Duties: Conducting duties and responsibilities in good faith, as well as in an accountable and prudent manner;
2. Corporate Governance: Ensuring the implementation of GCG in all aspects of the Bank's business activities across all organisational levels and hierarchy;
3. Implementation of Internal Audit Function: Ensuring that the BoD develops and maintains an adequate, effective and efficient internal control system;
4. Strategic Decisions and Planning: Setting, developing, and approving the strategies, plans, objectives, and main policies of the Bank, including but not limited to approving the Bank's risk management strategy including for IT risk and cybersecurity risk;
5. Oversight, Control, and Supervision: Overseeing the BoD and Senior Management through the BoD Committees as part of the Bank's checks and balances, and reviewing all decisions of the BoC Committees and BoD Committees, including but not limited to ensuring the implementation of internal control framework system across the Bank, including internal audit, compliance, risk management (including IT risk and cybersecurity risk), and financial control;
6. Performance Evaluation: Setting and upholding a self-assessment mechanism for evaluating the performance, competence, and efficacy of BoC and BoD members in accordance with the provisions, including but not limited to ensuring that the Bank maintains and enacts the proper comprehension programmes required to disseminate the compliance and risk management culture, including for IT risk and cybersecurity risk;
7. External Audit and Financial Services: Nominating independent external auditors to the GMS and supervising their performance based on the input from the Audit Committee;
8. Stakeholder Management: Supervising BoD's exercise of responsibilities towards shareholders and other stakeholders and related parties within the Bank and the community at large;
9. Executive Responsibilities: Reviewing the Bank's long-term strategy, annual business plan and budget, performance in all aspects of business, and corporate social responsibility, including but not limited to reviewing and approving the AML CFT policy, risk management policy (including IT risk and cybersecurity risk, credit policy, and credit restructuring policy); and
10. Formation of Committees: Establishing committees under the BoC to assist the BoC effectively, communicating intensely with the committees, and supervising and evaluating their work performance on a regular basis.

Remuneration Structure, Policy, and Procedures

In general, the Bank determines remuneration package by referring to the Bank's internal policies, prevailing laws and regulations, industry comparison, and with taking into account its performance in the current year. The amount of remuneration for BoC members is set based on their performance. According to the Bank's Articles of Association, salary or honorarium and other allowances for the BoC members shall be established by the GMS.

BoC remuneration procedure consists of several phases, which include formulation, analysis, proposal, and establishment. The Remuneration and Nomination Committee is the supporting organ that formulates the remuneration policy and proposal. The Committee gathers information about remuneration standard for the position and similar industry in the market, as well as taking the Bank's performance under consideration.

GCG Structure *(Continued)*

Until the end of the reporting period, the Bank did not have any policy related to the provision of long term compensation in the form of share option or other forms to anyone, including the BoC members.

Type of Remuneration and Facility	Amount Received in 1 Year in 2023	
	Recipients	Amount (million Rp)
Remuneration (salary, bonuses, routine benefits, and other intangible facilities)	2	2,524
Other tangible facilities (housing, transportation allowances, health insurance, and others) that can be owned and cannot be owned	2	54
Total		**2,578**

Remuneration Received per Person per Year	Recipients
Above Rp5 billion	-
Above Rp2 billion up to Rp5 billion	-
Above Rp1 billion up to Rp2 billion	2
Above Rp500 million up to Rp1 billion	-
Rp500 million or below	-

Highest to Lowest Salaries	Ratio
Ratio of Employees' Highest Salary to Lowest Salary	1 : 38.19
Ratio of Directors' Highest Salary to Lowest Salary	1 : 2.13
Ratio of Commissioners' Highest Salary to Lowest Salary	1 : 1
Ratio of Director's Highest Salary to Employee's Lowest Salary	1 : 2.31
Ratio of Director's Highest Salary to Commissioner's Highest Salary	1 : 5.72
Ratio of Director's Highest Salary to Commissioner's Lowest Salary	1 : 2.67

Meetings

The BoC is obliged to hold regular BoC meetings at least once every 2 months or whenever deemed necessary by members of the BoC, or upon written request from members of the BoD, or from at least 1/10 of the total shares with valid voting rights. Joint meetings between the BoC and the BoD is held periodically at least once every 4 months. All members of the BoC must physically attend meetings at least twice a year. Non-Independent Commissioners who cannot physically attend meetings, can attend face-to-face BoC meetings by utilising information technology, including video conference media or other electronic face-to-face media.

In 2023, the BoC held a total of 6 meetings, and attended 5 joint meetings with the BoC and BoD.

The attendance of each member of the Board of Commissioners at the 2023 Board of Commissioners meeting is as follows:

Name	Position	Physical Attendance	Video Conference	Percentage of Attendance
Fatma Abdulla Al-Suwaidi	President Commissioner	3	3	100%
Khalid Ahmed Al-Sada	Commissioner	2	4	100%
Djoko Sarwono	Independent Commissioner	6	-	100%
Muhammad Anas Malla	Independent Commissioner	6	-	100%

The attendance of each BoC member in the BoC–BoD joint meetings in 2023 are as follows:

Name	Position	Physical Attendance	Video Conference	Percentage of Attendance
Fatma Abdulla Al-Suwaidi	President Commissioner	2	3	100%
Khalid Ahmed Al-Sada	Commissioner	2	3	100%
Djoko Sarwono	Independent Commissioner	5	-	100%
Muhammad Anas Malla	Independent Commissioner	5	-	100%

Performance Assessment

The BoC's performance is assessed regularly every year.

Criteria or indicators used in evaluating the BoC's performance of duties and responsibilities are:

> Assessment of the Supervisory Duties of the BoC as reflected in the Annual Report, conducted by the Shareholders at the GMS.
> Self assessment through the Governance Implementation self assessment, encompassing the Governance Structure, Governance Process, and Governance Outcome.
> Self assessment of the execution of the BoC's duties and responsibilities, encompassing the Membership Structure, Performance Assessment; Strategic Plan and Performance, as well as Management Interaction and Activities.

Assessment of the BoC's performance follows the below procedures/mechanisms:

1. Assessment of the BoC's Performance by the GMS.
   The BoC's performance is evaluated by the Shareholders at the AGMS, concurrent with the submission of the report of the BoC's supervision, as stipulated in the Bank's Annual Report. The AGMS subsequently determines whether to accept and approve the Annual Report for the previous financial year including the report of the BoC's supervision and to provide full acquittal and discharge (*acquit et de charge*) to the BoC for the supervisory actions carried out during the previous financial year.
2. Self assessment of the duties and responsibilities of the BoC through the preparation of the bank's governance implementation self assessment.
   This method of assessment of the BoC's performance shall be submitted by the Bank to OJK every semester. OJK shall subsequently conduct evaluation or assessment of the report of the bank's governance implementation self assessment.
3. Assessment of the BoC's performance is also carried out through the preparation of self assessment of the execution of duties and responsibilities of each member of the BoC.

Based on the above, the BoC's performance assessment for 2023 concluded that throughout 2023 the BoC had optimally conducted the supervision of the BoD, GCG implementation, risk management, and compliance in the Bank. Despite the Bank delivered a satisfactory performance in 2023, strengthening of performance is required along all business lines.

The assessment result is used as a reference and will be followed up in the form of improvements and action plans for the BoC. The assessment result is expected to be used as an input for improving the BoC's performance on an ongoing basis.

Committees' Performance Assessment

In carrying out its duties and responsibilities, the BoC is assisted by several committees of the BoC. These committees are the Audit Committee, the Remuneration and Nomination Committee, and the Risk Oversight Committee.

Implementation of the committee's duties was mainly through the committee meetings, including by inviting related divisions/work units, as well as through thorough evaluations by each committee at the meetings, presented to the BoC.

> The Audit Committee had conducted its functions, duties, and responsibilities, among others to review the financial information to be published by the Bank to the authorities and/or the public. The Audit Committee had furthermore reviewed the Bank's compliance with the laws and regulations related to the Bank's business activities, including evaluating the performance of the Internal Audit division and Compliance directorate, evaluating the effectiveness of the audit performed by the Public Accounting Firm, and supervising any case of fraud, operational risk, and compliance.
> The Remuneration and Nomination Committee had conducted its functions, duties, and responsibilities to supervise the implementation of nomination and remuneration policies across all levels and hierarchy of the organisation, starting from the BoC, the BoD, and all employees, in line with the prevailing regulations.
> The Risk Oversight Committee had conducted its duties and responsibilities for supervising and evaluating the implementation of risk management in the Bank.

The BoC assessed that in light of the completion of all the duties and responsibilities of the committees of the BoC as previously stipulated, the frequency of meetings and attendance in these meetings by the members, along with these committees' activity reports had shown that these committees had performed their respective duties rather effectively.

Board of Directors

The Board of Directors (BoD) is a governance body of the Bank that is authorised to conduct, and fully responsible for, the management of the Bank for the interest of the Bank, aligned with the intents and purposes of the Bank as well as representing the Bank inside and outside the court of law in accordance with the provisions of the Articles of Association.

Members of the BoD are individuals that satisfy the requirements for OJK approval, i.e., having integrity, competence, and upstanding reputation throughout their term of office.

Board of Directors' Charter

The BoD has a working guideline (Charter) that binds each member of the BoD. The most recent BoD Charter of the Bank is No. 1/04/002 Rev 2 was established on 31 May 2023. This charter stipulates the structure and membership; membership criteria; term of office; duties and responsibilities; authorities; work ethics; work culture; accountability; meetings; as well as reporting and responsibility as well as transparency of the BoD.

Appointment and/or Replacement or Dismissal

Every recommendation for the appointment and/or replacement or dismissal of any member of the BoD submitted to the GMS must take into account the recommendation of the Remuneration & Nomination Committee. Appointment and/or replacement of any member of the BoD puts forth the composition of the BoD in terms of professionalism, independence, alignment of competences, and diversity, all of which are specifically required for discharging the duties and responsibilities of the BoD.

GCG Structure *(Continued)*

Procedures for BoD members' appointment and/or replacement or dismissal are detailed in the BoD Charter.

Composition & Membership

The Bank's BoD, with its 4 members, has fulfilled the provisions for BoD composition, i.e., consisting of at least 3 members.

All of the Directors are domiciled in Indonesia.

BoD Composition as at 31 December 2023

Name	Position	Most Recent Legal Basis of Appointment	BI or OJK Approval	Term of Office
Haryanto Suganda	President Director	EGMS on 23 December 2021	22 April 2022	April 2022–2024
Geoffry Nugraha[1]	Corporate & Institutional Banking Director	AGMS on 19 August 2021 (Initial appointment: AGMS on 28 June 2019)	11 October 2019	2019–2021 2021–2024
Windiartono Tabingin	Compliance Director	AGMS on 19 August 2021 (Initial appointment: EGMS on 29 November 2012)	25 February 2013	2012–2015 2015–2018 2018–2021 2021–2024
Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director	AGMS on 19 August 2021 (Initial appointment: EGMS on 17 December 2020)	31 March 2021	2020-2021 2021–2024
Soemenggrie Jongkamto	Finance Director	AGMS on 19 August 2021	18 November 2021	2021–2024

1) Resigned effective from 30 May 2023

In 2023, there was a change to the composition of the Bank's BoD, namely, the resignation of Geoffry Nugraha effective from 30 May 2023.

Training

The Bank always strives to enhance its BoD members with the necessary tools to carry out their relevant functions, and this is pursued among others through regular and ongoing training. Training and competence development programmes participated by the BoD members in 2023 are listed in their respective profiles in the Board of Directors Profiles section in this Annual Report, on pages 42–45.

Newly appointed members of the BoD will be given guidance and overview of the Bank's business activities in the form of Annual Reports, Quarterly Financial Reports, the Bank Business Plan, BoD Charter, as well as adequate risk management training, as part of the Bank's induction programme for new BoD members. Such members of the BoD will also have discussion with other members of the BoD, committees' members, and attend meetings with the BoD and BoC.

Ownership of Shares by BoD Members

BoD members shall disclose their share ownership amounting to 5% or more in the Bank and other banks or companies domiciled domestically or abroad. The report is updated annually, and immediately following a change in the share ownership, to the authorities.

Members of the BoD, individually or collectively, are prohibited from owning shares in any other companies amounting to 25% or more of the paid-up capital of these other companies. Exemption from share ownership is as determined by applicable regulations.

Financial or Familial Relations of BoD Members

The table below shows the familial and financial relationships between each BoD member and other BoD members, BoC members, and the Controlling Shareholder including the Ultimate Controlling Shareholder:

Name	Family Relationship with						Financial Relationship with					
	BoC		BoD		Controlling Shareholder		BoC		BoD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Haryanto Suganda		V		V		V		V		V		V
Geoffry Nugraha[1]		V		V		V		V		V		V
Windiartono Tabingin		V		V		V		V		V		V
Nicolas Alix Groene (Nick Groene)		V		V		V		V		V		V
Soemenggrie Jongkamto		V		V		V		V		V		V

1) Resigned effective from 30 May 2023

Duties & Responsibilities

The BoD is tasked with carrying out and being responsible for the management of the Bank in accordance with the Bank's aims and objectives as stipulated in the provisions of statutory regulations, Articles of Association, and GMS resolutions. The complete duties of the BoD are stated in the Bank's Articles of Association and the BoD Charter.

The main duties of the BoD are, among others:

1. General Duties: Must carry out duties and responsibilities in good faith, with full responsibility and prudence and with due regard to applicable laws and regulations and the Bank's Articles of Association.
2. Corporate Governance:
   a. Carry out Bank management for the benefit and in accordance with the Bank's aims and objectives and act as the leader in such management.
   b. Maintain and manage the Bank's assets.
   c. Take full responsibility for carrying out their duties for the benefit of the Bank in achieving its goals and objectives,
   d. Must hold Annual GMS and other GMS as regulated in statutory regulations and the Bank's Articles of Association.
   e. Must implement the principles of good corporate governance in every business activity of the Bank at all levels or levels of the organisation, at least this must be realised in the implementation of the duties and responsibilities of the BoD, the completeness and implementation of the duties of committees and work units that carry out the Bank's internal control function, implementation of compliance function, internal audits and external audits, as well as implementation of risk management including IT risk, cybersecurity risk, and the internal control system.
3. Implementation of the Internal Audit Function: Develop an internal control framework to identify, measure, monitor and control all risks faced by the Bank.
4. Strategic Decisions and Planning:
   a. Must submit to the BoC to determine and develop the Bank's main strategies, plans, objectives and policies,
   b. Must seek approval from the BoC for the Bank's Annual Budget and Business Plan (RBB) to ensure that this is in line with long-term strategy and changes in the economy, markets and regulatory environment,
   c. Must seek approval from the BoC for the Bank's capital expenditure budget and all changes during the fiscal year.
   d. Must seek approval from the BoC to approve the Risk Management strategy including IT risk and cybersecurity risk, as well as the overall Risk Appetite and portfolio strategy approved by the Risk Oversight Committee and review any changes in the risk management strategy or risk appetite that arise.

In addition to the above, each BoD member has a specific set of duties and responsibilities in accordance with their designated position, as summarised below:

PRESIDENT DIRECTOR

The President Director position coordinates the Bank's management and together with the BoD establish strategic plans; leads business network development for the Bank's benefit; coordinates, directs, and supervises each directorate to keep them on track with long-term strategies; directs business performance and maximises revenue; promotes the Bank's image and participates in building good relations with customers, monetary authorities, and other stakeholders; supervises the BoD and divisions under their responsibility directly, in accordance with the Bank's organisation structure; and leads and directs the human resources empowerment policy to be aligned with the Bank's strategies and to achieve its goals.

GCG Structure *(Continued)*

COMPLIANCE DIRECTOR

The Compliance Director leads and directs policy and strategy development and implementation in Regulatory Compliance, Financial Crime Compliance (FCC), and Corporate Secretary areas; formulates strategies to encourage compliance culture, establish compliance systems and procedures for developing internal policies and guidelines and upholding them in accordance with the laws and regulations; coordinates, directs, and implements the principles of good governance and corporate actions; ensures compliant reporting and fulfilment of action plans and commitments to regulators; as well as boosts competitiveness and profitability through effective planning and control over resources and risk management under the Compliance Directorate.

CORPORATE & INSTITUTIONAL BANKING DIRECTOR

The Treasury & Financial Institution is concurrently serving as the Acting Corporate & Institutional Banking Director, who leads and directs policy and strategy development and implementation in Corporate & Institutional Banking area; leads, directs, and coordinates the development of products and services to ensure growth, profitability, and competitive products in the Corporate & Institutional Banking segment; ensures fulfilment of customer-oriented approach and strategic relationship approach; as well as boosts competitiveness and profitability through effective planning and control over resources and risk management under the Corporate & Institutional Banking Directorate.

OPERATIONS & TECHNOLOGY DIRECTOR

In consideration of the organisational structure of the Bank, the President Director directs the Operations & Technology Directorate, leading and directing policy and strategy development and implementation in operations, information technology, human resources management, general services and corporate communications; manages systems and units related to processing to ensure efficient deployment of technology and technologically-oriented operational support; enhances operating standards and processes by sponsoring the transformational adoption of core standard systems to ensure that the best results are achieved; ensures accuracy of information across all internal and external communications processes as well as the public relation functions of the Bank; and provides guidance in the management of human resources.

TREASURY & FINANCIAL INSTITUTION DIRECTOR

The Treasury & Financial Institution Director leads and directs policy and strategy development and implementation in treasury & financial institution; carefully monitors the Bank's liquidity ratios; initiates and leads the Bank's funding roadmap; effectively and efficiently controlling the Bank's funding and ensuring sound liquidity of the Bank's and optimises cost effectiveness; supervises the dealing room and foreign exchange/money position of the dealers within the preset risk parameters; achieves the investment and treasury sales targets and maximises profit through fund management and trading of various financial instruments; maintains communication with the regulators, supervisors of correspondent banking regulations to help achieve the Bank's business targets.

FINANCE DIRECTOR

The Finance Director monitors the optimal strategy for capitalisation and distribution of dividends to shareholders and maintains capital adequacy ratios; supports an effective decision making across all business units and delivers ideas related to financial investments, liquidity, strategic planning, balance sheet structure, and profit projections; prepares the Bank's annual budget and maintains the business, budgeting, and review procedures that are consistent throughout the Bank while monitoring the Bank's budget control system and developing long-term financial strategy; controls the spread and margin of the average interest rate and prepares marginal cost/benefit analyses as well as designs and maintains through coordination the risk-adjusted return on capital; and monitors the implementation of sustainable financing plan into the Bank's governance and standard operating procedures.

Remuneration Structure, Policy, and Procedures

In general, the Bank determines remuneration package by referring to the Bank's internal policies, prevailing laws and regulations, industry comparison, and with taking into account the Bank's performance in the current year. The amount of remuneration for BoD members is set based on their performance. According to the Bank's Articles of Association, salary or honorarium and other allowances for the BoD members shall be established by the GMS.

BoD remuneration procedure consists of several phases, which include formulation, analysis, proposal, and establishment. The Remuneration and Nomination Committee is the supporting organ that formulates the remuneration policy and proposal. The Committee gathers information about remuneration standard for the position and the similar industry in the market, inflation rate, as well as the Bank's performance and assessment results, to be used as consideration.

Until the end of the reporting period, the Bank did not have any policy related to the provision of long term compensation in the form of share option or other forms to anyone, including the BoD members.

Type of Remuneration and Facility	Amount Received in 1 Year in 2023	
	Recipients	Amount (million Rp)
Remuneration (salary, bonuses, routine benefits, and other intangible facilities)	5*	25,644
Other tangible facilities (housing, transportation allowances, health insurance, and others) that can be owned and cannot be owned	5*	231
Total		**25,875**

*) One Director resigned in 2023

Remuneration Received per Person per Year	Recipients
Above Rp5 billion	2*
Above Rp2 billion up to Rp5 billion	3
Above Rp1 billion up to Rp2 billion	-
Above Rp500 million up to Rp1 billion	-
Rp500 million or below	-

*) One Director resigned in 2023

Meetings

In general, the BoD must conduct a meeting at least once a month or at any time deemed necessary and upon written request by any BoD member, any BoC member, or at least 1/10 of the total shares with valid voting right. A joint meeting with the BoC must be held at least once every 4 months. Each BoD member shall attend the meetings unless a valid reason is given and a proxy is nominated in accordance with the provisions. Meetings may also be conducted via teleconference, video conference, or other electronic means.

In 2023, the BoD conducted a total of 31 meetings, and attended 5 BoC–BoD joint meetings.

The attendance of each BoD member in the BoD meetings in 2023 are as follows:

Name	Position	Attendance	Percentage of Attendance
Haryanto Suganda	President Director	31	97%
Geoffry Nugraha[1]	Director	7	64%
Windiartono Tabingin	Director	29	91%
Nicolas Alix Groene (Nick Groene)	Director	30	94%
Soemenggrie Jongkamto	Director	28	88%

1) Resigned effective from 30 May 2023

The attendance of each BoD member in the BoC–BoD joint meetings in 2023 are as follows:

Name	Position	Attendance	Percentage of Attendance
Haryanto Suganda	President Director	5	100%
Geoffry Nugraha[1]	Director	2	100%
Windiartono Tabingin	Director	5	100%
Nicolas Alix Groene (Nick Groene)	Director	5	100%
Soemenggrie Jongkamto	Director	5	100%

1) Resigned effective from 30 May 2023

Performance Assessment

The BoD's performance is assessed regularly every year.

Criteria or indicators used in evaluating the BoD's performance of duties and responsibilities are:

> Assessment of the Duties of the BoD as reflected in the Annual Report, conducted by the Shareholders at the GMS.
> Self assessment through the Corporate Governance Implementation self assessment, encompassing the Governance Structure, Governance Process, and Governance Outcome.
> Self assessment of the execution of the BoD's duties and responsibilities, encompassing the Membership Structure, Performance Assessment; Strategic Plan and Performance, as well as Management Interaction and Activities.

Assessment of the BoD's performance follows the below procedures/mechanisms:

1. Assessment of the BoD's Performance by the AGMS.

   The BoD's performance is evaluated by the Shareholders at the AGMS, concurrent with the submission of the report of the BoD's duties, as stipulated in the Bank's Annual Report. The AGMS subsequently determines whether to accept and approve the Annual Report for the previous financial year including the report of the BoD's duties and to provide full acquittal and discharge (acquit et de charge) to the BoD for the managerial actions carried out during the previous financial year.

GCG Structure *(Continued)*

2. Self assessment of the duties and responsibilities of the BoC through the preparation of the bank's governance implementation self assessment.

   This method of assessment of the BoD's performance shall be submitted by the Bank to OJK every semester. OJK shall subsequently conduct evaluation or assessment of the report of the bank's governance implementation self assessment.

3. Assessment of the BoD's performance is also carried out through the preparation of self assessment of the collegial execution of duties and responsibilities of the BoD.

In light of the matters above, the performance assessment of the BoD during 2023 showed that the Board of Directors had implemented the efforts and strategies to improve the Bank's performance. The optimal efforts of the BoD was reflected in the growing scale of the Bank's business, with profitability achieved. The Bank's performance in 2023 can become the foundation for the Bank's sustainable growth in the future.

The assessment result is used as a reference and will be followed up in the form of improvements and action plans for the BoD. The assessment result is expected to be used as an input for improving the BoD's performance on an ongoing basis.

Committees' Performance Assessment

The BoD has established several committees to support the implementation of the BoD's duties, in line with the prevailing business needs and to comply with the laws and regulations.

The committees under the BoD are:
- Asset & Liability Committee (ALCO)
- Credit Committee
- Credit Remedial Committee
- Early Alert Committee
- Risk Management Committee
- Purchasing Committee
- New Products & Activities Committee
- Information Technology Committee
- Human Resources Committee
- Fraud Oversight Committee
- Credit Policy Committee
- Operational Risk Committee
- Anti-Money Laundering and Combating the Financing of Terrorism Committee
- UCan Product Committee
- Governance, Risk, Compliance Committee

The BoD has concluded that throughout 2023 the performance of the committees under the BoD has been overall rather effective. This conclusion was grounded upon the realisation of the fulfillment of duties and responsibilities of these committees in line with the provisions in the BoD Decree, the competence as well as the meeting attendance of the members of the respective committee.

Committees of the Board of Commissioners

Audit Committee

Legal Basis of Appointment, Structure, and Composition

The Bank maintains a work guideline for the Audit Committee, based on the Audit Committee Charter No. 1/04/004.01/V/2019 dated 27 May 2019.

The Audit Committee Charter is regularly reviewed and updated with the regulations. The Charter serves as work guideline and procedure for Audit Committee members. It details matters related to the composition and structure, membership criteria, term of office, duties and responsibilities, authorities, work ethics, working hours, working mechanism, meetings, and reporting of the Audit Committee.

Audit Committee is responsible directly to the BoC, and consists of 3 members, 1 of whom serves as Committee Chairperson (Independent Commissioner) and 2 members are Independent Parties. Members of the Audit Committee who are Independent Parties must conduct their duties, responsibilities, and authority with integrity, independence, and competence, and maintain their reputation.

Audit Committee's current composition is based on the BoD Decree No. 030/SK-Dir/VI/2023 dated 5 June 2023, as follows:

Name	Position in Bank	Position in Committee	Term of Office
Muhammad Anas Malla	Independent Commissioner	Chairperson	2022–2024
Heru Subroto	Independent Member	Member	2023-2024
Achmad Effendy Abdurachman	Independent Member	Member	2022–2024

Profiles of Audit Committee Members

MUHAMMAD ANAS MALLA – CHAIRPERSON

His profile is presented in the Board of Commisioners Profiles section in this Annual Report, on page 49.

HERU SUBROTO – MEMBER

Indonesian citizen, 68 years old. He has more than 27 years of experience working at PT Bank Negara Indonesia (Persero) Tbk, occupying various positions such as IT Audit Group Head, Deputy General Manager Operational Division. Served as IT Consultant at Koperasi Swadharma (2011–2013), Project Manager and Internal Control at PT SDD Group (2013–2015), Senior Consultant at PT Mitra Bisnis Ciptakarya, Internal Audit & IT Manager at Persatuan Pensiunan BNI, Audit Committee Member at Bank Oke Indonesia (2022–present). He earned his Bachelor's degree from Gadjah Mada University (1982), and Master's degree in EDP/IT Audit from California State Polytechnic University, California, USA (1991).

ACHMAD EFFENDY ABDURACHMAN – MEMBER

Indonesian Citizen, 75 years old. Has more than 23 years of work experience at Bank Indonesia (1980–2004), with his last position as Head of Research and Development Team, Credit Bureau (1999–2005). Joined APRACA Consultancy Services as Managing Director (2003–2009), PT Bank KEB Hana Indonesia as Independent Commissioner (2007–2015), Indonesian Banking Development Institution (LPPI) as Head of Division for Micro Finance Development & Study (2010–2014) and as Consultant Director (2014–2018), and Pefindo Credit Bureau as an Audit Committee member (2015–2022). Obtained his Bachelor of Fisheries degree from University of Brawijaya, Malang (1977) and Master's degree in Management from Asian Institute of Management Manila, Phillipines (1989).

Duties and Responsibilities

Audit Committee's duties and responsibilities are laid out in detail in the Audit Committee Charter. In general, Audit Committee is responsible for supporting the BoC in monitoring and evaluating the planning and implementation of audit as well as monitoring the follow-up to audit findings in order to assess the adequacy of internal control, including the adequacy of financial reporting process, and ensure the efficiency of the compliance function in detecting the deviations and breaches within the Bank.

Independence

All members of the Audit Committee meet all independence criteria and are able to perform their duties independently, uphold the Bank's interests and are not influenced by any parties. This is evidenced by the membership composition that consists of 1 Chairperson who is an Independent Commissioner and 2 Independent Parties.

Family or Financial Relationships of Audit Committee Members

Name	Family Relationship with								Financial Relationship with							
	Other Committee Members		BoC		BoD		Controlling Shareholder		Other Committee Members		BoC		BoD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Muhammad Anas Malla		V		V		V		V		V		V		V		V
Heru Subroto		V		V		V		V		V		V		V		V
Achmad Effendy Abdurachman		V		V		V		V		V		V		V		V

2023 Duties

The Audit Committee performed its roles and responsibilities that included monitoring activities and providing recommendations. The Audit Committee reports its activities and recommendations to the BoC on a regular basis.

Meetings

In 2023, the Audit Committee held 18 meetings, with the attendance list as follows:

Name	Physical Attendance	Percentage of Attendance
Muhammad Anas Malla	18	100%
Heru Subroto	10	100%
Achmad Effendy Abdurachman	18	100%

Committees of the Board of Commissioners *(Lanjutan)*

The Audit Committee meetings in 2023 discussed the following agendas:

1. 17 January 2023 : a. Audit progress with External Auditor.
   b. 4th Quarter Internal Audit, Fraud, Operational Risk & Compliance Update.
2. 11 & 25 January 2023 : Audit progress with External Auditor.
3. 7 February 2023 : Closing Meeting with External Auditor.
4. 28 February 2023 : Implementation of Quality Assurance Review (QAR) by External Auditor.
5. 11 April 2023 : 1st Quarter Internal Audit, Fraud, Operational Risk and Compliance Update.
6. 6 May 2023 : Appointment of KAP as executor of statutory audit for 2023.
7. 30 May 2023 : Continued discussion of the appointment of KAP as executor of statutory audit for 2023.
8. 11 July 2023 : 2nd Quarter Internal Audit, Fraud, Operational Risk and Compliance Presentation.
9. 18 July 2023 : Kick off Meeting with Audit Committee (EY as the Public Accounting Firm).
10. 1 August 2023 : Results of Internal Audit examination by External Auditor.
11. 29 August 2023 : Impact of POJK No. 8 of 2023 on AML CFT CPF Implementation at the Bank.
12. 17 October 2023 : a. Financial Statement Highlights 3rd Quarter 2023;
    b. 3rd Quarter Internal Audit, Fraud, Operational Risk & Compliance.
13. 24 October 2023 : a. Continued discussion of 3rd Quarter Internal Audit, Fraud, Operational Risk & Compliance;
    b. Internal Audit Charter Update.
14. 31 October 2023 : FCC AML Update.
15. 5 December 2023 : 2024 Audit Plan.

Competence Development

To enhance the committee's relevant competences, committee members are encouraged to participate in various training and development programmes. In 2023, all members of the Audit Committee attended BARa Risk Forum: ERM and Cyber Security: How to Mitigate and Protect, organised by Bankers Association for Risk Management (BARa) on 26 July 2023.

Remuneration & Nomination Committee

Legal Basis of Appointment, Structure, and Composition

Establishment of the Remuneration & Nomination Committee (RNC) is based on the RNC Charter No. 1/04/003.02/V/2023 dated 31 May 2023.

The RNC Charter is regularly reviewed and updated with the regulations. The Charter serves as work guideline and procedure for RNC members. It details matters related to the composition, structure, and membership criteria, duties and responsibilities, work ethics, work procedures, meetings, and reporting of the RNC.

RNC is responsible directly to the BoC, and consists of 3 members, 1 of whom serves as Committee Chairperson (Independent Commissioner) and 2 members consisting of 1 Commissioner and 1 executive officer in HR.

RNC's current composition is based on the BoD Decree No. 001/SK-Dir/I/2023 dated 2 January 2023, as follows:

Name	Position in Bank	Position in Committee	Term of Office
Muhammad Anas Malla	Independent Commissioner	Chairperson	2022–2024
Khalid Ahmed Al-Sada	Commissioner	Member	2022–2024
Ruth Theresia	Talent, Learning, and Development Head	Member	2023-2024

Profiles of Remuneration & Nomination Committee Members

MUHAMMAD ANAS MALLA – CHAIRPERSON

His profile is presented in the Board of Commisioners Profiles section in this Annual Report, on page 49.

KHALID AHMED AL-SADA – MEMBER

His profile is presented in the Board of Commisioners Profiles section in this Annual Report, on page 47.

RUTH THERESIA – MEMBER

Indonesian citizen, 38 years old. Domiciled in Jakarta, Indonesia. She earned her Bachelor degree in Economic from Atmajaya University, Jakarta (2008) and Master of Management from PPM Manajemen, Jakarta (2016). Joined the Bank since 2018 as Rewards and Policies Manager. Currently serves as Talent, Learning and Development Head since December 2022, and concurrently as Member of the Remuneration and Nomination Committee since January 2023. Previously worked at PT Roche Indonesia (2015–2018) with last position as Assistant Performance Management & Compensation Benefit Manager, PT Anugerah Pharmindo Lestari (2013–2015) as HR Compensation & Benefit Analyst, PT Bank CTBC Indonesia (2010–2013), and PT Takeda Indonesia (2009–2010) as Finance & Accounting Staff.

Duties and Responsibilities

RNC's duties and responsibilities are laid out in detail in the RNC Charter. In general, RNC is responsible for supporting the BoC in advising on and overseeing the following aspects within the Bank:

> Remuneration structure, policy, and amount;
> Performance appraisal;
> Identification of candidates and nomination of BoD and BoC members;
> Personal development programmes for BoD and BoC members;
> Induction programme for new members;
> Nomination of independent parties Audit Committee and Risk Oversight Committee members; and
> Policies related to BoC and BoD members, as well as HR.

Family or Financial Relationships of RNC Members

Name	Family Relationship with								Financial Relationship with							
	Other Committee Members		BoC		BoD		Controlling Shareholder		Other Committee Members		BoC		BoD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Muhammad Anas Malla		V		V		V		V		V		V		V		V
Khalid Ahmed Al-Sada		V		V		V		V		V		V		V	V	
Ruth Theresia		V		V		V		V		V		V		V		V

2023 Duties

RNC performed its roles and responsibilities that included the monitoring activities and providing recommendations. RNC reports its activities and recommendations to the BoC on a regular basis.

Meetings

In 2023, RNC held 13 meetings, with the attendance list as follows:

Name	Physical Attendance	Video Conference	Percentage of Attendance
Muhammad Anas Malla	-	12	92%
Khalid Ahmed Al-Sada	-	13	100%
Ruth Theresia	-	13	100%

In 2023, RNC meetings resulted in the following:

1. In relation to the Remuneration Function:
   a. Provided recommendation to the BoC regarding:
      > Remuneration amount
   b. Assisted the BoC in conducting performance assessment and alignment with remuneration received by each members of the BoD and the BoC.
2. In relation to the Nomination Function:
   a. Provided recommendation regarding the candidacy of:
      > Head of Human Resources as Senior Management
      > 1 member of Audit Committee
   b. Provided recommendation regarding the resignation of:
      > CIB Director
      > Chief Credit Officer
      > Head of Retail Banking

Committees of the Board of Commissioners *(Lanjutan)*

3. In relation to the Governance Function:

   Reviewed the structure and composition of the BoD and the BoC, including the Independent Commissioners, in order to ensure the upholding of GCG practices.

Competence Development

To enhance the committee's relevant competences, committee members are encouraged to participate in various training and development programmes. In 2023, a member of the Remuneration and Nomination Committee (Ruth Theresia), participated in the following programmes:

1. Certified Organization Development Practitioner (CODP)
2. BNSP Competence of Human Resources Management (Manager)

Meanwhile, other members of the committee participated in training programmes listed in the Board of Commissioners Profiles section in this Annual Report.

Risk Oversight Committee

Legal Basis of Appointment, Structure, and Composition

Establishment of the Risk Oversight Committee (ROC) is based on the Risk Oversight Committee Charter No. 1/04/005.01/XII/2022 dated 30 December 2022.

The ROC Charter is regularly reviewed and updated with the regulations. The Charter serves as work guideline and procedure for ROC members. It details matters related to the composition, structure and requirement membership, term of office, duties and responsibilities, authorities, working mechanism, meetings, and reporting of the members of the ROC.

ROC is responsible directly to the BoC, and consists of 3 members, 1 of whom serves as Committee Chairperson (Independent Commissioner) and 2 members who are independent parties. Members of the ROC who are Independent Parties must conduct their duties, responsibilities, and authority with integrity, independence, and competence, and maintain their reputation.

ROC's current composition is based on the BoD Decree No. 008A/SK-Dir/III/2023 dated 30 March 2023, as follows:

Name	Position in Bank	Position in Committee	Term of Office
Djoko Sarwono	Independent Commissioner	Chairperson	2022–2024
Tjetjep Hasmitha	Independent Member	Member	2022–2024
Achmad Effendy Abdurachman	Independent Member	Member	2022–2024

Profiles of Risk Oversight Committee Members

DJOKO SARWONO – CHAIRPERSON

His profile is presented in the Board of Commissioners Profiles section in this Annual Report, on page 48.

TJETJEP HASMITHA – MEMBER

Indonesian citizen, 67 years old. Has held various positions such as Head of Internal Supervision & Quality Assurance Bureau at the Indonesian Banking Development Institute (LPPI) (2012–2015), Supervisor at Karya Usaha Mandiri Cooperative (2013–2018), and LPPI Employee Cooperative (2012–2015). Experienced more than 30 years at Bank Indonesia (1981–2012), with last position as Deputy Director/Head of Payroll and Emoluments Division. Was a member of the BLBI Settlement Team (1999–2002). Obtained a Bachelor of Economics degree majoring in Management from Pancasila University, Jakarta (1984) and a Masters in Management from the same university (1996).

ACHMAD EFFENDY ABDURACHMAN – MEMBER

His profile is presented in the Profiles of Audit Committee Members section in this Annual Report, on page 97.

Duties and Responsibilities

ROC's duties and responsibilities are laid out in detail in the ROC Charter. In general, ROC is responsible for supporting the BoC in reviewing and overseeing the following aspects within the Bank:

1. Evaluating the conformity of risk management policies and the implementation of the Bank's policies; and
2. Monitoring and evaluating the implementation of the Risk Management Committee and Risk Management Unit's duties.

Independence

All members of the ROC meet all independence criteria and are able to perform their duties independently, uphold the Bank's interests and are not influenced by any parties. This is evidenced by the membership composition that consists of 1 Chairperson who is an Independent Commissioner, and 2 independent parties.

Family or Financial Relationships of ROC Members

Name	Family Relationship with								Financial Relationship with							
	Other Committee Members		BoC		BoD		Controlling Shareholder		Other Committee Members		BoC		BoD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Djoko Sarwono		V		V		V		V		V		V		V		V
Tjetjep Hasmitha		V		V		V		V		V		V		V		V
Achmad Effendy Abdurachman		V		V		V		V		V		V		V		V

2023 Duties

The ROC performed its roles and responsibilities that included the monitoring activities and providing recommendations. The ROC reports its activities and recommendations to the BoC on a regular basis.

Meetings

In 2023, ROC held 6 meetings, with the attendance list as follows:

Name	Physical Attendance	Video Conference	Percentage of Attendance
Djoko Sarwono	6	-	100%
Tjetjep Hasmitha	6	-	100%
Achmad Effendy Abdurachman	6	-	100%

In 2023, the meetings of the Risk Monitoring Committee discussed:

1. 7 February 2023 : Risk Appetite Statement Q4/2022, Bank Soundness Level Semester II 2022.
2. 23 May 2023 : Risk Appetite Statement Q1/2023, Risk Profile Q1/2023.
3. 20 July 2023 : Risk Appetite Statement Q2/2023, Risk Profile Q2/2023.
4. 31 October 2023 : Risk Appetite Statement Q3/2023, Risk Profile Q3/2023.
5. 28 November 2023 : Risk Appetite Statement October 2023, Risk Profile October 2023.
6. 19 December 2023 : Bank's Risk and Control Self Assessment (RCSA) 2023 result.

Competence Development

To enhance the committee's relevant competences, committee members are encouraged to participate in various training and development programmes. In 2023, all members of the ROC Committee attended BARa Risk Forum: ERM and Cyber Security: How to Mitigate and Protect, organised by Bankers Association for Risk Management (BARa) on 26 July 2023.

Committees Under the Board of Directors

Asset and Liability Committee

Legal Basis of Establishment

The Asset and Liability Committee (ALCO) was established under the BoD Decree, with the latest amendment being the BoD Decree No. 061/SK-Dir/XII/2023 dated 11 December 2023. ALCO is responsible for assisting the BoD in managing assets and liabilities in integrated manner, establishing balance sheet structure and capital, providing recommendation to the BoD to determine policies established in ALCO meetings, and ensuring the implementation of GCG principles in the bank's business activities.

Meeting

ALCO conducted 12 meetings in 2023.

Composition

ALCO consists of members whose functions are relevant to the bank's activities related to assets and liabilities.
The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman	Haryanto Suganda	President Director
Alternate Chairman and Member	Haryuninglistia Setiantini	Act. Chief Risk Officer
Secretary and Member	Soemenggrie Jongkamto	Finance Director
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director and Act. Corporate & Institutional Banking Director
Member	Nancy Prasetijo[1]	Act. Head of Retail Banking
Member	Lia Indriani[2]	Act. Chief Credit Officer

1) Member since November 2023
2) Member since October 2023

Duties and Responsibilities

ALCO is primarily tasked to review and advise on strategies, policies, and procedures relating to assets and liabilities management to the BoD, monitor and review performance of all treasury activities as well as interest rate risk, liquidity risk, and foreign exchange risk management, review new treasury products, review the latest developments in currency and interest rate fluctuations, ensure compliance with treasury limits and ratios, monitor developments of interest and foreign exchange rates in the national and global markets, oversee and determine the most appropriate fund transfer pricing policy given prevailing market situations and supervise its implementation, as well as review and recommend matters related to bank borrowings to the BoC.

2023 Duties

In 2023, Asset and Liability Committee held meetings with the agenda as follows:

1. Monitored and reviewed the impact of Bank Indonesia's interest rate fluctuations against pricing on assets and liabilities;
2. Monitored, reviewed, and conducted analysis of deposit (liabilities) customer behaviour to optimise liquidity strategy; and
3. Monitored and reviewed regulatory ratio and early warning indicators to also optimise liquidity.

Credit Committee

Legal Basis of Establishment

The Credit Committee was established under the BoD Decree No. 014/SK-DIR/II/2024 dated 21 February 2024 effective retroactively. The Credit Committee is responsible for assisting the BoD in formulating credit policy and making decisions related to credit proposals within their limits of authority.

Meeting

The Credit Committee conducted 34 meetings in 2023.

Composition

The Credit Committee consists of members whose functions are relevant to the bank's lending activities.
The table below lists the committee members:

Membership Structure	Name	Position in Bank
Voting Member	Haryanto Suganda	President Director
Voting Member	Geoffry Nugraha[1]	Corporate & Institutional Banking Director
Voting Member	Nicolas Alix Groene (Nick Groene)[9]	Act. Corporate & Institutional Banking Director
Voting Member	Farel Tua Silalahi[2]	Chief Credit Officer
Voting Member	Regina Lestari Busono[3]	Head of Commercial Banking
Voting Member	Bambang Harjono	Head of Wholesale Banking, SME & Retail Credit Review
Voting Member	Dennis Tanu Utomo[4]	Head of Corporate Banking
Voting Member	Novia Valencia Wibowo[5]	Head of Credit Analyst
Voting Member	Edison Effendy[6]	Head of Credit Remedial
Voting Member	Lia Indriani[7]	Head of Credit Remedial & Act. Chief Credit Officer
Non-Voting Member	Haryuninglistia Setiantini[8]	Chief Risk Officer

1) Resigned effective from 31 May 2023
2) Resigned effective from 21 October 2023
3) Resigned effective from 16 February 2023
4) Voting Member effective from 7 July 2023
5) Voting Member effective from 26 January 2023
6) Resigned effective from 1 August 2023
7) Voting Member effective from 25 July 2023
8) Non-Voting Member effective from 12 April 2023
9) Voting Member effective from 1 December 2023

Duties and Responsibilities

The Credit Committee is primarily tasked to approve or reject credit proposals within their limits of authority or type of credit set by the BoD and review those exceeding the set limits, coordinate with the Assets and Liabilities Committee regarding credit funding, develop credit policy and supervise its implementation, review new lending products, monitor and review credit portfolio performance and characteristics, and prepare credit risk reports for the BoD.

2023 Duties

Through its meetings in 2023, the Credit Committee reviewed and approved credit proposals within the set limits, and evaluated the performance of work units responsible for credit proposal and review.

Committees Under the Board of Directors *(Continued)*

Credit Remedial Committee

Legal Basis of Establishment

The Credit Remedial Committee was established under the BoD Decree No. 005/SK-DIR/II/2021 dated 8 February 2021, with the latest amendement being the BoD Decree No. 037/SK-DIR/XI/2022 dated 7 November 2022.

The Credit Remedial Committee is responsible for assisting the BoD in managing credit risk in accordance with the Bank's appetite and making decisions related to credit proposals within their limits of authority.

Meeting

The Credit Remedial Committee conducted 19 meetings in 2023.

Composition

The Credit Remedial Committee consists of members whose functions are relevant to the Bank's credit remediation activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Voting Members	Haryanto Suganda	President Director
Voting Members	Farel Tua Silalahi[1]	Chief Credit Officer
Voting Members	Edison Effendy[2]	Head of Credit Remedial
Voting Members	Lia Indriani[3]	Head of Credit Remedial
Voting Members	Bambang Harjono	Head of Wholesale Banking, SME & Retail Credit Review
Non-Voting member	Haryuninglistia Setiantini[4]	Act. Chief Risk Officer

1) Voting Member since 1 April 2023 and resigned effective from 21 October 2023
2) Resigned effective from 1 August 2023
3) Has two voting rights as Head of Credit Remedial and Act. Chief Credit Officer effective from 21 October 2023
4) Non-Voting Member since 1 April 2023

Duties and Responsibilities

The Credit Remedial Committee is primarily tasked to review and advise the Bank's credit restructuring procedures, non-performing loans handling policy, and foreclosed assets, as well as to monitor these procedures' implementation, review and approve credit recovery, remediation, and foreclosed assets settlement proposals and ensure their implementation, monitor credit portfolio restructuring, and receive regular reports from the Credit Remedial work unit on the list and status of foreclosed assets.

2023 Duties

Through its meetings in 2023, the Credit Remedial Committee reviewed and approved credit remedial proposals within the set limits, and evaluated the performance of work units responsible for credit proposal and review.

Early Alert Committee

Legal Basis of Establishment

The Early Alert Committee was established under the BoD Decree No. 015/SK-Direksi/II/2024 dated 21 February 2024 effective retroactively. The Early Alert Committee is responsible for staying abreast with the updates of debtor condition should there be an increase in credit risk, and for anticipating early indication for such situation.

Meeting

The Early Alert Committee conducted 20 meetings in 2023.

Composition

The Early Alert Committee consists of members whose functions are relevant to the bank's credit risk management activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman	Farel Tua Silalahi[1]	Chief Credit Officer
Alternate Chairman and Member	Bambang Harjono	Head of Wholesale Banking Credit Review
Member	Geoffry Nugraha[2]	Corporate & Institutional Banking Director
Member	Nicolas Alix Groene (Nick Groene)[7]	Act. Corporate & Institutional Banking Director
Alternate Member	Regina Lestari Busono[3]	Head of Commercial Banking
Alternate Member	Novia Valencia Wibowo[4]	Head of Credit Analyst
Alternate Member	Dennis Tanu Utomo[5]	Head of Corporate Banking
Alternate Member	Lia Indriani[6]	Head of Credit Remedial & Act. Chief Credit Officer

1) Resigned effective from 21 October 2023
2) Resigned effective from 31 May 2023
3) Resigned effective from 16 February 2023
4) Member and Altenate Member effective from 7 July 2023
5) Alternate Member effective from 7 July 2023
6) Chairman & Alternate Member effective from 21 October 2023
7) Member effective from 1 December 2023

Duties and Responsibilities

The Early Alert Committee is primarily tasked to conduct tightening supervision, enforce disciplinary action to relevant debtors, decrease collectability, conduct restructuring and repackaging actions, move to Credit Remedial Team, and conduct capital reserve.

2023 Duties

Through its meetings in 2023, the Early Alert Committee discussed debtors who triggered the early alert mechanism and other lists, as well as determined the direction or decision of action on each account.

Committees Under the Board of Directors *(Continued)*

Risk Management Committee

Legal Basis of Establishment

The Risk Management Committee was established under the BoD Decree No. 062/SK-DIR/XII/2023 dated 14 December 2023. The Risk Management Committee is responsible for providing recommendations to the BoD concerning risk management, including the formulation of policies, policy implementation enhancement, and evaluation of risk profile condition and progress.

Meeting

The Risk Management Committee conducted 4 meetings in 2023.

Composition

The Risk Management Committee consists of members whose functions are relevant to the Bank's risk management activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryuninglistia Setiantini[1]	Act. Chief Risk Officer
Alternate Chairman and Member	Haryanto Suganda	President Director
Member	Windiartono Tabingin	Compliance Director
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director and Act. Corporate & Institutional Banking Director
Member	Soemenggrie Jongkamto	Finance Director
Member	Lia Indriani[2]	Act. Chief Credit Officer
Member	Nancy Prasetijo[3]	Act. Head of Retail Banking
Member	David Liswandi[4]	Act. Head of Operations & IT
Member	Geoffry Nugraha[5]	Corporate & Institutional Banking Director
Member	Farel Tua Silalahi[6]	Chief Credit Officer
Member	Victor Teja[7]	Head of Retail Banking

1) Appointed as Act. Chief Risk Officer on 1 April 2023
2) Member since 14 December 2023
3) Member since 14 December 2023
4) Member since 1 April 2023
5) Resigned effective from 18 April 2023
6) Resigned effective from 20 October 2023
7) Resigned effective from 3 November 2023

Duties and Responsibilities

The Risk Management Committee is primarily tasked to establish risk management governance frameworks and set their direction, strategies, and programmes, as well as to perform risk profile evaluation and capital adequacy analysis. Furthermore, the committee shall establish risk management policies and processes, risk appetite, risk methodologies, business contingency plan, disaster recovery plan, as well as monitor the Bank's loan and portfolio diversification and determine credit risk indicator profile, credit risk measurement methodology, business decisions that deviate from normal procedures, and other matters related to the Bank's risk management activities.

2023 Duties

Through its meetings in 2023, the Risk Management Committee approved the Bank's Risk-Based Bank Rating (RBBR), the Risk Profile Self-Assessments, the Internal Capital Adequacy Assessment Process (ICAAP) as part of RBBR assessment, and updated Risk Management Committee Terms of Reference. The committee also appointed Chief Credit Officer and Head of Operations & Technology as its members.

Purchasing Committee

Legal Basis of Establishment

The Purchasing Committee was established under the latest amendment to previous BoD Decree No. 001/SK-DIR/I/2021 dated 13 January 2021. The Purchasing Committee is responsible for monitoring and amending purchasing limits and related sub-policies, and for awarding tenders for amounts above the stipulated limits.

Meeting

The Purchasing Committee conducted 4 meetings in 2023.

Composition

The Purchasing Committee consists of members whose functions are relevant to the Bank's purchasing activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director/Act. Operations and Technology Director
Alternate Chairman and Member	Soemenggrie Jongkamto[1]	Finance Director/Director in Charge for General Services
Secretary and Member	Denny Soedharmo	Head of General Services
Member	Farel Tua Silalahi[2]	Chief Risk Officer
Member	Haryuninglistia Setiantini	Act. Chief Risk Officer[3]

1) Since 3 April 2023
2) Resigned effective from 21 October 2023
3) Acting as Chief Risk Officer since 1 April 2023

Duties and Responsibilities

The Purchasing Committee is primarily tasked to evaluate and approve proposals of capital and operational expenditures, formulate procurement guidelines and policies, allocate procurement budgets, ensure alignment of procurement plans and activities with the Bank's strategic objectives and principles of procurement, and ensure the Bank's compliance with the Tenders and Auction policy directives. The committee may also prepare an estimates price reference (owner's estimate) on third-party products and services, prepare the vendor list, and act as a custodian for contracts.

2023 Duties

Through its meetings in 2023, the Purchasing Committee approved the Bank's procurement activities, reviewed the actual use of the purchasing budget, and ensured that the procurement of goods and services was carried out in accordance with procurement ethics.

Committees Under the Board of Directors *(Continued)*

New Products and Activities Committee

Legal Basis of Establishment

The New Products and Activities Committee is governed under the latest amendment to the BoD Decree No. 034/SK-Dir/VI/2023 dated 12 June 2023. The New Products and Activities Committee is responsible for monitoring the development of new products, programmes, services, and activities, in line with the Bank's business strategy.

Meeting

The New Products and Activities Committee conducted 4 meetings in 2023.

Composition

The New Products and Activities Committee consists of members whose functions are relevant to the Bank's new products and activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Alternate Chairman and Member	Haryuninglistia Setiantini	Act. Chief Risk Officer[1]
Member	Windiartono Tabingin	Compliance Director
Member	Soemenggrie Jongkamto	Finance Director
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director
Member	David Liswandi[2]	Act. Head of Operations and Technology
Member	Victor Teja[3]	Head of Retail Banking
Secretary and Member	Estrelita Lestari	Head of Operational Risk

1) Appointed as Act. Chief Risk Officer on 4 April 2023
2) Member since 12 June 2023
3) Resigned effective from 4 November 2023

Duties and Responsibilities

The New Products and Activities Committee is primarily tasked to supervise the development of new products, services, and activities and their implementation in line with the Bank's strategy and business plan, evaluate and approve them, and evaluate their benefits and risks for the Bank.

2023 Duties

Through its meetings in 2023, the New Products and Activities Committee conducted the duties as per its remit.

Information Technology Committee

Legal Basis of Establishment

The Information Technology Committee was established under the BoD Decree which was most recently amended with the BoD Decree No. 053/SK-DIR/X/2023 dated 19 October 2023. The Information Technology Committee is responsible for assisting the BoD by providing directives and recommendations on information technology (IT) strategies, development, and implementation.

Meeting

The Information Technology Committee conducted 4 meetings in 2023.

Composition

The Information Technology Committee consists of members whose functions are relevant to the Bank's IT-related activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Co-Chairman and Member	Soemenggrie Jongkamto	Finance Director
Secretary and Member	David Liswandi	Head of IT
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director
Member	Farel Tua Silalahi[1]	Chief Risk Officer
Member	Victor Teja[2]	Head of Retail Banking
Member	Haryuninglistia Setiantini[3]	Act. Chief Risk Officer
Member	Nancy Prasetijo[3]	Act. Head of Retail Banking

1) Resigned effective from 21 October 2023
2) Resigned effective from 4 November 2023
3) New members in 2023

Duties and Responsibilities

The Information Technology Committee is primarily tasked to establish strategic framework for managing IT resources, monitor IT performance and improvements, ensure consistency of IT implementation with the Bank's strategic objective and the IT plan, and establish IT budget's priorities for allocation.

2023 Duties

Through its meetings in 2023, the Information Technology Committee evaluated the Bank's IT systems, reviewed and made decisions regarding proposed IT projects while also determined its priorities to ensure that information technology plan is consistent/in line with the Bank's strategic objective. The Information Technology Committee also discussed various IT issues including audits, human resources, and evaluation of technology services providers.

Committees Under the Board of Directors *(Continued)*

Human Resources Committee

Legal Basis of Establishment

The Human Resources Committee was established under the latest amendment to previous BoD Decree No. 005/SK-DIR/III/2020 dated 25 February 2020. The Human Resources Committee is responsible for assisting the BoD in improving effectiveness, efficiency, objectivity, and transparency in decision-making related to human resources (HR) and ensure that the decisions are aligned with the principles of good corporate governance.

Meeting

The Human Resources Committee conducted 4 meetings in 2023.

Composition

The Human Resources Committee consists of members whose functions are relevant to the Bank's human resources management activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman	Haryanto Suganda	President Director
Alternate Chairman and Member	Carina Hastari Tanubrata	Head of Human Resources
Member	Soemenggrie Jongkamto	Finance Director
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director
Member	Windiartono Tabingin	Compliance Director
Member	Farel Tua Silalahi[1]	Chief Risk Officer
Member	Victor Teja[2]	Head of Retail Banking
Member	Romy Yulianto Santoso	Chief Auditor

1) Resigned effective from 21 October 2023
2) Resigned effective from 4 November 2023

Duties and Responsibilities

The Human Resources Committee is primarily tasked to ratify the HR strategic plan, ensure the alignment between HR projects and the HR strategic plan and each project's planning, ratify HR training and development programmes in line with the Bank's needs, minimise the potential of HR-related risk, oversee the HR performance assessment and improvement, as well as settle various HR-related issues and grievances.

2023 Duties

The Human Resources Committee, through its meetings in 2023, discussed and determined the Bank's HR strategy made manifest in a series of HR strategic initiatives, such as Management Development Programme (MDP), Learning Development Plan, Benefits and Compensation, Employee Engagement Initiatives, and Disciplinary Actions.

The Committee also approved the budget for employee training and development, and discussed the management of staff cost and improvement on employee benefit. In the meetings, the Committee received reports related to enhance the BoD's oversight of HR situations via the Monthly HR Dashboard.

Fraud Oversight Committee

Legal Basis of Establishment

The Fraud Oversight Committee was established under the BoD Decree No. 060/SK-Dir/XI/2023 dated 9 November 2023. The Fraud Oversight Committee is responsible for providing oversight and management of the handling of fraud risk, and investigating fraudulent reports and activities in an objective and fair manner.

Meeting

The Fraud Oversight Committee conducted 4 meetings in 2023.

Composition

The Fraud Oversight Committee consists of members whose functions are relevant to the Bank's fraud risk control and oversight activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Alternate Chairman and Member	Windiartono Tabingin	Compliance Director
Member	Carina Hastari Tanubrata[1]	Head of Human Resources
Member	Haryuninglistia Setiantini[1]	Act. Chief Risk Officer
Secretary	Inggrid Ratna Hindiyani[1]	Head of Financial Crime Compliance

1) New members in 2023

Duties and Responsibilities

The Fraud Oversight Committee is primarily tasked to provide supervision and guidance on fraud risk management programmes, determine action plans and follow-up actions on results of fraud investigations, as well as to review the fraud risk control environment and assessment process.

2023 Duties

Through its meetings in 2023, the Fraud Oversight Committee supervised the implementation of anti-fraud strategy and monitored investigation results and their follow-up.

Committees Under the Board of Directors *(Continued)*

Credit Policy Committee

Legal Basis of Establishment

The Credit Policy Committee was established under the BoD Decree No. 018/SK-Direksi/IX/2018 dated 6 September 2018, with the latest amendment being the BoD Decree No. 024/SK-DIR/III/2024 dated 20 March 2024 applied retroactively.

Meeting

The Credit Policy Committee conducted 2 meetings in 2023.

Composition

The Credit Policy Committee consists of members whose functions are relevant to the Bank's credit policy formulation activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Alternate Chairman and Member	Farel Tua Silalahi[1]	Chief Credit Officer
Alternate Chairman and Member	Lia Indriani[2]	Act. Chief Credit Officer
Secretary and Member	Lia Indriani	Head of Credit Remedial, Act. Head of Credit Policies and Governance
Member	Geoffry Nugraha[3]	Corporate & Institutional Banking Director
Member	Nicolas Alix Groene (Nick Groene)[4]	Act. Corporate & Institutional Banking Director
Member	Victor Teja[5]	Head of Retail Banking
Member	Nancy Prasetijo[6]	Act. Head of Retail Banking
Member	Haryuninglistia Setiantini	Act. Chief Risk Officer
Non-Voting Member	Romy Yulianto Santoso	Chief Auditor

1) Resigned on 21 October 2023
2) Double-hatting
3) Resigned on 31 May 2023
4) New Member in 2023
5) Resigned on 4 November 2023
6) New Member in 2023

Duties and Responsibilities

The Credit Policy Committee is primarily tasked to advise the BoD in formulating the credit policy and supervising its implementation, as well as monitor the development of credit portfolio, implementation of credit approval, Legal Lending Limits of the Bank, and compliance with laws and regulations relating to credit.

2023 Duties

Through its meeting in 2023, the Credit Policy Committee conducted its duties as per its remit.

Operational Risk Committee

Legal Basis of Establishment

The Operational Risk Committee is governed under the latest amendment to the BoD Decree No. 036/SK-DIR/VII/2023 dated 4 July 2023. The Operational Risk Committee is responsible for supporting the supervision and monitoring of the implementation of operational risk management in the Bank.

Meeting

The Operational Risk Committee conducted 4 meetings in 2023.

Composition

The Operational Risk Committee consists of members whose functions are relevant to the Bank's operational risk control activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chair and Member	Haryuninglistia Setiantini	Act. Chief Risk Officer[1]
Alternate Chair and Member	Haryanto Suganda	President Director
Member	Windiartono Tabingin	Compliance Director
Member	Soemenggrie Jongkamto	Finance Director
Member	Nicolas Alix Groene (Nick Groene)[2]	Treasury & Financial Institution Director
Member	Farel Tua Silalahi[3]	Chief Credit Officer
Member	Lia Indriani	Act. Chief Credit Officer[4]
Member	Carina Hastari Tanubrata	Head of Human Resources
Member	Geoffry Nugraha[5]	Director of Corporate & Institutional Banking
Member	Victor Teja[6]	Head of Retail Banking
Member	Nancy Prasetijo	Act. Head of Retail Banking[7]
Member	David Liswandi[8]	Act. Head of Operation and Technology
Secretary and Member	Estrelita Lestari	Head of Operational Risk

1) Appointed as Act. Chief Risk Officer on 4 April 2023
2) Member since 4 July 2023
3) Resigned effective from 21 October 2023
4) Appointed as Act. Chief Credit Officer on 21 October 2023
5) Resigned effective from 31 May 2023
6) Resigned effective from 4 November 2023
7) Appointed as Act. Head of Retail Banking on 6 November 2023
8) Member since 4 July 2023

Duties and Responsibilities

The Operational Risk Committee is primarily tasked to propose operational risk strategies, framework, policies, procedures, methodologies, tools, and their changes, review the Bank's operational risk profile and exposure and ensure their adequacy, approve corrective action plans to improve any control weaknesses and risks, ensure that operational risk control and monitoring processes are consistent with internal procedures, regulations, and best practices, discuss and deliberate on operational risk event mitigation, and other related issues.

2023 Duties

Through its meetings in 2023, the Operational Risk Committee conducted the duties as per its remit.

Committees Under the Board of Directors *(Continued)*

Anti-Money Laundering and Combating the Financing of Terrorism Committee

Legal Basis of Establishment

The Anti-Money Laundering and Combating the Financing of Terrorism Committee (AML CFT Committee) was established under the BoD Decrees No. 030/SK-DIR/VI/2022 dated 14 June 2022. The AML CFT Committee is responsible for assisting the BoD in to oversee and ensure the effectiveness of the management of AML CFT CPF and Sanctions Programmes.

Meeting

The AML CFT Committee conducted 4 meetings in 2023.

Composition

The AML CFT Committee consists of members whose functions are relevant to the Bank's AML CFT CPF and Sanctions compliance activities. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Alternate Chairman and Member	Windiartono Tabingin	Compliance Director
Member	Geoffry Nugraha[1]	Corporate & Institutional Banking Director
Member	Farel Tua Silalahi[2]/Haryuninglistia Setiantini[3]	Chief Risk Officer/Act. Chief Risk Officer
Member	David Liswandi	Operations and Technology
Member	Carina Hastari Tanubrata[3]	Head of Human Resources
Member	Victor Teja/Nancy Prasetijo[3]	Head of Retail Banking
Member	Muhammad Habib Ubaidillah[3]	Head of Regulatory Compliance
Secretary	Inggrid Ratna Hindiyani	Head of Financial Crime Compliance

1) Resigned effective from 31 May 2023
2) Resigned effective from 21 October 2023
3) New members in 2023

Duties and Responsibilities

The AML CFT Committee is primarily tasked to oversee and assess the AML CFT CPF and Sanctions Programmes, and if required to manage (in terms of monitoring, stopping, etc.) business activities where AML CFT CPF and Sanctions risks are not aligned with the Bank's risk appetite, including the management of financial crime risk.

2023 Duties

Through its meetings in 2023, the AML CFT Committee supervised the implementation and provided insight for the improvements of AML CFT CPF and Sanctions Programmes.

UCan Product Committee

Legal Basis of Establishment

The UCan Product Committee was established under the BoD Decree No. 047/SK-DIR.XII/2022 dated 21 December 2022. The UCan Product Committee is responsible for providing leadership, direction, oversight across the planning and execution of products, programmes, services, and activities of UCan digital loan to align with the vision and strategic direction of the Bank, while ensuring the implementation of good corporate governance principles in every business activities of the Bank at all levels of the organisation.

Meeting

The UCan Product Committee conducted 12 meetings in 2023.

Composition

The UCan Product Committee consists of members whose functions are relevant to the Bank's activities related to UCan intiatives. The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Haryanto Suganda	President Director
Vice Chairman and Member	Nancy Prasetijo	Act. Head of Retail Banking
Secretary and Member	Ronald	Head of Retail Product Management
Member	Soemenggrie Jongkamto	Finance Director
Member	Nicolas Alix Groene (Nick Groene)	Treasury & Financial Institution Director
Member	Haryuninglistia Setiantini	Act. Chief Risk Officer
Member	Estrelita Lestari	Head of Operational Risk
Member	David Liswandi	Head of Information Technology
Member	Lia Indriani	Head of Credit Remedial
Member	Ibnu Gutomo	Head of Strategy Execution
Permanent Invitee	Windiartono Tabingin	Compliance Director
Permanent Invitee	Romy Yulianto Santoso	Chief Auditor
Permanent Invitee	Muhammad Habib Ubaidilah	Head of Regulatory Compliance
Permanent Invitee	Santri Elfrida Simamora	Retail Collection Head
Permanent Invitee	Charly Ferdinandus	Head of Operations
Non-Permanent Invitee	Niken Ratmitasari	Head of Legal
Non-Permanent Invitee	Inne Eliza Indriantie	Head of E-Channel
Non-Permanent Invitee	Goeroeh Andhi Djaja L.	Head of IT Security & Risk Management

Duties and Responsibilities

The UCan Product Committee is primarily tasked to ensure good corporate governance towards the process of products, programmes, services, as well as activities development and aligning them with the Bank's vision, mission, and business plan. UCan Product Committee is also responsible to supervise, evaluate, approve, and ensure procedure availability related to implementation of product, programmes, services and activities. Lastly, UCan Product Committee evaluates the benefits and risk to the Bank on the products, programmes, services and activities of UCan.

2023 Duties

Through its meetings in 2023, the UCan Product Committee introduced the aim and objectives of the committee for UCan digital loan product while aligning to the Bank's vision, mission, and strategy, while ensuring realistic deliverables and incremental to be able to compete in the ever-changing market.

Committees Under the Board of Directors *(Continued)*

Governance Risk and Compliance Committee

Legal Basis of Establishment

The Governance, Risk and Compliance Committee (GRC Committee) was established under the BoD Decree No. 047/SK-DIR/VIII/2023 dated 21 August 2023. The GRC Committee is responsible for supporting effective implementation of the BoD's duties and responsibilities in implementing Good Corporate Governance (GCG) principles in every business activity of the Bank's at every level of the organisation.

Meeting

Upon its establishment on 21 August 2023, the GRC Committee conducted 3 meetings in 2023.

Composition

The GRC Committee consists of members whose functions are relevant to the Bank's governance and compliance.
The table below lists the committee members:

Membership Structure	Name	Position in Bank
Chairman and Member	Windiatono Tabingin	Compliance Director
Vice Chairman and Member	Haryuninglistia Setiantini	Act. Chief Risk Officer
Secretary and Member	Muhammad Habib Ubaidillah	Head of Regulatory Compliance
Alternate Secretary and Member	Titin Agustina	Compliance Advisory Head
Member	Inggrid Ratna Hindiyani	Head of Financial Crime Compliance
Member	Indah Mathilda	Head of Corporate Secretary
Member	Estrelita Lestari	Head of Operational Risk

The GRC Committee meetings may also be attended by non-permanent invitees, i.e., all division heads in the Bank.

Duties and Responsibilities

The GRC Committee is tasked to disseminate subjects related to GRC to all employees of the Bank, request updating and improvement of policies, regulations, systems and procedures of the Bank to comply with OJK provisions and other prevailing laws and regulations, inform the units and divisions affected by new and updated regulations, and respond to these new regulations by completing any requirements.

Implementation of Tasks

Through its meetings in 2023, the GRC Committee disseminated all regulatory provisions issued by Bank Indonesia, OJK, and other authorities, recommended changes to the Bank's internal regulations, conveyed the impacts and obligations of the Bank related to new regulations, and determine the persons in charge for ensuring the Bank's compliance with the new provisions.

Corporate Secretary

Legal Basis

The Corporate Secretary is directly responsible to the BoD and is under the supervision of the Compliance Director. The holder of this position is appointed and dismissed based on BoD Decrees. The legal reference for the Corporate Secretary's appointment is the BoD Decree No. 005/SK-HMSD-HRBP/V/2018 dated 11 May 2018.

Profil

The Corporate Secretary position is currently held by Indah Mathilda. She is domiciled in Jakarta. The complete profile is provided in the Executive Management Profiles section, on page 52.

Implementation of Duties in 2023

The Corporate Secretary plays a special role in assisting the BoD and the BoC in:

> Maintaining communication by preserving open and excellent line of communication between the Bank and capital market regulators, authorities, investors, and the public through the submission and dissemination of various corporate reports, liaising between the BoD, the BoC, and the shareholders, and responding to stakeholders' inquiries; and
> Implementing corporate governance of the Bank by submitting and publishing information disclosure, helping organise the BoD and BoC meetings, the GMS, and corporate actions.

In 2023, the Corporate Secretary discharged her duties in providing and submitting reports/information in a timely, accurate, and transparent manner, preparing and holding the BoC and BoD meetings in line with the Bank's regulations and needs, and conducting the EGMS, AGMS, and the Rights Issue VII.

Corporate Secretary's Competence Enhancement Programmes in 2023

Date	Training & Seminar	Type	Organiser
28 February 2023	APU PPT Refreshment 2023	E-learning	Internal
3 April 2023	Sanctions Awareness 2023	E-learning	Internal
3 May 2023	Anti Fraud, Anti Bribery & Corruption 2023	E-learning	Internal
4 June 2023	Risk Awareness 2023 (Business Continuity Management, Information Security Policy, Operational Risk, Bank Soundness Level)	E-learning	Internal
9 July 2023	Modul Internal Audit 2023	E-learning	Internal
9 July 2023	Business Continuity Coordinators Awareness Training 2023	E-learning	Internal
3 August 2023	Cyber Awareness 2023	E-learning	Internal
19–20 September 2023	CG Officer Workship Series Investor Relations Batch 3	Workshop	External
6 October 2023	Explanation on Exchange Regulation No. I-A of 2021 on Free Float Provisions and Use of E009 Form in SPE IDXnet Reporting System	Webinar	IDX
27 October 2023	Focus Group Discussion (FGD) Licences for Managers and Ownership (OJK)	FGD	External
7 November 2023	Personal Data Protection	Online	Internal
15 November 2023	Chinese Wall & System Comply	Online	Internal
21 November 2023	Economic Potential and Indonesia Capital Market in Boosting Free Float & Liquidity of Listed Companies' Shares Trading	Seminar	Internal
6 December 2023	Refreshment In-house Cohorts 6 & 7 (Risk Management Certification Refreshment Session for Executives)	Offline Training	External

Internal Audit

The Internal Audit Division provides independent, objective assurance, consulting and advisory services to add value and improve the Bank's operations. The division accomplishes its role by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

Internal Audit Division is established to examine that the Bank's operations in all lines of business, supporting units and branches are conducted according to the highest standards; to provide independent, objective assurance and consulting activity designed to add value and improve the Bank's operations; and to advise the Bank on best practices.

The Internal Audit Division acts professionally and ethically in executing its role, by complying with the mandatory elements of the regulatory requirements, Institute of Internal Auditor's International Professional Practices Framework and the PT Bank QNB Indonesia Tbk's policies and procedures and adopting standard guidelines and best practices issued by professional bodies such as the Basel Committee, IIA, ISACA, COSO, etc.

The Internal Audit Division possesses an Internal Audit Charter and Policy, which have been enhanced to align with OJK regulations and the Basel Committee on Banking Supervision's recommended standards to provide adequate oversight of the Bank's functions and approved by the BoC in the form of Bank Circular No. 1/04/007.02/XI/2023 dated 8 November 2023.

The Internal Audit Division is headed by the Chief Auditor, who reports directly to the President Director and/or the BoC through the Audit Committee. This responsibility includes the reporting of internal audit results on the adequacy and effectiveness of the governance framework, internal control system and risk management process of the Bank.

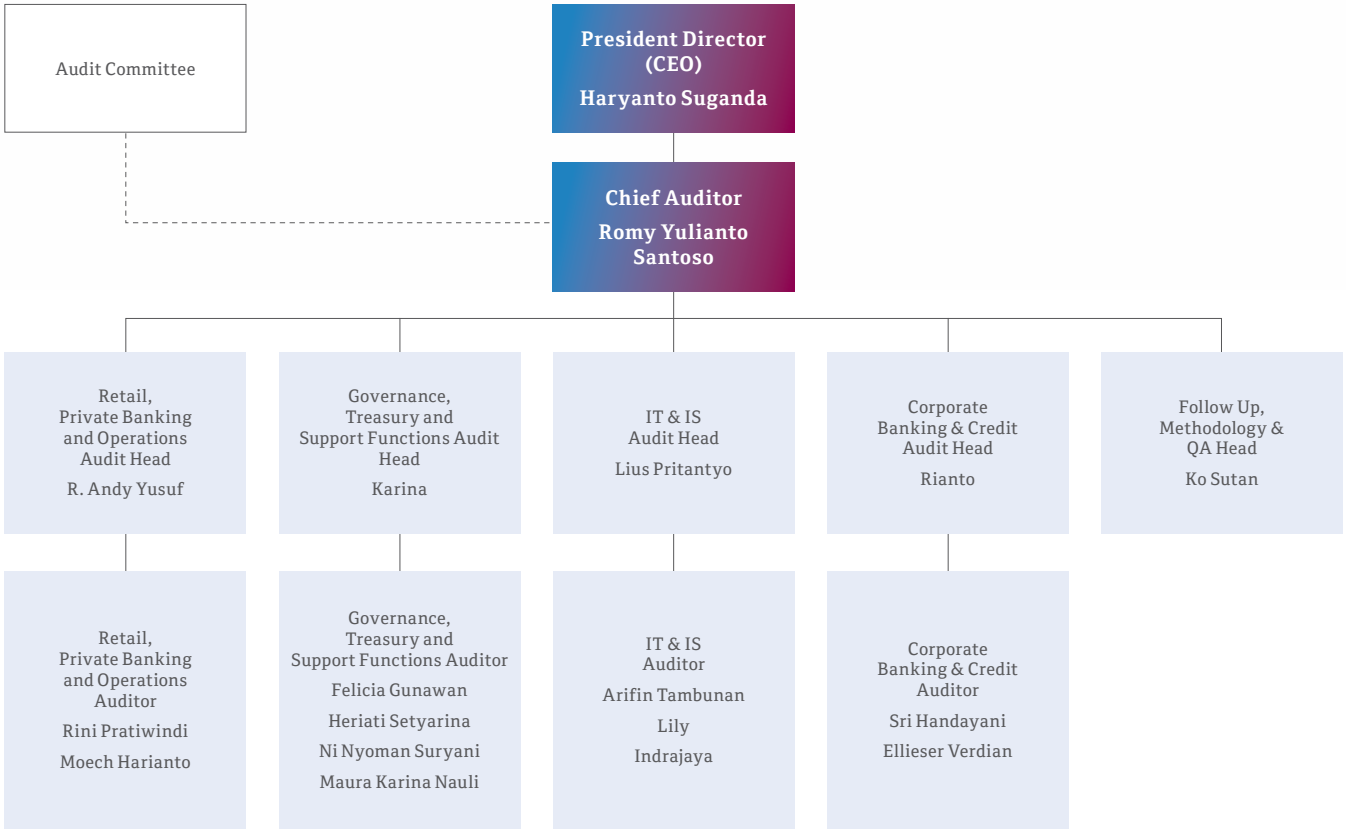
Audit reports are submitted to the BoC, Audit Committee, President Director, and Compliance Director. Internal Audit can submit reports directly to the BoC if communication with the President Director is deemed inappropriate. Chief Auditor is appointed and dismissed by the President Director after obtaining approval from the BoC by considering the Audit Committee recommendations and reported to OJK.

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

Structure & Position

As of end of 2023, the Internal Audit Division had 17 employees. All members are experienced professionals who are independent and who fulfill all the requirements as internal auditors. The division is supported by specialists, such as Corporate Banking and Credit, Governance, Treasury, and Support Functions, Retail, Private Banking and Operations, Information Technology and Information Security (IT & IS), and Follow up, Methodology & Quality Assurance.

Internal Audit Organisational Structure



Chief Auditor Profile, Qualifications & Competence Development

The Chief Auditor position is held by Mr. Romy Yulianto Santoso, an Indonesian citizen, 45 years of age. His profile is presented in the Executive Management Profiles section in this Annual Report, page 51.

He was appointed as the Chief Auditor on 1 July 2020 pursuant to the BoD Decree No. 510/SK-HMSD-ES/VII/2020.

He holds a bachelor's degree in Accounting from Bina Nusantara University, Jakarta (2001). He is active as a member of Bank Internal Audit Association (IAIB). His previous positions include Head of Internal Audit at Bank KEB Hana (2019), Head of Retail, Branch & Network Audit at Bank Maybank Indonesia (2015–2019), Head of Consumer Banking Quality Assurance at Bank Danamon Indonesia (2012–2015), Head of Audit Planning, Development & Quality Assurance at Bank OCBC NISP (2010–2012), as well as various positions at internal audit Bank UOB Indonesia (2001–2010).

He earned the Indonesia Internal Audit Practitioners (IIAP) from IIA Indonesia in 2023 and participated in audit-related competence development programmes, including Certified Internal Auditor (CIA) Exam, Understanding COSO 2013 Framework by IIA Indonesia, Level IV Risk Management Certification from Lembaga Sertifikasi Profesi Perbankan (LSPP), and Executive Development Programme by Future Leader International.

Chief Auditor Responsibilities and Accountability

The Chief Auditor has the responsibility to:

1. Ensure the implementation of Internal Audit functions in accordance with the regulatory requirements, Internal Audit Professional Standards and the Internal Audit Code of Ethics;
2. Responsible for acquiring human resources with appropriate qualifications and skills to ensure that Internal Audit possesses the required competence to examine all areas in which the Bank operates. Moreover, Internal Audit shall promote continuous professional development, to make sure that skills and knowledge are maintained to a high standard, and supports globally-recognized professional certifications and qualifications so that Internal Audit team members possess the skills and other competencies to perform their responsibilities;
3. Compile and review the internal audit charter at least once every 3 (three) years;
4. Prepare an annual internal audit plan with budget allocation for the implementation of internal audit functions to be approved by President Director and BoC in consideration to Audit Committee's recommendation and ensure the implementation of the approved internal audit plan;
5. Report significant findings to the BoD to take corrective actions and monitor corrective actions for significant findings;
6. Periodic reporting to the President Director and BoC with a copy to the Audit Committee and director in charge of the compliance function on significant risk exposures and control issues, and monitoring follow-up improvements to significant findings.
7. Develop Key Performance Indicators (KPIs) to ensure the continuous improvement of the Internal Audit.
8. Establishment of Internal Audit policies and procedures as a guideline of the Internal Audit activities.
9. Permanent attendance in the Audit Committee meetings and provide advice and support whenever required.
10. Internal Audit can use the services of external parties in carrying out internal audits which require special expertise and temporary can be excluded for:
    a. Use of external services related to information technology.
    b. Use of external party services for other matters based on approval from the OJK.

    Use of external services for internal audit activities must pay attention to:
    a. Transfer of knowledge from external parties to internal audit.
    b. Use of external party services does not affect the independence and objectivity of the internal audit function.
    c. External parties comply with the Internal Audit Charter.
    d. External parties must comply with the Bank's audit methodology, processes and documentation, starting from the preparation stage to audit reporting.
    e. External party is not allowed to be a team leader, provide consultancy services on activities that contain a conflict of interest, and must comply with assignment restrictions and the cooling-off period (maximum of 3 consecutive periods and with a cooling-off period of at least 1 period before the Bank can use the same external service provider).
    f. The process of selecting external party services will be carried out independently, involving related parties in accordance with Bank regulations.
    g. Selected external parties are required to sign a confidentiality agreement for bank data and information.
    h. The use of external party services for a certain period must be reported to the OJK.

Internal Audit Qualification & Certification

Internal auditors in the Internal Audit Division shall meet the following requirements:

1. Have integrity and professional conduct, independent, honest and objective in performing the duties.
2. Have the knowledge and experience of the technical audit, knowledge of management principles, processes and activities of the Auditee and other disciplines relevant to the field of assignment.
3. Have knowledge of the laws and regulations in the banking and capital markets and other related regulations.
4. Have the ability to interact and communicate both verbally and in writing effectively.
5. Comply with the Code of Ethics for Internal Audit.
6. Adhere to professional standard released by Institute of Internal Auditors (IIA).
7. Maintain confidentiality of information and/or data of the company, related to performing the duties and responsibilities of the Internal Audit unless required by legislation or stipulation of the court.

Internal Audit *(Continued)*

8. Understand the principles of Good Corporate Governance and Risk Management.
9. Improve the knowledge, skills and professionalism abilities continuously.
10. Maintain Independence (not performing other tasks, functions or doing operations activities) at the Bank, except the Internal Audit operations assigned from time to time.

To improve the competence of auditors and objectivity of the audit results, the Internal Audit Division employees participate in various training programmes, both internal and external, seminars, and workshops on an ongoing basis. Competence enhancement programmes held in 2023 included mandatory trainings and exam certifications on anti-fraud, anti-bribery and corruption; cyberawareness; risk awareness; AML-CFT refreshment; internal audit control and risk awareness, and others.

At present, the Internal Audit Division is supported by experienced and competent auditors with expertise in a range of fields, including banking operations, governance, treasury, and support functions, as well as information technology and information security. All internal auditors have been certified by the Indonesian Risk Management Certification Board (BSMR), and a majority of them hold certifications relevant to the field of internal audit, including Indonesia Internal Audit Practitioners (IIAP) from IIA Indonesia, Certified Information System Auditor (CISA), Certified Information Security Manager (CISM), and Certified Ethical Hacker (CEH).

Duties & Responsibilities

The Internal Audit Division executes its duties and responsibilities as stipulated in detail in the Internal Audit Charter. In general, the Internal Audit Division must conduct the following:

1. Assisting President Director and the BoC in preparing and implementing the audit plan, as well as monitoring of audit results.
2. Identify and report on issues, deficiencies or weaknesses in Bank's systems and processes for controlling its activities and managing risks, through risk-focused examination and assessment of specific samples of systems, processes, and controls covering:
   a. The adequacy and reliability of systems (including the relevant technology) and procedures.
   b. Compliance with corporate objectives, strategies and control guidelines issued by management; as well as with laws and regulation, Otoritas Jasa Keuangan (OJK), and other regulatory bodies as may be applicable to the business of the Bank.
   c. Evaluating the design and effectiveness of the organization's risk management, control and governance processes.
   d. Performing consulting and advisory services related to governance, risk management and control as deemed appropriate by the Chief Auditor and Audit Committee, including ongoing collaboration with Compliance Division, Risk Management Division, IT and Information Security Division, and other functions to ensure that risks are appropriately identified and managed.
   e. Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the President Director and the BoC through the Audit Committee.
   f. Evaluating specific operations at the request of the President Director and the BoC through the Audit Committee or regulators, as appropriate.
3. Provide recommendations for improvement related to the activities reviewed at all levels of Management.
4. Prepare the audit report and submit it to the President Director and the BoC through the Audit Committee with a copy to the Compliance Director.
5. Assisting the President Director and the BoC in preparing the reporting to OJK regarding:
   a. The implementation and summary of audit results including strictly confidential information of the audit results.
   b. Findings which may compromise the going concern of the Bank.
   c. The external review report outlining the performance of audit work and its compliance against implementation standard of bank internal audit function as well as corrective actions being performed. The external review is conducted at least once every 3 years.
6. Report immediately any audit findings that could disrupt the Bank's operations to the President Director and the BoC through Audit Committee.
7. Monitor audit findings follow-up and report periodically to the President Director and the BoC through Audit Committee.
8. Exercise due professional care in the discharge of its responsibilities and must ensure that the confidentiality of all records and information accessed in the course of its work is maintained/protected.
9. In cases where Internal Audit is requested to undertake reviews involving incidents of major control failure, significant financial losses or fraud, such reviews shall focus on the identification of control gaps, process weaknesses and areas to strengthen internal controls. Concerned divisions, shall be primarily responsible for conducting detailed investigations including the determination of employee accountabilities and necessary legal action and regulatory reporting.

2023 Activities

In 2023, the Internal Audit Division carried out regulatory and regular audits in 2 branch offices, 2 audits related to head office functions, 1 audit related to information technology and information security (IT & IS), 9 integrated audits related to IT & IS and head office functions, and 5 audits related to credit.

Audits were conducted based on the Risk-Based Audit approach, using appropriate techniques for document review, interviews, financial analysis and comparison, confirmation, and data processing.

In addition, the Internal Audit Division met 8 times with the Audit Committee in 2023.

Audit Findings in 2023 (as of December 2023)

Audit	Total Findings	Completed (%)	In Progress (%)
Internal (2023)	191	66%	34%
External (2023)	78	97%	3%

Most of the significant findings by the Internal Audit in 2023 had been resolved satisfactorily by the end of the reporting period.

Quality Assurance and Improvement Programme

The Internal Audit maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity to increase the effectiveness and efficiency of the internal audit activity and identifies opportunities for improvement.

As required by OJK Regulations No. 1/POJK.03/2019 and No. 11/POJK.03/2022 and OJK Circular No. 21/SEOJK.03/2017, in 2020, the Internal Audit has been reviewed by the Public Accounting Firm Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners, with the result "Generally Conforms". Further review will be carried out in 2026.

2024 Strategy

Going forward, the Internal Audit Division will continue to be a strategic partner for the Bank, by providing reasonable and objective assurance as well as advisory and consulting services to the all stakeholders.

Internal Control System

The bank has established an effective internal control system that complies with the prevailing laws and regulations in order to achieve safe and sound banking activities.

The bank's internal control system is conducted through the separation of function, implementation of Four Eyes Principle, Know Your Employee programme, inherent monitoring in related units, as well as the implementation of the rotation system and block leave.

Internal Control System Implementation

The bank performs several measures to manage and control the financial and operational risks, as well as to ensure that its business activities are in line with the applicable regulations. These measures include:

1. Branch offices inspection through the Checklist Branch Visit.
2. Ensuring compliance of operation transaction implementation in branch offices by completing the End of Day Checklist.
3. Daily examination of the activation of dormant accounts, balanced sundry account, and overdraft balance.
4. Examination of payment of deposit interest tax, clearing accounts, and savings to State Treasury Office.
5. Conduct reviews for branch offices that need to be improved using the result of the finding.

In addition to the above, as the third line of defense, Internal Audit also performs audit on selected processes, activities, products, services, or units based on the annual risk-based audit plan.

Review of Internal Control System Effectiveness

Internal control effectiveness is reviewed based on the bank's activities. Evaluation results are then used to improve the bank's performance and also studied for the system to be improved systematically.

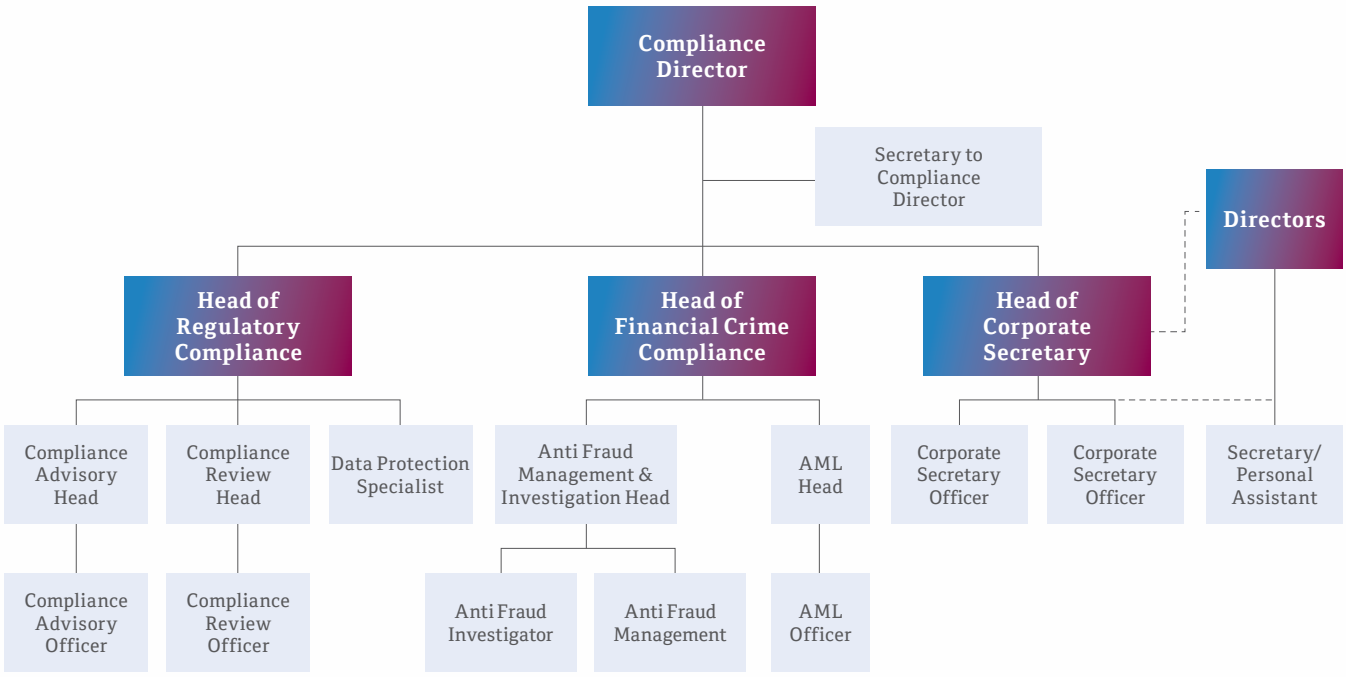
Based on the results of the application of internal control throughout 2023, the BoD has deemed the bank's existing internal control system to be adequate for its current scope of business practices.

Compliance Function

QNB Indonesia carries out its banking compliance function in a comprehensive manner in accordance with the OJK Regulation No. 46/POJK.03/2017 and other applicable regulations. The Compliance Directorate, helmed by the Compliance Director, is responsible for enforcing the Bank's compliance across its business activities and integrating it as part of the work culture of its stakeholders. The Compliance Directorate's performance is supervised by the BoC, which evaluates the Bank's compliance twice yearly and provides recommendations to the BoD to improve compliance quality.

Structure

The organisational structure of the Bank's compliance function, as stated in BoD Decree No. 04/SK-DIR/I/2024 dated 9 January 2024 on the Organisational Structure of PT Bank QNB Indonesia Tbk, is as follows:



The compliance function is carried out independently by all relevant parties, from the Compliance Director to all staffs, without coercion or conflict of interest of shareholders, leaders, and management. This is in line with the Regulation and Compliance Policy No. 2/07-CMPR/146.02/II/2022.

The Compliance Director's profile is available in the Board of Directors Profiles section of this Annual Report.

Division Heads Profiles

The Head of Regulatory Compliance Division has been held by Muhammad Habib Ubaidillah since 27 April 2023. He obtained his Bachelor of Law from Islamic University of Indonesia and his Master of Law from Gadjah Mada University, with a concentration on Business Law. Prior to joining the Bank, he had worked in various other banks, such as PT Bank ICBC Indonesia and PT Bank CTBC Indonesia.

The Head of Financial Crime Compliance Division, has been held by Inggrid Ratna Hindiyani since January 2023. She obtained her Bachelor of Economics in Accounting from Padjajaran University. She previously served as AMLO CTF Head at PT Bank KEB Hana Indonesia, and in the Regional Financial Crime Advisory, Asia Pacific of HSBC Corp. Ltd. Hong Kong.

The Head of Corporate Secretary has been held by Indah Mathilda, an Indonesian citizen, since 11 May 2018. She obtained a Diploma from LPK Tarakanita. She has more than 23 years of banking experience, having served in various positions, including Head of Banking Marcom at Citibank Indonesia, Head of Marketing for Private Banking, Commercial and Branding and Segment Head for Retail Banking at PT Bank ANZ Indonesia. She is a member of Indonesia Corporate Secretary Association (ICSA).

COMPLIANCE DIVISION

Strategy

The Compliance Directorate implemented the Compliance Strategy Map for 2023, themed "Compliance Culture Internalisation to Support Sustainable Business and Operation".

Key actions related to this Compliance Strategy Map encompass the following fields:

1. Creating and improving solid reporting and information systems;
2. Empowering organisational capacity and internal processes;
3. Entrenching compliance culture into the work culture and values; and

4. Ensuring the Bank's compliance with the commitments made by Bank to OJK or other authorised supervisory authorities.

The Compliance Strategy Map's implementation in 2023 included the following activities:

1. Conducting an automatic reminder system of report submission to regulators.
2. Supporting financial target achievement with prudence.
3. Building an effective collaboration with other work units.
4. Building internal process effectiveness to create reliable, strong, and disciplined work units.
5. Strengthening organisational capacity.

Duties and Responsibilities

The Compliance Function under the Compliance Director has the following key duties and responsibilities:

1. Formulating strategies to encourage the implementation of compliance culture;
2. Proposing compliance policies and principles to be determined by the BOD;
3. Establishing compliance systems and procedures to develop the Bank's internal regulations and guidelines;
4. Ensuring alignment of the Bank's policies, conditions, systems and procedures, and business activities with the relevant regulations, as well as evaluating their efficacy, adequacy, and compatibility;
5. Identifying, measuring, monitoring, controlling, and minimising the Bank's compliance risk to be within the levels stated in OJK regulations;
6. Taking precautionary actions whenever necessary; and
7. Performing other tasks related to the Compliance Function.

The two subdivisions of the Compliance Directorate has the following key duties and responsibilities:

1. Compliance Advisory Function
   a. Support compliance programs that have been prepared in the Compliance Strategy Map to encourage Compliance Culture;
   b. Conduct reviews and ensure compliance checklists for Basic Bank Products and Advanced Bank Products are in accordance with OJK regulations and other regulatory provisions.
   c. Assist business units to follow up on progress in licensing new products/activities;
   d. Ensure fulfillment of Bank's commitments to Bank Indonesia, OJK, and other regulators and serve as a liaison between the Bank and the regulators to build a cooperative relationship, especially those related to licensing new products/activities;
   e. Ensure adequate dissemination of new regulations through various means, including through coordination meetings, communication and providing recommendations as outlined in GRC (Governance, Risk and Compliance) meetings, email blasts, or by providing regular training to related work units;
   f. Provide recommendations/reviews of Bank products/activities related to business processes, credit, operations and office networks;
   g. Disseminate internal and external regulations via email blast; and
   h. Conduct assessments and reviews of policies, internal regulations, BoD Decrees, and forms.
2. Compliance Review Function
   a. Ensure the Bank's compliance with commitments made by the Bank to Bank Indonesia, OJK, and other regulators and act as OJK audit liaison officer;
   b. Ensure that reporting reminders submitted via COMPLY have been sent and received by the relevant PIC to avoid potential delays and imposition of sanctions;
   c. Prepare and carry out reporting according to regulations, for reports that must be made by the Compliance Directorate;
   d. Coordinate data requests from regulators in collaboration with various related divisions;
   e. Manage incoming and outgoing correspondence with OJK, BI, and LPS;
   f. Prepare and submit other compliance reports if required by Management;
   g. Act as a bridge between the Bank and regulators to build cooperative relationships;
   h. Ensure adequate knowledge in relevant banking laws/regulations; and
   i. Strengthen Compliance Culture in all working units by using the Compliance Self-Awareness Questionnaire (CSAQ) as a compliance testing implementation that illustrates the effectiveness of the compliance programme.
3. Personal Data Protection Function
   a. Strengthen the Governance Structure by creating policies and procedures related to the Implementation of Personal Data Protection as guidelines for the Bank.
   b. Ensure the implementation of detection and prevention of unauthorised data disclosure, data leakage, and mishandling of data or inappropriate access.
   c. Carry out Record of Process Activities (ROPA) and Data Leakage Prevention (DLP) as a tool to identify DLP incidents to mitigate malicious intent, negligence, or unintentional disclosure of data that is used properly.
   d. Monitor any data protection practices by design and default, data security and data subject rights.
   e. Identify violations or deficiencies with respect to Data Protection standards.
   f. Ensure to continue to update regulations relating to Data Protection and follow up on their implementation and include them in related policies, procedures and processes.
   g. Provide guidance and advice regarding Data Protection issues to each stakeholder, if necessary.
   h. Participate in evaluating the implementation of GCG principles with related units.

2023 Achievements

In 2023, the Bank further ensured that all of its policies, internal regulations, systems and procedures, as well as its business products and activities were aligned with applicable regulations. At all times, the Compliance Directorate supports the Bank to attain its financial targets

Compliance Function *(Continued)*

with due regard to the principle of prudence, while also coordinating with all working units to create a stronger customer database, foster better business processes, and manage adequate reporting and information systems to boost strategic decision-making. The Bank also began implementing personal data protection and continuing anti-fraud programmes with stricter and more comprehensive criteria, as well as implementing anti-money laundering, countering the financing of terrorism, and counter proliferation financing of weapons of mass destruction in the financial services sector (AML CFT CPF).

The Bank ensures its compliance with new regulations issued in 2023 in the banking sector, in particular:

1. Law No. 27/2022 on Personal Data Protection;
2. Bank Indonesia Regulation No. 3/2023 on Bank Indonesia Consumer Protection;
3. Bank Indonesia Regulation No. 7/2023 on Foreign Exchange Proceeds from Exports and Foreign Exchange Payments for Imports;
4. OJK Regulation No. 8/2023 on Implementation of Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing of Weapons of Mass Destruction in the Financial Services Sector; and
5. OJK Regulation No. 17/2023 on Implementation of Governance for Commercial Banks.

To mitigate compliance risk in 2023, the Regulatory Compliance Division ensured compliance throughout all work units in accordance with the provisions and performed the following:

1. Ensured the Bank's compliance with OJK, Bank Indonesia, LPS regulations and other relevant regulations by strengthening the Compliance Risk Management culture continuously, by improving the efficacy of compliance culture implementation. This involved regular GRC meetings with relevant work units.
2. Disseminated new regulations via email blast in the form of new regulations titled "Compliance News", and periodic training of compliance to all relevant work units.
3. Reviewed the implementation of plans for new products and activities as well as changes in the office network to ensure the Bank's compliance with regulations in the form of a self-assessment compliance checklist.
4. Supported the Annual Work Plan to ensure that the policies, systems, and procedures as well as the business activities of the Bank are aligned with Bank Indonesia and OJK regulations and other applicable regulations, as well as prepared a Compliance Strategy Map with the theme "Compliance Culture Internalisation to Support Sustainable Business and Operation".
5. Developed the Compliance Campaign as a reminder in the form of email blasts.
6. Evaluated and enhanced policies related to the management of internal procedures, so that they are aligned with applicable regulations.
7. Maintained good relations with regulators, among others by ensuring the Bank's compliance in relation to the Bank's commitments made to OJK, Bank Indonesia, and/or other supervisory authorities, and ensuring that reports are submitted to regulators on time.
8. Implemented the Compliance Reminder System (COMPLY) to the relevant working units periodically in connection with ad hoc, daily, weekly, monthly, quarterly semester, and annual reports; as well as reviewing the report reminder system to ensure the PIC, deadlines, regulations, and report formats are up to date. This is done by the Bank to minimise the potential for errors when submitting the reports.
9. Monitored the Bank's commitment to the regulators as well as monitoring the imposition of fines from the regulators and holding coordination meetings with related units to minimise the potential for errors in the future.
10. Strengthened the culture of compliance risk management by conducting regular outreach to related work units.
11. Prepared the implementation of the Bank's internal control system in order to ensure compliance with applicable laws and regulations, including the Bank's internal regulations.

Specifically, aside from the scope of compliance established for prior years, in 2023 the Bank also implemented the following:

1. Published new and/or revised internal regulations via the web portal/intranet.
2. Disseminated and communicated the latest regulations issued by OJK, BI, and LPS in relation to the preparation for the submission of BI's Integrated Reporting System for Commercial Banks (ANTASENA), updating the OBOX Application data structure from OJK, fulfilling the Macroprudential Inclusive Financing Ratio (RPIM), implementing BI-FAST, and submitting Single Customer View (SCV) report via SCV Client Application to LPS.
3. Disseminated the Chinese Walls Policy, Compliance and Governance Functions, other significant regulations, and instructions to use COMPLY application.
4. Informed the imposition of fines or the possibility of such application by the regulators to the Bank's Management, with copies sent to the Human Resources Division via Compliance Internal Memo to improve compliance in reporting as per regulations, so that the Bank might avoid being fined in the future.
5. Monitored compliance by following up promptly the findings by the Internal Audit or regulators and ensuring that the subsequent implementation's alignment with the prevailing regulations.
6. Strengthened of the Compliance Culture among others by utilising the Compliance Self- Awareness Questionnaire (CSAQ) that reflects the efficacy of the compliance programmes.
7. Monitored thresholds and ratios as determined by regulators or the prevailing regulations.
8. Prepared a strong infrastructure by:
   a. Aligning Compliance Documentation Infrastructure (i.e. policies, procedures, manual steps, framework guidelines, and registers) with the prevailing regulations.
   b. Implementing adequate control mechanism to prevent disclosure of confidential information as described in regulations.

9. Encouraged the Compliance Monitoring Programme by:
   a. Reviewing and updating new regulations along with the changes into the Compliance Monitoring Programme.
   b. Ensuring proactive measurement or identification and preventive action for compliance related matters.
10. Strengthened organisational capacity by:
    a. Establishing the Data Protection Function to ensure data protection governance and operational activities are in line with the laws and regulations.
    b. Implementing data protection technology to monitor compliance with data protection provisions.
11. Organised GRC forums at least once a month with other related work units, including regarding new regulations and/or changes issued by the OJK and/or other supervisory authorities.
12. Established the Personal Data Protection Function to ensure effectiveness of personal data protection.

Evaluation of Compliance Function Efficacy

Based on OJK Letter No. SR.33/PB.322/2023 dated 23 August 2023 regarding the Revision of the Bank's Business Plan for 2023–2025 and the Bank Soundness Level, the Compliance Directorate carried out the compliance function comprehensively and effectively during 2023, as shown by the Bank's ability to maintain Bank Soundness Level and Corporate Governance Rating at 2 (Satisfactory), as well as its Compliance Risk Profile at 2 (Low to Moderate). The ability to evaluate, identify, assess, and mitigate compliance risks internally using the CSAQ resulted in a score of 114% (Target Partially Exceeded—TPE), where management has been consistently proactive in highlighting potential problems and risks. The Bank's practices meet or exceed the minimum requirements to ensure an effective compliance programme.

2024 Action Plan

In line with the Compliance Strategy Map, the Bank plans to engage the following measures in 2024:

1. Supporting the fostering of the Compliance Culture as stipulated in the Compliance Strategy Map (Annual Work Plan) for up to 2024, with "Compliance Culture Internalisation to Support Sustainable Business and Operation" as its tagline.
2. Reviewing and providing recommendation on internal policies and regulations in alignment with new regulations.
3. Evaluating the efficacy, adequacy, and alignment of the Bank's policies, regulations, systems, and procedures owned by Bank according to the applicable regulations.
4. Reviewing plans for implementation of new product and activities as well as changes to office network to ensure the Bank's compliance with regulations, including providing self-assessment compliance checklist to be completed by related working units.
5. Developing and conducting the Compliance Campaign.
6. Planning the development and continuous improvement of the COMPLY system for submission to regulators.
7. Strengthening the Compliance Culture by utilising the CSAQ, which reflects the effectiveness of the compliance programme.
8. Conducting corporate actions of the Bank in accordance with applicable rules and regulations, including but not limited to GMS (Annual and Extraordinary) and Rights Issue.
9. Ensuring the Bank's corporate governance related to compliance with regulations governing the BoD, the BoC, and the Shareholders, including:
   a. Regarding the BoD and the BoC: composition of members, number of meetings, implementation of duties and responsibilities, and independence.
   b. Regarding the Shareholders: information disclosure and independence.
10. Disseminating the internal policies of the Corporate Secretary Division.
11. Supporting the Corporate Secretary in converting disclosed reserves to shares, by providing regulatory review as required.
12. Implementing the internal control system to ensure compliance with applicable laws and regulations including the Bank's internal regulations, effectiveness and efficiency in operational activities, as well as effectiveness of risk culture in the Bank's organisation as a whole.

ANTI-MONEY LAUNDERING (AML)

To support the implementation of Anti-Money Laundering (AML), Counter-Terrorist Financing (CFT), and Counter-Proliferation Financing of Weapons of Mass Destruction (CPF), as well as Sanctions Programme, the Bank has appointed the AML Sub-Division as a part of the Financial Crime Compliance (FCC) Division under the Compliance Director's supervision, with the scope of duties, among others:

1. Ensuring a risk-based and robust AML CFT CPF framework in line with both regulatory and international best standards;
2. Developing policies and procedures in accordance with regulations and recent developments of AML CFT CPF Programme by using a Risk-Based Approach (RBA);
3. Developing a robust and customised training programme;
4. Ensuring reporting mechanisms are in place in line with regulatory expectations; and
5. Ensuring compliance with all commitments it made as well as with regulatory reporting to regulators with regard to AML CFT CPF.

To strengthen AML CFT CPF Programme implementation, the AML Sub-Division engages all relevant stakeholders to ensure compliance and maintain a robust policy/procedure and AML CFT CPF and Sanctions Programmes in adherence to applicable laws and regulations. This is also to mitigate any financial crime risks that might be faced by the Bank.

The effectiveness of compliance culture is also improved by appointing AML Champions functions. In addition, the Bank conducts regular dissemination via online meetings regarding new regulations and AML CFT CPF training initiatives. An AML CFT CPF risk assessment had been conducted to identify potential control weaknesses and their mitigation controls, accordingly.

Compliance Function *(Continued)*

The Bank remains committed to making continuous improvements to its systems related to the AML CFT CPF and Sanctions Programme. In 2023, the Bank enhanced its KYC system called SmartAML to meet regulatory requirements. The Bank also adjusted its AML CFT policy to comply with POJK 8/2023 on the Implementation of Anti-Money Laundering (AML), Counter-Terrorist Financing (CFT), and Counter-Proliferation Financing of Weapons of Mass Destruction (CPF) Programmes in the Financial Services Sector. In the Sanctions Programme, the Bank updated its transaction screening tool to increase the efficiency and accuracy of the screening process.

The Bank's AML CFT Committee meetings took place as part of the active monitoring role of the BoD and the BoC regarding the AML CFT CPF and Sanctions Programmes' implementation.

Apart from the above strategic improvement measures, the Bank continues to update its policies and procedures in response to the latest developments in AML CFT CPF and Sactions Programmes, and in compliance with new regulations.

ANTI-FRAUD MANAGEMENT AND INVESTIGATION

In order to prevent fraud, the Bank implements fraud risk management pursuant to OJK Regulation No. 39/POJK.03/2019 dated 19 December 2019 on Implementation of Anti-Fraud Strategy for Commercial Banks.

Fraud risk management is performed by Anti-Fraud Management & Investigation Sub-Division (AFMI), under the Financial Crime Compliance Division and supervised by the Compliance Director, who is directly responsible to the President Director and may communicate and report directly to the BoD through the Fraud Oversight Committee (FOC) and the BoC through Audit Committee.

AFMI applies the following four-pillar strategy of anti-fraud:

1. Prevention

   In 2023, AFMI implemented several fraud prevention activities to raise anti-fraud awareness, including:

   a. Increasing employee anti-fraud awareness, anti bribery and corruption and whistleblowing mechanisms by sending email blasts, disseminations, and training programmes, both for new and existing employees. Anti-fraud awareness and whistleblowing mechanisms among customers was also raised through various marketing tools provided proactively.
   b. Requiring all employees to take mandatory block leaves.
   c. Signing of the integrity pact by new employees and renewal by existing employees.
   d. Conducting Anti-Bribery & Corruption Risk Assessment, in order to identify the Bank's vulnerabilities to the risk of bribery and corruption, both from within and the external environment.
   e. Updating the policies in line with the applicable regulations.

2. Detection

   a. Performing proactive detection of suspicious transactions.
   b. Implementing Whistleblowing System, whereby every incident with fraud indication as well as violations reported were recorded by the person-in-charge (PIC) from AFMI, to be subsequently investigated.
   c. Applying surveillance system that employs closed-circuit television (CCTV) cameras at the head office and branches. Monitoring was conducted on high-risk areas, such as those performing financial transactions (at the tellers and ATMs), vaults, etc.

3. Investigation, Reporting, and Sanction

   In 2023, AFMI resolved 17 alleged case of fraud involving external parties. It has been reported to OJK in line with the applicable provisions.

4. Monitoring, Evaluation, and Follow-up

   The Bank is maintaining fraud incident data, which include type of fraud, date of fraud, amount of loss, and other related data; as well as data of the fraud perpetrators, both the Bank's own employees and external parties.

Internal Fraud in 2023

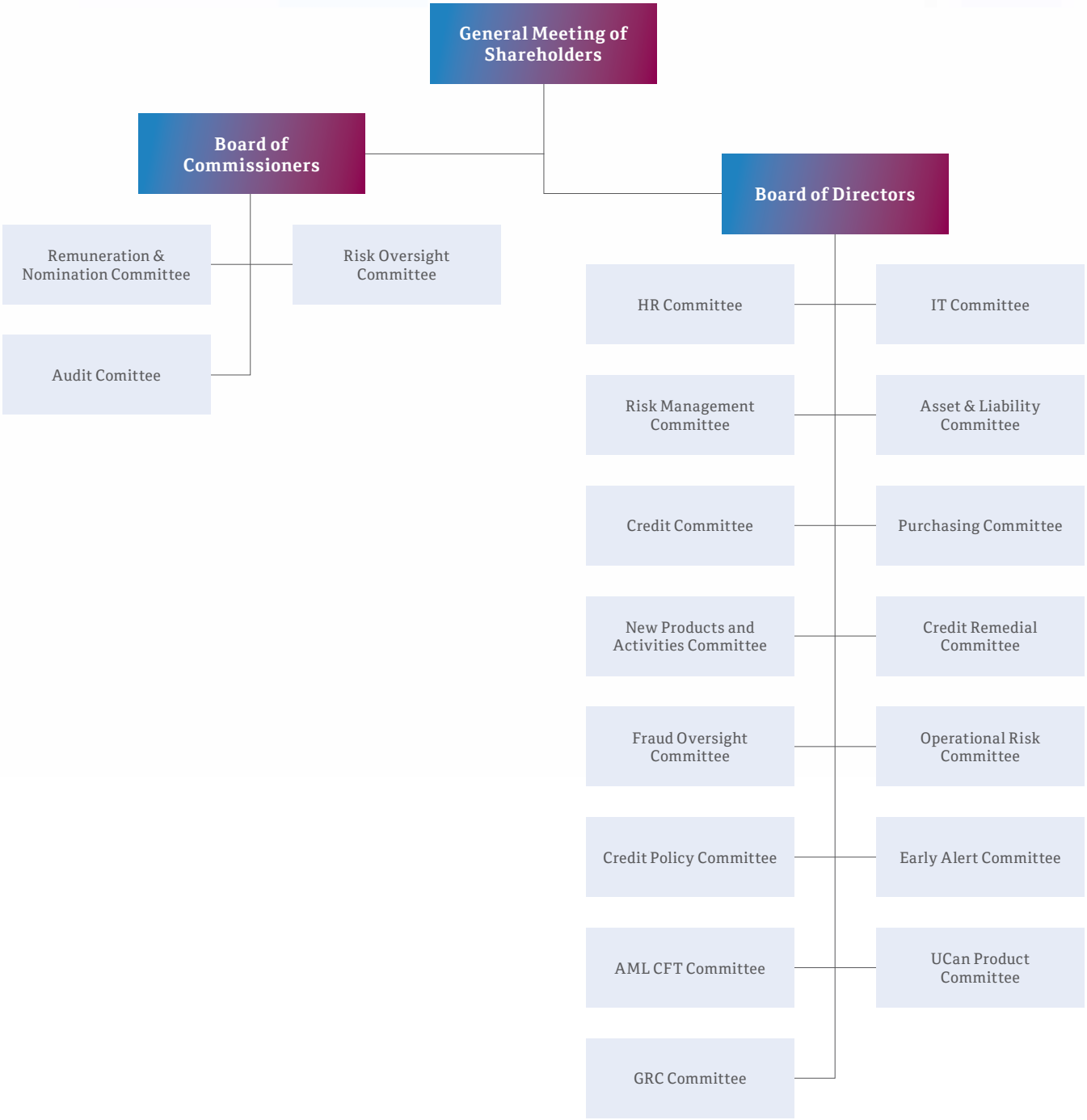
According to the Report of Anti-Fraud Strategy Implementation in Semester I and Semester II 2023, as submitted to OJK, there was no internal fraud cases substantiated in 2023.

Internal Fraud	Number of Cases Involving					
	BoC & BoD		Permanent Employees		Contract Employees	
	2023	2022	2023	2022	2023	2022
Total internal fraud cases	-	-	-	-	-	-
Settled	-	-	-	-	-	-
Under internal process	-	-	-	-	-	-
Pending	-	-	-	-	-	-
Followed up by lawsuit	-	-	-	-	-	-

Risk Management

The Bank's risk management implementation primarily refers to OJK Regulation No. 18/POJK.03/2016 and OJK Circular No. 34/SEOJK.03/2016, both of which regulate risk management implementation for commercial banks. This effort is supported by a risk management framework (RMF), which includes risk management governance, risk management processes, and risk management tools in line with the Bank's vision, mission and business strategy

Risk Management Governance



Risk Management *(Continued)*

A strong risk governance structure ensures effectiveness and consistency of risk management framework. At QNB Indonesia, the BoC and BoD are responsible for overseeing, monitoring and managing the risks encountered by the Bank, as well as developing risk management culture at all levels of the organisation to ensure that all work units understand the Bank's strategy, risk appetite, and risk management framework.

The BoC is assisted by the Risk Oversight Committee (ROC), which is responsible for reviewing all risk areas and analysing other areas related to risk, mitigation controls, and potential losses. The BoC delegates its authority to the BoD to implement the risk management framework, and the BoD has subsequently established various committees, including the Risk Management Committee.

In monitoring, controlling, and managing risks, the Bank implements the three lines of defense approach. In this approach, business units act as the first line of defense; the Risk Management and the Compliance Directorate act as the second line of defense in providing independent monitoring, and the Internal Audit acts as the third line of defense in providing independent assurance and consultation.

Risk Management Tools

The development of the Bank's business plan is based on the perspective that a good balance between risk and benefits must be maintained to achieve long-term growth for shareholders.

As stated in Risk Appetite Statement (RAS) as well as policies and procedures, Risk Management Tools serves as guideline for application of risk management framework. RAS elaborates the level and characteristics of risks taken by the Bank. The BoC and BoD are responsible to define RAS while ensuring that detailed policies pertaining to limitations for the organisation towards the Bank's activities have been stated in Risk Management Framework, consistent with RAS and the Bank's capability.

The Bank sets the risk limits by taking into account the capability of its capital to absorb risk exposure, manage previous losses, improve the skills of its human resources, and comply with the prevailing regulations.

RAS monitoring results are reported periodically to the management as well as to the Risk Management Committee (RMC) and the Risk Oversight Committee (ROC), to ensure compliance and be rectified if needed.

Risk Management Focus in 2023

In 2023, the Bank's risk management initiatives were focused on, among others:

- Using the Risk Acceptance Criteria (RAC) as a basis and direction for targeted industries to ensure that loans are in line with the Bank's risk appetite;
- Establishing the Governance Risk & Compliance (GRC) forum with related parties to ensure compliance with new regulations;
- Adopting the standardised approach to calculate Risk-Weighted Asset (RWA) of Credit and Operational Risk in January 2023.
- Submitting the trial report for implementation of new RWA for Market Risk in accordance to OJK Circular No. 23/SEOJK.03/2022 on quartely basis since June 2023 using Simplified Standardised Approach (SSA) method, prior to official report submission in January 2024.
- Anticipating deterioration of credit quality due to the worsening of global economy and impacted from US economy policy, therefore the Bank continuously monitors Low Quality Loan (LQL) and restructured accounts through the Early Alert Committee. This committee's meeting was held on bi-weekly basis and monitored every movement and condition of each low quality accounts and restructured accounts;
- Enacting several action plans in connection with the plan to terminate the JIBOR Rate, to be replaced by INDONIA in 2025 as planned and instructed by the Regulators (BI and OJK), such as setting up a dedicated task force to manage JIBOR Transition Process, which covers IT, Legal, Operation, Finance, Risk, and Business. In terms of infrastructure readiness, the Accounting Rate of Return (ARR) calculator will be developed to calculate the new Risk-Free Rate (RFR) in 2025;
- In relation to Sustainable Finance as mandated by OJK, maintaining the Sustainability Policy in place, which will be continuously progressing in line with the time frame given by the regulator, so that the Bank will be able to fully embed sustainable finance principles in daily business activities when it is fully mandated by OJK;
- Implementing the Net Open Position (NOP) limit breach notification in 30 minute-basis, as part of tighter FX monitoring for Market, Liquidity & Enterprise Risk;
- Reviewing the Interest Rate Risk in the Banking Book (IRRBB) limit and completing the Key Risk Indicator for Liquidity, with the amendment effective in January 2024;
- Improvement of Risk-Based Bank Rating (RBBR) to 2 for Semester II/2023, compared to RBBR rating of 3 in Semester II/2022, in accordance to supervisory review from OJK;
- Amending the meeting period for ROC to monthly since October 2023, in accordance to OJK Regulation No. 17/2023 dated 14 September 2023 regarding Good Corporate Governance for Conventional Banks;
- Managing reputation and consistent messaging regarding the Bank through centralised communication briefs;
- Ensuring quality of loans and being very selective on approving new loans with guidance taken from the OJK's direction on restructuring relaxation, Credit Policy, RAC, RAS, and blacklisted industries;
- Conducting additional efforts to monitor and improve credit risk by using stress testing exercises and improving the Early Alert Committee function so that indications of increased credit risk can be anticipated early;
- Implementing the RAROC approach to ensure that the Risk Adjusted Return of the facility is at an acceptable level and creates added value to the Bank;
- Consistently implementing PSAK 71 as a tool to calculate allowance for impairment of financial assets;
- Improving the monitoring of trade products wrapped in cash management products to ensure understanding the cash cycle of customers as part of monitoring credit and business opportunities;

- Tightening NPL management to ensure that NPL is maintained at acceptable level through close monitoring of individual action plans regarding NPL resolution, NPL restructured and possibility to write off some exhausted accounts;
- Continuing to build provisions to anticipate possibility of lower credit quality and also to ensure the adequacy of provision;
- Continuing the process-based Risk and Control Self Assessment for selected key processes;
- Completing the BC Alternate Site in Kebayoran;
- Conducted Mobility Test and Crisis Management Team (CMT) simulation test;
- Conducted Limited Scale Exercise to pairing branches;
- Reviewed and updated various operational risk management policies, procedures and standards which includes business continuity management;
- Continuously implementing risk awareness related to business continuity and operational risk;
- Implementing Legal Library Management;
- Implementing Legal e-learning for Lending;
- Implementing Legal e-learning for Funding;
- Improving cyber security monitoring capability, by onboarding a number of critical servers to monitor the Security Operation Center in Head Office – Doha;
- Improving IT Security infrastructure with implementation of Anti-DDOS and Data Leakage Prevention (DLP) tool;
- Increasing employee alertness against cyber attacks via email by simulating phishing emails;
- Performing penetration testing for both ad hoc and annual assessment; and
- Implementing ANTASENA, SiMODIS, SISMONTAVAR, E-Licensing, APOLO, SIPENA, SCV, CBS (Core Banking System), and BI-FAST (Bank Indonesia-Fast Payment), by taking into account the provisions of BI, OJK, and LPS; and
- Continuously monitoring any publication regarding the Bank through daily media monitoring as part of managing reputational risk.

Risks Profile and Mitigation Measures

The Bank's Risk Profile as at 31 December 2023

No.	Risk	Inherent Risk Rating	Risk Management Quality Rating	Risk Level Rating
1	Credit Risk	3	2	3
2	Market Risk	2	2	2
3	Liquidity Risk	2	2	2
4	Operational Risk	2	2	2
5	Legal Risk	2	2	2
6	Strategic Risk	3	2	3
7	Compliance Risk	2	2	2
8	Reputational Risk	2	2	2
	Composite Risk			**2**

CREDIT RISK

The Bank manages credit risk through the establishment of a series of policies and processes that ensure prudence and thoroughness. Every credit decision is approved by an authorised credit authority based on a loan approval matrix. Developments which may affect the Bank's credit portfolio are monitored by the Early Alert Committee to anticipate declining credit quality from the adverse impacts of global economy and US economy policy. The Bank conducts stress tests on debtors with large exposures regularly, and established guidelines in monitoring loan portfolios such as Industry Limit and RAS to avoid concentration of risk in certain sectors. Review of credit risk management methodologies, including improving credit policies and Credit Procedures, especially for Corporate & Institutional Banking segment, is carried out continuously.

MARKET RISK

Oversight of market risk is delegated by the BoD to the Asset and Liability Committee (ALCO). Market risk exposures primarily relate to interest rate risk in the banking book (IRRBB) and FX risks that generally arise as a result of the Bank's day-to-day business activities. Our market risk function through Market, Liquidity & Enterprise Risk Management monitors all market risks within the ALCO-approved delegated authority limits and product mandates. The market risk limits are set at conservative levels to reflect a limited appetite for this type of risk exposure. IRRBB is measured using the parameters of Net Interest Income (NII), Economic Value of Equity (EVE) and PV01. While in measuring FX Risk, Bank is using the Net Open Position (NOP) and Value at Risk (VaR).

Risk Management *(Continued)*

LIQUIDITY RISK

To ensure a sustainable, profitable business and to retain the confidence of the financial markets, the prudent management of liquidity is essential. The responsibility for liquidity management ultimately resides with the BoD, with day-to-day management oversight being delegated to the ALCO. The risk management oversight process provides assurance that the Bank's resources are sufficient in amount and diversity. This allows for planned and unplanned increases in funding requirements to be accommodated routinely without material adverse impact on earnings or on the way the Bank is perceived in the market. We maintain a comprehensive liquidity control framework to manage the Bank's liquidity and funding risk in a robust manner. Through this framework, we help to control and optimise the risk-return profile of the Bank. The Bank monitors this risk using a number of metrics to ensure that the risk remains with appetite, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). Further, the Bank operates within AL/DPK limits as per OJK requirement and RIM (LDR) threshold as per BI regulation.

OPERATIONAL RISK

The Bank has its risk appetite and risk tolerance serving a reference or limit in managing operational risk. The BoD and BoC play an active role in overseeing operational risk management through related committees. The Bank has adequate organisational tools in line with its business scale and complexity to support operational risk management. At present, there is the Operational Risk Division and IT Security & Risk Division under the Risk Management, and the Anti-Fraud Management & Investigation Division under the Compliance Directorate. They have various responsibilities related to managing operational risk, IT risk, and fraud risk. The Bank also has implemented Operational Risk Management Policies, Event Loss Data Management, RCSA, Business Continuity Management, as well as other standards and transactional limits. Every risk or risk event identified by Line 1, Line 2 and Internal Audit will be determined as a follow-up improvement or mitigation to minimise and mitigate the risk as well as to prevent the recurrence of events in the future. Training to enhance employees' operational risk awareness is ongoing.

LEGAL RISK

Legal risks are managed on the second line of defense by the Legal Division. The Bank is further assisted by external law offices to provide legal recommendations on several agreements including credit agreements and collateral arrangements. Legal risk is also managed by standardising agreements for lending and funding, with their related implementation monitored at all times. Dissemination and legal training, including legal e-learning, and annual legal forum are provided to non-legal employees to foster a legal risk awareness culture. Litigation cases are handled by independent lawyer and monitored by litigation team. There has been no actual loss arising from the court order faced by the Bank.

STRATEGIC AND REPUTATIONAL RISKS

The Bank is continually reviewing its strategic plan, analysing steps that have been done, and ensuring that all plans are running in accordance with its mission and vision. Reputation risk is managed by Customer Experience and Corporate Communication, whereby the Bank has a Contact Center for customers and performs consistent media monitoring. External parties, i.e. customers, media, or third parties, may submit their complaint via telephone and/or email that will be answered by the relevant party according to the subject and the prevailing provisions in the Bank.

COMPLIANCE RISK

Regulatory Compliance Division is responsible for managing compliance risks, through Governance, Risk, and Compliance (GRC) forum and dissemination of new regulations issued by regulators, as well as activation of email blast and report reminder through Compliance Reminder System (COMPLY) related to obligation to submit reports for each working units. Regulatory Compliance Division provides reviews and recommendations for policies and internal procedures, and also compliance assessment/ opinions on new products and activities which will be and/ or have been implemented by the Bank, including reviews on product terminations and branch office closures. Regulatory Compliance Division also monitors regulatory fines to minimise future recurrence of reporting errors. The Regulatory Compliance Division ensures the implementation of Data Protection in accordance with applicable laws and regulations, among others, maintaining a framework by considering the purposes of Data Privacy and all processing activities that occur within the Bank.

RISKS RELATED TO SUSTAINABLE FINANCE IMPLEMENTATION

Related to sustainable finance implementation, a comprehensive and integrated risk management framework has been strengthened with aspects of internal control. The Bank implemented the tiga lines of defense as internal control framework. Risk control in Line 1 is performed by the working units that carry out the business process, while Line 2 is performed by independent working unit that has a risk management function, and Line 3 is performed by the working unit that carries out internal audit function. Bank also conducts a review of its portfolio management strategy for each debtor and prospective debtor related to the ownership of Environmental Impact Analysis (AMDAL) and Company Performance Rating Assessment Program in Environmental Management (PROPER) that pays attention to the sustainability of the environment before the credit approval. As its long term strategy, the Bank will also focus on sustainable sectors and renewable energy.

Evaluation on Risk Management Effectiveness

Evaluation and review of RMF is carried out internally and externally to measure its efficacy. The RMC is the highest risk committee, and the Audit Committee functions as an internal party responsible for reviewing policies and implementing the RMF. They also provide advice and recommendations to the BoC as part of oversight function.

Internal Audit periodically reviews and examines application of risk management based on the principle of risk-based audit. Externally, the Bank's risk management is evaluated by external auditors and regulators. As of December 2023, based on the Bank's internal assessment, the Bank's overall risk management quality was rated 2 (Satisfactory).

Based on this result, the BoD evaluated that the Bank's existing risk management system is adequate to oversee and manage all the risks from its current business undertakings.

Risk Disclosures

Publication of Risk Exposure and Capital Structure for RWA for Credit Risk – Standardised Approach

QNB Indonesia has complied with the requirements to provide disclosure on its capital and risk exposures to the risk-weighted assets (RWA) for credit risk, as stipulated by the OJK Circular No. 24/SEOJK.03/2021. The following report provides the disclosures.

DISCLOSURE OF QUALITATIVE INFORMATION ON CREDIT RISK IN GENERAL TERMS (CRA)

1. **Explanation of the business model as reflected in the Bank's credit risk profile components**

   The Bank is currently focusing on supporting the growth of credit distribution to the Corporate & Institutional Banking segment, as seen from the proportion of lending to corporate and commercial debtors which reached 98.5% of the total credit disbursed by the Bank. Credit distribution focuses on industrial sector targets which refer to the Risk Appetite Criteria (RAC) decision to ensure that the credit provided is in accordance with the Bank's risk appetite.

2. **Explanation of the criteria and approaches used to establish credit risk management policies and determine credit risk limits**

   The Bank has the Credit Risk Management Policy and Procedures and has developed policies in accordance with the relaxation program issued by the OJK to anticipate a decline in its customers' financial health conditions.

   The Bank continuously improves its Credit Policies and Procedures, so that they are more in line with business developments and applicable best practices. In addition, the Bank continues to maintain the quality of existing credit and new credit by referring to the Credit Policy, the RAC, Risk Appetite Statement (RAS), and blacklisted industries, as its guidelines.

   The Bank also continues to monitor and improve performance related to credit risk by using regular stress testing and improving the function of the Early Alert Committee. Testing is carried out twice a month, so that indications of increasing credit risk can be anticipated early.

3. **Explanation of the structure and organization of credit risk management and control functions**

   The Bank has adequate organisational tools in accordance with its business scale and business complexity to support credit risk management. The Bank applies Three Lines of Defense in managing credit risk. In terms of credit risk management, the first line of defense is the Credit Analyst and Credit Reviewer Division whose function is to assess the debtor's suitability to obtain a loan from the Bank in accordance with the regulations and policies set by the regulator (OJK and BI) and also the Indonesian Government, the RAC, and the Credit Policy maintained by the Bank.

   The second line is the Portfolio Management function, which has responsibilities related to managing and reporting credit risk at the portfolio level to Management and regulators (OJK and BI). The Portfolio Management function reports directly to the Chief Risk Officer.

   In the third line there is the Internal Audit Division which has implemented the Internal Audit function effectively by developing and implementing a risk-based audit methodology in preparing the annual audit plan. The review process by the Internal Audit Division is based on the audit plan that has been approved by the President Director and the Audit Committee. The Internal Audit Division has carried out its role by bringing a systematic approach in evaluating and improving the effectiveness of risk management, control and corporate governance processes.

   In terms of supervision, there are various committees that supervise credit risk management, namely the Risk Management Committee (RMC) and the Risk Oversight Committee (ROC).

4. **Explanation of the relationship between credit risk management, risk control, compliance and internal audit functions**

   Day-to-day management of credit risk is carried out based on duties and responsibilities in accordance with the Three Lines of Defense framework, namely with line one being the business/function responsible for handling risk either as risk owner, internal control owner or product/process owner, line two is the Portfolio Management function which is responsible for providing tools, methodology, framework and advisory, and line three is Internal Audit which carries out the assurance function independently.

5. **Explanation of the scope and main information of reporting on credit risk exposure and credit risk management functions to the BoD and the BoC**

   Reports on credit risk management to the BoD and senior management of the Bank are submitted periodically at the BoD and Risk Management Committee meetings. These reports include, among other things, RAS and Key Risk Indicators (KRI) for credit risks related to capital adequacy, concentration, and credit quality. Apart from that, the reporting also conveys the progress status of corrective follow-up related to credit risk.

Risk Management *(Continued)*

Disclosure of Credit Quality to Assets - Bank Unconsolidated
Position at December 2023

(in million Rupiah)

No.	Jenis Masalah	Gross Carrying Amount		Allowance for Impairment Assets (CKPN)	CKPN		CKPN (IRB Approach)	Net Amount
		Matured Claims	Outstanding Claims		Stage 2 and Stage 3	Stage 1		
1	Credit	463,584	5,492,840	507,138	416,015	91,123	-	5,449,286
2	Securities	-	-	-	-	-	-	-
3	Administrative Account Transactions	-	792,433	-	-	-	-	792,433
4	**Total**	**463,584**	**6,285,274**	**507,138**	**416,015**	**91,123**		**6,241,719**

Disclosure of Changes in Credit and Securities Claims (CR2) - Bank Unconsolidated
Position at December 2023

(in million Rupiah)

1	Matured Credit and Securities in the last reporting period	36,700
2	Matured Credit and Securities since the last reporting period	1,153,571
3	Credit and Securities which reversed to Outstanding Claims	564,207
4	Write off Amount	36,263
5	Other Changes	(126,217)
6	**Matured Credit and Securities at the end of the reporting period (1+2-3-4+5)**	**463,584**

ADDITIONAL DISCLOSURES ON THE QUALITY OF CREDIT ON ASSETS (CRB)

1. Measurement of Expected Credit Losses (KKE)

The main inputs for the measurement of expected credit losses (KKE) are the following variables:

1) probability of default (PD);
2) loss given default (LGD); and
3) exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. These parameters are adjusted to reflect forward-looking information as described above.

PD estimates are estimates on a certain date, which are calculated based on a statistical ranking model regarding the magnitude of the probability that default will occur within a certain time period. This statistical model is primarily based on internally compiled data consisting of quantitative and qualitative factors and supplemented with external credit assessment data where available.

LGD is the size of the possible loss should a payment default occur. The Bank estimates LGD parameters based on LGD benchmarked internally. The LGD model considers the estimated collateral value and recovery costs of each collateral that is an integral part of a financial asset.

EAD represents the expected exposure in the event of default. Banks derive EAD from current exposure to counterparties and potential changes to current value permitted under the contract including amortisation. The EAD of a financial asset is the gross carrying amount. For credit commitments and financial guarantees, the EAD includes the amount drawn, as well as the potential amount that can be drawn in the future under the contract, estimated based on historical observations and forward-looking estimates.

The calculation of reserves for impairment losses will be calculated according to each risk level (staging), namely for the next 12 months for stage 1 (performing), as well as over the life of the bill (lifetime) for stage 2 (underperforming) and stage 3 (non-performing).

2. Forward-looking information

The Bank uses statistical models to incorporate macro-economic variables (MEV) on historical default rates.
The methodology and assumptions involved, including forecasts of future economic conditions, are reviewed periodically.

Table 1.1. Disclosure of Net Claims by Region - Bank Unconsolidated
Position at December 2023

(in million Rupiah)

		Net Claims by Region				
No	Portfolio Category	Jakarta	Sumatra	Eastern Regions	Java	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Claims against Government	1,763,520	-	-	-	1,763,520
2	Claims against Public Sector Entities	1,744,593	-	-	-	1,744,593
3	Claims against Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims against Banks	184,104	-	-	-	184,104
5	*Claims in the Form of Covered Bonds*	-	-	-	-	-
6	Claims against Securities Companies and Other Financial Services Institutions	204,760	-	-	-	204,760
7	Claims in the Form of Securities/Subordinated Loans, Equity, and Other Capital Instruments	-	-	-	-	-
8	Loans with House as Collateral	9,953	-	-	-	9,953
9	Loans with Commercial Buildings as Collateral	1,331,580	-	-	14	1,331,593
10	Loans for Procurement of Lands, Cultivation of Lands, and Constructions	-	-	-	-	-
11	Personal Employee/Retiree Loans	-	-	-	-	-
12	Claims against Micro and Small Enterprises and Retail Portfolio	147,854	3,409	-	515	151,778
13	Claims against Corporations	5,867,187	1,720	-	2,442	5,871,349
14	Matured Claims	322,237	-	-	913	323,150
15	Other Assets	877,204	-	-	-	877,204
	Total	**12,452,993**	**5,129**	**-**	**3,884**	**12,462,006**

Risk Management *(Continued)*

Table 1.2. Disclosure of Net Claims by Economic Sector - Bank Unconsolidated
Position at December 2023

(in million Rupiah)

No	Economic Sector	Claims against Government	Claims against Public Sector Entities	Claims against Multilateral Development Banks and International Institutions	Claims against Banks	Claims in the Form of Covered Bonds	Claims against Securities Companies and Other Financial Services Institutions
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Agriculture, Forestry and Fisheries	-	-	-	-	-	-
2	Mining and Extractive Industries	-	-	-	-	-	-
3	Processing Industry	-	276,041	-	-	-	-
4	Procurement of Electricity, Gas, Steam/Hot Water and Cold Air	-	500,000	-	-	-	-
5	Water Management, Waste Water Management, Waste Management and Recycling, and Remediation Activities	-	-	-	-	-	-
6	Construction	-	-	-	-	-	-
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	-	-	-	-	-	-
8	Transportation and Warehousing	-	-	-	-	-	-
9	Hotel and Food & Beverage	-	-	-	-	-	-
10	Information and Communication	-	-	-	-	-	-
11	Financial and Insurance Activities	1,763,520	968,552	-	184,104	-	204,760
12	Real Estate	-	-	-	-	-	-
13	Professional, Scientific and Technical Activities	-	-	-	-	-	-
14	Rental and Leasing Activities Without Option Rights, Employment, Travel Agents and Other Business Support	-	-	-	-	-	-
15	Government Administration, Defense and Compulsory Social Security	-	-	-	-	-	-
16	Education	-	-	-	-	-	-
17	Health and Social Activities	-	-	-	-	-	-
18	Arts, Entertainment and Recreation	-	-	-	-	-	-
19	Other Services	-	-	-	-	-	-
20	Hospitality Activities as an Employer; Activities That Produce Goods and Services by Households to Meet Personal Needs	-	-	-	-	-	-
21	International Organisations and Other Extra International Organisations Activities	-	-	-	-	-	-
22	Hospitality	-	-	-	-	-	-
23	Non-Other Business Field	-	-	-	-	-	-
24	Miscellaneous	-	-	-	-	-	-
	Total	**1,763,520**	**1,744,593**	**-**	**184,104**	**-**	**204.760**

Claims in the Form of Securities/ Subordinated Loans, Equity, and Other Capital Instruments	Loans with House as Collateral	Loans with Commercial Buildings as Collateral	Loans for Procurement of Lands, Cultivation of Lands, and Constructions	Loans to Employees/ Pensioners	Claims against Micro and Small Enterprises and Retail Portfolio	Claims against Corporations	Matured Claims	Other Assets
(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
-	-	64,805	-	-	-	200,237	-	-
-	-	14,326	-	-	-	1,035,583	-	-
-	-	651,246	-	-	152	2,669,645	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	424	318,287	-
-	-	69,495	-	-	3,824	206,491	-	-
-	-	16,329	-	-	298	-	1,679	-
-	-	505,378	-	-	-	46,113	2,244	-
-	-	-	-	-	-	730,301	-	-
-	-	-	-	-	-	524,420	-	-
-	-	-	-	-	-	324,914	939	-
-	-	-	-	-	161	-	-	-
-	-	8,872	-	-	-	133,223	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	9,953	1,144	-	-	147,343	-	1	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	877,204
-	**9,953**	**1,331,593**	**-**	**-**	**151,778**	**5,871,350**	**323,150**	**877,204**

Risk Management *(Continued)*

Table 1.3. Disclosure of Net Claims by Remaining Contract Time - Bank Unconsolidated
Position at December 2023
(in million Rupiah)

		Net Claims by Remaining Contract Time					
No	Portofolio Category	≤ 1 year	> 1 - 3 years	> 3 - 5 years	> 5 years	Non-Contractual	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Claims against Government	1,218,435	-	-	-	545,085	1,763,520
2	Claims against Public Sector Entities	1,476,677	267,917	-	-	-	1,744,593
3	Claims against Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims against Banks	-	-	-	184,104	-	184,104
5	Claims in the Form of Covered Bonds	-	-	-	-	-	-
6	Claims against Securities Companies and Other Financial Services Institutions	70,352	134,408	-	-	-	-
7	Claims in the Form of Securities/Subordinated Loans, Equity, and Other Capital Instruments	-	-	-	-	-	-
8	Loans with House as Collateral	21	417	589	8,926	-	9,953
9	Loans with Commercial Buildings as Collateral	398,120	128,061	315,863	489,550	-	1,331,593
10	Loans for Procurement of Lands, Cultivation of Lands, and Constructions	-	-	-	-	-	-
11	Personal Employee/Retiree Loans	-	-	-	-	-	-
12	Claims against Micro and Small Enterprises and Retail Portfolio	129,982	18,465	3,331	-	-	151,778
13	Claims against Corporations	4,220,299	932,858	394,197	323,995	-	5,871,349
14	Matured Claims	2,858	656	319,636	-	-	323,150
15	Other Assets	-	-	-	-	877,204	877,204
	Total	**7,516,744**	**1,482,781**	**1,033,616**	**1,006,575**	**1,422,289**	**12,257,246**

Table 1.4 Disclosure of Claims and Reserves by Region - Bank Unconsolidated
Position at December 2023
(in million Rupiah)

		Region				
No	Portofolio Category	Jakarta	Sumatra	East Region	Java	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Claims	12,869,007	5,129	-	3,884	12,878,020
2	Impaired Claims					
	a. Outstanding	1,373,272	-	-	-	1,373,272
	b. Matured	446,278	-	-	17,306	463,584
3	CKPN- Stage 1	90,436	268	-	434	91,138
4	CKPN- Stage 2	375,729	-	-	-	375,729
5	CKPN- Stage 3	23,893	-	-	16,393	40,286
6	Written-Off Claims	36,263	-	-	-	36,263

Table 1.5. Disclosure of Claims and Reserves by Economic Sector - Bank Unconsolidated
Position at December 2023

(in million Rupiah)

No	Economic Sector	Claims	Impaired Claims		CKPN Stage 1	CKPN Stage 2	CKPN Stage 3	Written - Off Claims
			Outstanding	Matured				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Agriculture, Forestry and Fisheries	173,042	72,605	-	1,999	8,000	-	-
2	Mining and Extractive Industries	346,081	-	-	10,121	-	-	-
3	Processing Industry	5,187,291	114,770	-	44,922	3,513	-	-
4	Procurement of Electricity, Gas, Steam/ Hot Water and Cold Air	500,000	-	-	4,989	-	-	-
5	Water Management, Waste Water Management, Waste Management and Recycling, and Remediation Activities	-	-	-	-	-	-	-
6	Construction	440,769	-	418,452	29	100,147	-	-
7	Wholesale and Retail Trade; Car and Motorcycle Repair and Maintenance	378,049	154,338	14,864	2,314	85,238	14,864	-
8	Transportation and Warehousing	44,882	42,090	2,373	4	25,882	694	-
9	Hotel and Food & Beverage	628,266	565,309	15,604	168	61,171	13,360	-
10	Information and Communication	30,301	-	-	7,219	-	-	-
11	Financial and Insurance Activities	3,483,143	-	-	14,194	-	-	-
12	Real Estate	390,812	387,500	1,899	2	64,000	959	-
13	Professional, Scientific and Technical Activities	161	-	-	6	-	-	-
14	Rental and Leasing Activities Without Option Rights, Employment, Travel Agents and Other Business Support	166,448	33,224	-	1,131	24,353	-	-
15	Government Administration, Defense and Compulsory Social Security	-	-	-	-	-	-	-
16	Education	-	-	-	-	-	-	-
17	Health and Social Activities	-	-	-	-	-	-	-
18	Arts, Entertainment and Recreation	-	-	-	-	-	-	-
19	Other Services	-	-	-	-	-	-	-
20	Hospitality Activities as an Employer; Activities That Produce Goods and Services by Households to Meet Personal Needs	-	-	-	-	-	-	-
21	International Organisations and Other Extra International Organisations Activities	-	-	-	-	-	-	-
22	Hospitality	231,572	3,436	10,392	4,040	3,424	10,409	-
23	Non Other Business Field	-	-	-	-	-	-	-
24	Miscellaneous	877,204	-	-	-	-	-	36,263
	Total	**12,878,020**	**1,373,272**	**463,584**	**91,138**	**375,729**	**40,286**	**36,263**

Risk Management *(Continued)*

Table 2.1 Disclosure of Performing and Non-Performing Assets
Position at December 2023

(in million Rupiah)

		Performing (L and DPK Quality)		Non-Performing (KL, D, M Quality)					
				Impaired Claims		Not Impaired Claims			
						Past Due > 90 Hari		Past Due ≤ 90 Hari	
		Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Securities	-	-	-	-	-	-	-	-
2	Credit								
	a. Corporation	4,100,195	246,303	-	-	-	-	-	-
	b. Retail	1,810,536	220,642	45,694	40,193	-	-	-	-
3	Administrative Account Transactions	3,901,100	-	-	-	-	-	-	-

Tabel 2.2 Disclosure of Performing and Non-Performing Restructuring Assets
Position at December 2023

(Bank Unconsolidated)

		Performing (L and DPK Quality)		Non-Performing (L and DPK Quality)		Stage 1		Stage 2		Stage 3	
		Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN	Gross Carrying Amount	CKPN
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Securities	-	-	-	-	-	-	-	-	-	-
2	Credit										
	a. Corporation	196,428	111,120	-	-	-	-	196,428	111,120	-	-
	b. Retail	2,774	231	22	22	2,774	231	-	-	22	22
3	Administrative Account Transactions	-	-	-	-	-	-	-	-	-	-

QUALITATIVE DISCLOSURES RELATED TO CREDIT RISK MITIGATION TECHNIQUES (CRC)

To disclose the collateral evaluation and management process, the Bank uses data registered in the Bank's records for collateral and carries out inventory checks by comparing the data with original documents kept by the Bank. This evaluation process is carried out regularly and Bank records will always be updated for any changes and supporting documentation will be stored properly by the Bank.

Based on regulatory regulations, there are three types of Credit Risk Mitigation (MRK) Techniques that are recognised and can be used by Banks, namely Collateral Technique, Guarantee Technique, and Credit Guarantee/Insurance Technique. Currently the Bank does not have a concentration on one particular MRK technique, because the Bank does not have exposure to all three types of MRK techniques that are recognised in accordance with the statutory regulations.

Quantitative Disclosures related to Credit Risk Mitigation (MRK) Technique (CR3)
Position at December 2023

(in million Rupiah)

		Claims Not Secured with MRK Technique	Claims Secured with MRK Technique	Claims Secured with Collateral	Claims Secured with Guarantee and/or Credit Insurance	Claims Secured with Credit Derivatives
		(a)	(b)	(c)	(d)	(e)
1	Credit	5,110,038	16,098	-	-	-
2	Securities	-	-	-	-	-
3	Total	5,110,038	16,098	-	-	-
4	Matured Credit and Securities	323,150	-	-	-	-

Risk Management *(Continued)*

DISCLOSURE OF THE USE OF EXTERNAL CREDIT RATINGS (CRD)

To obtain information regarding the ratings from debtors directly and/or using desktop checking, the Bank searches for and uses existing rating information related to customers in its assessment. If there are changes, customer data will be updated according to the latest information. The portfolio categories assessed by the Bank using this ranking methodology are all the categories whose information is accessible via desktop checking.

Disclosure of Credit Risk Exposure and Impact of Credit Risk Mitigation (MRK) Technique (CR4)

Position at December 2023

(in million Rupiah)

		Net Claims Before FKK and MRK Implementations	
		Statement of Financial Position	TRA
No	Portfolio Category	(a)	(b)
1	Claims against Government	1,763,520	-
2	Claims against Public Sector Entities	744,593	1,000,000
3	Claims against Multilateral Development Banks and International Institutions	-	-
4	Claims against Banks	184,104	-
	Claims against Securities Companies and Other Financial Services Institutions 1)	-	-
5	Claims in the Form of Covered Bonds	-	-
6	Claims against Corporations - General Corporate Exposures 2)	3,115,909	2,611,020
	Claims against Securities Companies and Other Financial Services Institutions 3)	204,760	-
	Dedicated Financing Exposure 4)	-	-
7	Claims in the Form of Securities/Subordinated Loans, Equity, and Other Capital Instruments	-	-
8	Claims against MSMEs and Retail Portfolio	32,217	118,999
9	Loans with Property as Collateral	-	-
	Loans with House as Collateral whose Payments Are Not Materially Dependent on the Property's Cash Flows	9,953	-
	Loans with House as Collateral whose Payments Are Materially Dependent the Property's Cash Flows	-	-
	Loans with Commercial Property as Collateral whose Payments Are Not Materially Dependent on the Property's Cash Flows	655,135	171,080
	Loans with Commercial Property as Collateral whose Payments Are Materially Dependent on the Property's Cash Flows	505,378	-
	Loans for Procurement of Lands, Cultivation of Lands, and Constructions	-	-
10	Matured Claims	323,150	-
11	Other Assets	877,204	-
12	**Total**	**8,415,924**	**3,901,100**

Net Claims After FKK and MRK Implementations			RWA and Risk-Weighted Average
Statement of Financial Position	TRA	RWA	Risk-Weighted Average (e/(c+d))
(c)	(d)	(e)	(f)
1,763,520	-	-	-
744,593	100,000	372,297	44%
-	-	-	-
184,104	-	48,237	26%
-	-	-	-
-	-	-	-
3,115,909	290,886	2,962,311	87%
204,760	-	40,952	20%
-	-	-	-
-	-	-	-
32,217	12,181	14,507	33%
-	-	-	-
9,953	-	4,463	45%
-	-	-	-
655,135	17,108	655,135	97%
505,378	-	353,764	70%
-	-	-	-
323,150	-	321,895	100%
877,204	-	977,967	111%
8,415,924	**420,175**	**5,751,528**	**-**

Risk Management *(Continued)*

Disclosure of Exposure by Assets Classes and Risk Weights (CR5)
Position at December 2023

(in million Rupiah)

No	Portfolio Category	0%	20%	50%
1	Claims against Government	1,763,520	-	-

No	Portfolio Category	20%	50%
2	Claims against Public Sector Entities	-	844,593

No	Portfolio Category	0%	20%	30%	50%
3	Claims against Multilateral Development Banks and International Institutions	-	-	-	-

No	Portfolio Category	20%	30%	40%	50%
4	Claims against Banks	72,734	111,138	-	-
	Claims against Securities Companies and Other Financial Services Institutions 1)	-	-	-	-

No	Portfolio Category	10%	15%	20%	25%	35%
5	Claims in the Form of Covered Bonds	-	-	-	-	-

No	Portfolio Category	20%	50%	65%	75%	80%
6	Claims against Corporations - General Corporate Exposures 2)	-	305,715	-	-	-
	Claims against Securities Companies and Other Financial Services Institutions 3)	204,760	-	-	-	-
	Dedicated Financing Exposure 4)	-	-	-	-	-

No	Portfolio Category	100%	150%
7	Claims in the Form of Securities/ Subordinated Loans, Equity, and Other Capital Instruments	-	-

No	Portfolio Category	45%	75%
8	Claims against MSMEs and Retail Portfolio	44,086	311

100%	150%	Others	Net Claims After FKK and MRK Implementations
-	-	-	1,763,520

100%	150%	Others	Net Claims After FKK and MRK Implementations
-	-	-	844,593

100%	150%	Others	Net Claims After FKK and MRK Implementations
-	-	-	-

75%	100%	150%	Others	Net Claims After FKK and MRK Implementations
-	-	233	-	184,104
-	-	-	-	-

50%	100%	Others	Net Claims After FKK and MRK Implementations
-	-	-	-

85%	100%	130%	150%	Others	Net Claims After FKK and MRK Implementations
-	3,101,080	-	-	-	3,406,795
-	-	-	-	-	204,760
-	-	-	-	-	-

250%	400%	Others	Net Claims After FKK and MRK Implementations
-	-	-	-

85%	100%	Others	Net Claims After FKK and MRK Implementations
-	-	-	44,397

Risk Management *(Continued)*

Disclosure of Exposure by Assets Classes and Risk Weights (CR5) *(Continued)*

Position at December 2023

(in million Rupiah)

No	Portfolio Category	0%	20%	25%	30%	35%	40%	45%	50%	60%
9	Loans with Property as Collateral	-	-	-	-	-	-	-	-	-
	Loans with House as Collateral whose Payments Are Not Materially Dependent on the Property's Cash Flows	-	-	-	1,497	-	2,145	-	6,311	-
	without a credit sharing approach 5)	-	-	-	-	-	-	-	-	-
	with a credit sharing approach (guaranteed) 5)	-	-	-	-	-	-	-	-	-
	with a credit sharing approach (guaranteed) 5)	-	-	-	-	-	-	-	-	-
	Loans with House as Collateral whose Payments Are Materially Dependent the Property's Cash Flows	-	-	-	-	-	-	-	-	-
	Loans with Commercial Property as Collateral whose Payments Are Not Materially Dependent on the Property's Cash Flows	-	-	-	-	-	-	-	-	-
	without a credit sharing approach 5)	-	-	-	-	-	-	-	-	-
	with a credit sharing approach (guaranteed) 5)	-	-	-	-	-	-	-	-	-
	with a credit sharing approach (guaranteed) 5)	-	-	-	-	-	-	-	-	-
	Loans with Commercial Property as Collateral whose Payments Are Materially Dependent on the Property's Cash Flows	-	-	-	-	-	-	-	-	-
	Loans for Procurement of Lands, Cultivation of Lands, and Constructions	-	-	-	-	-	-	-	-	-

No	Portfolio Category	50%	100%	150%	Others	Net Claims After FKK and MRK Implementations
10	Matured Claims	3,166	319,328	656	-	323,150

No	Portfolio Category	0%	20%	100%	150%	1250% 5)	Others	Net Claims After FKK and MRK Implementations
11	Other Assets	-	-	877,204	-	-	-	877,204

65%	70%	75%	85%	90%	100%	105%	110%	150%	Others	Net Claims After FKK and MRK Implementations
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	9,953
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	672,243	-	-	-	-	672,243
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	505,378	-	-	-	-	-	-	-	-	505,378
-	-	-	-	-	-	-	-	-	-	-

No	Risk-Weights	Net Claims of Financial Statements	TRA Net Claims (prior FKK)	FKK Average	Net Claims (After FKK and MRK)
1	< 40%	2,153,649	-	-	2,155,794
2	40% - 70%	1,568,779	1,000,000	100,000	1,709,248
3	75%	30	118,999	12,181	311
4	85%	-	-	-	
5	90% - 100%	4,692,577	2,611,020	290,886	4,969,856
6	105% - 130%	-	171,080	17,108	
7	150%	889	-	-	889
8	250%	-	-	-	
9	400%	-	-	-	
10	1250%	-	-	-	
11	**Total Net Claims**	**8,415,924**	**3,901,100**	**420,175**	**8,836,099**

Code of Ethics and Corporate Culture

The Bank applies code of ethics as a guidance for each employee in making the correct decision, and this includes the rules to escalate and discuss among interest parties to ensure that all stakeholders take the right actions and display appropriate behaviour.

Each employee can access the Bank's code of ethics through the Bank's human resources information system (HRIS) and employee intranet portal. In addition, each employee is also required to provide statement on their understanding of and commitment to doing their work in alignment with the code of ethics. The Bank applies a disciplinary policy in the case of violation of code of ethics or standard operating procedures.

Applicability of the Code of Ethics

The code of ethics applies universally, which means that all values encompassed in it are applicable to all personnel of PT Bank QNB Indonesia Tbk, including the BoC, BoD, and all levels of the management.

Code of Ethics' Elements

All employees of the Bank are strongly committed to upholding the code of ethics in their day-to-day activities. The following are its elements:

CODE OF ETHICS

1. Teamwork
2. Relationship Based on Trust
3. Protection of the Bank's and Customers' Assets and Interests
4. Supplier Relationship
5. Social Responsibility
6. Adherence to the Law
7. Adherence to All Policies and Procedures of PT Bank QNB Indonesia Tbk
8. Disclosure of Confidential Information
9. Our Word is Our Bond
10. Restriction on Working Elsewhere
11. Dealing with the Media
12. Avoidance of Inducement
13. Avoidance of Conflict of Interest
14. Proper Management of Staff Account
15. Personal Indebtedness
16. Personal Transactions
17. Attention to Personal Matters
18. Personal Development
19. Integrity in Interpersonal Relationships
20. Personal Conduct
21. Personal Appearance
22. Dealing with QNB Shares
23. Intellectual Property

SECURITY

1. Safety & Security
2. Continuity of Business in Times of Troubles

COMPLIANCE

1. Whistleblowing
2. Politics
3. Fraud, Money Laundering & Terrorist Financing
4. Confusion/Dilemma
5. Concluding Principles

Code of Ethics Dissemination and Enforcement

To make sure that all employees reach the same level of understanding and support the implementation of the code of ethics, the code of ethics has been disseminated and can be accessed by all employees through the Human Resources Information System (HRIS). Employees are required to fill in a statement that they have read and understand the contents of the code of ethics. All employees are required to apply the principles defined in the book in carrying out their operational duties.

Implementation of this code of ethics is observed and evaluated periodically by the Bank. Revision to the code of ethics may be conducted when deemed necessary as a form of compliance with the prevailing regulations and legislations in Indonesia.

Corporate Culture

The foundation and guidelines for employees' behaviour, as manifested in QNB Values, presented in a separate section in the Company Profile chapter, serve as the basis for the Bank's corporate culture.

Whistleblowing System

The Bank's commitment to upholding an ethical work culture and good corporate governance principles is made manifest the establishment of a whistleblowing system called AyoLapor, managed by the Anti-Fraud Management & Investigation Sub-Division.

The Bank has set up a mechanism to manage and follow-up any act that violates its internal rules and values. This mechanism upholds the principle of confidentiality to fully guarantee the anonymity of the whistleblower. The Bank identifies and minimises financial and non-financial losses by encouraging employees to report the violations they find as early as possible.

Whistleblowing System Legal Reference

The legal basis for the Bank's whistleblowing system is the OJK Regulation No. 39/POJK.03/2019 on Implementation of Anti-Fraud Strategy for Commercial Banks.

Scope of Whistleblowing System

This system applies universally and fairly to all individuals of the Bank on all levels of employment, including the BoD, the BoC, and committees under the BoC, as well as external parties that may provide information related to the violation that they are aware of.

General Provisions of Whistleblowing System

Whistleblowing may be from internal or external parties. Internal parties include employees (permanent, in probation, contract, and outsourced), Management (including the BoD), and the BoC. External parties may report the violation by providing the correct and valid proof (in the form of recordings, photos, etc.) as evidence.

Violators are parties suspected or believed to be suspected of having conducted violation or having acted against the law, or having conducted unethical/immoral actions or other actions that may jeopardise the Bank, either financially or non-financially.

Whistleblowing Mechanism

In the reporting process, the whistleblower must keep the truth and accuracy of the information that they have submitted and provide adequate information for the continuation of investigation. Information must include the violator's identity, chronology of events, and the violation.

The whistleblower may submit their report to AyoLapor via any of the following: e-mail to ayolapor@qnb.co.id or telephone (+6221 50857925 for external, or extension 8558 for **ULJT–U**ntuk **L**apor **J**angan **T**akut for internal). Reports received may also be those escalated by other divisions, alleged fraud event experienced by the whistleblower, etc.

Protection for Whistleblowers

The Bank strives to ensure that every whistleblower is protected against any form of harassment or intimidation, and have their identity secured and their confidentiality guaranteed.

Whistleblowing Report Handling

The reporting system is handled by the Anti-Fraud Management & Investigation Sub-Division, whose primary responsibility is to administer the reports, monitor the follow up to the reports, and maintain the confidentiality of the identities of both the reporting parties and the reported parties. Reports must be submitted to the Fraud Oversight Committee (FOC), which consists of the BoD and Senior Management. In the case of audit matters included in the report, the report shall also be submitted to Audit Committee Chairman, along with the work plan to handle the report. If the reported party is an FOC member, the report receiver shall not submit the report to said FOC member who is involved.

Performance

In total, two valid reports were submitted via AyoLapor in 2023. One case was resolved in 2023 and the other remained under investigation by the end of the year.

Whistleblowing Reports in 2023

Description	Total
Total reports received	2
With indication of fraud	0
Without indication of fraud	2

Anti-Bribery & Corruption Policy

QNB Indonesia upholds a zero-tolerance principle regarding to bribery and corruption, and is also committed to the highest standards of acting professionally, fairly, and with integrity in all transactions and business dealings and relationships wherever it operates. The Bank also implements and enforces an effective system against bribery and corruption.

Corruption is defined as the abuse of power by someone entrusted by a company/organisation, both in the public and private sectors, to obtain personal gain or serve personal interests.

The most commonly encountered form of corruption is bribery. Other types of corruption include, but are not limited to, practices of misappropriation, theft, deception, extortion, conflict of interest, illegal forms of political contribution/payment to charity, third-party placement with low interest rate coupled with a promise of reward, and receiving illegal fund from money laundering. Corruption also encompasses the giving of gifts previously offered, promised, or provided to obtain commercial gain, obtain employment, abuse of regulations, as well as other personal gains.

To mitigate the risk of bribery and corruption, the Bank has updated its Anti-Bribery and Corruption Policy, independently evaluated the risk of bribery and corruption, disseminated the principle of zero-tolerance of bribery and corruption to raise awareness thereof, and required all employees, including the BoD and the BoC, to sign the Integrity Pact.

In 2023, the Bank recorded zero cases of corruption and bribery taking place across its business

Information Disclosure and Access to Bank's Information

The Bank welcomes the public to access the latest information on its financial, non-financial, and other reports, under the principles of transparency and accountability, by conducting public exposes, issuing press releases, and maintaining the corporate website, www.qnb.co.id.

Customers may get in touch with the Bank or submit any query or complaint through the Bank's Contact Center at (+62 21) 300 55 300. The media are welcome to contact Corporate Communication via email at corporate.communication@qnb.co.id.

The Bank distributes press releases to media with nationwide coverage, and engage the media actively, resulting in the publication of articles that highlight the Bank's value to the public.

Meanwhile, public exposes serve as a means for the Bank to disclose its financial and operational performance, achievements, challenges, and other aspects, to investors, analysts, fund managers, stock exchange members and representatives, and the mass media.

Information Disclosure Activities in 2023

Disclosure Event	Frequency	Disclosure Date
AGMS	1	30 May 2023
EGMS	1	16 February 2023
Public Expose	1	12 February 2023
Customer Gathering	41	Throughout the year
Mass Media Review	132	Throughout the year
Press Release	4	Throughout the year

Litigations

In 2023, the Bank was involved in 12 civil cases and 2 criminal cases. Details of their settlement status are given below:

Legal Dispute	Number of Cases	
	Civil	Criminal
Settled, with a legally binding verdict	2	0
In the process of settlement	10	2
Total	**12**	**2**

None of these cases had a significant impact on the Bank or its operations.

None of the Bank's BoC or the BoD members faced any lawsuit or legal case in the court and/or arbitration agencies in any form in Indonesia. There is no material effect of litigation on the Bank's business continuity.

Sanctions

In 2023, the Bank did not receive any sanction in any form from the government nor from other relevant authorities.

Transparency on the Bank's Financial and Non-Financial Performance

In line with the transparency principle, the Bank prepares and presents various reports consisting of Annual Reports, Monthly and Quarterly Published Reports, as well as other reports related to the holding of GMS and Public Expose.

These initiatives are carried out pursuant to the applicable provisions and regulations, including POJK No. 37/POJK.03/2019 on Transparency and Publication of Bank Reports; POJK No. 8/POJK.04/2015 on Website of Issuer or Public Company; and IDX BoD Decree No. Kep-00015/BEI/01/2021 on Amendment to Regulation No. I-E on Information Submission Obligation.

The Bank's financial and non-financial performance in 2023 was adequately presented in the forms mentioned above and reported to the relevant authorities separately, independent from the one presented in this 2023 Annual Report.

Policy on Transactions with Conflict of Interest

The policy governing transactions with affiliate parties, related parties, and transactions containing conflict of interest, is stipulated in the BoC Charter, BoD Charter, and Code of Ethics, as well as other internal procedures and policies of the Bank.

Should a transaction containing conflict of interest take place, the members of BoD and BoC who are involved in the transaction shall abstain from that transaction's approval process.

In 2023, the Bank recorded no transactions with conflict of interest.

Implementation of OJK's GCG Guidelines for Public Companies

The Bank aligns its GCG implementation with the Good Corporate Governance Guidelines for Public Companies as stipulated by the OJK Circular No. 32/SEOJK.04/2015. The GCG Implementation Guidelineconsist of five aspects, eight principles, and 25 recommendations related to corporate governance. The Bank assesses its compliance with this Guideline on an annual basis, and reports the implementation status of each of the recommendation stated in the Guidelines.

Details for the fulfillment of the Guidelines by the Bank in 2023 are provided in the table below.

GCG Principles and Recommendations

No	Principle & Recommendation	Implementation Status
A.	**Relationship between public company and shareholder in ensuring the rights of shareholders**	
	1. Increasing the value of the execution of General Meeting of Shareholders (GMS)	
	Recommendations: a. Public company has method or technical procedure of voting in public or in private, which prioritises independence and shareholders interest.	Implemented.
	b. All BoD and BoC members are present in the Annual GMS.	Implemented.
	c. Summary of GMS minutes of meeting is available on public company's website for at least one year.	Implemented.
	2. Increasing the quality of communications between the public company and the shareholders or investors.	
	Recommendations: a. Public company owns a policy for communication with shareholders or investors.	Implemented.
	b. Public company discloses its policy for communication with shareholders or investors on the website.	Implemented.
B.	**Function and Role of the Board of Commissioners (BoC)**	
	3. Strengthening the membership and composition of BoC.	
	Recommendations: a. Determination of the number of Commissioners considers the condition of the Public company.	Implemented.
	b. The determination on the composition of the BOC considers to the diversity of required skills, knowledge, and experience.	Implemented.
	4. Increasing the quality of performing duties and responsibilities of BoC.	
	Recommendations: a. The BoC has self assessment policy to evaluate the performance of the BoC.	Implemented.
	b. The self assessment policy that evaluates the performance of the BoC is disclosed in the Annual Report of the public company.	Implemented.
	c. BoC has policy concerning the resignation of a commissioner if involved in a financial crime.	Implemented.
	d. The BoC or committee that performs the nomination and remuneration function arranges the succession policy in the process of nominating a member of the BoD.	Implemented.

No	Principle & Recommendation	Implementation Status
C.	**Function and Role of the Board of Directors (BoD)**	
	5. Strengthening the membership and the composition of the BoD.	
	Recommendations: a. Determination of number of BoD considers the current condition of the Public Company and effectiveness of decision-making.	Implemented.
	b. The determination of BoD composition considers the diversity of expertise, knowledge, and required experience.	Implemented.
	c. Member of BoD who oversees accounting or finance have the expertise and/or knowledge in accounting.	Implemented.
	6. Increasing the quality of the duties and responsibilities of BoD.	
	Recommendations: a. BoD has a self assessment policy on the evaluation ofBoD's performance.	Implemented.
	b. Self assessment policy on the evaluation of the BoD's performance is disclosed in Public Company's annual report.	Implemented.
	c. BoD owns policy concerning resignation of BoD who is involved in financial crime.	Implemented.
D.	**Stakeholders Participation**	
	7. Increasing the Company's governance aspect through stakeholders participation.	
	Recommendations: a. Public Company has a policy to prevent insider trading.	Implemented.
	b. Public Company has an anti-corruption and anti-fraud policy.	Implemented.
	c. Public company has a policy that governs the selection and capability enhancement of its supplier and vendor.	Implemented.
	d. Public company has a policy on the fulfilment of creditor's rights.	Implemented.
	e. Public company has a whistleblowing system policy.	Implemented.
	f. Public company has a policy on provision of long-term incentives for the BoD and employees.	Implemented.
E.	**Information Disclosure**	
	8. Enhancing information disclosure implementation.	
	Recommendations: a. Public Company makes greater use of information technology in addition to website as a means for information disclosure.	Implemented.
	b. Annual report of Public company discloses the ultimate beneficial owner of at least 5% of share ownership of the Public Company, in addition to the disclosure of the ultimate beneficial owner of the Public Company's share through the majority and controlling shareholder.	Implemented.

Sustainability





With a mindset attuned to efficiency without sacrificing productivity, QNB Indonesia is kindling a hope to be a bright beacon of sustainable finance in the Indonesian banking landscape.

QNB Sustainability Strategy



Guided by our Sustainability Vision and Mission, here at the Bank we are paving the way forward powered by an innovative mindset and an affinity for transformational thinking.

Global Approach to Sustainability

At QNB, we define sustainability as the delivery of long-term value in financial, environmental, social and ethical terms, for the benefit of our customers, shareholders, employees and communities. All sustainability initiatives of the Group are coordinated by the Group Sustainability Team, which, through the Group Strategy Committee reports to the Board of Directors and H.E. Sheikh Hamad Bin Jabor Bin Jassim Al-Thani as Board owner of Sustainability, via the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC).

Our established QNB Group sustainability framework encompasses performance across environmental, social, and governance (ESG) aspects. The framework is also aligned with the objectives of the United Nations Sustainable Development Goals (UNSDGs), the United Nations Global Compact (UNGC), Qatar National Vision 2030, and the Qatar Stock Exchange's Guidance on ESG Reporting. To promote transparency in the banking sector, the Group reports its sustainability performance annually in accordance with the GRI Standards 2021 and the Financial Services Sector Disclosures.

The Group's sustainability framework consists of three pillars: Sustainable finance, Sustainable operations and Beyond banking. All three pillars support QNB's goal of sustainable financial performance, by reducing risks, identifying new business opportunities, and strengthening the QNB brand. These three pillars are detailed in the next section, as they apply to the Group's operations in Indonesia.

Sustainability Focus on Indonesia

Through its sustainability programmes, the Bank strives to serve the needs and meet the expectations of its stakeholder groups, while also generating shared value optimally for its business, its shareholders, and the community at large, principally through financial inclusion.

To achieve this aim, the Bank maintains its Sustainability Vision and Mission, as follows:

Sustainability Vision:

> "QNB Indonesia will be a leading financial institution in Indonesia that is socially and environmentally responsible."

Sustainability Mission:

> "Excelling in our three sustainability pillars – Sustainable finance, Sustainable operations, and Beyond banking."

Sustainable finance is the integration of ESG criteria into the Bank's financing activities to deliver profit with purpose. The Bank aims to help customers manage their environmental and social risks, lend to businesses that contribute towards the UNSDGs, improve access to finance for SMEs and underserved groups, and provide a responsible customer service.

Sustainable operations is the integration of ESG criteria into the Bank's business operations and across the Bank's supply chain, to ensure ethical and efficient operations. The Bank is committed to strengthening corporate governance and risk management practices, promoting equality throughout its workforce, and reducing carbon emissions generated by its operations.

Beyond banking refers to the Bank's Corporate Social Responsibility (CSR) activities in the communities where the Bank operates. The Bank's ambition is to make a positive contribution to the wider society, with an emphasis on education and financial literacy.

To achieve its sustainability vision and mission, in line with its sustainable finance action plan for 2023, the Bank strengthened its sustainability activities, while continuing to raise awareness among its stakeholders about its concept and vision of sustainability.

The Bank's long-term sustainable finance action plan for the period 2023–2027 is summarised below:

Year	Priority	Success Indicator
2023	Refining and improving sustainability governance framework for all sustainability activities; performing ESG benchmarking and data collation in preparation for 2024 report on sustainability activities.	Formal implementation of a sustainable governance framework by publishing QNB Indonesia Sustainability Policy in end of December 2023. Availability of capable and adequate resources to support sustainability activities. Completion of sustainability-related data gathering for 2023 to be reported in the annual report.
2024	Performing bank-wide review of all activities to identify areas of improvement in accordance with sustainability principles.	Detailed reports of prioritised sustainability-related activities.
2025	Establishing and cascading divisional level sustainability-related Key Performance Indicators (KPIs).	Adoption of KPIs related to sustainability across all divisions of the Bank.
2026	Monitoring and refining sustainability-related KPIs.	Improvement in the sustainability assessment score.
2027	Achieving consistent improvements within the previous 5-year period in all sustainability metrics.	Proven increase in score for sustainable finance, sustainable operations, and beyond banking activities.

The Bank's sustainability strategy is elaborated in its yearly Sustainable Finance Action Plan (RAKB). The most recent RAKB was prepared in alignment with the following guidelines and regulations:

1. Technical Guidelines for Banks on the Implementation of POJK No. 51/POJK/03/2017.
2. QNB Indonesia Corporate & Institutional Banking Credit Policy, which states that the QNB Group has implemented a Sustainable Financial commitment throughout the lending process. Under this policy, the Bank identifies and examines prospective debtors in advance when providing credit by requesting the completion of debtors' and/or prospective debtors' AMDAL and PROPER documents required in their respective lines of business.
3. Consideration was also given to QNB Group's Sustainability Policy, QNB Group's Environmental and Social Risk Management framework and QNB Group's Sustainable Finance and Product Framework.

The Bank will integrate sustainability into its financing and operations through the following priority activities:

1. Organising training for each employee related to the concept of sustainability, so that each employee can understand and carry out sustainability activities in accordance with its principles.
2. Refining and improving the sustainable governance structure.
3. Developing products and/or services applicable and aligned with the sustainability principles and Group Sustainable Finance and Product Framework, with respect to the Bank's focus that covers both Corporate & Institutional Banking and Retail Banking segments, to identify opportunities.
4. Applying Environmental Social Risk Management (ESRM) for screening and categorising environmental and social (E&S) risk.
5. Implementing gender diversity for employees, enhance sustainable operations with environmental impact such as reduce water, paper and electricity usage.

Parties Responsible for Implementing Sustainable Finance

Sustainability plans and activities on the whole is managed by Strategy Execution Division supported by Human Resources, General Services, Compliance, Corporate Communication Divisions, as well as business units. The BOD is responsible for monitoring the implementation of the Sustainable Finance Action Plan. The details of duties and responsibilities in line with the implementation of Sustainable Finance in the Bank are presented in the Sustainable Finance Action Plan documentation published annually.

Challenges in the Implementation of Sustainable Finance

The challenges which may cause the delays in the accomplishment of the Bank's sustainable finance action plan includes the following:

a. External Challenges

1. Natural disasters and/or the pandemic causing severe economic hardship and disruption in the business development.
2. Emergence of fintech companies, which may increase the competitiveness and complexity of the Indonesian banking sector.
3. Limited information on guidelines and criteria for Sustainable Financing Projects in Indonesia.

b. Internal Challenges
The Bank may face internal challenges in implementing Sustainable Finance due to limited resources and limited availability of integrated monitoring and reporting system.

QNB Sustainability Strategy *(Continued)*

The Bank is taking measures to mitigate these challenges, including:

1. Optimising resource use to improve business performance and maintain profitability.
2. Prioritising issuance of Sustainable Finance products to ensure sustainability and competitiveness in the market.
3. Training to ensure readiness and awareness of all QNB Indonesia's employees on the importance of the Sustainable Finance concept.

Monitoring of Sustainable Finance Activities

The Bank has appointed the Strategy Execution Division to be in charge for the overall monitoring of the implementation of the Sustainable Finance. The unit is to report to the BoD through the information provided in the Sustainability Report, which is prepared annually by the Bank as part of its Annual Report.

In the event that any part of the Sustainable Finance plan has not yet been implemented in accordance with the planned programmes and timelines, the Bank will follow up and determine necessary improvements or changes required, by: reviewing the performance indicators used for the following years based on the realisation of the Sustainable Finance programmes that have been implemented; and assess the continuity of the Sustainable Finance programmes in subsequent years as measured by predetermined performance indicators.

Targets & Achievements

Achievements in 2023

Sustainable Finance

Description of Activity	Participants	Type of Activity	Realisation
Indonesia Green Taxonomy task force was established for the purpose of composing QNB Indonesia Sustainability Policy.	Strategy Execution, Compliance, Credit, Business units, Operations.	Task Force.	QNBI Sustainability Policy has been published in December 2023.
Training and/or workshop about Sustainable Finance and procedures for obtaining AMDAL license and PROPER as a requirement for financing/ credit application by the debtor.	Credit Analyst, RM, Compliance.	Online training.	Sustainable Finance Awareness 2023 training was conducted on 18 October 2023 in a full-day online training with participants of 34 employees consisted of Compliance directorate, Audit, Relationship Manager from Corporate & Institutional Banking (CIB) and Retail Banking.
Digital loan for financial inclusion.	QNB Indonesia, Indosat Ooredoo Hutchison, PT YuInsight Technologies International.	Lending.	Over 70% of users of the UCan cash loan are those from the low income bracket.
Supporting SMEs.	Retail.	Lending.	QNB Indonesia continues to support its existing SME clients with loans.
Adoption of standards that are consistent with QNB's ESRM (Environmental and Social Risk Management) framework.	Corporate & Institutional Banking.	Documentation.	The ESRM checklist has been in use since May 2021 with screening/monitoring criteria, restricted sectors/exclusion list.

Sustainable Operations

Description of Activity	Participants	Type of Activity	Realisation
Limiting the operating hours of air conditioners (AC) and elevators.	All employees.	Manually turning of air-conditioners and lights after operational hours.	Electricity usage in 2023 was 976,356 kWh, 7.5% lower than in 2022, with all employees fully working from office.
Limiting paper consumption, using both sides of the paper (except for official documents).	All employees.	Usage of e-paypro system for ordering stationery, including paper.	Paper usage in 2023 was 2,827 kg, 3% higher than in 2022.
Encouraging efficient use of water.	All employees.	Usage of automatic faucets.	Water usage in 2023 reached 5,349 litres, 15% lower than in 2022.

Beyond Banking

Description of Activity	Participants	Type of Activity	Realisation
Periodic communication related to environmentally friendly behaviours and wellbeing/ health protocol as part of Bank's value of responsible citizenship.	All employees.	Dissemination.	Disseminated email about responsible behaviours in the working area and in the environment. Held internal activities promoting health-related topics.
Expand QNB Indonesia Goes to School, the Bank's annual financial literacy programme, to reach new students and schools.	120 beneficiaries, 24 employees.	Offline event.	Conducted one financial literacy event in Jakarta, with 120 vocational school students as the beneficiaries. Involved 24 employees as volunteers in CSR activities.

Sustainability Targets in 2024

The Bank's sustainability targets for 2024 are divided into the same categories as detailed above. Goals in each category are defined below:

Sustainable Finance:

1. Increasing awareness of the Sustainable Finance concept and continuing the programmes related to Sustainable Finance involving various stakeholders.
2. Conducting market studies related to the demand for Sustainable Finance products and/or services, as well as examining the alignment of the Bank's existing products and/or services with the criteria for sustainable business activities.
3. Reviewing the Bank's management of social, environmental, and governance risks across all its business activities.
4. Expanding engagement with MSMEs to ensure their financial inclusion. As much as 11.5% of the bankwide loan book should be allocated for MSMEs by end of year.

Sustainable Operations:

1. Reducing electricity usage from AC units and lighting.
2. Limiting and managing paper used for printing.
3. Using water efficiently in the offices.

Beyond Banking:

1. Periodic communication on hygienic, environmentally-friendly and socially-beneficial behaviours as part of the business value of responsible citizenship. In 2024, the Bank plans to create communication collaterals and disseminate educational messaging through various channels.
2. Expansion of QNB Indonesia Goes to School annual financial literacy programme. In 2024, the Bank aims to conduct at least one such event per semester, engaging at least 50 students.

Sustainable Finance

As a financial services provider, QNB Indonesia is fully committed to, and supportive of, the government of Indonesia's sustainable finance goals. The Bank continues to engage in various projects aimed at boosting financial inclusion and broadening access to financial services for the public.

Several sustainable finance initiatives are reflected in the Bank's competitive range of products and services, all of which yield a significant and continuous advantage to its retail, MSME, and corporate customers. The Bank annually publishes its Sustainable Finance Action Plan to align its initiatives with the sustainability goals of QNB Group's and Indonesia's.

The Bank's financial products and services have all been approved by OJK and Bank Indonesia. QNB Indonesia also applied and aligned with ESRM and QNB Group Sustainable Finance and Product Framework–a Group level document–for the development, aside from taking into account any future guidance on ESG definitions from OJK. Customers can enjoy a secure and dependable banking experience with QNB Indonesia at all times.

Banking Product Developments and Innovations

In 2023, the Bank mantained the following products and services in line with the Sustainable Finance principles and Group Sustainable Finance framework. These products and services include:

1. UCan, a loan product for the mass market segment running entirely on a digital platform, run in partnership with Indosat Ooredoo Hutchison.
2. Various mutual funds, in partnership with prominent investment managers in Indonesia.
3. Indonesian Government Retail Bonds.
4. Bancassurance products.
5. Mobile banking and internet banking services, which help reduce the carbon footprint of both the Bank and its customers.
6. Debit card.

Throughout the reporting period, no products or services of the Bank were withdrawn from circulation owing to the negative impacts caused by such offerings. Any withdrawal of any financial products or services from the market in 2023 was due to considerations of their relevance to the needs in the market.

Raising Sustainable Finance Awareness

On 18 October 2023, the Bank conducted a full day online training specifically aimed at raising the awareness of the participants on sustainable finance. This event was participated by 34 employees of the Bank from several directorates.

Product and Customer Responsibility Polic

The Bank complies with the rules and regulations on customer protection and complaint handling, as stipulated in a number of internal procedures, Laws of the Republic of Indonesia, OJK Regulations and Circulars, as well as Bank Indonesia Regulations and Circulars.

Consumer Protection

The Bank upholds its customers' trust in its operational system and provides them with the best level of service. The Bank applies the principle of prudence, prioritising customer protection and service above all else. This helps to reinforce customers' trust in the banking system, and the Bank is committed to maintaining this trust and confidentiality, as set out in applicable laws and regulations.

Banking confidentiality in the Bank encompasses all information related to customers' savings and deposits, and the Bank works to ensure that this information is not misused by unauthorised parties. In order to build and maintain customer trust, the Bank must strive to ensure that customer information is kept safe and secure at all times, using the latest security technologies and practices.

The obligation of upholding customer confidentiality does not apply in certain cases, such as for tax purposes and pursuing the interest of justice in criminal and civil cases, as well as upon the request of the customer or their heir, as stipulated in the applicable laws and regulations.

The Bank's products have been ensured to be secure for customers to use, given the solid framework of risk management and compliance existing in the Bank's operations.

Sustainable Practices in Loan Disbursement

Prior to disbursing lending, the Bank requires prospective borrowers to submit various documents that testify to the debtors' compliance with the social and environmental regulations that are relevant to the industry in which they engage. Such documents may include an Environmental Impact Analysis (EIA or AMDAL in Indonesian), PROPER achievement, ESRM Due Diligence, or other relevant documentation.

The Bank, by principle, does not provide any lending to parties engaged in sectors or industries that are not yet regulated, or expressly prohibited, by the laws prevailing in the Republic of Indonesia. Furthermore, the Bank does not provide any lending to parties that are found to have breached any regulations, as the Bank seeks to protect the environment and social welfare of the nation.

Contact Points

The Bank welcomes suggestions, complaints and criticisms to improve service quality. The Bank provides several channels of communication for customers to direct their complaints, as follows:

- 24-hour Contact Centre service at (+62 21) 300 55 300;
- E-mail to contact.center@qnb.co.id; and
- Direct contact with branch frontliners.

Customer Complaint Handling

To follow up on customer complaints, all complaints received by the Bank are forwarded and coordinated with related work units and branches to find solutions, in adherence with existing Service Level Agreements (SLA).

Each customer has the right to convey their complaints verbally or in writing. The complaints may be submitted by the customer and/or their representative along with supporting documents needed for complaint settlement.

Should a customer submit a verbal complaint, their complaint will be handled and resolved within 5 working days, while written complaints are handled and settled within 10 working days upon their receipt. Complaints should be accompanied with comprehensive supporting documents. Should a complaint not be settled within 10 working days, then the settlement period may be extended up to a maximum of 10 more working days.

Should the customer be unsatisfied with the result of their complaint settlement as provided by QNB Indonesia, they may submit their complaint to Bank Indonesia or the OJK.

In 2023, QNB Indonesia received a total of 544 complaints from customers. All the complaints had been settled by the end of year. There were no grievances or complaints from customers that had a significant impact on the Bank's reputation or operations.

The Bank ensures its customer complaint management quality by closely monitoring the resolution of each complaint and measure the completion time.

Customer Complaints Settlement, 2023

		Completed		On Process		Not Completed		Number of Complaints
No.	Issue Related to	Total	Percentage	Total	Percentage	Total	Percentage	
1	ATM & Debit Card	33	100%	0	0%	0	0%	33
2	Electronic Banking	88	100%	0	0%	0	0%	88
3	Credit Card	0	100%	0	0%	0	0%	0
4	Personal Loan	15	100%	0	0%	0	0%	15
5	Other Products	12	100%	0	0%	0	0%	12
6	Trust	3	100%	0	0%	0	0%	3
7	UCan	393	100%	0	0%	0	0%	393
	Grand Total	**544**	**100%**	**0**	**0%**	**0**	**0%**	**544**

Customer Service Improvement Programme

The Bank is committed to providing a high level of customer service, and to do so, it is improving the quality of its frontliners, both in the branches and its Contact Centre. The Bank trains its staff on product knowledge and banking solutions.

The Bank may scale up its service network in the future by establishing new branches, relocating branches to more strategic locations, and expanding its presence in the digital realm. This will make it easier for customers to access the Bank's products and services.

To measure customer satisfaction and identify areas for improvement, the Bank plans to conduct a customer satisfaction survey in the coming years. The survey will provide valuable feedback in terms of customer service, allowing the Bank to make the necessary changes and improvements to meet the customers' needs and expectations. This will enable the Bank to refine its customer service standards, as well as develop and implement new and innovative customer service programmes.

Sustainable Operations

Equality

The Bank offers equal employment opportunity to every qualified candidate, regardless of their gender or background. Recruitment and career advancement are based on each individual's potential and skill, without discrimination against their gender, age, race, ethnicity, religion, or belief. The Bank strictly prohibits any form of child labour and forced labour in its activities.

The Bank fosters a merit-based culture, guaranteeing all employees equal access to training and self-improvement programmes. These are designed to enhance the necessary competencies for professional growth.

Gender equality in the Bank as at 31 December 2023 is encapsulated in the following table:

Position	Gender	
	Female	Male
Commissioners	1	3
Directors	0	4
Division Heads	11	11
Others	190	185
Total	**202**	**203**

Industrial Relations

In developing policies and regulations related to employment and in regard to industrial relations management, the Bank is guided by Law No. 6/2023 regarding Employment. The Bank is also subject to the Manpower Act, and this is reflected in the freedom of association as mandated by Law No. 21/2000 on Trade Unions/Labour Unions.

The management of the Bank maintains open communication with union officials and members in order to preserve harmonious industrial relations, mutual respect, and mutual benefits. All efforts must be taken to ensure that any conflict that arises is resolved within the division or the company, according to the Law No. 6/2023 and Law No. 2/2004 on Industrial Relations Conflict Resolution. In 2023, the Bank did not record any significant grievances from employees in relation to the Bank's employment practices.

The Bank maintains a Collective Labour Agreement (PKB) resulting from negotiations between the Bank and the labour union, regulating the terms at work, rights and obligations of both parties under the provisions of law. The current PKB is valid until November 2025 and has been registered with the Ministry of Manpower of the Republic of Indonesia No. Kep.4/HI.00.01/00.0000.231024002/B/XII/2023 dated 4 December 2023.

Remuneration Policy

The Bank's remuneration policy is applicable to all employees without exception, in line with the prevailing regulations.

The lowest monthly salary paid by the Bank to its employees in 2023 was recorded to be Rp4,901,798, in DKI Jakarta. This figure was equal to the province's statutory minimum wage in 2023.

Occupational Health and Safety

To ensure employee health and safety, the Bank provides health insurance to employees and their dependants. Employees take part in an annual medical check-up.

All employees are expected to implement the basic guidance and work procedures to minimise the risk of workplace accidents and protect their health. The Bank regularly conducts Business Continuity Management (BCM) drills to ensure that all employees are fully prepared for any emergency event or disaster.

In 2023, no workplace accidents took place in the Bank's premises.

QNB Kita

To strengthen team cohesion and employee engagement with the Bank, various events were held as part of the QNB Kita programme.



The Bank's employees participated in QNB Juang event, held offline for the first time since the pandemic.

In 2023, the QNB Kita programme encompassed the following events:

> Ramadan Gathering & Halal Bihalal;
> QNB Juang in August to promote creativity and camaraderie among employees, conducted offline for the first time after having taken place online in the previous three years due to the pandemic;
> Sports activities and tournaments: poundfit, badminton, futsal, and table tennis;
> Religious activities: Moslem gathering and Christian community; and
> Employee year-end gathering in December 2023.

Training and Competence Development

The Bank conducted these training and competence development programmes in 2023:

> Leadership (Core Programme);
> Mandatory certifications and internal accreditation;
> Soft skills, such as, communication skills, selling techniques, coaching skills, presentation skills, service quality;
> Technical skills, such as courses on process automation, sustainable financing, and health & safety at work;
> Webinars;
> Talent Development Programme; and
> Management Development Programme.

Training Indicators	2023 Achievements
Total Programmes	305
Total Participants	7,057
Total Learning Duration in Man-days	3,469
Average Man-days/Employees	9
Man-days >= 3 Days	388
Training Distribution	100%

Sustainable Operations *(Continued)*

Directorate	Untrained	Trained	Total Employees	Fulfilment
CEO	0	19	19	100%
Compliance	0	20	20	100%
Corporate & Institutional Banking	0	22	22	100%
Credit	0	49	49	100%
Finance	0	18	18	100%
Human Resources	0	14	14	100%
Operations & Technology	0	88	88	100%
Retail Banking	0	133	133	100%
Risk	0	21	21	100%
Management Development Program	0	9	9	100%
Treasury & Financial Institution	0	8	8	100%
Total	**0**	**401**	**401**	**100%**

	2023	
Programme	Number of Programmes	Number of Participants
Mandatory/Core Programmes	23	2,635
Accreditations & Certifications	43	151
Technical/Functional Training	201	3,398
Leadership & Professional Development	2	45
Talent Development Programmes	11	65
Learning Forums & Engagement Events	23	763
Learning Center & Infrastructure	2	0



We are empowering our employees through a multitude of learning channels and enriched programmes, to bring them at the fore of the banking industry.

Beyond Banking



Through the blood donation programme, employees of QNB Indonesia participated in contributing to the public.

QNB Indonesia strives to provide superior banking products and services to support the achievement of the sustainable development goals in Indonesia. In addition, it is also supporting the Indonesian government's financial inclusion, literacy, and education programmes through a number of initiatives described below.

QNB Indonesia Goes to School

Since 2018, QNB Indonesia has been supporting financial literacy initiatives in Indonesia, carried out through various educational activities taking place in numerous cities, including Jakarta, Bandung, Semarang, Surabaya, Medan, and Batam.

In 2023, QNB Indonesia reasserted its commitment to supporting students in Indonesia to obtain adequate knowledge and skills on financial management through the QNB Indonesia Goes to School programme. This programme was held twice in the year, first in May 2023 at SMKN 30 Jakarta, and then in December 2023 at SMK Wisata Indonesia.

A total of 120 participants were recorded at these two activities. These participants received a foundational knowledge on personal financial management through interactive approaches, including games.

This programme involved 24 employees of the Bank who acted as facilitators in the educational sessions.

Apart from the financial literacy activities carried out at schools, through the QNB Indonesia Goes to School programme, participants were invited to take part in a "Financial Planning for Young People" digital poster competition. It was expected that the information conveyed through the digital posters can be received by more people.

Based on survey results, the QNB Indonesia Goes to School activities succeeded in significantly raising students' financial literacy.

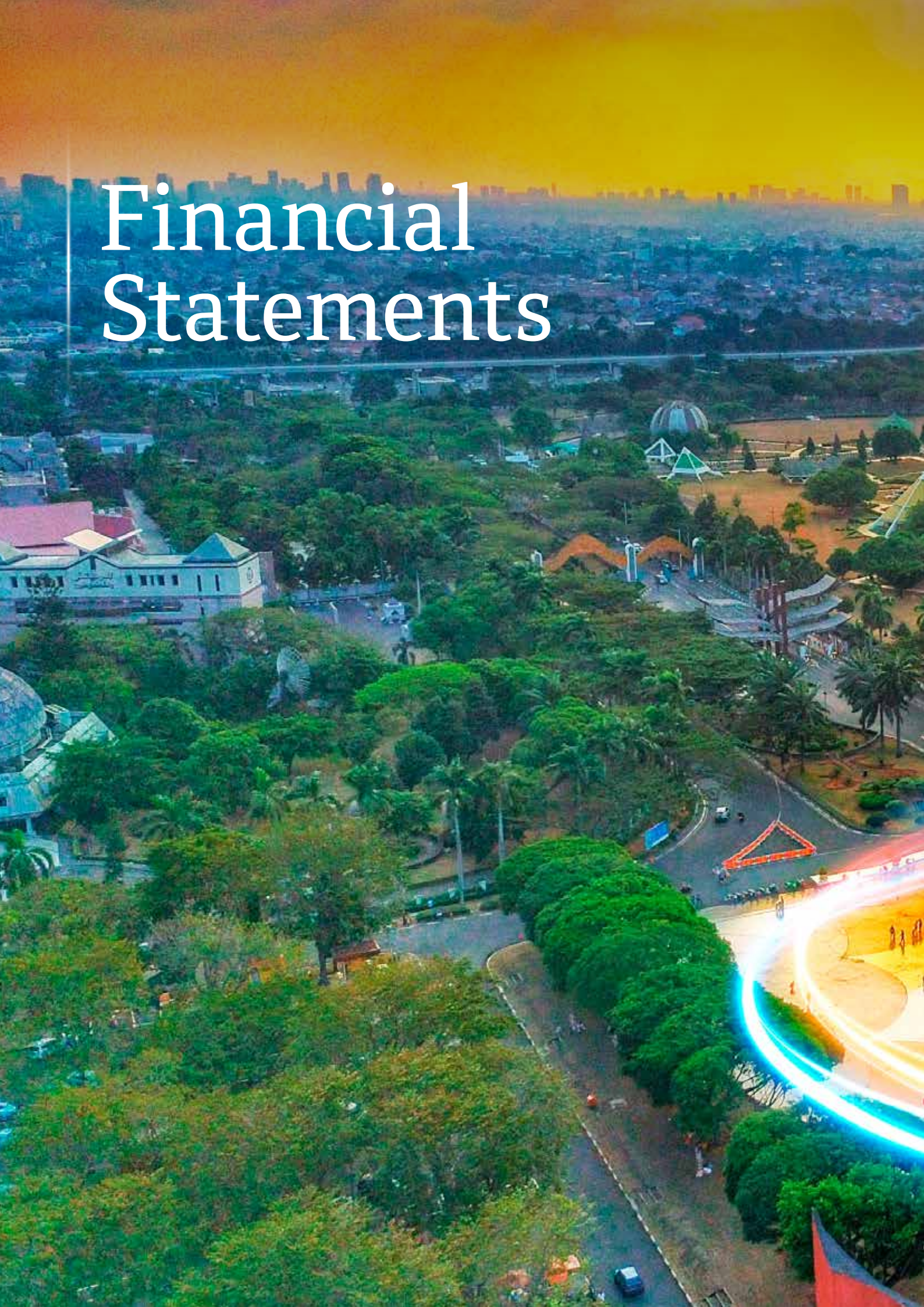
Apart from the above programme, in September 2023 the Bank's branch in Semarang received a visit consisting of 12 junior high school (SMP) students along with 2 parents and 2 teachers. On this occasion, students obtained the opportunity to learn about the functions and how banks operate, as well as the importance of financial planning for a better future.

Blood Donation

Beyond supporting the enhancement of financial literacy, QNB Indonesia also strives to deliver a positive impact on the society by involving its employees in various other positive initiatives.

One positive initiative carried out by the Bank together with its employees was blood donation. The event had been carried out annually prior to the Covid-19 pandemic and was subsequently resumed upon the government's official revocation of Covid-19's pandemic status.

In 2023, the blood donation activity was held at the Bank's Head Office, in which around 100 employees took part.



Financial Statements



The strong foundations we have been building over the past years have delivered substantial progress which we will nurture as we move forward.

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PT Bank QNB Indonesia Tbk

Laporan keuangan tanggal 31 Desember 2023
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
Financial statements as of December 31, 2023
and for the year then ended
with independent auditor's report

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
UNTUK TAHUN-TAHUN YANG BERAKHIR PADA TANGGAL 31
DESEMBER 2023 DAN 31 DESEMBER 2022
PT BANK QNB INDONESIA Tbk ("BANK")
BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022
PT BANK QNB INDONESIA Tbk ("BANK")

Kami yang bertanda tangan di bawah ini/*We, the undersigned:*

1. Nama/*Name* : Haryanto Suganda
   Alamat Kantor/*Office Address* : Revenue Tower, District 8, SCBD Lot 13
   Jl. Jend. Sudirman Kavling 52-53
   Jakarta
   Alamat Rumah/*Residential Address* : Jl. Pulau Tidung IV Blok B2/3 RT018/RW009, Kel. Kembangan Utara
   Kec. Kembangan, Jakarta Barat
   Nomor Telepon/*Phone Number* : (021) 5155155
   Jabatan/*Position* : Direktur Utama/ *President Director*
2. Nama/*Name* : Soemenggrie Jongkamto
   Alamat Kantor/*Office Address* : Revenue Tower, District 8, SCBD Lot 13
   Jl. Jend. Sudirman Kavling 52-53
   Jakarta
   Alamat Rumah/*Residential Address* : Jl H Daud No 4 , RT 003/RW 006
   Kel. Kelapa Dua, Kec. Kebon Jeruk, Jakarta Barat
   Nomor Telepon/*Phone Number* : (021) 5155155
   Jabatan/*Position* : Direktur/*Director*

menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Bank;
2. Laporan keuangan Bank telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan Bank telah dimuat secara lengkap dan benar;
   b. Laporan keuangan Bank 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 Bank;
5. Kami bertanggung jawab atas kepatuhan terhadap hukum dan peraturan yang berlaku.

Demikian Pernyataan ini dibuat dengan sebenarnya.

declare that:

1. *We are responsible for the preparation and presentation of the Bank's financial statements;*
2. *The Bank's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;*
3. a. *All information in the Bank's financial statements has been disclosed in a complete and truthful manner;*
   b. *The Bank's financial statements do not contain misleading information or material facts nor do they omit information or material facts;*
4. *We are responsible for the Bank's internal control system;*
5. *We are responsible for the compliance with laws and regulations.*

This Statement has been made truthfully.

Jakarta, 28 Februari 2024 / *February 28, 2024*

Atas nama dan mewakili Direksi/*For and on behalf of the Board of Directors*



Haryanto Suganda
Direktur Utama/ *President Director*

Soemenggrie Jongkamto
Direktur/*Director*

The original financial statements included herein are in the Indonesian language.

PT BANK QNB INDONESIA TBK
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2023
DAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN

PT BANK QNB INDONESIA TBK
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT

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Laporan Perubahan Ekuitas	5	*Statement of Changes in Equity*
Laporan Arus Kas	6-7	*Statement of Cash Flows*
Catatan Atas Laporan Keuangan	8-135	*Notes to the Financial Statements*

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Purwantono, Sungkoro & Surja

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Jakarta 12190, Indonesia

Tel : +62 21 5289 5000
Fax: +62 21 5289 4100
ey.com/id

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024

Pemegang Saham, Dewan Komisaris, dan Direksi
PT Bank QNB Indonesia Tbk

Opini

Kami telah mengaudit laporan keuangan PT Bank QNB Indonesia Tbk ("Bank") terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2023, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, serta catatan atas laporan keuangan, termasuk informasi kebijakan akuntansi material.

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Bank tanggal 31 Desember 2023, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia ("IAPI"). 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 kami.

Independent Auditor's Report

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024

The Shareholders and the Boards of Commissioners and Directors
PT Bank QNB Indonesia Tbk

Opinion

We have audited the accompanying financial statements of PT Bank QNB Indonesia Tbk (the "Bank"), which comprise the statement of financial position as of December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2023, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"). Our responsibilities under those standards are further described in the Auditor's 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.

Purwantono, Sungkoro & Surja
Registered Public Accountants KMK No. 603/KM.1/2015
A member firm of Ernst & Young Global Limited

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Hal audit utama

Hal audit utama adalah hal-hal yang, menurut pertimbangan profesional kami, merupakan hal yang paling signifikan dalam audit kami atas laporan keuangan periode kini. Hal tersebut disampaikan dalam konteks audit kami atas laporan keuangan secara keseluruhan, dan dalam merumuskan opini kami atas laporan keuangan terkait, dan kami tidak menyatakan suatu opini terpisah atas hal audit utama tersebut. Untuk hal audit utama di bawah ini, penjelasan kami tentang bagaimana audit kami merespons hal tersebut disampaikan dalam konteks tersebut.

Kami telah memenuhi tanggung jawab yang diuraikan dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami, termasuk sehubungan dengan hal audit utama yang dikomunikasikan di bawah ini. Oleh karena itu, audit kami mencakup pelaksanaan prosedur yang didesain untuk merespons penilaian kami atas risiko kesalahan penyajian material dalam laporan keuangan terlampir. Hasil prosedur audit kami, termasuk prosedur yang dilakukan untuk merespons hal audit utama di bawah ini, menyediakan basis bagi opini kami atas laporan keuangan terlampir.

Cadangan kerugian penurunan nilai atas kredit yang diberikan

Penjelasan atas hal audit utama:

Pada tanggal 31 Desember 2023, Bank memiliki kredit yang diberikan dan cadangan kerugian penurunan nilai atas kredit yang diberikan masing-masing sebesar Rp5.956.424 juta dan Rp507.139 juta. Informasi kebijakan akuntansi material untuk cadangan kerugian penurunan nilai atas kredit yang diberikan diungkapkan dalam Catatan 2s atas laporan keuangan terlampir.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

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. Such key audit matters were addressed in the context of our audit of the financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on such key audit matters. For the key audit matter below, our description of how our audit addressed such matter is provided in such context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report, including in relation to key audit matter communicated below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying financial statements. The results of our audit procedures, including the procedures performed to address the key audit matter below, provide the basis for our opinion on the accompanying financial statements.

Allowance for impairment losses on loans

Description of the key audit matter:

As of December 31, 2023, the Bank's loans and the allowance for impairment losses on loans amounted to Rp5,956,424 million and Rp507,139 million, respectively. The material accounting policies information of allowance for impairment losses on loans are disclosed in Note 2s to the accompanying financial statements.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Hal audit utama (lanjutan)

Cadangan kerugian penurunan nilai atas kredit yang diberikan (lanjutan)

Kami fokus pada area ini karena nilai tercatat atas kredit yang diberikan dan cadangan kerugian penurunan nilai atas kredit yang diberikan adalah material terhadap laporan keuangan terlampir. Selain itu, penentuan cadangan kerugian penurunan nilai memerlukan pertimbangan signifikan dan memiliki ketidakpastian estimasi termasuk dalam penentuan model untuk menghitung cadangan kerugian penurunan nilai, identifikasi eksposur kredit yang mengalami penurunan kualitas kredit yang signifikan, penentuan asumsi yang digunakan dalam model perhitungan cadangan kerugian penurunan nilai (untuk eksposur yang dinilai secara individu atau kolektif), termasuk faktor ekonomi makro masa depan.

Pengungkapan cadangan kerugian penurunan nilai atas yang kredit diberikan diungkapkan pada Catatan 12 atas laporan keuangan.

Respons audit:

Kami menguji pengendalian utama atas pemberian kredit, penilaian kualitas kredit internal secara regular, pencatatan dan pengawasan kredit yang diberikan, memperoleh pemahaman dan menilai metodologi pengukuran penurunan nilai, validasi model cadangan kerugian penurunan nilai, data masukan, dasar, dan asumsi yang digunakan oleh Bank dalam menghitung cadangan kerugian penurunan nilai, serta menguji tiga tahapan kualitas kredit portfolio sesuai dengan kriteria tingkatan (staging) yang disusun oleh Bank untuk kredit yang diberikan. Kami juga menguji apakah pengalaman historis mewakili keadaan saat ini dan kerugian terkini yang terjadi dalam portfolio, serta menilai kewajaran atas penyesuaian asumsi masa depan, analisis faktor ekonomi makro, dan beberapa skenario probabilitas tertimbang untuk kredit yang diberikan.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Key audit matters (continued)

Allowance for impairment losses on loans (continued)

We focused on this area because the carrying value of loans and the allowance for impairment losses on loans are material to the accompanying financial statements. In addition, determination of allowance for impairment losses requires significant judgement and is subject to estimation uncertainty which includes determining the model to calculate allowance for impairment losses, identification of credit exposures with significant deterioration in credit quality, and determining assumptions used in the allowance for impairment losses calculation models (for exposures assessed on an individual or collective basis), including forward-looking macroeconomics factors.

The allowance for impairment losses on loans are disclosed in Note 12 to the accompanying financial statements.

Audit response:

We tested of key controls over the origination, regular internal credit quality assessments, recording and monitoring of the loans, obtained understanding and assessed impairment measurement methodologies, validation of allowance for impairment losses models, inputs, bases and assumptions used by the Bank in calculating the allowance for impairment losses, and tested the classification into three stage credit quality of loan portfolios in accordance with staging criteria developed by the Bank for loans. We also tested whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios, and assessed reasonableness of forward-looking adjustments, macroeconomic factor analysis, and probability-weighted multiple scenarios for loans.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Hal audit utama (lanjutan)

Cadangan kerugian penurunan nilai atas kredit yang diberikan (lanjutan)

Respons audit: (lanjutan)

Untuk cadangan kerugian penurunan nilai yang dinilai secara individual, kami menguji sampel kredit yang diberikan untuk mengevaluasi ketepatan waktu Bank dalam melakukan identifikasi eksposur kredit yang mengalami penurunan kualitas kredit yang signifikan atau yang telah mengalami penurunan nilai. Untuk kasus-kasus di mana penurunan nilai telah diidentifikasi, kami menilai asumsi Bank atas arus kas masa depan yang akan diterima, termasuk nilai agunan yang dapat direalisasikan berdasarkan informasi pasar yang tersedia atau penilaian yang dilakukan oleh penilai independen.

Kami juga memeriksa keakurasian perhitungan jumlah cadangan kerugian penurunan nilai dengan melakukan perhitungan ulang atas keseluruhan portofolio yang penurunan nilainya dinilai secara kolektif dan melakukan perhitungan ulang atas penurunan nilai yang dinilai secara individual berdasarkan sampel, dan menilai apakah pengungkapan di laporan keuangan cukup dan secara memadai mencerminkan eksposur Bank terhadap risiko kredit dan melibatkan pakar auditor internal kami untuk membantu kami dalam melakukan prosedur-prosedur di atas ketika keahlian spesifik mereka diperlukan.

Hal lain

Laporan keuangan PT Bank QNB Indonesia Tbk tanggal 31 Desember 2022 dan untuk tahun yang berakhir pada tanggal tersebut di audit oleh auditor independen lain dengan laporan No. 00017/2.1030/AU.1/07/0501-1/1/II/2023 tanggal 10 Februari 2023 menyatakan opini tanpa modifikasian atas laporan keuangan tersebut.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Key audit matters (continued)

Allowance for impairment losses on loans (continued)

Audit response: (continued)

With respect to individually assessed allowance for impairment losses, tested a sample of loans to evaluate the timely identification by the Bank of exposures with significant deterioration in credit quality or those which have been impaired. For cases where impairment has been identified, assessed the Bank's assumptions on the expected future cash flows, including the value of realizable collateral based on available market information or valuation prepared by independent valuer.

We checked the accuracy of the calculation of the allowance for impairment losses amount by recalculating the collective impairment assessment for the entire portfolio and recalculating the individual impairment assessment on a sample basis, and assessed whether the financial statements disclosures are adequately and appropriately reflecting the Bank's exposures to credit risk and involved our auditor's internal expert to assist us in the performance of the above procedures where their specific expertise was required.

Other matter

The financial statements of PT Bank QNB Indonesia Tbk as of December 31, 2022 and for the year then ended were audited by other independent auditors whose report No. 00017/2.1030/AU.1/07/0501-1/1/II/2023 dated February 10, 2023 expressed an unmodified opinion in such financial statements.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Informasi lain

Manajemen bertanggung jawab atas informasi lain. Informasi lain terdiri dari informasi yang tercantum dalam Laporan Tahunan 2023 ("Laporan Tahunan") selain laporan keuangan terlampir dan laporan auditor independen kami. Laporan Tahunan diharapkan akan tersedia bagi kami setelah tanggal laporan auditor independen ini.

Opini kami atas laporan keuangan terlampir tidak mencakup Laporan Tahunan, dan oleh karena itu, kami tidak menyatakan bentuk keyakinan apapun atas Laporan Tahunan tersebut.

Sehubungan dengan audit kami atas laporan keuangan terlampir, tanggung jawab kami adalah untuk membaca Laporan Tahunan ketika tersedia dan dalam melaksanakannya, mempertimbangkan apakah Laporan Tahunan mengandung ketidakkonsistensian material dengan laporan keuangan terlampir 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 melakukan tindakan yang tepat berdasarkan peraturan perundang-undangan yang berlaku.

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.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Other information

Management is responsible for the other information. Other information comprises the information included in the Annual Report 2023 (the "Annual Report") other than the accompanying financial statements and our independent auditor's report thereon. The Annual Report is expected to be made available to us after the date of this independent auditor's report.

Our opinion on the accompanying financial statements does not cover the Annual Report, and accordingly, we do not express any form of assurance on the Annual Report.

In connection with our audit of the accompanying financial statements, our responsibility is to read the Annual Report when it becomes available and, in doing so, consider whether the Annual Report is materially inconsistent with the accompanying 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 based on the applicable laws and regulations.

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.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Tanggung jawab manajemen dan pihak yang bertanggung jawab atas tata kelola terhadap laporan keuangan (lanjutan)

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Bank dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Bank atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Bank.

Tanggung jawab auditor terhadap audit atas laporan keuangan

Tujuan kami adalah untuk memeroleh 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 independen yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit yang ditetapkan oleh IAPI 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 agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Responsibilities of management and those charged with governance for the financial statements (continued)

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 its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an Independent 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 established by the IICPA 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.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Tanggung jawab auditor terhadap audit atas laporan keuangan (lanjutan)

Sebagai bagian dari suatu audit berdasarkan Standar Audit yang ditetapkan oleh IAPI, 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 memeroleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya suatu kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi daripada yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.

- Memeroleh 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 keefektivitasan pengendalian internal Bank.

- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with Standards on Auditing established by the IICPA, 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 such 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 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.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Tanggung jawab auditor terhadap audit atas laporan keuangan (lanjutan)

Sebagai bagian dari suatu audit berdasarkan Standar Audit yang ditetapkan oleh IAPI, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga: (lanjutan)

- 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 independen kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor independen kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Bank tidak dapat mempertahankan kelangsungan usahanya.
- Mengevaluasi penyajian, struktur, dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with Standards on Auditing established by the IICPA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (continued)

- 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 independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions is based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (lanjutan)

Tanggung jawab auditor terhadap audit atas laporan keuangan (lanjutan)

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 kepada pihak tersebut seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

Dari hal-hal yang dikomunikasikan kepada pihak yang bertanggung jawab atas tata kelola, kami menentukan hal-hal tersebut yang paling signifikan dalam audit atas laporan keuangan periode kini dan oleh karenanya menjadi hal audit utama. Kami menguraikan hal audit utama tersebut dalam laporan auditor independen kami kecuali peraturan perundang-undangan melarang pengungkapan publik tentang hal audit utama tersebut atau ketika, dalam kondisi yang sangat jarang terjadi, kami menentukan bahwa suatu hal audit utama tidak boleh dikomunikasikan dalam laporan auditor independen kami karena konsekuensi yang merugikan dari mengomunikasikan hal tersebut akan diekspektasikan secara wajar melebihi manfaat kepentingan publik atas komunikasi tersebut.

Independent Auditor's Report (continued)

Report No. 00096/2.1032/AU.1/07/1681-1/1/II/2024 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe such key audit matters in our independent auditor's report unless laws or regulations preclude public disclosure about such key audit matters or when, in extremely rare circumstances, we determine that a key audit matter should not be communicated in our independent auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KAP Purwantono, Sungkoro & Surja

Christophorus Alvin Kossim
Registrasi Akuntan Publik No. AP.1681/*Public Accountant Registration No. AP.1681*

28 Februari 2024/*February 28, 2024*

00096

PT BANK QNB INDONESIA TBK
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
STATEMENT OF FINANCIAL POSITION
As of December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	2023	Catatan/ *Notes*	2022	
ASET				***ASSETS***
Kas	24.445	2d,2f,5,36,40	33.354	*Cash*
Giro pada Bank Indonesia	543.920	2d,2f,2g,6, 36,37,40	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain		2d,2e,2f,2g		*Current accounts with other banks*
Pihak berelasi	282	2s,7,36,37	338	*Related parties*
Pihak ketiga	183.822	38,40	148.042	*Third parties*
	184.104		148.380	
Cadangan kerugian penurunan nilai	(15)		(33)	*Allowance for impairment losses*
Neto	184.089		148.347	*Net*
Penempatan pada Bank Indonesia dan bank lain	1.092.008	2d,2f,2h,2s, 8,36,37,40	1.032.898	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	11	2f,2i,9,36,37	108	*Derivative receivables*
Tagihan akseptasi	-	2d,2f,2j,2s 10,36,37,40	188.512	*Acceptance receivables*
Cadangan kerugian penurunan nilai	-		(217)	*Allowance for impairment losses*
Neto	-		188.295	*Net*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	2f,2k,2s 11,36,37	3.072.222	*Securities purchased under agreements to resell*
Kredit yang diberikan		2d,2e,2f,2l,2s		*Loans*
Pihak berelasi	1.976	12,32,36,37,	493.666	*Related parties*
Pihak ketiga	5.954.448	38,40	9.168.584	*Third parties*
	5.956.424		9.662.250	
Cadangan kerugian penurunan nilai	(507.139)		(406.127)	*Allowance for impairment losses*
Neto	5.449.285		9.256.123	*Net*
Efek-efek		2d,2e,2f,2m,2s		*Securities*
Pihak ketiga	389.952	13,32,36,37,40	514.182	*Third parties*
Cadangan kerugian penurunan nilai	-		(195)	*Allowance for impairment losses*
Neto	389.952		513.987	*Net*
Beban dibayar dimuka	33.035	14,45	22.687	*Prepayments*
Aset pajak tangguhan - neto	280.354	2n,24	272.500	*Deferred tax assets - net*
Aset tetap dan aset hak guna		2o,2s,15,45		*Fixed assets and right-of-use assets*
Biaya perolehan	509.672		569.349	*Cost*
Akumulasi penyusutan	(296.756)		(293.951)	*Accumulated depreciation*
Nilai buku	212.916		275.398	*Book value*
Aset takberwujud		2p,16,45		*Intangible assets*
Biaya perolehan	164.411		150.057	*Cost*
Akumulasi amortisasi	(104.519)		(92.909)	*Accumulated amortization*
Nilai buku	59.892		57.148	*Book value*
Agunan yang diambil alih - neto	250.416	2q,2s,17 2d,2f,2r	665.046	*Foreclosed assets - net*
Aset lain-lain - neto	255.960	18,36,37,40	259.177	*Other assets - net*
TOTAL ASET	**11.753.485**		**16.717.087**	***TOTAL ASSETS***

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN POSISI KEUANGAN (lanjutan)
Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
STATEMENT OF FINANCIAL POSITION *(continued)*
As of December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	2023	Catatan/ *Notes*	2022	
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS				***LIABILITIES***
Liabilitas segera	12.555	2d,2f,19,36,40	24.028	*Liabilities payable on demand*
Simpanan dari nasabah				*Deposits from customers*
Pihak berelasi	80.145	2d,2e,2f,2t,	97.411	*Related parties*
Pihak ketiga	6.259.058	20,36,38,40	10.507.213	*Third parties*
	6.339.203		10.604.624	
Simpanan dari bank lain				*Deposits from other banks*
Pihak berelasi	276	2d,2e,2f,2t,	22	*Related parties*
Pihak ketiga	1.556	21,36,38,40	7.280	*Third parties*
	1.832		7.302	
Liabilitas akseptasi	-	2d,2f,2i, 10,36,40	26.336	*Acceptance payables*
Liabilitas derivatif	1.838	2e,2f,2i,9,36	90	*Derivative payables*
Efek-efek yang dijual dengan janji dibeli kembali	385.051	2f,2k,3c,3d, 22,36	-	*Securities sold under repurchase agreements*
Pinjaman diterima	-	2f,23,36	1.000.000	*Borrowing*
Liabilitas imbalan kerja	67.187	2e,2v,25	68.066	*Obligation for employment benefits*
Beban masih harus dibayar dan liabilitas lain-lain	254.370	2d,2f,2n, 26,36,40	333.222	*Accruals and other liabilities*
TOTAL LIABILITAS	**7.062.036**		**12.063.668**	***TOTAL LIABILITIES***
EKUITAS				***EQUITY***
Modal saham - nilai nominal Rp250 (Rupiah penuh) per saharn Modal dasar 40.000.000.000 saham masing-masing per 31 Desember 2023 dan 2022 Modal ditempatkan dan disetor penuh 35.158.048.365 dan 20.436.685.984 saham masing-masing per 31 Desember 2023 dan 2022	8.789.512	1b,2w,27	5.109.171	*Share capital - par value of Rp250 (whole Rupiah) per share* *Authorized capital 40,000,000,000 shares as of December 31, 2023 and 2022, respectively* *Issued and fully paid capital 35,158,048,365 and 20,436,685,984 shares as of December 31, 2023 and 2022, respectively*
Tambahan modal disetor	(33.588)	2w,2x,28	(30.150)	*Additional paid-in capital*
Dana setoran modal	3.652	27	3.683.926	*Advanced capital*
Cadangan nilai wajar - neto	(61)	13	28.183	*Fair value reserve - net*
Saldo laba (defisit):				*Retained earnings (deficit):*
Telah ditentukan penggunaannya	6.396		6.396	*Appropriated*
Belum ditentukanpenggunaannya	(4.074.462)		(4.144.107)	*Unappropriated*
TOTAL EKUITAS	**4.691.449**		**4.653.419**	***TOTAL EQUITY***
TOTAL LIABILITAS DAN EKUITAS	**11.753.485**		**16.717.087**	***TOTAL LIABILITIES AND EQUITY***

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended December 31*			
	2023	**Catatan/ *Notes***	**2022**	
PENDAPATAN DAN BEBAN OPERASIONAL				***OPERATING INCOME AND EXPENSES***
Pendapatan bunga	944.701	2d,2e,2z,30,38	863.896	*Interest income*
Beban bunga	(440.803)	2d,2e,2z,30,38	(431.896)	*Interest expense*
PENDAPATAN BUNGA - NETO	**503.898**		**432.000**	***INTEREST INCOME - NET***
PENDAPATAN OPERASIONAL LAINNYA				***OTHER OPERATING INCOME***
Provisi dan komisi - neto	63.006	2aa,31	68.127	*Fees and commission - net*
Pendapatan transaksi perdagangan - neto	19.895	2ab	21.034	*Trading income - net*
Lain-lain	163.011	12	180.294	*Others*
TOTAL PENDAPATAN OPERASIONAL LAINNYA	**245.912**		**269.455**	***TOTAL OTHER OPERATING INCOME***
BEBAN OPERASIONAL LAINNYA				***OTHER OPERATING EXPENSES***
Beban karyawan	(289.816)	2e,2v,33,38	(280.414)	*Personnel expenses*
Beban umum dan administrasi	(209.734)	34	(202.517)	*General and administrative expenses*
Penyisihan cadangan kerugian penurunan nilai aset keuangan	(136.468)	2s,32	(613.732)	*Provision for impairment losses on financial assets*
Kerugian atas penjualan aset keuangan	(39.668)	12	-	*Loss on sale of financial assets*
Lain-lain	(4.875)		(5.524)	*Others*
TOTAL BEBAN OPERASIONAL LAINNYA	**(680.561)**		**(1.102.187)**	***TOTAL OTHER OPERATING EXPENSES***
LABA (RUGI) SEBELUM PAJAK PENGHASILAN	**69.249**		**(400.732)**	***PROFIT (LOSS) BEFORE INCOME TAX***
Beban pajak penghasilan	-	2n,24	-	*Income tax expense*
LABA (RUGI) TAHUN BERJALAN	**69.249**		**(400.732)**	***PROFIT (LOSS) FOR THE YEAR***

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
***STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** (continued)*
For the Year Ended December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended December 31*			
	2023	**Catatan/ *Notes***	**2022**	
LABA (RUGI) TAHUN BERJALAN	**69.249**		**(400.732)**	***PROFIT (LOSS) FOR THE YEAR***
PENGHASILAN KOMPREHENSIF LAIN				***OTHER COMPREHENSIVE INCOME***
Pos-pos yang akan direklasifikasikan ke laba rugi:				*Item that would be reclassified to profit or loss:*
Perubahan nilai wajar efek-efek yang diukur pada nilai wajar melalui penghasilan komprehensif lain	(36.210)	2m,13	25.100	*Fair value changes of securities measured at fair value through other comprehensive income*
Pajak penghasilan terkait dengan pos-pos yang akan direklasifikasikan ke laba rugi	7.966	13,24	(5.522)	*Income tax related to item that would be reclassified to profit or loss*
	(28.244)		**19.578**	
Pos-pos yang tidak akan direklasifikasikan ke laba rugi:				*Item that would not be reclassified to profit or loss:*
Pengukuran kembali atas liabilitas imbalan pasca-kerja	508	2v,25	10.288	*Remeasurements of obligation for post-employment benefits*
Pajak penghasilan terkait dengan pos-pos yang tidak akan direklasifikasikan ke laba rugi	(112)	24	(2.263)	*Income tax related to item that would not be reclassified to profit or loss*
	396		**8.025**	
(Kerugian) penghasilan komprehensif lain setelah pajak	(27.848)		27.603	*Other comprehensive (loss) income net of tax*
Total penghasilan (kerugian) komprehensif tahun berjalan	**41.401**		**(373.129)**	***Total comprehensive income (loss) for the year***
LABA (RUGI) PER SAHAM DASAR (dalam Rupiah penuh)	**2,50**	2y,35	**(24,28)**	***PROFIT (LOSS) PER SHARE BASIC*** *(in whole Rupiah)*

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN PERUBAHAN EKUITAS
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	Catalan/ *Notes*	Modal saham/ *Share capital*	Tambahan Modal disetor/ *Additional paid-in capital*	Dana setoran modal/ *Advanced capital*	Cadangan nilai wajar - neto/ *Fair value reserve - net*	Saldo laba (defisit)/ *Retained earnings (deficit)*		Total ekuitas/ *Total Equity*	
						Telah ditentukan penggunaannya/ *Appropriated*	Belum ditentukan penggunaannya/ *Unappropriated*		
Saldo per 31 Desember 2021		**5.109.171**	**(30.150)**	**2.683.926**	**8.605**	**6.396**	**(3.751.400)**	**4.026.548**	***Balance as of Deccember 31, 2021***
Rugi tahun berjalan		-	-	-	-	-	(400.732)	(400.732)	*Loss for the year*
Pengukuran kembali atas liabilitas imbalan pasca kerja - setelah pajak		-	-	-	-	-	8.025	8.025	*Remeasurements of obligation for post-employment benefits - net of tax*
Keuntungan yang belum direalisasi atas efek-efek diukur pada nilai wajar melalui penghasilan komrephensif lain - setelah pajak		-	-	-	19.578	-	-	19.578	*Unrealized gain on securities measured at fair value through other comprehensive income - net of tax*
Penambahan dana setoran modal	27	-	-	1.000.000	-	-	-	1.000.000	*Additional advanced capital*
Saldo per 31 Desember 2022		**5.109.171**	**(30.150)**	**3.683.926**	**28.183**	**6.396**	**(4.144.107)**	**4.653.419**	***Balance as of Deccember 31, 2022***
Laba tahun berjalan		-	-	-	-	-	69.249	69.249	*Profit for the year*
Pengukuran kembali atas liabilitas imbalan pasca kerja - setelah pajak		-	-	-	-	-	396	396	*Remeasurements of obligation for post-employment benefits - net of tax*
Keuntungan yang belum direalisasi atas efek-efek diukur pada nilai wajar melalui penghasilan komrephensif lain - setelah pajak		-	-	-	(28.244)	-	-	(28.244)	*Unrealized gain on securities measured at fair value through other comprehensive income - net of tax*
Hasil emisi bersih dari penawaran umum terbatas VII		3.680.341	-	(3.680.274)	-	-	-	67	*Net proceed from Public Offering VII*
Biaya emisi saham		-	(3.438)	-	-	-	-	(3.438)	*Share issuance cost*
Saldo per 31 Desember 2023		**8.789.512**	**(33.588)**	**3.652**	**(61)**	**6.396**	**(4.074.462)**	**4.691.449**	***Balance as of Deccember 31, 2023***

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended December 31*			
	2023	**Catatan/ *Notes***	**2022**	
ARUS KAS DARI AKTIVITAS OPERASI				***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan bunga	854.297		864.621	*Receipts from interest icome*
Pembayaran bunga	(453.464)		(413.966)	*Payments for interest expense*
Penerimaan provisi dan komisi	66.011	2aa,31	70.708	*Receipts for fees and commission*
Pembayaran provisi dan komisi	(5.020)	2aa,31	(2.581)	*Payments for fees and commission*
Pembayaran beban karyawan	(271.979)		(275.114)	*Payments for personnel expenses*
Pembayaran imbalan pasca-kerja	(18.207)	25	(8.556)	*Payment for post employee benefit*
Penerimaan pendapatan lainnya	125.611		221.202	*Receipts for other income*
Pembayaran beban lainnya - neto	(209.705)		(218.914)	*Payments for other expenses - net*
Perubahan dalam aset dan liabilitas operasi:				*Changes in operating assets and liabilities:*
Penurunan (kenaikan) dalam aset operasi:				*Decrease (increase) in operating assets:*
Efek-efek yang dibeli dengan janji dijual kembali	95.020		(721.453)	*Securities purchased under agreements to resell*
Tagihan akseptasi	188.512		(181.734)	*Acceptance receivables*
Kredit yang diberikan	3.669.944		(256.401)	*Loans*
Beban dibayar di muka	(38.375)		(9.951)	*Prepayments*
Aset lain-lain	550.719		474.966	*Other assets*
Kenaikan (penurunan) dalam liabilitas operasi:				*Increase (decrease) in operating liabilities:*
Liabilitas segera	(11.473)		7.781	*Liabilities payable on demand*
Simpanan dari nasabah	(4.265.421)		(1.410.572)	*Deposits from customers*
Simpanan dari bank lain	(5.470)		(469)	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	385.051		-	*Securities sold under repurchased agreements*
Liabilitas akseptasi	(26.336)		19.558	*Acceptance payables*
Beban masih harus dibayar dan liabilitas lain-lain	(42.043)		(101.167)	*Accruals and other liabilities*
Arus kas neto diperoleh dari (digunakan untuk) aktivitas operasi	**587.672**		**(1.942.042)**	***Net cash flows provided by (used in) operating activities***
ARUS KAS DARI AKTIVITAS INVESTASI				***CASH FLOWS FROM INVESTING ACTIVITIES***
Penerimaan atas efek-efek yang telah jatuh tempo	124.169		824.416	*Proceeds from matured securities*
Penempatan pada efek-efek	-		(396.388)	*Placements in securities*
Hasil penjualan aset tetap	5.107	15,45	805	*Proceeds from sale of fixed assets*
Perolehan aset tetap	(89)	15,45	(5.539)	*Acquisition of fixed assets*
Perolehan aset tak berwujud	(195)	16,45	(604)	*Acquisition of intangible assets*
Arus kas neto diperoleh dari aktivitas investasi	**128.992**		**422.690**	***Net cash flows provided by investing activities***

Catatan atas laporan keuangan terlampir 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 taken as a whole.

PT BANK QNB INDONESIA TBK
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2023
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK QNB INDONESIA TBK
***STATEMENT OF CASH FLOWS** (continued)*
For the Year Ended December 31, 2023
(Expressed in millions of Rupiah, unless otherwise stated)

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended December 31*			
	2023	**Catatan/ *Notes***	**2022**	
ARUS KAS DARI AKTIVITAS PENDANAAN				***CASH FLOWS FROM FINANCING ACTIVITIES***
Pembayaran obligasi yang diterbitkan	-	46	(100.000)	*Payment on bonds issuance*
Pembayaran pinjaman diterima	(1.000.000)	23,46	-	*Payment on borrowings*
Penerimaan dana setoran modal	-	27	1.000.000	*Proceed from advance capital*
Penerbitan saham baru	67		-	*Issuance new shares*
Biaya emisi saham	(3.438)	28	-	*Share issuance cost*
Pembayaran liabilitas sewa	(24.148)	46	(29.774)	*Payment of lease liability*
Arus kas neto (digunakan untuk) diperoleh dari aktivitas pendanaan	**(1.027.519)**		**870.226**	***Net cash flows (used in) provided by financing activities***
(Penurunan) neto Kas dan Setara Kas	**(310.855)**		**(649.126)**	***Net (decrease) in Cash and Cash Equivalents***
Pengaruh neto perubahan kurs pada Kas dan Setara Kas	20.903		19.077	*Net effect on exchange rate on Cash and Cash Equivalents*
Kas dan Setara Kas Awal Tahun	2.134.429		2.764.478	*Cash And Cash Equivalents At Beginning of Year*
Kas dan Setara Kas, Akhir Tahun	**1.844.477**		**2.134.429**	***Cash and Cash Equivalents, At The End of Year***
Komponen Kas dan Setara Kas				*Component of Cash and Cash Equivalents*
Kas	24.445	2b,5	33.354	*Cash*
Giro pada Bank Indonesia	543.920	2b,6	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain	184.104	2b,7	148.380	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan	1.092.008	2b,8	1.032.898	*Placements with Bank Indonesia and other banks maturing within 3 (three) months since the acquisition date*
	1.844.477		**2.134.429**	

Catatan atas laporan keuangan terlampir 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 taken as a whole.

1. Umum

a. Pendirian dan Informasi Umum

PT Bank QNB Indonesia Tbk ("Bank") didirikan pada tanggal 1 April 1913 dengan nama N.V Chunghwa Shangyeh Maatschappij (The Chinese Trading Bank Limited) berdasarkan Akta No. 53 tanggal 28 April 1913 yang dibuat di hadapan Notaris Leonard Hendrik-Willem Van Sandick dan telah disetujui berdasarkan Besluit Gouverneur Generaal Hindia Belanda No. 58 tanggal 16 Juli 1913 dan diumumkan dalam Extra Bijvougsel der Javasche Courant No. 78 tanggal 30 September 1913.

Berdasarkan Surat Keputusan Menteri Keuangan No. 191547/U.M.II tanggal 28 Oktober 1958, Bank memulai kegiatan operasionalnya sebagai bank umum.

Nama Bank diubah menjadi PT Bank Kesawan berdasarkan Akta Perubahan Anggaran Dasar No. 60 tanggal 10 Maret 1965 yang dibuat di hadapan Ong Kiem Lian, SH, notaris di Jakarta. Akta ini telah disahkan oleh Menteri Kehakiman Republik Indonesia (sekarang Menteri Hukum dan Hak Asasi Manusia) dalam Surat Keputusan No. J.A.5/68/15 tanggal 3 Juli 1965 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 95 tanggal 26 November 1965, Tambahan No. 95.

Perubahan status Bank dari Bank tertutup menjadi Bank terbuka adalah berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 22 tanggal 25 Juli 2001 yang dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta. Akta ini telah memperoleh persetujuan dari Menteri Kehakiman Republik Indonesia tanggal 27 Desember 2001 dengan Surat Keputusan No. C-20973.HT.01.04.TH.2001 serta diumumkan dalam Berita Negara Republik Indonesia No. 75 tanggal 17 September 2002, Tambahan No. 11113.

Dengan akuisisi saham Bank oleh Qatar National Bank (Q.P.S.C.) (dahulu Qatar National Bank SAQ) pada tanggal 26 Januari 2011, nama Bank diubah menjadi PT Bank QNB Kesawan Tbk berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 23 tanggal 16 September 2011 yang dibuat di hadapan Fathiah Helmi, SH, notaris di Jakarta.

1. General

a. Establishment and General Information

PT Bank QNB Indonesia Tbk ("the Bank") was established on April 1, 1913 under the name N.V Chunghwa Shangyeh Maatschappij (The Chinese Trading Bank Limited) based on the Notarial Deed No. 53 dated April 28, 1913 of Notary Leonard Hendrik-Willem Van Sandick and was approved based on Besluit Gouverneur Generaal Hindia Belanda No. 58 dated July 16, 1913 and was published in the Extra Bijvougsel der Javasche Courant No. 78 dated September 30, 1913.

Based on Decree of the Minister of Finance No. 191547/U.M.II dated October 28, 1958, the Bank started its operation as a commercial bank.

The Bank's name was changed to PT Bank Kesawan based on the Deed of Articles of Association Amendment No. 60 dated March 10, 1965 of Ong Kiem Lian, SH, notary public in Jakarta. This deed was approved by the Minister of Justice of the Republic of Indonesia (currently the Minister of Laws and Human Rights) in its Decree No.J.A.5/68/15 dated July 3, 1965 and was published in the State Gazette of the Republic of Indonesia No. 95 dated November 26, 1965, Supplement No. 95.

The change of the Bank's status from a private Bank to a public Bank was effected by the Deed of Extraordinary Shareholders' General Meeting No. 22 dated July 25, 2001 of Fathiah Helmi, SH, notary public in Jakarta. This deed was approved by the Minister of Justice of the Republic of Indonesia dated December 27, 2001 in his Decree No. C-20973.HT.01.04.TH.2001 and was published into the State Gazette of the Republic of Indonesia No. 75 dated September 17, 2002, Supplement No. 11113.

Subsequently, following the acquisition of the Bank's shares by Qatar National Bank (Q.P.S.C.) (formerly Qatar National Bank SAQ) on January 26, 2011, the Bank's name was changed into PT Bank QNB Kesawan Tbk based on the Deed of Extraordinary Shareholders' General Meeting No. 23 dated September 16, 2011 of Fathiah Helmi, SH, notary public in Jakarta.

1. Umum (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Akta ini telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat keputusan No. AHU-51180.AH.01.02 Tahun 2011 tanggal 21 Oktober 2011 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 93 tanggal 20 November 2012, Tambahan No. 72137.

Selanjutnya nama bank berubah menjadi PT Bank QNB Indonesia Tbk berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan No. 35 tanggal 23 Juli 2014. Akta ini telah mendapat persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan keputusannya No. AHU-06136.40.20.2014 tanggal 24 Juli 2014.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan. Perubahan terakhir sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 56 tanggal 30 Mei 2023, yang dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta. Perubahan Anggaran Dasar Bank tersebut telah diterima dan dicatat dalam Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AH.01.03. 0073631 tanggal 8 Juni 2023.

Sesuai dengan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan Bank adalah menjalankan kegiatan umum perbankan.

Bank memperoleh persetujuan sebagai Pedagang Valuta Asing berdasarkan Surat Keputusan Direksi Bank Indonesia No. 28/366/UD/Adv tanggal 4 Desember 1995.

Bank memperoleh persetujuan menjadi Bank Devisa berdasarkan Surat Keputusan Direksi Bank Indonesia No. 28/150/KEP/DIR tanggal 22 Februari 1996.

Bank memperoleh persetujuan menjadi Bank Persepsi Kas Negara berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No.S-452/MK.03/1996 tanggal 16 Agustus 1996.

***1. General** (continued)*

***a. Establishment and General Information** (continued)*

This deed was approved by the Minister of Laws and Human Rights of the Republic of Indonesia in his Decree No. AHU-51180.AH.01.02 Year 2011 dated October 21, 2011 and was announced in the State Gazette of the Republic of Indonesia No. 93 dated November 20, 2012, Supplement No. 72137.

Subsequently, the bank's name was changed into PT Bank QNB Indonesia Tbk based on The deed of Minutes of Annual Shareholders' General Meeting No. 35 dated July 23, 2014. This deed was approved by the Minister of Laws and Human Rights of the Republic of Indonesia with the Deed No. AHU-06136.40.20.2014 dated July 24, 2014.

The Bank's Articles of Association has been amended several times. The latest amendment was stated on the Deed of Statement of Extraordinary General Meeting of Shareholders No. 56 dated May 30, 2023, drawn up before Fathiah Helmi, S.H., Notary in Jakarta. This deed has received Notification of Amendment to the Articles of Articles of Association from the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03. 0073631 dated June 8, 2023.

According to article 3 of the Bank's Articles of Association, the scope of the Bank's activities is to engage in general banking business.

The Bank was granted a license as a Foreign Exchange Trader based on the Decree of the Director of Bank Indonesia No. 28/366/UD/Adv dated December 4, 1995.

The Bank was granted a license to conduct foreign exchange activities based on the Decree of the Director of Bank Indonesia No. 28/150/KEP/DIR dated February 22, 1996.

The Bank was granted a license as a National Cash Perception Bank based on the Decree of the Minister of Finance of the Republic of Indonesia No. S-452/MK.03/1996 dated August 16, 1996.

1. Umum (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Kantor Pusat Bank berlokasi di Revenue Tower, District 8, SCBD Lot 13, Jalan Jendral Sudirman Kavling 52-53, Jakarta. Pada 31 Desember 2023, Bank mempunyai 1 kantor pusat non-operasional, 6 kantor cabang, 2 kantor cabang pembantu, 2 kantor fungsional dan 11 ATM di seluruh Indonesia. Pada 31 Desember 2022, Bank mempunyai 1 kantor pusat non-operasional, 7 kantor cabang, 2 kantor cabang pembantu dan 12 ATM di seluruh Indonesia.

Pada tanggal 31 Desember 2023 dan 2022, Bank memiliki masing-masing 401 dan 402 karyawan (tidak diaudit).

Bank, melalui pemegang saham mayoritasnya, Qatar National Bank (Q.P.S.C.), merupakan bagian dari Qatar National Bank Group. Qatar National Bank Group memiliki anak perusahaan dan afiliasi di seluruh dunia.

b. Penawaran Umum Saham Bank

Pada tanggal 31 Oktober 2002, Bank memperoleh Pernyataan Efektif dari Ketua Badan Pengawas Pasar Modal (Bapepam) berdasarkan Surat Keputusan No. S-2369/PM/2002 dalam rangka penawaran umum atas 78.800.000 lembar saham Bank dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham. Saham Bank tersebut diperdagangkan di Bursa Efek Jakarta mulai tanggal 21 November 2002. (Pada tanggal 30 November 2007, Bursa Efek Jakarta dan Bursa Efek Surabaya telah bergabung menjadi Bursa Efek Indonesia).

Dalam penawaran umum saham ini dikeluarkan pula Waran Seri I (waran) yang diberikan secara cuma-cuma kepada pemegang saham baru. Setiap pemegang 2 saham baru Bank memperoleh 3 waran, sehingga jumlah waran yang diterbitkan adalah sebanyak 118.200.000 lembar. Setiap 1 waran memberikan hak kepada pemegang waran untuk membeli 1 saham baru Bank pada harga pelaksanaannya. Jangka waktu pelaksanaan waran yang diterbitkan adalah sejak tanggal 21 Mei 2003 sampai dengan tanggal 18 November 2005. Sampai dengan tanggal pelaksanaan terakhir yaitu tanggal 18 November 2005, waran yang telah dilaksanakan adalah sebanyak 101.219.000 waran pada harga pelaksanaan Rp250 (dalam Rupiah penuh) atau seluruhnya sebesar Rp25.305.

***1. General** (continued)*

***a. Establishment and General Information** (continued)*

The Bank's head office is located at Revenue Tower, District 8, SCBD Lot 13, Jalan Jendral Sudirman Kavling 52-53, Jakarta. As of December 31, 2023, Bank has 1 non-operational head office, 6 branch offices, 2 sub-branch offices, 2 functional office and 11 ATMs across Indonesia. As of December 31, 2022, Bank has 1 non-operational head office, 7 branch offices, 2 sub-branch offices and 12 ATMs across Indonesia.

As of December 31, 2023 and 2022 the Bank had 401 and 402 employees (unaudited), respectively.

The Bank, through its majority shareholder, Qatar National Bank (Q.P.S.C.), is ultimately part of the Qatar National Bank Group. The Qatar National Bank Group has subsidiaries and affiliates throughout the world.

b. Public Offering of the Bank's Shares

On October 31, 2002, the Bank obtained the Effective Notification from the Chairman of the Capital Market Supervisory Agency (Bapepam) through its Decree No. S-2369/PM/2002 in relation to the public offering of its 78,800,000 shares with par value and at the offering price of Rp250 (in full Rupiah) per share. The Bank's shares were traded in Jakarta Stock Exchange starting November 21, 2002. (On November 30, 2007, Jakarta Stock Exchange and Surabaya Stock Exchange were merged to form Indonesia Stock Exchange).

These new shares were furnished by Warrants Series I (warrant), which were granted to the new shareholders as a compliment. Each holder of 2 Bank's new shares received 3 warrants; accordingly, the total number of warrants issued was 118,200,000 warrants. Each warrant entitled the holder to buy 1 Bank's new share at the exercise price. The execution period was from May 21, 2003 to November 18, 2005. Up to the last exercise date on November 18, 2005, the number of exercised warrants was 101,219,000 warrants at exercise price of Rp250 (in full Rupiah) or amounting to Rp25,305.

1. Umum (lanjutan)

b. Penawaran Umum Saham Bank (lanjutan)

Pada tanggal 15 Juni 2009, Bank memperoleh Pernyataan Efektif dari Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) berdasarkan Surat Keputusan No.S-5209/BL/2009 dalam rangka Penawaran Umum Terbatas I (PUT I) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 125.304.750 saham dengan nilai nominal Rp250 (dalam Rupiah penuh) per saham yang ditawarkan dengan harga Rp320 (dalam Rupiah penuh) per saham.

Setelah PUT I, modal ditempatkan dan disetor Bank meningkat menjadi 626.523.750 lembar saham atau senilai Rp156.631.

Pada tanggal 27 Desember 2010, Bank memperoleh Pernyataan Efektif dari Ketua Bapepam-LK berdasarkan Surat Keputusan No. S-11585/BL/2010 dalam rangka Penawaran Umum Terbatas II (PUT II) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.935.263.768 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT II, modal ditempatkan dan disetor Bank meningkat menjadi 3.561.787.518 lembar saham atau senilai Rp890.447.

Pada tanggal 27 Mei 2013, Bank memperoleh Pernyataan Efektif dari Otoritas Jasa Keuangan ("OJK") berdasarkan Surat Keputusan No. S-141/D.04/2013 dalam rangka Penawaran Umum Terbatas III (PUT III) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.596.543.000 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT III, modal ditempatkan dan disetor Bank meningkat menjadi 6.158.330.518 lembar saham atau senilai Rp1.539.583.

***1. General** (continued)*

***b. Public Offering of the Bank's Shares** (continued)*

On June 15, 2009, the Bank obtained the Effective Notification from the Chairman of the Capital Market Supervisory Agency and Financial Institutions (Bapepam-LK) through its Decree No. S-5209/BL/2009 in relation to the First Limited Public Offering (PUT I) by conducting the Rights Issue (HMETD) amounting to 125,304,750 shares with par value of Rp250 (in full Rupiah) per share at an offering price of Rp320 (in full Rupiah) per share.

After the PUT I, the Bank's issued and fully paid capital increased to 626,523,750 shares or Rp156,631.

On December 27, 2010, the Bank obtained the Effective Notification from the Chairman of Bapepam-LK through its Decree No. S-11585/BL/2010 in relation to the Second Limited Public Offering (PUT II) by conducting the Rights Issue (HMETD) amounting to 2,935,263,768 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

After the PUT II, the Bank's issued and fully paid capital increased to 3,561,787,518 shares or Rp890,447.

On May 27, 2013, the Bank obtained the Effective Notification from Otoritas Jasa Keuangan ("OJK") through its Decree No. S-141/D.04/2013 in relation to the Third Limited Public Offering (PUT III) by conducting the Rights Issue (HMETD) amounting to 2,596,543,000 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

After the PUT III, the Bank's issued and fully paid capital increased to 6,158,330,518 shares or Rp1,539,583.

1. Umum (lanjutan)

b. Penawaran Umum Saham Bank (lanjutan)

Pada tanggal 2 Juni 2014, Bank memperoleh Pernyataan Efektif dari Otoritas Jasa Keuangan (OJK) berdasarkan Surat Keputusan No. S-253/D.04/2014 dalam rangka Penawaran Umum Terbatas IV (PUT IV) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.598.815.479 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT IV, modal ditempatkan dan disetor Bank meningkat menjadi 8.757.145.997 lembar saham atau senilai Rp2.189.287.

Pada tanggal 20 Juni 2017, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-330/D.04/2017 dalam rangka Penawaran Umum Terbatas V (PUT V) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 8.235.719.252 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT V, modal ditempatkan dan disetor Bank meningkat menjadi 16.992.865.249 lembar saham atau senilai Rp4.248.216.

Pada tanggal 22 Mei 2018, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-53/D.04/2018 dalam rangka Penawaran Umum Terbatas VI (PUT VI) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 3.786.010.377 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT VI, modal ditempatkan dan disetor Bank meningkat menjadi 20.436.685.984 lembar saham atau senilai Rp5.109.171.

Pada tanggal 28 April 2023, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-109/D.04/2023 dalam rangka Penawaran Umum Terbatas VII (PUT VII) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 14.721.362.381 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

***1. General** (continued)*

***b. Public Offering of the Bank's Shares** (continued)*

On June 2, 2014, the Bank obtained the Effective Notification from Financial Service Authority (OJK) through its Decree No. S-253/D.04/2014 in relation to the fourth Limited Public Offering (PUT IV) by conducting the Rights Issue (HMETD) amounting to 2,598,815,479 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

After the PUT IV, the Bank's issued and fully paid capital increased to 8,757,145,997 shares or Rp2,189,287.

On June 20, 2017, the Bank obtained the Effective Notification from OJK through its Decree No. S-330/D.04/2017 in relation to the fifth Limited Public Offering (PUT V) by conducting the Rights Issue (HMETD) of 8,235,719,252 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

After the PUT V, the Bank's issued and fully paid capital increased to 16,992,865,249 shares or Rp4,248,216.

On May 22, 2018, the Bank obtained the Effective Notification from OJK through its Decree No. S-53/D.04/2018 in relation to the Limited Public Offering (PUT VI) by conducting the Rights Issue (HMETD) of 3,786,010,377 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

After the PUT VI, the Bank's issued and fully paid capital increased to 20,436,685,984 shares or Rp5,109,171.

On April 28, 2023, the Bank obtained the effective notification from OJK through its Decree No. S-109/D.04/2023 in relation to the Limited Public Offering VII (PUT VII) by conducting the Rights Issue (HMETD) of 14,721,362,381 shares with par value and the offering price of Rp250 (in full Rupiah) per share.

1. Umum (lanjutan)

b. Penawaran Umum Saham Bank (lanjutan)

Setelah PUT VII, modal ditempatkan dan disetor Bank meningkat menjadi 35.158.048.365 lembar saham atau senilai Rp8.789.512.

c. Dewan Komisaris dan Direksi

Susunan terakhir Dewan Komisaris dan Direksi dimuat dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan No. 55 tanggal 30 Mei 2023 di hadapan Fathiah Helmi, SH, notaris di Jakarta. dan telah memperoleh Penerimaan Pemberitahuan Perubahan Data Bank dari Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.09-0124394 tertanggal 31 Mei 2023.

Susunan Dewan Komisaris dan Direksi Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

***1. General** (continued)*

***b. Public Offering of the Bank's Shares** (continued)*

After the PUT VII, the Bank's issued and fully paid capital increased to 35,158,048,365 shares or Rp8,789,512.

c. Board of Commissioners and Board of Directors

The latest composition of Board of Commissioners and Board of Directors are stated in deed of Declaration of Resolution Annual Shareholders' General Meeting No. 55 dated May 30, 2023 of Fathiah Helmi, SH, notary public in Jakarta and has obtained receipt of Notification of the Data Change from the Minister of Laws and Human Rights of the Republic of Indonesia No.AHU-AH.01.09-0124394 dated May 31, 2023.

The composition of the Bank's Board of Commissioners and Board of Directors as of December 31, 2023 and 2022 are as follows:

2023

Dewan Komisaris		***Board of Commissioners***
Komisaris Utama	Fatma Abdulla S S Al-Suwaidi	*President Commissioner*
Komisaris Independen	Djoko Sarwono	*Independent Commissioner*
Komisaris Independen	Muhammad Anas Malla	*Independent Commissioner*
Komisaris	Khalid Ahmed KH A Al-Sada	*Commissioner*
Direksi		***Board of Directors***
Direktur Utama	Haryanto Suganda	*President Director*
Direktur	Windiartono Tabingin	*Director*
Direktur	Nicolas Alix Groene (Nick Groene)	*Director*
Direktur	Soemenggrie Jongkamto	*Director*

2022

Dewan Komisaris		***Board of Commissioners***
Komisaris Utama	Fatma Abdulla S S Al-Suwaidi	*President Commissioner*
Komisaris Independen	Djoko Sarwono	*Independent Commissioner*
Komisaris Independen	Muhammad Anas Malla	*Independent Commissioner*
Komisaris	Khalid Ahmed KH A Al-Sada	*Commissioner*
Direksi		***Board of Directors***
Direktur Utama	Haryanto Suganda	*President Director*
Direktur	Geoffry Nugraha*	*Director*
Direktur	Windiartono Tabingin	*Director*
Direktur	Nicolas Alix Groene (Nick Groene)	*Director*
Direktur	Soemenggrie Jongkamto	*Director*

* Pengunduran diri efektif tanggal 30 Mei 2023

* *Resignation effective on May 30, 2023*

1. Umum (lanjutan)

d. Komite-Komite Bank

Susunan Komite-komite Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

***1. General** (continued)*

d. The Bank's Committees

The composition of the Bank's Committees as of December 31, 2023 and 2022, are as follows:

2023

Komite Audit		***Audit Committee***
Ketua	Muhammad Anas Malla	*Chairman*
Anggota	Heru Subroto*	*Member*
Anggota	Achmad Effendy Abdurachman	*Member*
Komite Pemantau Risiko		***Risk Oversight Committee***
Ketua	Djoko Sarwono	*Chairman*
Anggota	Tjetjep Hasmitha	*Member*
Anggota	Ahmad Effendy Abdurachman	*Member*
Komite Remunerasi dan Nominasi		***Nomination and Remuneration Committee***
Ketua	Muhammad Anas Malla	*Chairman*
Anggota	Khalid Ahmed KH A Al-Sada	*Member*
Anggota	Ruth Theresia*	*Member*

* Heru Subroto diangkat sebagai anggota Komite Audit berdasarkan Surat Keputusan Direksi No. 030/SK-DIR/VI/2023 tanggal 5 Juni 2023

* Ruth Theresia diangkat sebagai anggota Komite Remunerasi dan Nominasi berdasarkan Surat Keputusan Direksi 001/SK-DIR/I/2023 tanggal 2 Januari 2023

* *Heru Subroto has appointed as a member of the Bank's Audit Committee based on Board of Directors Decree No. 030/SK-DIR/VI/2023 dated June 5, 2023*

* *Ruth Theresia has appointed as a member of the Bank's Nomination and Remuneration Committee based on Board of Directors Decree No. 001/SK-DIR/I/2023 dated January 2, 2023*

2022

Komite Audit		***Audit Committee***
Ketua	Muhammad Anas Malla	*Chairman*
Anggota	Bambang Eko Priyantono	*Member*
Anggota	Achmad Effendy Abdurachman	*Member*
Komite Pemantau Risiko		***Risk Oversight Committee***
Ketua	Djoko Sarwono	*Chairman*
Anggota	Tjetjep Hasmitha	*Member*
Anggota	Bambang Eko Priyantono	*Member*
Anggota	Ahmad Effendy Abdurachman	*Member*
Komite Remunerasi dan Nominasi		***Nomination and Remuneration Committee***
Ketua	Muhammad Anas Malla	*Chairman*
Anggota	Khalid Ahmed KH A Al-Sada	*Member*
Anggota	Nugrahaini Mulyasari*	*Member*

* Mengundurkan diri efektif pada tanggal 31 Desember 2022

* *Resignation effective on December 31, 2022*

e. Sekretaris Perusahaan

Sekretaris Perusahaan pada tanggal 31 Desember 2023 dan 2022 adalah Indah Mathilda.

e. Corporate Secretary

The Corporate Secretary as of December 31, 2023 and 2022 is Indah Mathilda.

f. Kepala Satuan Kerja Audit Internal (SKAI)

Chief Auditor pada tanggal 31 Desember 2023 dan 2022 adalah Romy Yulianto Santoso.

f. Head of Internal Audit

The Chief Auditor as of December 31, 2023 and 2022 is Romy Yulianto Santoso.

2. Ikhtisar Kebijakan Akuntansi Material

Kebijakan-kebijakan akuntansi yang material, yang diterapkan dalam penyusunan laporan keuangan Bank pada tanggal dan tahun yang berakhir 31 Desember 2023 dan 2022, adalah sebagai berikut:

a. Pernyataan Kepatuhan

Laporan keuangan Bank disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan ("SAK") di Indonesia.

Laporan keuangan juga disusun dan disajikan sesuai dengan peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan ("BAPEPAM-LK", yang fungsinya dialihkan kepada OJK sejak tanggal 1 Januari 2013) No. VIII.G.7 tanggal 25 Juni 2012, Lampiran Keputusan Ketua Bapepam-LK No. Kep-347/BL/2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

b. Dasar Penyusunan Laporan Keuangan

Laporan keuangan ini disajikan dalam Rupiah, yang merupakan mata uang fungsional Bank. Kecuali dinyatakan secara khusus, informasi keuangan yang disajikan telah dibulatkan menjadi jutaan Rupiah.

Laporan keuangan disusun atas basis akrual dengan menggunakan konsep nilai historis, kecuali jika standar akuntansi mensyaratkan pengukuran nilai wajar.

Laporan arus kas menyajikan perubahan dalam kas dan setara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung. Untuk tujuan laporan arus kas, kas dan setara kas meliputi kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

2. Summary of Material Accounting Policies

The material accounting policies, applied in the preparation of the Bank's financial statements as of and for the year ended December 31, 2023 and 2022, are as follows:

a. Statement of Compliance

The Bank's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK").

The financial statements have also been prepared and presented in accordance with Capital Market and Financial Institutions Supervisory Agency ("BAPEPAM-LK", whose function has been transferred to OJK starting January 1, 2013) rule No. VIII.G.7 dated June 25, 2012, Annex to the Decree of the Chairman of Bapepam-LK No. Kep-347/BL/2012 regarding "Financial Statements Presentation and Disclosure of the Issuer or Public Bank".

b. Basis for Preparation of Financial Statements

Figures in these financial statements are presented in Rupiah, which is the Bank's functional currency. Unless otherwise stated, financial information presented in Rupiah has been rounded to the nearest million.

The financial statements have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

The statement of cash flows present the changes in cash and cash equivalents from operating, investing and financing activities. The statement of cash flows are prepared using the direct method. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks that mature within three months from the date of acquisition, as long as they are not being pledged as collateral for borrowing nor restricted.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

c. Penggunaan Pertimbangan, Estimasi dan Asumsi

Penyusunan laporan keuangan sesuai dengan SAK di Indonesia mengharuskan manajemen Bank untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi penerapan kebijakan akuntansi dan jumlah aset, liabilitas, pendapatan dan beban yang dilaporkan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan kegiatan saat ini, hasil aktual dapat berbeda dari estimasi tersebut.

Estimasi dan asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas estimasi akuntansi diakui pada periode dimana estimasi tersebut direvisi dan periode-periode yang akan datang yang dipengaruhi oleh revisi estimasi tersebut.

Informasi mengenai hal-hal material yang terkait dengan ketidakpastian estimasi dan pertimbangan-pertimbangan material dalam penerapan kebijakan akuntansi yang memiliki dampak yang signifikan terhadap jumlah yang diakui dalam laporan keuangan dijelaskan di Catatan 4.

d. Penjabaran Transaksi dan Saldo dalam Valuta Asing

Transaksi-transaksi dalam valuta asing dijabarkan ke dalam Rupiah, yang merupakan mata uang fungsional Bank, dengan menggunakan kurs pada tanggal transaksi.

Saldo akhir tahun aset moneter dan liabilitas moneter dalam valuta asing dijabarkan ke dalam Rupiah dengan menggunakan kurs pada tanggal laporan (penutupan) yang ditetapkan oleh Bank Indonesia, yaitu kurs tengah yang merupakan rata-rata kurs beli dan kurs jual berdasarkan Reuters pada pukul 16.00 WIB setiap hari.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam valuta asing dan dari penjabaran aset moneter dan liabilitas moneter dalam valuta asing diakui pada laba rugi.

2. Summary of Material Accounting Policies *(continued)*

c. Use of Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with SAK requires Bank's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Information about material areas of estimation uncertainty and critical judgments in applying accounting policies that have material effect on the amount recognized in the financial statements are described in Note 4.

d. Foreign Currency Transactions and Balances Translation

Transactions in foreign currencies are translated into Rupiah, the Bank's functional currency, at the exchange rates prevailing at the transaction date.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using exchange rates as of the reporting date (closing) as determined by Bank Indonesia, i.e middle rates which are the average of buying rates and selling rates per Reuters at 16.00 Western Indonesian Time.

The exchange gains and losses arising from transactions in foreign currencies and from the translation of monetary assets and monetary liabilities denominated in foreign currencies are recognized in profit or loss.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

d. Penjabaran Transaksi dan Saldo dalam Valuta Asing (lanjutan)

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.

Kurs valuta asing utama yang digunakan pada tanggal pelaporan adalah sebagai berikut (Rupiah penuh):

Valuta asing	2023	2022	*Foreign currencies*
Poundsterling Inggris	19.627	18.786	*Great Britain Poundsterling*
Euro Eropa	17.038	16.582	*European Euro*
Dolar Amerika Serikat	15.397	15.568	*United States Dollar*
Franc Swiss	15.245	15.245	*Swiss Franc*
Dolar Singapura	11.676	11.593	*Singapore Dollar*
Dolar Australia	10.521	10.558	*Australian Dollar*
Dolar Selandia Baru	9.926	9.926	*New Zealand Dollar*
Riyal Qatar	4.224	4.271	*Qatari Riyal*
Dolar Hong Kong	1.971	1.997	*Hong Kong Dollar*
Baht Thailand	456	456	*Thailand Baht*
Yen Jepang	109	118	*Japanese Yen*

e. Transaksi dengan Pihak-pihak Berelasi

Dalam laporan keuangan ini, istilah pihak-pihak berelasi digunakan sesuai dengan PSAK 7 mengenai "Pengungkapan Pihak-pihak Berelasi", yang dimaksud dengan pihak yang berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

a. Orang atau anggota keluarga terdekatnya berelasi dengan entitas pelapor jika orang tersebut:
   i. memiliki pengendalian atau pengendalian bersama terhadap entitas pelapor;
   ii. memiliki pengaruh signifikan terhadap entitas pelapor; atau
   iii. merupakan personal manajemen kunci entitas pelapor atau entitas induk pelapor.

2. Summary of Material Accounting Policies *(continued)*

d. Foreign Currency Transactions and Balances Translation *(continued)*

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.

The major exchange rates used as of reporting date, are as follows (in full Rupiah):

e. Transactions with Related Parties

In these financial statements, the term related parties is used as defined in PSAK 7 regarding "Related Party Disclosures", the meaning of a related party is a person or entity that is related to a reporting entity as follow:

a. A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is member of the key management personnel of the reporting entity or a parent of the reporting entity.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

e. Transaksi dengan Pihak-pihak Berelasi (lanjutan)

b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut:
   i. entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain);
   ii. satu entitas adalah entitas asosiasi atau ventura bersama bagi entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, di mana entitas lain tersebut adalah anggotanya);
   iii. kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
   iv. satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
   v. entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.
   vi. entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam butir (a);
   vii. orang yang diidentifikasi, dalam butir (a) (i) memiliki pengaruh signifikan terhadap entitas atau anggota manajemen kunci entitas (atau entitas induk dari entitas); atau
   viii. entitas, atau anggota dari kelompok dimana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelaporan.

Semua transaksi yang signifikan dengan pihak-pihak berelasi, baik dilakukan dengan menggunakan syarat dan kondisi normal maupun tidak, diungkapkan dalam Catatan 38.

2. Summary of Material Accounting Policies *(continued)*

d. Transactions with Related Parties *(continued)*

b. An entity is related to a reporting entity if any of the following conditions applies:
   i. the entity and the reporting entity are member of the same the Bank (which means that each parent, subsidiaries, and fellow subsidiaries is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a Bank of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. 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. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. the entity controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personel of the entity (or of a parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

All significant transaction with related parties, whether or not conducted under normal terms and conditions as those with third parties, are disclosed in Note 38.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. 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, tagihan derivatif, tagihan akseptasi, efek-efek yang dibeli dengan janji dijual kembali, kredit yang diberikan, efek-efek dan aset lain-lain.

Liabilitas keuangan Bank terutama terdiri dari liabilitas segera, simpanan dari nasabah, simpanan dari bank lain, liabilitas akseptasi, liabilitas derivatif, pinjaman yang diterima, efek-efek yang diterbitkan, beban masih harus dibayar dan liabilitas lain-lain.

Bank menerapkan PSAK 71, "Instrumen Keuangan" yang menggantikan PSAK 55, "Instrumen Keuangan: Pengakuan dan Pengukuran".

(i) Klasifikasi

Bank mengklasifikasikan aset keuangannya berdasarkan kategori sebagai berikut pada saat pengakuan awal:

1. Aset keuangan yang diukur pada nilai wajar melalui laba rugi;
2. Aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain;
3. Aset keuangan yang diukur pada biaya perolehan diamortisasi.

Model bisnis merefleksikan bagaimana kelompok aset keuangan dikelola untuk mencapai tujuan bisnis tertentu.

2. Summary of Material Accounting Policies *(continued)*

f. 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, derivative receivables, acceptance receivables, securities purchased under agreements to resell, loans, securities and other assets.

The Bank's financial liabilities mainly consist of liabilities payable on demand, deposits from customers, deposits from other banks, acceptance payables, derivative payables, borrowing, marketables securities issued, accruals and other liabilities.

The Bank adopted PSAK 71, "Financial Instruments" which replaced PSAK 55, "Financial Instruments: Recognition and Measurement".

(i) Classification

The Bank classifies its financial assets according to the following categories at initial recognition:

1. *Financial assets measured at fair value through profit or loss;*
2. *Financial assets measured at fair value through other comprehensive income;*
3. *Financial assets measured at amortized cost.*

The business model reflects how groups of financial assets are managed to achieve a particular business objective.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(i) Klasifikasi (lanjutan)

Bank melakukan pengujian karakteristik arus kas kontraktual dari aset keuangan yang dikelola untuk mengetahui karakteristik arus kas kontraktual berasal hanya dari pembayaran pokok dan bunga dari jumlah pokok terutang (*Solely Payment of Principal and Interest* atau Pass SPPI) yang konsisten dengan pengaturan pinjaman dasar *(Basic Lending Agreement)*. Dalam melakukan penilaian, Bank mempertimbangkan:

- Imbalan untuk nilai waktu dari uang;
- *Leverage*;
- Variabilitas pada waktu dan jumlah arus kas;
- Instrumen yang terkait secara kontraktual;
- Pembayaran dipercepat;
- Ketentuan kontrak tidak sah dan *de minimis*.

Aset keuangan diukur pada biaya perolehan diamortisasi jika kedua kondisi berikut terpenuhi:

- Aset keuangan yang dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka mendapatkan arus kas kontraktual; dan
- Arus kas kontraktual tersebut semata dari pembayaran pokok dan bunga (SPPI).

Aset keuangan diukur pada nilai wajar melalui penghasilan komprehensif lain (FVTOCI) jika kedua kondisi berikut:

- Aset keuangan yang dikelola untuk mendapatkan arus kas kontraktual dan menjual aset keuangan; dan
- Arus kas kontraktual tersebut semata dari pembayaran pokok dan bunga (SPPI).

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(i) Classification *(continued)*

The Bank assess the contractual cash flow characteristics of financial assets to determine the characteristics of contractual cash flows only from the payment of principal and interest from the outstanding principal (Solely Payment of Principal and Interest or Pass SPPI) that is consistent with basic lending agreement. In making the assessment, the Bank considers:

- *The time value of money element of interest;*
- *Leverage;*
- *Variability in timing or amount of cash flows;*
- *Contractually linked instruments;*
- *Early repayment;*
- *Non-genuine features and de minimis.*

Financial assets are measured at amortized cost if both of the following conditions are met:

- *Financial assets are managed where the business model objectives in order to collect the contractual cash flows; and*
- *The contractual cash flows are solely payments of principal and interest (SPPI).*

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- *Financial assets are managed to collect the contractual cash flows and sell the assets; and*
- *The contractual cash flows are solely payments of principal and interest (SPPI).*

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(i) Klasifikasi (lanjutan)

Aset keuangan diklasifikasikan pada nilai wajar melalui laba rugi (FVTPL) jika tidak memenuhi kondisi yang disyaratkan untuk diukur pada biaya perolehan diamortisasi atau nilai wajar melalui penghasilan komprehensif lain.

Pada saat pengakuan awal, Bank dapat membuat pilihan yang tidak dapat dibatalkan untuk menyajikan instrumen ekuitas yang bukan dimiliki untuk diperdagangkan pada nilai wajar melalui penghasilan komprehensif lain.

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

I. Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan diklasifikasikan dalam kelompok diperdagangkan;
II. Liabilitas keuangan lain. Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laba rugi saat pengakuan liabilitas.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(i) Classification *(continued)*

Financial assets are measured at fair value through profit or loss (FVTPL) if do not meet the conditions required to be measured at amortized cost or fair value through other comprehensive income.

At initial recognition, the Bank may make an irrevocable choice to present equity instruments that are not held for trading at fair value through other comprehensive income.

Financial liabilities are classified into the following categories at initial recognition:

I. Financial liabilities at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading;

II. Other financial liabilities. 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.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(i) Klasifikasi (lanjutan)

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(i) Classification *(continued)*

Kategori yang didefinisikan oleh PSAK 71/ ***Category as defined by PSAK 71***		**Golongan (ditentukan oleh Bank)/** ***Class (as determined by the Bank)***	**Subgolongan/*Subclasses***
Aset keuangan/ *Financial assets*	Aset keuangan yang diukur pada nilai wajar melalui laba rugi/ *Financial assets at fair value through profit or loss*	Tagihan derivatif - Tidak terkait lindung nilai/*Derivative receivables - Non hedging related*	
	Aset keuangan yang diukur pada biaya perolehan yang diamortisasi/ *Financial assets at amortized cost*	Giro pada Bank Indonesia/*Current accounts with Bank Indonesia*	
		Giro pada bank lain/*Current accounts with other banks*	
		Penempatan pada Bank Indonesia dan bank lain/ *Placements with Bank Indonesia and other banks*	
		Efek-efek yang dibeli dengan janji dijual kembali/ *Securities purchased under agreements to resell*	
		Tagihan akseptasi/*Acceptance receivables*	
		Kredit yang diberikan/*Loans*	
		Aset lain-lain/*Other assets*	Piutang bunga/ *Interest receivables*
			Piutang lain-lain/ *Other receivables*
			Piutang terkait transaksi ATM/ *Receivables related to ATM transaction*
		Efek-efek/*Securities*	
	Aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain/ *Financial assets at fair value through other comprehensive income*	Efek-efek/*Securities*	
Liabilitas keuangan/ *Financial liabilities*	Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi/ *Financial liabilities at fair value through profit or loss*	Liabilitas derivatif/*Derivative payables*	
	Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi/ *Financial liabilities at amortized cost*	Liabilitas segera/*Liabilities payable on demand*	
		Simpanan dari nasabah/*Deposits from customers*	
		Simpanan dari bank lain/*Deposits from other banks*	
		Liabilitas akseptasi/*Acceptance payables*	
		Efek-efek yang dijual dengan janji dibeli kembali/ *Securities sold under repurchase agreements*	
		Beban yang masih harus dibayar/*Accrued expenses*	
		Liabilitas lain-lain/ *Other liabilities*	Utang bunga/*Interest payables*
			Setoran jaminan/*Security deposits*
		Efek-efek yang diterbitkan/*Marketable securities issued*	
		Pinjaman yang diterima/*Borrowing*	

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(ii) Pengakuan awal

Bank pada awalnya mengakui kredit yang diberikan serta simpanan diukur pada nilai wajar pada tanggal perolehan.

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.

Pada saat pengakuan awal, aset keuangan atau liabilitas keuangan diukur pada nilai wajar ditambah/dikurang (untuk instrumen keuangan yang tidak diukur pada nilai wajar melalui laba rugi setelah pengakuan awal) biaya transaksi yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan liabilitas keuangan. Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan 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 utang 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.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(ii) Initial recognition

The Bank initially recognizes loans and deposits at fair value on the date of origination.

Regular way purchases and sales of financial assets are recognized on the trade date at which the Bank commits to purchase or sell the asset.

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.

A financial asset or financial liability is initially measured at fair value plus/minus (for financial instruments not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of financial asset or issue of financial liability. The subsequent measurement of financial assets and financial liabilities depends on their classification.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issue of a financial liability and are incremental costs that would not have been incurred if the financial instrument 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 debt recognized initially.

Such transactions 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.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(iii) Pengukuran setelah pengakuan awal

Biaya perolehan diamortisasi dari aset keuangan 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 dikurangi cadangan kerugian penurunan nilai.

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) untuk memperoleh nilai tercatat bersih pada saat pengakuan awal. Pada saat menghitung tingkat suku bunga efektif, Bank mengestimasi arus kas di masa mendatang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, namun tidak mempertimbangkan kerugian kredit di masa mendatang.

Perhitungan suku bunga efektif mencakup biaya transaksi (Catatan 2f.ii) dan seluruh imbalan/provisi dan bentuk lain yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

Aset keuangan dalam kelompok aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain dan aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi diukur pada nilai wajarnya.

Aset keuangan kelompok biaya perolehan diamortisasi dan liabilitas keuangan lainnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(iii) Subsequent 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, minus any allowance for impairment losses.

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 net carrying amount at initial recognition. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but does not consider any future credit losses.

The calculation of the effective interest rate includes transaction costs (Note 2f.ii) and all fees and points paid or received that are an integral part of the effective interest rate.

Financial assets at fair value through other comprehensive income and financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Financial assets classified as amortized cost and other financial liabilities measured at amortized cost using the effective interest rate method.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(iv) Penghentian pengakuan

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa, atau Bank mentransfer seluruh hak kontraktual untuk menerima arus kas dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau liabilitas atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

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 timbul atau 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, dimana tingkat keberlanjutan Bank dalam aset yang ditransfer adalah sebesar perubahan nilai aset yang ditransfer.

Bank menghapusbukukan saldo aset keuangan beserta cadangan kerugian penurunan nilai terkait, pada saat Bank menentukan bahwa aset keuangan tersebut tidak dapat ditagih. Keputusan ini diambil setelah mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur sehingga debitur tersebut tidak lagi dapat melunasi kewajibannya, atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur. Penerimaan kembali aset keuangan yang telah dihapusbukukan, yang diakui dalam laba rugi, disajikan sebagai bagian dari pendapatan lainnya.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(iv) 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 contractual rights to receive the cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

In transactions 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 the Bank does not retain control over the asset. The rights and obligations retained in the transfer are recognized separately as assets or 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 a financial asset balance and any related allowance for impairment losses, when the Bank determines that the financial assets are uncollectible. This determination is made after considering information such as the occurrence of significant changes in the financial position of the borrowers such that the borrowers can no longer pay the obligation, or that proceeds from collateral will not be sufficient to repay back the entire exposure. Recoveries from financial assets previously written-off, recognized in profit or loss, are presented as part of other income.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(iv) Penghentian pengakuan (lanjutan)

Bank menghentikan pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan, dibatalkan atau kadaluwarsa.

(v) 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 berkekuatan 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.

(vi) Reklasifikasi aset keuangan

Bank mereklasifikasi aset keuangan jiika dan hanya jika, model bisnis untuk pengelolaan aset keuangan berubah.

Reklasifikasi aset keuangan dari klasifikasi biaya perolehan yang diamortisasi ke klasifikasi nilai wajar melalui laba rugi dicatat sebesar nilai wajarnya. Selisih antara nilai tercatat dengan nilai wajar diakui sebagai keuntungan atau kerugian pada laba rugi.

Reklasifikasi aset keuangan dari klasifikasi biaya perolehan yang diamortisasi ke klasifikasi nilai wajar melalui penghasilan komprehensif lain dicatat sebesar nilai wajarnya.

Reklasifikasi aset keuangan dari klasifikasi nilai wajar melalui penghasilan komprehensif lain ke klasifikasi nilai wajar melalui laba rugi dicatat pada nilai wajar. Keuntungan atau kerugian yang belum direalisasi direklasifikasi ke laba rugi.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(iv) Derecognition *(continued)*

The Bank derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Bank has a legal enforceable right to offset 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.

(vi) Reclassification of financial assets

The Bank reclassifies financial assets if and only if, the business model for managing financial assets changes.

Reclassifications of financial assets from amortized cost classifications to fair value through profit or loss are recorded at fair value. The difference between the recorded value and fair value is recognized in profit or loss on the statement of profit or loss and other comprehensive income.

Reclassifications of financial assets from amortized cost classifications to fair value classifications through other comprehensive are recorded at their fair values.

Reclassification of financial asseets from fair value classification through other comprehensive income to fair value classification through profit or loss is recorded at fair value. Unrealized gains or losses are reclassified to profit or loss.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

f. Aset dan Liabilitas Keuangan (lanjutan)

(vi) Reklasifikasi aset keuangan (lanjutan)

Reklasifikasi aset keuangan dari klasifikasi nilai wajar melalui penghasilan komprehensif lain ke klasifikasi biaya perolehan yang diamortisasi dicatat pada nilai tercatat. Keuntungan atau kerugian yang belum direalisasi dihapus dari ekuitas dan disesuaikan terhadap nilai wajar.

Reklasifikasi aset keuangan dari klasifikasi nilai wajar melalui laba rugi ke klasifikasi nilai wajar melalui penghasilan komprehensif lain dicatat pada wajar.

Reklasifikasi aset keuangan dari klasifikasi nilai wajar melalui laba rugi ke klasifikasi biaya perolehan yang diamortisasi dicatat pada wajar.

g. Giro pada Bank Indonesia dan Bank Lain

Giro pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan yang diamortisasi dan dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

h. Penempatan pada Bank Indonesia dan Bank Lain

Penempatan pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan yang diamortisasi yang dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

i. Tagihan dan Liabilitas Derivatif

Tagihan dan liabilitas derivatif untuk tujuan diperdagangkan pada saat pengukuran awal dan setelah pengakuan awal diakui dan diukur pada nilai wajar di laporan posisi keuangan, dengan biaya transaksi yang terjadi diakui langsung pada laba rugi.

Perubahan nilai wajar pada tagihan dan liabilitas derivatif untuk tujuan diperdagangkan diakui sebagai pendapatan bersih instrumen yang diperdagangkan dalam laba rugi. Keuntungan atau kerugian yang direalisasi diakui pada laba rugi.

2. Summary of Material Accounting Policies *(continued)*

f. Financial Assets and Liabilities *(continued)*

(vi) Reclassification of financial assets *(continued)*

Reclassification of financial assets from fair value classifications through other comprehensive income to the amortized cost classification is recorded at carrying value. Unrealized gains or losses is removed from equity and adjusted agains the fair value.

Reclassifications on financial assets from fair value classification through profit or loss to fair value classification through other comprehensive income are recorded at fair value.

Reclassification of financial assets from fair value classification through profit or loss to amortized cost classification is recorded at fair value.

g. Current Accounts with Bank Indonesia and Other Banks

The current accounts with Bank Indonesia and other banks are classified as amortized cost and stated at amortized cost using the effective interest rate method.

h. Placements with Bank Indonesia and Other Banks

The placements with Bank Indonesia and other banks are classified as amortized cost which are stated at amortized cost using the effective interest rate method.

i. Derivative Receivables and Payables

Derivative receivables and payables held for trading are initially recognized and subsequently measured at fair value in the statement of financial position, with transaction costs recognized directly in profit or loss.

Changes in fair value of derivative receivables and payables held for trading are recognized as net trading income in profit or loss. Gain or losses which are realized are recognized in profit or loss.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

j. Tagihan dan Liabilitas Akseptasi

Tagihan akseptasi diklasifikasikan sebagai aset keuangan dalam kelompok biaya perolehan diamortisasi.

Liabilitas akseptasi dikasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

k. Efek-Efek yang Dibeli/Dijual dengan Janji Dijual/Dibeli Kembali

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai biaya perolehan yang diamortisasi.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar jumlah penjualan kembali dikurangi dengan pendapatan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan, dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual menggunakan suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar di muka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali diperlakukan sebagai bunga dibayar di muka dan diakui sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

l. Kredit yang Diberikan

Setelah pengakuan awal, kredit yang diberikan dicatat pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif. Kredit dalam rangka pembiayaan bersama (kredit sindikasi) dinyatakan sebesar biaya perolehan diamortisasi sesuai dengan porsi risiko yang ditanggung oleh Bank.

2. Summary of Material Accounting Policies *(continued)*

j. Acceptance Receivables and Payables

Acceptance receivables are classified as financial assets measured at amortized cost.

Acceptance liabilities are classified financial liabilities measured at amortized cost.

k. Securities Purchased/Sold under Agreements to Resell/Repurchase

Securities purchased under agreements to resell are classified as amortized cost.

Securities purchased under agreements to resell are presented as assets in the statement of financial position, at the resale price net of unamortized interest income and allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income, and recognized as income over the period starting from when those securities are purchased until they are sold using effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities measured at amortized cost.

Securities sold under agreements to repurchase are presented as liabilities in the statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as interest expense over the period starting from when those securities are sold until they are repurchased using effective interest rate method.

l. Loans

Subsequent to initial measurement, loans are measured at amortized cost using effective interest method. Syndicated loans are stated at amortized cost in accordance with the risk borned by the Bank.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

I. Kredit yang Diberikan (lanjutan)

Bank mencatat restrukturisasi kredit bermasalah berdasarkan jenis restrukturisasi. Dalam hal restrukturisasi kredit bermasalah dilakukan hanya dengan modifikasi persyaratan kredit, Bank mencatat dampak restrukturisasi tersebut secara prospektif dan tidak mengubah nilai tercatat kredit yang diberikan pada tanggal restrukturisasi, kecuali jika jumlahnya melebihi nilai kini penerimaan kas masa depan yang ditentukan dalam persyaratan baru. Jika nilai kini penerimaan kas masa depan sebagaimana yang ditentukan dalam persyaratan baru dari kredit yang direstrukturisasi tersebut lebih rendah daripada nilai tercatat kredit yang diberikan sebelum direstrukturisasi, Bank harus mengurangkan saldo kredit yang diberikan ke suatu jumlah yang sama dengan jumlah nilai kini penerimaan kas masa depan. Jumlah pengurangan tersebut diakui sebagai cadangan kerugian penurunan nilai individual. Penerimaan kembali dari kredit yang telah dihapusbukukan diakui dalam laba rugi tahun berjalan.

Kredit yang diberikan adalah penyediaan dana atau tagihan yang dapat disetarakan dengan itu, berdasarkan persetujuan atau kesepakatan pinjam-meminjam dengan debitur yang mewajibkan debitur untuk melunasi utang dan bunganya setelah jangka waktu tertentu, dan tagihan yang berasal dari fasilitas trade finance yang telah jatuh tempo namun belum digunakan maka harus diselesaikan dalam waktu 21 hari.

Kredit yang diberikan diklasifikasikan sebagai biaya perolehan yang diamortisasi.

Kredit yang diberikan pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi dengan cadangan kerugian penurunan nilai.

Kredit sindikasi dan kredit penerusan dicatat sesuai dengan porsi kredit yang risikonya ditanggung oleh Bank.

2. Summary of Material Accounting Policies *(continued)*

I. Loans *(continued)*

The Bank accounts for troubled debt restructuring in accordance with the type of restructuring. In troubled debt restructuring which involves only a modification of terms, the Bank accounts for the effect of the restructuring prospectively and does not change the carrying value of receivables at the time of restructuring unless the amount exceeds the present value of the total future cash receipts specified in the new terms. If the present value of the total future cash receipts specified in the new terms is lower than the recorded receivables balance prior to restructuring, the Bank reduces the receivables balance to the amount equal to the present value of the total future cash receipts. The amount of the reduction is recognized as individual allowance for impairment losses. Recoveries from loans written-off are recognized in profit or loss.

Loans represent funds provided or receivables that can be considered as equivalents there of, based on agreements or financing contracts with borrowers, where borrowers are required to repay their debts with interest after a specified period, and expired trade finance facilities which have not been utilized should be settled within 21 days.

Loans are classified as amortized cost.

Loans are initially measured at fair value plus transaction costs that are directly attributable and additional costs to obtain financial assets, and after initial recognition are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.

Syndicated loans and two step loans are recorded according to the proportion of risks borne by the Bank.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

l. Kredit yang Diberikan (lanjutan)

Restrukturisasi kredit

Restrukturisasi kredit meliputi modifikasi persyaratan kredit, konversi kredit menjadi saham atau instrumen keuangan lainnya dan/atau kombinasi dari keduanya.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya, adalah kurang dari nilai tercatat kredit yang diberikan.

Bank menyusun ketentuan internal mengenai debitur yang berakhir masa restrukturisasinya yaitu debitur yang telah memenuhi kriteria sebagai berikut:

1) Debitur mampu memenuhi syarat-syarat sesuai Perjanjian Kredit Restrukturisasi dengan mempertimbangkan kemampuan debitur untuk memenuhi penilaian propsek usaha, kinerja dan kemampuan membayar;
2) Kredit berada pada kualitas kredit lancar (kolektibilitas 1) sesuai dengan ketentuan Bank Indonesia; dan
3) Debitur mampu membayar bunga di atas tingkat bunga tertentu minimal 3 (tiga) bulan atau periode angsuran berturut-turut.

m. Efek-efek

Pada saat pengakuan awal, efek-efek dicatat sesuai dengan kategorinya yaitu aset keuangan diklasifikasikan pada biaya perolehan yang diamortisasi, nilai wajar melalui penghasilan komprehensif lain atau nilai wajar melalui laba rugi.

Lihat Catatan 2f untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

n. Pajak Penghasilan

Beban pajak penghasilan terdiri dari beban pajak kini dan beban pajak tangguhan. Beban pajak penghasilan diakui pada laba rugi, kecuali untuk komponen yang diakui secara langsung di ekuitas atau di penghasilan komprehensif lain.

2. Summary of Material Accounting Policies *(continued)*

l. Loans *(continued)*

Loan restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into equity or other financial instruments and/or a combination of both.

For non performing loan restructuring which involves a conversion of loans into equity or other financial instruments, a loss on loan restructuring is recognized only if the fair value of the equity investments or other financial instruments received, reduced by estimated costs to sell the equity or other financial instruments, is less than the carrying value of the loan.

The Bank formed internal regulation regarding the debtors who ended their restructuring period, namely debtors who had met the following criteria:

1) The debtor is able to fulfill the conditions under the Restructuring Credit Agreement by considering the ability of the debtor to fulfill the business performance assessment, performance and ability to pay;
2) Credit's quality is in current (collectibility 1) in accordance with Bank Indonesia regulations; and
3) Debtors are able to pay interest above a certain interest rate of at least 3 (three) months or a period of successive installments.

m. Securities

At initial recognition, securities are recorded according to their category, i.e., amortized cost, fair value through other comprehensive income or at fair value through profit or loss.

Refer to Note 2f for the accounting policies of financial assets and liabilities.

n. Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

n. Pajak Penghasilan (lanjutan)

Pajak kini merupakan estimasi utang atau pengembalian pajak yang dihitung atas laba atau rugi kena pajak untuk tahun yang bersangkutan dengan menggunakan tarif pajak yang secara substansial telah berlaku pada tanggal pelaporan dan termasuk penyesuaian yang dibuat untuk penyisihan pajak tahun sebelumnya, baik untuk merekonsiliasi pajak penghasilan dengan pajak yang dilaporkan di surat pemberitahuan tahunan, atau untuk memperhitungkan perbedaan yang muncul dari pemeriksaan pajak.

Utang atau restitusi pajak kini diukur menggunakan estimasi terbaik atas jumlah yang diperkirakan akan dibayar atau diterima, dengan mempertimbangkan ketidakpastian terkait dengan kompleksitas peraturan pajak.

Pajak tangguhan diakui atas perbedaan temporer antara nilai tercatat aset dan liabilitas untuk tujuan pelaporan keuangan dan nilai yang digunakan untuk tujuan perpajakan. Pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan untuk ditetapkan atas perbedaan temporer pada saat pembalikan, berdasarkan peraturan yang telah berlaku atau secara substantif berlaku pada tanggal pelaporan. Metode ini juga mengharuskan pengakuan manfaat pajak masa depan, seperti rugi fiskal yang belum dikompensasi, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

Aset pajak tangguhan ditelaah ulang pada setiap tangal pelaporan dan dikurangkan dengan manfaat pajak sejumlah nilai yang besar kemungkinan yang tidak dapat terealisasi; pengurangan tersebut akan dibalik ketika kemungkinan atas laba kena pajak di masa depan meningkat.

Aset pajak tangguhan yang belum diakui dinilai kembali pada setiap tanggal pelaporan dan diakui sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk digunakan.

2. Summary of Material Accounting Policies *(continued)*

n. Income Taxes *(continued)*

Current tax is the expected tax payable or refundable on taxable income or loss for the year using tax rates substantively enacted as of the reporting date and includes true-up adjustments made to the pervious years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assesments.

Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also required the recognition of future tax benefits, such as tax loss carryforwards, to the extent that realization of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable incomes improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable incomes will be available against which they can be used.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

n. Pajak Penghasilan (lanjutan)

Dalam menentukan jumlah pajak kini dan tangguhan, Bank memperhitungkan dampak atas posisi pajak yang tidak pasti dan tambahan pajak serta penalti.

Koreksi atas kewajiban pajak diakui pada saat surat ketetapan pajak diterima, atau apabila diajukan keberatan dan atau banding, maka koreksi diakui pada saat keputusan atas keberatan atau banding itu diterima.

o. Aset Tetap, Aset Hak Guna dan Liabilitas Sewa

Aset tetap pada awalnya diakui sebesar biaya perolehan. Biaya perolehan mencakup harga pembelian dan semua biaya yang terkait secara langsung untuk membawa aset tersebut ke lokasi dan kondisi yang diinginkan agar aset siap digunakan sesuai dengan maksud manajemen.

Setelah pengukuran awal, aset tetap diukur dengan model biaya, yaitu dicatat pada biaya perolehan dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai.

Biaya pengurusan hak legal atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian biaya perolehan tanah dan tidak disusutkan, kecuali terdapat bukti yang mengindikasikan bahwa perpanjangan atau pembaruan hak atas tanah tersebut kemungkinan besar atau pasti tidak diperoleh. Sedangkan biaya perpanjangan atau pembaruan hak legal atas tanah diakui sebagai aset tak berwujud dan diamortisasi menggunakan metode garis lurus selama periode yang lebih pendek antara hak atas tanah atau umur ekonomis tanah.

Kecuali tanah yang tidak disusutkan, aset tetap lainnya disusutkan menggunakan metode garis lurus selama estimasi masa manfaatnya sebagai berikut:

2. Summary of Material Accounting Policies *(continued)*

n. Income Taxes *(continued)*

In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and any additional taxes and penalties.

Amendments to tax obligations are recognized when an assessment is received, or if objection and or appeal is applied, when the results of the objection or the appeal are received.

o. Fixed Assets Right-of-Use-Assets and Lease Liability

Fixed assets are initially recognized at cost. Cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial measurement, fixed assets are measured using the cost model, i.e carried at its cost less any accumulated depreciation and accumulated impairment losses.

Costs relating with acquisition of legal titles on the land rights are recognized as part of acquisition cost of land and not amortized, except there is evidence indicating that the extension or renewal of land rights is probable or certainly not be obtained. While costs of extension or renewal of legal titles on the land rights are deferred and recognized as intangible assets and amortized using the straight-line method over the legal term of the land rights or economic life of the land, whichever is shorter.

Except for land, which is not depreciated, other fixed assets are depreciated using straight line method over the estimated useful lives of the assets, as follows:

	Tahun/*Years*	
Gedung	20	*Buildings*
Renovasi dan perbaikan gedung	3 - 7	*Leasehold improvement*
Perlengkapan dan perabot kantor	4 - 8	*Office equipment, furniture and fixtures*
Kendaraan bermotor	4	*Vehicles*

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

o. Aset Tetap, Aset Hak Guna dan Liabilitas Sewa (lanjutan)

Metode penyusutan, masa manfaat dan nilai residu aset tetap ditelaah pada setiap tanggal pelaporan dan disesuaikan jika lebih tepat, untuk memastikan bahwa metode penyusutan, masa manfaat dan nilai residu tersebut telah mencerminkan manfaat ekonomi yang diharapkan dari aset tersebut.

Beban perbaikan dan pemeliharaan dibebankan pada laba rugi tahun berjalan, sedangkan renovasi dan penambahan yang jumlahnya signifikan dan memperpanjang masa manfaat dikapitalisasi ke aset tetap yang bersangkutan. Nilai tercatat serta akumulasi penyusutan atas aset tetap yang dijual, dikeluarkan dari kelompok aset tetap yang bersangkutan, dan laba atau ruginya diakui sebagai pendapatan atau beban dalam laba rugi.

Kebijakan sewa

Bank mengakui liabilitas sewa, sebagai pembayaran sewa yang tersisa termasuk atas opsi perpanjangan dimana perpanjangan hampir dapat dipastikan, didiskontokan menggunakan tingkat bunga pinjaman inkremental pada tanggal penerapan awal. Sedangkan aset hak guna mencakup jumlah liabilitas sewa yang diakui, biaya langsung awal yang dibayarkan, biaya pemulihan dan pembayaran sewa yang dilakukan pada atau sebelum tanggal mulai sewa, dikurangi insentif sewa yang diterima. Aset hak guna disusutkan dengan metode garis lurus selama jangka waktu yang lebih pendek antara masa sewa dengan estimasi masa manfaat aset.

Beban keuangan dicatat dalam laporan laba rugi. Aset sewa (disajikan sebagai bagian aset tetap) disusutkan selama jangka waktu yang lebih pendek antara umur manfaat aset sewa dan periode masa sewa, jika tidak ada kepastian yang memadai bahwa Bank akan mendapatkan hak kepemilikan pada akhir masa sewa.

2. Summary of Material Accounting Policies *(continued)*

o. Fixed Assets Right-of-Use-Assets and Lease Liability *(continued)*

Depreciation methods, useful lives and residual values of fixed assets are reassessed at each reporting date and adjusted as appropriate, to ensure that they reflect the expected economic benefits derived from these assets.

Normal repair and maintenance expenses are charged to profit or loss for the year, while renovation and improvements, which are significant and prolong the useful life of assets, are capitalized to the respective assets. The carrying amount and the related accumulated depreciation of fixed assets which are sold are removed from the related 1group of assets, and the gain or loss is recognized as income or expense in profit or loss.

Leases policy

The Bank recognised a lease liability, being the remaining lease payments including extensions options where renewal is reasonably certain, discounted using the incremental borrowing rate at the date of initial application. Meanwhile, rights of use assets include the amount of lease liabilities recognized, initial direct costs paid, recovery costs and lease payments made on or before the start date of the lease, less rental incentives received. Rights of use assets are depreciated using the straight-line method over the shorter period between the lease term and the estimated useful life of the asset.

Finance expense is recorded in the statement of income. Leased assets (presented under fixed assets) are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that Bank will obtain ownership by the end of the lease term.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

p. Aset Takberwujud

Aset takberwujud (perangkat lunak dan lisensi penggunaan perangkat lunak) dicatat sebesar biaya perolehan dikurangi akumulasi amortisasi dan akumulasi rugi penurunan nilai aset. Pengeluaran selanjutnya yang jumlahnya signifikan akan dikapitalisasi hanya jika pengeluaran tersebut menambah manfaat ekonomis aset yang bersangkutan di masa mendatang. Pengeluaran lainnya dibebankan pada saat terjadinya. Amortisasi diakui pada laba rugi selama estimasi masa manfaat 8 tahun dengan menggunakan metode garis lurus.

Metode amortisasi, masa manfaat dan nilai residu ditelaah pada setiap tanggal pelaporan dan disesuaikan jika lebih tepat, untuk memastikan bahwa metode penyusutan, masa manfaat dan nilai residu tersebut telah mencerminkan manfaat ekonomi yang diharapkan dari aset tersebut.

q. Agunan yang Diambil Alih

Pada saat pengakuan awal, agunan yang diambil alih sehubungan dengan penyelesaian kredit dicatat sebesar nilai wajar setelah dikurangi biaya untuk menjualnya tetapi tidak melebihi nilai tercatat kredit yang diberikan. Bank tidak mengakui keuntungan pada saat pengambilalihan aset. Setelah pengakuan awal, agunan yang diambil alih dicatat sebesar nilai yang lebih rendah antara nilai tercatat dengan nilai wajar setelah dikurangi biaya untuk menjualnya. Selisih lebih antara nilai tercatat dengan nilai wajar agunan yang diambil alih setelah dikurangi biaya untuk menjualnya diakui sebagai kerugian penurunan nilai dalam laba rugi.

Agunan yang diambil alih tidak disusutkan dan beban-beban sehubungan dengan perolehan dan pemeliharaan aset tersebut dibebankan pada laba rugi pada saat terjadinya.

Selisih antara nilai tercatat dan hasil penjualan dari agunan yang diambil alih diakui sebagai laba atau rugi pada saat penjualan agunan yang diambil alih, dan diakui sebagai pendapatan atau beban pada laba rugi.

Manajemen melakukan evaluasi atas nilai agunan yang diambil alih secara berkala.

2. Summary of Material Accounting Policies *(continued)*

p. Intangible Assets

Intangible assets (software and software license) are stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on intangible assets, which is significant, is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred. Amortization is recognized in profit or loss over the estimated useful lives of 8 years using straight line method.

Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate, to ensure that they reflect the expected economic benefits derived from these assets.

q. Foreclosed Assets

Foreclosed assets acquired in conjunction with settlement of loans are initially recorded at their fair value less costs to sell but not to exceed the carrying value of loans. The Bank does not recognize any gains when the Bank foreclosed an asset. Subsequent to initial recognition, foreclosed assets are recorded at carrying amount or at fair value less costs to sell, whichever is lower. The excess between the carrying value and fair value less costs to sell is recognized as impairment losses in profit or loss.

Foreclosed assets are not depreciated and expenses in relation with the acquisition and maintenance of those assets are charged to profit or loss as incurred.

The difference between the carrying value and the proceeds from the sale of foreclosed assets is recognized as gain or loss at the time of sale and recognized as income or expense in profit or loss.

Management evaluates the value of foreclosed assets on a periodic basis.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

r. Aset lain-lain

Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang lain-lain, akrual bunga, setoran jaminan dan lain-lain.

s. Identifikasi dan Pengukuran Kerugian Penurunan Nilai

Aset keuangan

Bank mengakui penyisihan kerugian kredit ekskpektasian pada instrumen keuangan yang tidak diukur pada nilai wajar melalui laba rugi.

Tidak ada penyisihan kerugian kredit ekskpektasian pada investasi instrumen ekuitas.

Bank mengukur cadangan kerugian sejumlah kerugian kredit ekspektasian sepanjang umurnya, kecuali untuk hal berikut, diukur sejumlah kerugian kredit ekspektasian 12 bulan:

i. Instrumen utang yang memiliki risiko kredit rendah pada tanggal pelaporan; dan
ii. Instrumen keuangan lainnya yang risiko kreditnya tidak meningkat secara signifikan sejak pengakuan awal.

Bank menganggap instrumen utang memiliki risiko kredit yang rendah ketika peringkat risiko kreditnya setara dengan definisi *investment grade* yang dipahami secara global.

Kerugian kredit ekspektasian 12 bulan adalah bagian dari kerugian kredit ekspektasian sepanjang umurnya yang merepresentasikan kerugian kredit ekspektasian yang timbul dari peristiwa gagal bayar instrumen keuangan yang mungkin terjadi dalam 12 bulan setelah tanggal pelaporan.

2. Summary of Material Accounting Policies *(continued)*

r. Other assets

Other assets include receivables from foreclosed asset transactions, others receivable, accruals interest, security deposits and others.

s. Identification and Measurement of Impairment Losses

Financial assets

Bank recognize the allowance for expected credit losses on financial instruments that are not measured at fair value through profit or loss.

There is no allowance for expected credit losses on investment in equity instruments.

The Bank measure the allowance for losses for the lifetime of an expected credit losses, except for the following, which are measured according to 12 months expected credit losses:

i. Debt instruments that have low credit risk at the reporting date; and
ii. Other financial instruments for which credit risk has not increased significantly since initial recognition.

The Bank considers debt instruments to have low credit risk when the credit risk rating is at par with the globally understood definition of investment grade.

The 12-month expected credit loss is part of the expected credit loss throughout its lifetime that represents an expected credit loss arising from a default on financial instruments that might occur within 12 months after reporting date.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

s. Identifikasi dan Pengukuran Kerugian Penurunan Nilai (lanjutan)

Pengukuran Kerugian Kredit Ekspektasian

Kerugian Kredit Ekspektasian adalah estimasi probabilitas tertimbang dari kerugian kredit yang diukur sebagai berikut:

i. aset keuangan yang tidak memburuk pada tanggal pelaporan, kerugian kredit ekspektasian diukur sebesar selisih antara nilai kini dari seluruh kekurangan kas (yaitu selisih antara arus kas yang terutang kepada Bank sesuai dengan kontrak dan arus kas yang diperkirakan akan diterima oleh Bank);
ii. aset keuangan yang memburuk pada tanggal pelaporan, kerugian kredit ekspektasian diukur sebesar selisih antara jumlah tercatat bruto dan nilai kini arus kas masa depan yang diestimasi;
iii. komitmen pinjaman yang belum ditarik, kerugian kredit ekspektasian diukur sebesar selisih antara nilai kini jumlah arus kas jika komitmen ditarik dan arus kas yang diperkirakan akan diterima oleh Bank;

Kerugian Kredit Ekspektasian adalah estimasi probabilitas tertimbang dari kerugian kredit yang diukur sebagai berikut:

iv. kontrak jaminan keuangan, kerugian kredit ekspektasian diukur sebesar selisih antara pembayaran yang diperkirakan untuk mengganti pemegang atas kerugian kredit yang terjadi dikurangi jumlah yang diperkirakan dapat dipulihkan.

Aset Keuangan yang Direstrukturisasi

Jika ketentuan aset keuangan dinegosiasikan ulang atau dimodifikasi atau aset keuangan yang ada diganti dengan yang baru karena kesulitan keuangan peminjam, maka dilakukan penilaian apakah aset keuangan yang ada harus dihentikan pengakuannya dan kerugian kredit ekspektasian diukur sebagai berikut:

i. Jika restrukturisasi tidak mengakibatkan penghentian pengakuan aset yang ada, maka arus kas yang diperkirakan yang timbul dari aset keuangan yang dimodifikasi dimasukkan dalam perhitungan kekurangan kas dari aset yang ada.

2. Summary of Material Accounting Policies *(continued)*

s. Identification and Measurement of Impairment Losses *(continued)*

Measurement of Expected Credit Losses

Expected Credit Loss is an estimate of the weighted probability of a credit loss measured as follows:

i. financial assets that do not deteriorate at the reporting date, the expected credit loss is measured at the difference between the present value of all cash shortages (i.e. the difference between the cash flows owed to the Bank in accordance with the contract and the cash flows expected to be received by the Bank);
ii. financial assets that deteriorate at the reporting date, the expected credit loss is measured at the difference between the gross carrying amount and the present value of estimated future cash flows;
iii. for undisbursed loan commitments, expected credit losses are measured at the difference between the present value of the amount of cash flow if the commitments is withdrawn and the cash flow expected to be received by the Bank;

Expected Credit Loss is an estimate of the weighted probability of a credit loss measured as follows:

iv. for financial guarantee contracts, expected credit losses are measured at the difference between the estimated payments to replace the holder for the credit losses incurred less the amount estimated to be recoverable.

Restructured Financial Assets

If the terms of the financial assets are renegotiated or modified or the existing financial assets are replaced with new ones due to the borrower's financial difficulties, an assessment is made whether recognition of existing financial assets must be derecognized and expected credit losses measured as follows:

i. If the restructuring does not result in the termination of recognition of existing assets, then the estimated cash flows arising from the modified financial assets are included in the calculation of cash shortages of existing assets.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

s. Identifikasi dan Pengukuran Kerugian Penurunan Nilai (lanjutan)

Aset Keuangan yang Direstrukturisasi (lanjutan)

Jika ketentuan aset keuangan dinegosiasikan ulang atau dimodifikasi atau aset keuangan yang ada diganti dengan yang baru karena kesulitan keuangan peminjam, maka dilakukan penilaian apakah aset keuangan yang ada harus dihentikan pengakuannya dan kerugian kredit ekspektasian diukur sebagai berikut: (lanjutan)

ii. Jika restrukturisasi akan menghasilkan penghentian pengakuan aset yang ada, maka nilai wajar aset baru diperlakukan sebagai arus kas akhir dari aset keuangan yang ada pada saat penghentian pengakuannya. Jumlah ini dimasukkan dalam perhitungan kekurangan kas dari aset keuangan yang ada yang didiskontokan dari tanggal penghentian pengakuan ke tanggal pelaporan menggunakan suku bunga efektif awal dari aset keuangan yang ada.

Aset Keuangan yang Dibeli atau yang Berasal dari Aset Keuangan Memburuk

Aset keuangan dikategorikan sebagai POCI apabila terdapat bukti objektif penurunan nilai pada saat pengakuan awal. Pada saat pengakuan awal, tidak ada penyisihan kerugian kredit yang diakui karena harga pembelian atau nilainya telah termasuk estimasi kerugian kredit sepanjang umurnya. Selanjutnya, perubahan kerugian kredit sepanjang umurnya, apakah positif atau negatif, diakui dalam laporan laba rugi sebagai bagian dari cadangan kerugian penurunan nilai.

2. Summary of Material Accounting Policies *(continued)*

s. Identification and Measurement of Impairment Losses *(continued)*

Restructured Financial Assets *(continued)*

If the terms of the financial assets are renegotiated or modified or the existing financial assets are replaced with new ones due to the borrower's financial difficulties, an assessment is made whether recognition of existing financial assets must be derecognized and expected credit losses measured as follows: (continued)

ii. If the restructuring will result in a derecognition of the existing assets, the fair value of the new asset is treated as the final cash flow of the existing financial assets at the time of derecognition. This amount is included in the calculation of cash shortages from existing financial assets which are discounted from the date of derecognition to the reporting date using the initial effective interest rate of the existing financial assets.

Purchased or Originated Credit Impaired Financial Assets - POCI

Financial assets are catergorized as POCI if there is objective evidence of impairment at initial recognition. At initial recognition, no allowance for credit losses is recognized because the purchase price or value has included lifetime estimated credit losses. Furthermore, changes in lifetime credit losses, whether positive or negative, are recognized in the statement of profit or loss as part of the allowance for impairment losses.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

s. Identifikasi dan Pengukuran Kerugian Penurunan Nilai (lanjutan)

Penyajian Penyisihan Kerugian Kredit Ekspektasian dalam Laporan Posisi Keuangan

Penyisihan kerugian kredit ekspektasian disajikan dalam laporan posisi keuangan sebagai berikut:

i. Aset keuangan yang diukur pada biaya perolehan diamortisasi, penyisihan kerugian kredit ekspektasian disajikan sebagai pengurang dari jumlah tercatat bruto aset;
ii. Komitmen pinjaman dan kontrak jaminan keuangan, penyisihan kerugian kredit ekspektasian disajikan sebagai provisi;
iii. Instrumen utang yang diukur pada nilai wajar melalui penghasilan komprehensif lain, penyisihan kerugian kredit ekspektasian tidak diakui dalam laporan posisi keuangan karena jumlah tercatat dari aset-aset ini adalah nilai wajarnya. Namun demikian penyisihan kerugian kredit ekspektasian diungkapkan dan diakui dalam penghasilan komprehensif lain.

Penerimaan Kembali atas Aset Keuangan yang Telah Dihapusbukukan

Ketika kredit yang diberikan tidak tertagih, kredit yang diberikan tersebut dihapusbuku dengan menjurnal balik cadangan kerugian penurunan nilai. Kredit yang diberikan tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan.

Penerimaan kembali atas aset keuangan yang telah dihapusbukukan pada tahun berjalan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai. Penerimaan kembali atas aset keuangan yang telah dihapusbukukan pada tahun sebelumnya dicatat sebagai pendapatan operasional selain pendapatan bunga.

2. Summary of Material Accounting Policies *(continued)*

s. Identification and Measurement of Impairment Losses *(continued)*

Presentation of Allowance for Expected Credit Losses in Statements of Financial Position

Allowance for expected credit losses is presented in the statement of financial positions as follows:

i. Financial assets measured at amortized cost, allowance for expected credit losses is presented as a deduction from the gross carrying amount of the asset;
ii. Loan commitments and financial guarantee contracts, allowance for expected credit losses is presented as a provision;
iii. Debt instruments measured at fair value through other comprehensive income, allowance for expected credit losses are not recognized in the statement of financial position because the carrying amounts of these assets are at their fair values. However, allowance for expected credit losses is disclosed and recognized in other comprehensive income.

Recoveries of Written-off Financial Assets

When a loan is uncollectible, it is written off against the related allowance for impairment loss. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off financial assets from previous years are recorded as operational income other than interest income.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

s. Identifikasi dan Pengukuran Kerugian Penurunan Nilai (lanjutan)

Aset non-keuangan

Nilai tercatat aset non-keuangan, selain aset pajak tangguhan, ditelaah pada setiap tanggal pelaporan untuk menentukan ada tidaknya indikasi penurunan nilai. Jika terdapat indikasi adanya penurunan nilai tersebut, maka nilai terpulihkan aset diestimasi. Kerugian penurunan nilai diakui jika nilai tercatat suatu aset melebihi estimasi nilai terpulihkannya. Nilai terpulihkan suatu aset adalah nilai yang terbesar antara nilai pakai aset dan nilai wajar dikurangi biaya penjualan. Dalam penentuan nilai pakai aset, estimasi arus kas masa depan didiskontokan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini atas nilai waktu dari uang dan risiko yang terkait dengan aset yang bersangkutan.

Untuk tujuan pengujian penurunan nilai, aset yang tidak dapat diuji secara individual dapat digabungkan ke dalam kelompok aset terkecil yang menghasilkan arus kas masuk dari penggunaan berkesinambungan yang sebagian besar independen dari arus kas masuk dari aset lainnya.

Kerugian penurunan nilai atas aset non-keuangan yang diakui pada periode sebelumnya ditelaah pada setiap tanggal pelaporan untuk menilai apakah terdapat indikasi bahwa rugi penurunan nilai yang telah diakui sebelumnya telah menurun atau tidak ada lagi. Kerugian penurunan nilai dibalik jika terdapat perubahan estimasi yang digunakan untuk menentukan nilai terpulihkan. Jumlah kerugian penurunan nilai yang dibalik tidak boleh menyebabkan nilai aset melebihi nilai tercatat neto setelah penyusutan atau amortisasi, seandainya tidak ada kerugian penurunan nilai yang diakui.

t. Simpanan dari Nasabah dan Bank Lain

Simpanan pada awalnya diukur pada nilai wajar dikurangi biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan simpanan, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

2. Summary of Material Accounting Policies *(continued)*

s. Identification and Measurement of Impairment Losses *(continued)*

Non-financial assets

The carrying amount of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses in respect of non-financial assets recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

t. Deposits from Customers and Other Banks

Deposits are initially measured at fair value less directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

u. Efek-efek yang Diterbitkan

Efek-efek yang diterbitkan pada pengukuran awal disajikan sebesar nilai wajar ditambah dengan biaya transaksi (jika ada) yang dapat diatribusikan langsung dengan perolehan/ penerbitan efek-efek yang diterbitkan. Biaya transaksi kemudian diamortisasi dengan suku bunga efektif sampai dengan jatuh tempo dari efek-efek yang diterbitkan.

v. Liabilitas Imbalan Kerja

Liabilitas imbalan kerja dihitung sebesar nilai kini dari estimasi jumlah liabilitas imbalan kerja di masa depan yang timbul dari jasa yang telah diberikan oleh karyawan pada masa kini dan masa lalu. Perhitungan dilakukan oleh aktuaris independen dengan metode *projected-unit-credit*.

Keuntungan atau kerugian yang timbul dari pengukuran kembali aktuarial dari liabilitas imbalan pasti bersih diakui segera sebagai penghasilan komprehensif lain. Ketika manfaat atas program berubah atau ketika terjadi kurtailmen program, dampak perubahan atas manfaat sehubungan dengan jasa lalu atau keuntungan atau kerugian atas kurtailmen diakui segera dalam laba rugi.

Terkait adanya siaran pers DSAK IAI "Pengatribusian Imbalan pada Periode Jasa" pada bulan April 2022, Bank mengubah kebijakan terkait atribusi imbalan pensiun pada periode jasa sesuai ketentuan dalam PSAK 24 untuk pola fakta umum dari program pensiun berbasis undang-undang ketenagakerjaan yang berlaku di Indonesia. Dampak perubahan perhitungan tersebut adalah tidak material terhadap Bank, sehingga dibukukan seluruhnya pada laporan keuangan pada tahun berjalan.

w. Modal Saham

Saham diklasifikasikan sebagai ekuitas jika tidak terdapat kewajiban kontraktual untuk mentransfer kas atau aset keuangan lainnya.

2. Summary of Material Accounting Policies *(continued)*

u. Marketable Securities Issued

Marketable securities issued are initially measured at fair value plus directly attributable transaction costs (if any). Subsequently transaction costs are amortized using the effective interest rate up to the maturity of marketable securities. Marketable securities issued are classified as financial liabilities at amortized cost.

v. Obligation for Employment Benefits

The obligation for employment benefits is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by an independent actuary using the projected-unit-credit method.

Gains or losses arising from actuarial remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

Regarding the DSAK IAI press release "Compensation Attribution in the Service Period" in April 2022, the Bank changed the policy related to the attribution of pension compensation in the service period in accordance with the provisions in PSAK 24 for the general fact pattern of pension programs based on the Indonesian labor laws. The impact of the change in calculation is immaterial to the Bank, therefore the impact of the changes is recorded entirety in the financial statements for the current year.

w. Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

x. Beban Emisi Saham

Sesuai dengan Peraturan No. VIII.G.7 lampiran Surat Keputusan Bapepam No. Kep-06/PM/2000 tanggal 13 Maret 2000 mengenai "Pedoman Penyajian Laporan Keuangan", biaya-biaya emisi efek 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", sebagai bagian dari Ekuitas pada laporan posisi keuangan.

y. Laba per Saham

Laba (rugi) per saham dasar dihitung dengan membagi laba tahun berjalan dengan rata-rata tertimbang jumlah saham yang beredar selama tahun berjalan.

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat instrumen yang berpotensi menjadi saham biasa. Oleh karenanya, laba per saham dilusian sama dengan laba per saham dasar.

z. Pendapatan dan Beban Bunga

Pendapatan dan beban bunga diakui dalam laba rugi menggunakan metode suku bunga efektif.

Pendapatan dan beban bunga yang disajikan di dalam laporan laba rugi dan penghasilan komprehensif lain meliputi:

- Bunga atas aset keuangan dan liabilitas keuangan yang dicatat pada biaya perolehan diamortisasi yang dihitung menggunakan metode suku bunga efektif; dan
- Bunga atas efek-efek yang tersedia untuk dijual yang dihitung menggunakan metode suku bunga efektif.

Pendapatan bunga atas aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai.

2. Summary of Material Accounting Policies *(continued)*

x. Share Issuance Costs

Based on the Regulation No. VIII.G.7, appendix of Bapepam Decision Letter No. Kep-06/PM/2000 dated March 13, 2000 regarding "Guidance for Financial Statements Presentation", costs related to the public offering of shares (including pre-emptive rights issue) are deducted from the proceeds and presented as a deduction from the "Additional Paid-in Capital" account, under Equity section in the statement of financial position.

y. Earnings per Share

Basic earnings (loss) per share is computed by dividing income (loss) for the year by the weighted average number of outstanding shares during the year.

As of December 31, 2023 and 2022, there were no existing instruments which could result in the issue of further ordinary shares. Therefore, diluted earnings per share is equivalent to the basic earnings per share.

z. Interest Income and Expenses

Interest income and expenses are recognized in profit or loss using the effective interest method.

Interest income and expenses presented in the statement of profit or loss and other comprehensive income include:

- *Interest on financial assets and liabilities at amortized cost calculated using the effective interest method; and*
- *Interest on available-for-sale securities calculated using the effective interest method.*

Interest on impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows for the purposes of measuring the impairment losses.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

aa. Pendapatan dan Beban Provisi dan Komisi

Pendapatan dan beban provisi dan komisi yang merupakan bagian tak terpisahkan dari suku bunga efektif aset keuangan atau liabilitas keuangan dimasukkan ke dalam perhitungan suku bunga efektif.

Pendapatan provisi dan komisi yang diperoleh atas beragam jasa yang diberikan kepada nasabah umumnya diakui pada saat penyelesaian transaksi. Untuk jasa yang diberikan selama periode waktu tertentu atau periode risiko kredit yang diterima, provisi dan komisi diamortisasi selama periode waktu terkait.

ab. Pendapatan Transaksi Perdagangan - Neto

Pendapatan bersih instrumen yang diperdagangkan terdiri dari keuntungan dikurangi kerugian atas aset dan liabilitas derivatif yang dimiliki untuk diperdagangkan, dan termasuk perubahan nilai wajar yang sudah ataupun yang belum direalisasi dan selisih kurs.

ac. Segmen Operasi

Segmen operasi adalah komponen dari entitas yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban, termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lainnya dari entitas, yang hasil operasinya dikaji ulang secara berkala oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya, dan tersedia informasi keuangan yang dapat dipisahkan.

Karena pada saat ini Direksi Bank hanya menelaah alokasi aset keuangan tertentu di antara nasabah ritel dan *wholesale*, tetapi tidak untuk hasil operasi lainnya serta informasi keuangan yang dapat dipisahkan juga tidak tersedia di Bank, maka manajemen berkeyakinan bahwa Bank pada saat ini dikelola sebagai segmen operasi tunggal.

2. Summary of Material Accounting Policies *(continued)*

aa. Fees and Commission Income and Expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Fees and commissions income earned from a range of services rendered to customers are normally recognized upon a completion of a transaction. For services provided over a period of time or credit risk undertaken, fees and commissions are amortized over the relevant period.

ab. Trading Income - Net

Net trading income comprises gains less losses on derivative assets and liabilities and includes all realized and unrealized fair value changes and foreign exchange differences.

ac. Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the entity's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available.

As the Bank's Board of Directors currently only reviews the allocation of certain financial assets amongst retail and wholesale customers, but not the other operating results and the discrete financial information is also currently unavailable within the Bank, the management believes that the Bank is being managed as a single operating segment.

2. Ikhtisar Kebijakan Akuntansi yang Material (lanjutan)

ad. Standar Akuntansi yang Berlaku Efektif Tanggal 1 Januari 2023

Berikut amendemen dan penyesuaian atas standar yang berlaku efektif untuk periode yang dimulai pada atau setelah 1 Januari 2023, dengan penerapan dini diperkenankan yaitu:

- Amendemen PSAK No. 1, "Penyajian Laporan Keuangan" tentang pengungkapan kebijakan akuntansi yang mengubah istilah "signifikan" menjadi "material" dan memberi penjelasan mengenai kebijakan akuntansi material".
- Amandemen PSAK No. 16, "Aset Tetap" tentang hasil sebelum penggunaan yang diintensikan.
- Amandemen PSAK No. 25 "Kebijakan Akuntansi, Perubahan Estimasi Akuntasi, dan Kesalahan" tentang definisi "estimasi akuntansi" dan penjelasannya.
- Amandemen PSAK No. 46, "Pajak Penghasilan" tentang Pajak Tangguhan terkait Aset dan Liabilitas yang timbul dai Transaksi Tunggal yang diadopsi dari Amandemen IAS 12 *Income Taxes* tentang *Deffered Tax related to Assets and Liabilities arising from a Single Transaction.*

Implementasi standar-standar tersebut tidak memiliki dampak yang signifikan terhadap jumlah yang dilaporkan di periode berjalan atau periode sebelumnya.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal

a. Manajemen Risiko

Secara garis besar, Kebijakan Manajemen Risiko mengacu pada peraturan Regulator, dimana penerapannya mencakup 4 pilar manajemen risiko yang ditetapkan dalam POJK No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum sebagai berikut:

1. Pengawasan aktif dari Dewan Komisaris dan Direksi;
2. Kecukupan kebijakan dan prosedur Manajemen Risiko serta penetapan limit risiko;

2. Summary of Material Accounting Policies *(continued)*

ad. Accounting Standards Effective on January 1, 2023

The following are amendments and improvements to standards which effective for periods beginning on or after January 1, 2023, with early adoption is permitted, are as follows:

- *Amendement of PSAK No. 1, "Presentation of Financial Statements" regarding disclosure of accounting policies that chnage the term "significant" to "material" and provide explanations of material accounting policies.*
- *Amendment of PSAK No. 16, "Fixed Assets" regarding proceeds before intended use.*
- *Amendments of PSAK No. 25, "Accounting Policies, Changes in Accounting Estimates and Errors" regarding definition of "accounting estimates" and their explanations.*
- *Amendment of PSAK No. 46, "Income Tax" on Deffered Tax related to Assets and Liabilities arising from a Single Transaction which adopted from Amended IAS 12 Income Taxes on Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*

The implementation of the above standards had no significant effect on the amounts reported for the current period or prior financial period.

3. Financial Risk Management and Capital Management Policies

a. Risk Management

Generally, the Risk Management Policy refers to the Regulatory provision, which the implementation includes the 4 pilars of risk management, stipulated in OJK regulation No.18/POJK.03/2016 concerning Risk Management Implementation for Commercial Banks:

1. *Active supervision of the Boards of Commissioners and Directors;*
2. *Adequacy of Risk Management policies, procedures and risk limit stipulation;*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

a. Manajemen Risiko (lanjutan)

Secara garis besar, Kebijakan Manajemen Risiko mengacu pada peraturan Regulator, dimana penerapannya mencakup 4 pilar manajemen risiko yang ditetapkan dalam POJK No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum sebagai berikut: (lanjutan)

3. Kecukupan proses identifikasi, pengukuran, pemantauan dan pengendalian risiko, serta Sistem Informasi Manajemen Risiko; dan
4. Sistem pengendalian internal yang menyeluruh.

Untuk mendukung penerapan manajemen risiko yang efektif, Direksi membentuk komite-komite yang membantu kelancaran dan tata kelola perusahaan yang sehat dalam lingkup organisasi. Komite yang dibentuk pada level Komisaris salah satunya yaitu Komite Pemantuan Risiko (ROC), sedangkan pada level Direksi antara lain Komite Manajemen Risiko (RMC), Komite Manajemen Risiko Operasional (ORC), Komite Aset dan Liabilitas (ALCO), Komite Kredit (CC) dan lainnya.

b. Risiko Kredit

Risiko Kredit adalah risiko akibat kegagalan pihak lain dalam memenuhi kewajiban kepada Bank, termasuk risiko kredit akibat kegagalan debitur, risiko konsentrasi kredit, *counterparty credit risk*, dan *settlement risk*. Manajemen risiko kredit bertujuan untuk memastikan bahwa kredit diberikan berdasarkan prinsip pemberian kredit yang sehat.

Beberapa prinsip utama dalam manajemen risiko kredit yang ditetapkan Bank antara lain:

- Dewan Komisaris dan Direksi bertanggung jawab atas efektivitas penerapan manajemen risiko kredit;
- Melakukan pemberdayaan unit-unit kerja independen untuk melakukan pengendalian internal atas unit-unit kerja yang terkait dengan proses pemberian kredit;
- Bank telah memiliki prinsip-prinsip dasar risiko kredit, yang berguna sebagai acuan dasar dalam menjalankan fungsi Manajemen Risiko Kredit yang tidak boleh dilanggar;

***3. Financial Risk Management and Capital Management Policies** (continued)*

***a. Risk Management** (continued)*

Generally, the Risk Management Policy refers to the Regulatory provision, which the implementation includes the 4 pilars of risk management, stipulated in OJK regulation No.18/POJK.03/2016 concerning Risk Management Implementation for Commercial Banks: (continued)

3. Adequacy of risk indentification, measurement, monitoring and controlling process, supported by Risk Management Information System; and
4. A comprehensive internal control system.

To support the implementation of effective risk management, Board of Directors formed committees, which help smooth and good corporate governance in the scope of the organization. One of related Committe at the Commissioner level is Risk Oversight Committee (ROC), whereas at Director level e.g Risk Management Committe (RMC), Operational Risk Committee (ORC), Asset & Liability Committee (ALCO), Credit Committee (CC), etc.

b. Credit Risk

Credit Risk is the risk arising from the failure of counterparties to fulfill its obligations, including credit risk due to failure of the debtor, credit concentration risk, counterparty credit risk, and settlement risk. Credit risk management is to ensure that the credit is granted based on the principles of sound lending.

Some key principles in the management of credit risk applied by the Bank are as follows:

- *Board of Commissioners and Board of Directors are responsible for the effective implementation of credit risk management;*
- *Empower independent work units to perform internal control over the work units associated with the process of granting credit;*
- *The Bank has Credit Risk Principles, which is used as the basic reference in performing Credit Risk Management function which can not be violated;*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Beberapa prinsip utama dalam manajemen risiko kredit yang ditetapkan Bank antara lain: (lanjutan)

- Proses persetujuan kredit dilakukan secara sentralisasi di Kantor Pusat melalui pertemuan Komite Kredit untuk kredit yang bernilai besar;
- Melakukan identifikasi risiko yang terdapat pada produk dan aktivitas baru;
- Melakukan pengawasan harian terhadap tunggakan kredit diatas 7 hari untuk mengantisipasi terjadinya kredit bermasalah, memonitor dan memberikan peringatan dini *(early warning)* atas potensi kerugian yang disebabkan penurunan kolektibilitas kredit;
- Melakukan perbaikan kualitas aset produktif, penyebaran risiko portofolio kredit dengan memastikan diversifikasi portofolio kredit di sektor-sektor industri maupun segmen pasar; dan
- Melakukan restrukturisasi dan penyelesaian agunan yang diambil alih.

Untuk mengendalikan dan memelihara eksposur risiko kredit pada tingkat minimal yang berasal dari kredit yang diberikan:

- Bank telah memiliki sistem deteksi dini permasalahan melalui *"early alert"* dan pemantauan yang ketat; dan
- Seluruh kredit yang diberikan dijamin dengan agunan, kecuali untuk jenis kredit tertentu seperti kredit korporasi berkualitas tinggi, kredit perorangan dan fasilitas antar bank.

Untuk mengantisipasi adanya risiko kredit yang melekat pada kegiatan usaha debitur, Bank perlu menelaah kualitas kredit debitur baru dan debitur lama, serta menerapkan peraturan dan kebijakan Bank mengenai kriteria penerimaan kredit, yang mengatur persyaratan minimum yang diperlukan, yang mencakup aspek pemilik, manajemen, industri, kinerja keuangan, administrasi dan dokumentasi serta agunan.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Some key principles in the management of credit risk applied by the Bank are as follows: (continued)

- *Loan approval process is done on a centralized basis at the Head Office through Credit Committee meeting;*
- *Identify the risks inherent in new products and activities;*
- *Conduct daily monitoring of credit arrears, above 7 days to anticipate the non-performing oans, monitor and provide early warning of potential losses due to a deterioration in loan collectability;*
- *Improve the quality of productive assets, credit portfolio risk distribution by ensuring diversified loan portfolio in industry sectors and market segments; and*
- *Conduct restructuring and resolution of foreclosed assets.*

To control and sustain minimal exposure of credit risk to the Bank resulting from its loans:

- *The Bank has early problem detection system through "early alert" and disciplined monitoring; and*
- *All loans are secured by collateral, except for certain loans such as high quality corporate loans, personal loans and interbank loans.*

To anticipate the inherent credit risk in debtors' business activities, the Bank needs to review the credit quality of new debtors and existing debtors, and implements the Bank's regulation and policy on credit acceptance criteria, which describes minimum requirements covering owner, management, industry, financial performance, administration and documentation and collateral aspects.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Agar penerapan fungsi manajemen risiko kredit sejalan dengan *risk appetite* yang telah ditetapkan, Direksi membentuk Komite Kredit yang memiliki fungsi dan tanggung jawab sebagai berikut:

1. Memberikan persetujuan atau penolakan kredit sesuai dengan batas wewenang/jenis kredit yang ditetapkan oleh Direksi;
2. Melakukan koordinasi dengan Komite Aset dan Liabilitas (ALCO) dalam aspek pendanaan perkreditan
3. Memantau pelaksanaan kebijakan kredit;
4. Bertindak sebagai penasehat terkait dengan hal-hal perkreditan kepada pihak berelasi;
5. Mengembangkan kebijakan kredit Bank; dan
6. Mengevaluasi/menilai kinerja dari unit bisnis dan unit penelaahan kredit.

Pengendalian Batas Risiko dan Kebijakan Mitigasi

Limit pemberian kredit ditelaah mengikuti Batas Maksimum Pemberian Kredit (BMPK) yang ditetapkan oleh Bank sesuai dengan peraturan regulator yang berlaku.

Bank menerapkan kebijakan untuk memitigasi risiko kredit dengan mengharuskan adanya agunan sebagai jaminan pelunasan kredit jika sumber pembayaran utama debitur melalui arus kas tidak terpenuhi.

Eksposur maksimum risiko kredit

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi dan *irrevocable L/C* yang diterbitkan, eksposur maksimum terhadap risiko kredit adalah nilai yang harus dibayarkan oleh Bank jika kewajiban atas bank garansi dan *irrevocable L/C* yang diterbitkan terjadi.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

In order for the implementation of credit risk management function in line with the risk appetite set by the Bank, Board of Directors established Credit Committee which functions and responsibilities are as follows:

1. *Giving approval or rejection of credit in accordance with the authority/type of credit established by the Board of Directors;*
2. *To coordinate with Assets and Liabilities Committee (ALCO) in the aspect of funding available for loan disbursement;*
3. *Monitor the implementation of the credit policy;*
4. *Acting as an advisor for credit to related parties;*
5. *Develop Bank's credit policy; and*
6. *Evaluate/assess the performance of business unit and credit review unit.*

Risk Limit Control and Mitigation Policies

Lending limits are reviewed in the light of Bank's Legal Lending Limit (LLL) set by Bank based on the applicable regulator's regulation.

The Bank implements policies to mitigate credit risk by requiring collateral to secure the repayment of loan if the main source of debtor's payment through cash flows is not fulfilled.

Maximum exposure to credit risk

For financial assets recognized in the financial statement, the maximum exposure to credit risk is equal to their carrying amount. For bank guarantees and irrevocable L/C issued, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations on the bank guarantees and irrevocable L/C issued are called upon.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administratif, tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya:

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Maximum exposure to credit risk (continued)

The following table presents the Bank's maximum exposure to credit risk of financial instruments in the statement of financial position and off-balance sheet accounts, without taking into account any collateral held or other credit enhancement:

	2023					
	Korporasi/ *Corporates*	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank/ *Banks***	**Ritel/ *Retail***	***Total***	
Giro pada Bank Indonesia	-	543.920	-	-	543.920	*Current accounts with Bank Indonesia*
Giro pada bank lain	-	-	184.104	-	184.104	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	1.092.008	-	-	1.092.008	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	-	-	11	-	11	*Derivative receivables*
Efek-efek yang dibeli dengan janji dijual kembali	-	2.977.202	-	-	2.977.202	*Securities purchased under agreements to resell*
Kredit yang diberikan	5.884.315	-	-	72.109	5.956.424	*Loans*
Efek-efek	-	389.952	-	-	389.952	*Securities*
Aset lain-lain*)	183.672	-	55.944	8.361	247.977	*Other assets*)*
Komitmen dan kontinjensi dengan risiko kedit	144.982	-	-	-	144.982	*Commitments and contingencies with credit risk*
Total	**6.212.969**	**5.003.082**	**240.059**	**80.470**	**11.536.580**	***Total***
Persentase	53,85%	43,47%	2,08%	0,70%	100,00%	*Percentage*

	2022					
	Korporasi/ *Corporates*	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank/ *Banks***	**Ritel/ *Retail***	***Total***	
Giro pada Bank Indonesia	-	919.797	-	-	919.797	*Current accounts with Bank tndonesia*
Giro pada bank lain	-	-	148.380	-	148.380	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	1.032.898	-	-	1.032.898	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	-	-	108	-	108	*Derivative receivables*
Tagihan akseptasi	188.512	-	-	-	188.512	*Acceptance receivables*
Efek-efek yang dibeli dengan janji dijual kembali	-	3.072.222	-	-	3.072.222	*Securities purchased under agreements to resell*
Kredit yang diberikan	9.517.620	-	-	144.630	9.662.250	*Loans*
Efek-efek	-	390.013	124.169	-	514.182	*Securities*
Aset lain-lain*)	83.807	-	155.505	17.475	256.787	*Other assets*)*
Komitmen dan kontinjensi dengan risiko kedit	128.976	-	-	-	128.976	*Commitments and contingencies with credit risk*
Total	**9.918.915**	**5.414.930**	**428.162**	**162.105**	**15.924.112**	***Total***
Persentase	62,29%	34,00%	2,69%	1,02%	100,00%	*Percentage*

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

**) Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables.*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Tabel di bawah ini menunjukkan *net maximum exposure* (setelah memperhitungkan agunan) atas risiko kredit untuk efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2023 dan 2022:

	Eksposur maksimum/ *Maximum exposure*	Agunan/ *Collateral*	*Eksposur neto/ Net exposure*	
2023				***2023***
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	3.165.085	-	*Securities purchased under agreements to resell*
2022				***2022***
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	3.240.000	-	*Securities purchased under agreements to resell*

Untuk kredit yang diberikan, Bank menggunakan agunan untuk meminimalkan risiko kredit. Berdasarkan agunan, kredit Bank dapat dibedakan menjadi dua kelompok besar, yaitu:
a. *Secured loans;* dan
b. *Unsecured loans*.

Untuk *secured loans*, Bank menetapkan jenis dan nilai agunan yang dijaminkan sesuai skema kredit. Jenis dari agunan terdiri dari:

a. *Physical collateral*, antara lain tanah, bangunan, kapal, mesin-mesin, persediaan dan kendaraan bermotor;
b. *Financial collateral*, antara lain simpanan (tabungan, giro dan deposito berjangka), dan surat berharga; dan
c. Lainnya, antara lain seperti piutang dagang, garansi, garansi pemerintah dan lembaga penjamin.

Apabila terjadi *default* (gagal bayar), Bank akan menggunakan agunan tersebut sebagai pilihan terakhir untuk pemulihan kredit.

Untuk *unsecured loans*, Bank tidak menetapkan jenis dan nilai agunan yang dijaminkan sesuai skema kredit. Keputusan pemberian kredit berdasarkan pada riwayat kredit dari pemohon kredit Bank melakukan pemantauan pinjaman setelah realisasi kredit untuk mengetahui kualitas dari pinjaman dan/atau perubahan yang terjadi sehingga dapat segera mengantisipasi hal-hal yang mungkin dapat merugikan Bank.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Maximum exposure to credit risk (continued)

The table below shows the net maximum exposure (after considering collateral) to credit risk of securities purchase under agreements to resell as of December 31, 2023 and 2022:

For the loans and receivables, Bank uses the collateral to minimize the credit risk. Based on collaterals, the Bank's loans are classified into two major category:

a. Secured loans; and
b. Unsecured loans.

For secured loans, Bank determined the type and value of collateral according to the loan scheme. Types of collateral are as follows:

a. Physical collateral, such as land, buildings, vessels, machines, inventories and vehicles;
b. Financial collateral, such as deposits (saving deposits, demand deposits and time deposits), and securities; and
c. Others, for instance account receivables, guarantees, government guarantees and guarantee institution.

At the time of default, Bank will use the collateral as the last resort in recovering its credit.

For the unsecured loan Bank does not determine the type and value of collateral according to the loan scheme. The credit decision is based on the borrower's creditworthiness, rather than by any type of collateral. Bank to perform the Loan Monitoring after loan disbursements to ensure the loan quality and/or condition changes to anticipate as early possible to the possibilities that may harm the Bank.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Tabel berikut menyajikan komposisi kredit yang diberikan (sebelum penyisihan kerugian penurunan nilai) yang mendapatkan manfaat dari agunan, baik sebagian maupun penuh, sebagai mitigasi dari risiko kredit:

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Maximum exposure to credit risk (continued)

The following table presents the composition of loans receivable (before allowance for impairment losses) that benefit from such partial or full collateralization as credit risk mitigation:

	2023		2022		
	Rp	**%**	**Rp**	**%**	
Dijamin penuh dan sebagian	3.374.897	56,66	5.989.616	61,99	*Fully and partially secured*
Tidak memiliki jaminan	2.581.527	43,34	3.672.634	38,01	*Unsecured*
Total	**5.956.424**	**100,00**	**9.662.250**	**100,00**	***Total***

Penilaian jaminan dapat dilakukan oleh penilai eksternal dan/atau penilai internal. Untuk kredit dengan jumlah plafon debitur/grup debitur lebih dari Rp10.000, penilaiannya harus dilakukan oleh penilai eksternal/independen. Penilaian kembali jaminan dilakukan baik oleh penilai internal dan/atau eksternal setahun sekali untuk kredit yang *performing*. Untuk kredit yang *non-performing*, frekuensi penilaian kembali dilakukan lebih sering. Untuk kredit yang mengalami penurunan *grading*, maka penilaian kembali harus segera dilakukan. Pada umumnya, agunan tidak dimiliki atas penempatan pada Bank Indonesia dan bank lain dan efek-efek.

Collateral assessment can be performed by external and/or internal appraiser. Loans with plafond above Rp10,000, should be assessed by external/independent appraiser. Re-assessment of collaterals is performed by internal and/or external appraiser every year for performing loan. For non-performing loan, the frequency of re-assessment could be conducted more often. In term of down graded loans, re-assessment should be conducted immediately. Collateral generally is not held over placements with Bank Indonesia and other banks and securities.

Proses penentuan peringkat kredit Bank membedakan eksposur untuk menentukan eksposur mana yang memiliki faktor risiko lebih besar dan tingkat kerugian potensial yang lebih tinggi. Peringkat kredit setiap debitur ditelaah secara berkala dan perubahannya diimplementasikan secepatnya. Peringkat kredit yang diterapkan atas setiap debitur juga mempertimbangkan kualitas kredit dari debitur tersebut yang telah ditentukan oleh bank-bank lain.

The Bank's credit rating determination processes differentiate exposures in order to highlight those with greater risk factors and higher potential severity of loss. The credit collectibility for each debtor is reviewed regularly and any amendments are implemented promptly. The credit collectibility applied for each debtor also considered credit quality of the respective debtor as determined by other banks.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Pembagian aset keuangan berdasarkan kualitas kreditnya disajikan di bawah ini:

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Maximum exposure to credit risk (continued)

Distribution of financial assets by their credit quality is summarised as below:

	2023					
	Belum jatuh tempo dan tidak mengalami penurunan nilai/*Neither past due nor impaired*	**Jatuh tempo tapi tidak mengalami penurunan nilai/*Past due but not impaired***	**Mengalami penurunan nilai/*Impaired***	**Cadangan kerugian penurunan nilai/*Allowance for Impairment losses***	***Total***	
Aset pada biaya perolehan diamortisasi						***Assets at amortized cost***
Giro pada Bank Indonesia	543.920	-	-	-	543.920	*Current accounts with Bank Indonesia*
Giro pada bank lain	184.104	-	-	(15)	184.089	*Current account with other banks*
Penempatan pada Bank Indonesia dan bank lain	1.092.008	-	-	-	1.092.008	*Placement with Bank Indonesia and other banks*
Tagihan akseptasi						*Acceptance receivables*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	-	-	-	2.977.202	*Securities purchased under agreements to resell*
Kredit yang diberikan	5.242.889	667.748	45.787	(507.139)	5.449.285	*Loans*
Efek-efek	250.030	-	-	-	250.030	*Securities*
Aset lain-lain*)	247.977	-	-	-	247.977	*Other assets*)*
Nilai wajar melalui penghasilan komprehensif lain						***Fair valur through other comprehensive income***
Efek-efek	139.922	-	-	-	139.922	*Securities*
Aset pada nilai wajar melalui laba rugi						***Assets at fair value through profit or loss***
Tagihan derivatif	11	-	-	-	11	*Derivative receivables*
	10.678.063	**667.748**	**45.787**	**(507.154)**	**10.884.444**	

	2022					
	Belum jatuh tempo dan tidak mengalami penurunan nilai/*Neither past due nor impaired*	**Jatuh tempo tapi tidak mengalami penurunan nilai/*Past due but not impaired***	**Mengalami penurunan nilai/*Impaired***	**Cadangan kerugian penurunan nilai/*Allowance for Impairment losses***	***Total***	
Aset pada biaya perolehan diamortisasi						***Assets at amortized cost***
Giro pada Bank Indonesia	919.797	-	-	-	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain	148.380	-	-	(33)	148.347	*Current account with other banks*
Penempatan pada Bank Indonesia dan bank lain	1.032.898	-	-	-	1.032.898	*Placement with Bank Indonesia and other banks*
Tagihan akseptasi	188.512	-	-	(217)	188.295	*Acceptance receivables*
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	-	-	-	3.072.222	*Securities purchased under agreements to resell*
Kredit yang diberikan	9.144.163	481.348	36.739	(406.127)	9.256.123	*Loans*
Efek-efek	374.343	-	-	(195)	374.148	*Securities*
Aset lain-lain*)	256.787	-	-	-	256.787	*Other assets*)*
Nilai wajar melalui penghasilan komprehensif lain						***Fair valur through other comprehensive income***
Efek-efek	139.839	-	-	-	139.839	*Securities*
Aset pada nilai wajar melalui laba rugi						***Assets at fair value through profit or loss***
Tagihan derivatif	108	-	-	-	108	*Derivative receivables*
	15.277.049	**481.348**	**36.739**	**(406.572)**	**15.388.564**	

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables.*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Analisis umur kredit yang jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2023 dan 2022, sebagai berikut:

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

The aging analysis of past due but not impaired loans as of December 31, 2023 and 2022, are as follows:

	2023				
	1 sampai dengan 30 hari/*1 up to 30 days*	**31 sampai dengan 60 hari/*31 up to 60 days***	**61 sampai dengan 90 hari/*61 up to 90 days***	***Total***	
Modal kerja	156.360	-	-	156.360	*Working capital*
Investasi	54.103	-	451.021	505.124	*Investment*
Konsumen	2.829	1.679	1.756	6.264	*Consumer*
Total	**213.292**	**1.679**	**452.777**	**667.748**	***Total***
Cadangan kerugian penurunan nilai				(218.854)	*Allowance for impairment losses*
Neto				**448.894**	***Net***

	2022				
	1 sampai dengan 30 hari/*1 up to 30 days*	**31 sampai dengan 60 hari/*31 up to 60 days***	**61 sampai dengan 90 hari/*61 up to 90 days***	***Total***	
Modal kerja	12.488	5.084	-	17.572	*Working capital*
Investasi	449.328	-	-	449.328	*Investment*
Konsumen	14.070	335	43	14.448	*Consumer*
Total	**475.886**	**5.419**	**43**	**481.348**	***Total***
Cadangan kerugian penurunan nilai				(84.355)	*Allowance for impairment losses*
Neto				**396.993**	***Net***

Belum jatuh tempo dan tidak mengalami penurunan nilai

Eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang memadai, secara umum tercermin dengan pembayaran komitmen terhadap Bank secara tepat waktu. Sumber pembayaran dapat diidentifikasikan secara jelas.

Neither past due nor impaired

Exposures exhibit high or stable earnings, adequate capital and liquidity, as generally evidenced by prompt repayment of its commitment with the Bank. Source of payment can be clearly identifiable.

Jatuh tempo tetapi tidak mengalami penurunan nilai

Eksposur dimana telah terjadi tunggakan pembayaran pokok atau bunga kontraktual, tetapi Bank berkeyakinan bahwa penurunan nilai individual belum terjadi dengan mempertimbangkan agunan yang tersedia dan/atau tingkat tertagihnya jumlah yang masih terutang kepada Bank.

Past due but not impaired

Exposures, for which contractual interest or principal payments are past due, however the Bank believes that individual impairment has not occurred with consideration of the collateral pledged and/or the stage of collection of amounts owned.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Mengalami penurunan nilai

Eksposur dengan peringkat kurang lancar, diragukan dan macet dimana Bank telah menentukan bahwa terdapat bukti objektif penurunan nilai dan Bank tidak mengharapkan untuk menerima kembali seluruh nilai pokok dan bunga tertunggak sesuai dengan persyaratan kontraktual dalam perjanjian.

Definisi kualitas kredit debitur dalam menentukan peringkat kredit sesuai dengan kualitas kredit yang diatur dalam peraturan OJK yang berlaku, sebagai berikut:

- Lancar: eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang memadai, secara umum tercermin dari pembayaran komitmen terhadap Bank dan kreditur lainnya secara tepat waktu. Sumber pembayaran dapat diidentifikasikan secara jelas dan Bank tidak bergantung pada jaminan untuk penyelesaian komitmen debitur di masa datang.
- Dalam perhatian khusus: eksposur memerlukan tingkat pemantauan yang bervariasi dan risiko wanprestasi menjadi perhatian.
- Kurang lancar: eksposur dimana nasabah dalam tahap keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran kewajiban yang lewat jatuh tempo 91 hari sampai dengan 120 hari, sesuai dengan persyaratan kontraktual dalam perjanjian kredit.
- Diragukan: eksposur dimana nasabah dalam tahap keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran kewajiban yang lewat jatuh tempo 121 hari sampai dengan 180 hari, sesuai dengan persyaratan kontraktual dalam perjanjian kredit.
- Macet: eksposur dimana nasabah dalam tahap keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran kewajiban yang lewat jatuh tempo lebih dari 180 hari, sesuai dengan persyaratan kontraktual dalam perjanjian kredit.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Impaired

Exposures with substandard, doubtful and loss grading for which the Bank determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the agreement.

The definition of the debtor's credit quality in determining credit rating is in accordance with credit quality stipulated in the prevailing OJK regulations, as follows:

- *Current: exposures exhibit high or stable earnings, adequate capital and liquidity, as generally evidenced by prompt repayment of its commitment with the Bank and other creditors. Source of payment can be clearly identifiable and the Bank does not rely on collateral for settlement of the debtor's future commitments.*
- *Special mention: exposures require varying degrees of special attention and default risk is of concern.*
- *Substandard: exposures which the debtor is in the stages of delinquency and has failed to make a payment on overdue accounts for 91 days up to 120 days, in accordance with the contractual terms of the loan agreement.*
- *Doubtful: exposures which the debtor is in the stages of delinquency and has failed to make a payment on overdue accounts for 121 days up to 180 days, in accordance with the contractual terms of the loan agreement.*
- *Loss: exposures which the debtor is in the stages of delinquency and has failed to make a payment on overdue accounts for more than 180 days, in accordance with the contractual terms of the loan agreement.*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Mengalami penurunan nilai (lanjutan)

Analisa konsentrasi risiko kredit

Konsentrasi risiko kredit timbul ketika sejumlah nasabah menjalankan kegiatan usaha yang sejenis atau menjalankan kegiatan usaha dalam wilayah geografis yang sama, atau ketika nasabah memiliki karakteristik yang sejenis yang akan menyebabkan kemampuan mereka untuk memenuhi kewajiban kontraktualnya secara serupa dipengaruhi oleh perubahan kondisi ekonomi atau kondisi lainnya.

Konsentrasi risiko kredit berdasarkan jenis debitur:

***3. Financial Risk Management and Capital Management Policies** (continued)*

***b. Credit Risk** (continued)*

***Impaired** (continued)*

Concentration of credit risk analysis

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Concentration of credit risk by type of debtors:

	2023					
	Korporasi/ *Corporate*	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank**	**Ritel/ *Retail***	**Total**	
Giro pada Bank Indonesia	-	543.920	-	-	543.920	*Current accounts with Bank Indonesia*
Giro pada bank lain	-	-	184.104	-	184.104	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	1.092.008	-	-	1.092.008	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	-	-	11	-	11	*Derivative receivables*
Efek-efek yang dibeli dengan janji dijual kembali	-	2.977.202	-	-	2.977.202	*Securities purchased under agreements to resell*
Kredit yang diberikan	5.884.315			72.109	5.956.424	*Loans*
Efek-efek		389.952	-		389.952	*Securities*
Aset lain-lain*)	183.672	-	55.944	8.361	247.977	*Other assets*)*
Komitmen dan kontinjensi dengan risiko kedit	144.982	-	-	-	144.982	*Commitments and contingencies with credit risk*
Total	**6.212.969**	**5.003.082**	**240.059**	**80.470**	**11.536.580**	***Total***
Persentase	53,85%	43,37%	2,08%	0,70%	100,00%	*Percentage*

	2022					
	Korporasi/ *Corporate*	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank**	**Ritel/ *Retail***	**Total**	
Giro pada Bank Indonesia	-	919.797	-	-	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain	-	-	148.380	-	148.380	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	1.032.898	-	-	1.032.898	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	-	-	108	-	108	*Derivative receivables*
Tagihan akseptasi	188.512	-	-	-	188.512	*Acceptance receivables*
Efek-efek yang dibeli dengan janji dijual kembali	-	3.072.222	-	-	3.072.222	*Securities purchased under agreements to resell*
Kredit yang diberikan	9.517.620	-	-	144.630	9.662.250	*Loans*
Efek-efek	-	390.013	124.169	-	514.182	*Securities*
Aset lain-lain*)	83.807	-	155.505	17.475	256.787	*Other assets*)*
Komitmen dan kontinjensi dengan risiko kedit	128.976	-	-	-	128.976	*Commitments and contingencies with credit risk*
Total	**9.918.915**	**5.414.930**	**428.162**	**162.105**	**15.924.112**	***Total***
Persentase	62,29%	34,00%	2,69%	1,02%	100,00%	*Percentage*

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivable*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Mengalami penurunan nilai (lanjutan)

Analisa konsentrasi risiko kredit (lanjutan)

Konsentrasi risiko kredit dari kredit yang diberikan berdasarkan jenis kredit, valuta dan sektor ekonomi diungkapkan pada Catatan 12.

Stress Testing

Stress Testing adalah metode pengukuran risiko dengan memperkirakan potensi kerugian ekonomi Bank berdasarkan kondisi pasar abnormal untuk memastikan sensitivitas kinerja Bank terhadap perubahan faktor risiko dan mengidentifikasi faktor yang mempengaruhi dan berdampak pada pendapatan dan modal Bank secara signifikan.

Dalam menghadapi kondisi fluktuasi nilai tukar rupiah terhadap Dolar Amerika Serikat, Bank telah melakukan *stress test* terhadap nasabah *wholesale* yang memiliki eksposur kredit valas dengan melakukan beberapa skenario kurs.

Pandemi Covid-19

Sejak 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, khususnya portfolio kredit Bank.

Dalam merespon peristiwa tersebut, Bank telah melakukan beberapa upaya diantaranya sebagai berikut:

1) Untuk mengurangi dampak portofolio terkait Covid-19 Bank telah mengidentifikasi industri terdampak yang selanjutnya telah dilakukan penilaian terhadap nasabah yang termasuk dalam industri terdampak dan segera menyusun rencana tindak, serta skema restrukturisasi untuk mengurangi dampak terhadap portofolio Bank.
2) Bank telah menyusun kebijakan seturut dengan program relaksasi yang dikeluarkan OJK yang berlaku hingga 31 Maret 2024 berdasarkan Keputusan Dewan Komisioner OJK No. 34/KDK.03/2022 untuk mengantisipasi penurunan kondisi kesehatan keuangan nasabah.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Impaired *(continued)*

Concentration of credit risk analysis (continued)

Concentration of credit risk of loans by type of loans, currency and economic sector is disclosed in Note 12.

Stress Testing

Stress Testing is a method of risk measurement by estimating the potential economic loss to the Bank under abnormal market conditions in order to ascertain the sensitivity of the Bank's performances to changes in risk factors and to identify influencing factors that significantly impact the Bank's revenue and capital.

In facing with the fluctuation of rupiah exchange rate to United States Dollar, Bank has conducted stress test to wholesale customers who have foreign currency credit exposure by conducting several exchange rate scenarios.

Covid-19 Pandemic

Starting 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, specifically to the credit portfolio of the Bank.

In responding to this incident, the Bank has made several efforts including the following:

1) To reduce the impact of portfolio due to Covid-19, Bank already identified the impacted industry and then made assessment to the debtors included in the impacted industry and arranged for the action plan and restructuring scheme to reduce the impact for the Bank portfolio.

2) Bank has already set the policy in line with OJK's credit relaxation program which applied until March 31, 2024 according to OJK Board of Commissioner No. 34/KDK.03/2022 to anticipate deterioration for debtors' finance condition.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Pandemi Covid-19 (lanjutan)

Dalam merespon peristiwa tersebut, Bank telah melakukan beberapa upaya diantaranya sebagai berikut: (lanjutan)

3) Bank secara berkala mengkaji baik secara individual maupun secara portofolio terhadap nasabah yang mengalami dampak Covid-19.

Informasi *Forward Looking*

Bank menggunakan model statistik untuk memasukkan variabel makro-ekonomi (MEV) pada tingkat *default* historis. Metodologi dan asumsi yang terlibat, termasuk prakiraan kondisi ekonomi di masa depan, ditinjau secara berkala.

Pengukuran Kerugian Kredit Ekspektasian (KKE)

Input utama ke dalam pengukuran kerugian kredit ekspektasian (KKE) adalah variabel-variabel berikut:
1) *probability of default* (PD);
2) *loss given default* (LGD); dan
3) *exposure at default* (EAD).

Parameter ini umumnya berasal dari model statistik yang dikembangkan secara internal dan data historis lainnya. Parameter tersebut disesuaikan untuk mencerminkan informasi *forward-looking* seperti yang dijelaskan di atas.

Perkiraan PD adalah perkiraan pada tanggal tertentu, yang dihitung berdasarkan model peringkat statistik mengenai besarnya peluang/kemungkinan akan terjadi gagal bayar dalam rentang waktu tertentu. Model statistik ini utamanya didasarkan pada data yang dikompilasi secara internal yang terdiri dari faktor kuantitatif dan kualitatif dan dilengkapi dengan data penilaian kredit eksternal jika tersedia.

LGD adalah besarnya kemungkinan kerugian jika terjadi gagal bayar. Bank memperkirakan parameter LGD berdasarkan LGD yang dilakukan *benchmark* secara internal. Model LGD mempertimbangkan nilai jaminan yang diperkirakan dan biaya pemulihan dari setiap jaminan yang merupakan bagian integral dari aset keuangan.

3. Financial Risk Management and Capital Management Policies *(continued)*

b. Credit Risk *(continued)*

Covid-19 Pandemic *(continued)*

In responding to this incident, the Bank has made several efforts including the following: (continued)

3) Regularly Bank perform review both individual and portfolio wide to Covid-19 impacted debtors.

Forward Looking Information

The Bank employs statistical models to incorporate macro-economic variable (MEV) on historical default rates. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

Measurement of Expected Credit Loss (ECL)

The key inputs into the measurement of Expected Credit Loss (ECL) are the term structure of the following variables:
1) probability of default (PD);
2) loss given default (LGD); and
3) exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models regarding the probability/likelihood that a default will occur within a certain time frame. These statistical models are primarily based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external credit assessment data where available.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the the internally benchmark LGD. The LGD models consider the forecasted collateral value and recovery costs of any collateral that is integral to the financial asset.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

b. Risiko Kredit (lanjutan)

Pengukuran Kerugian Kredit Ekspektasian (KKE) (lanjutan)

EAD mewakili eksposur ekpektasian jika terjadi gagal bayar. Bank memperoleh EAD dari eksposur saat ini terhadap pihak lawan dan potensi perubahan pada nilai saat ini yang diizinkan berdasarkan kontrak termasuk amortisasi. EAD dari aset keuangan adalah nilai tercatat bruto. Untuk komitmen kredit dan *financial guarantees*, EAD mencakup jumlah yang ditarik, serta jumlah potensial yang dapat ditarik di masa depan berdasarkan kontrak, yang diperkirakan berdasarkan pengamatan historis dan perkiraan *forward-looking*.

Perhitungan cadangan kerugian penurunan nilai akan dihitung sesuai dengan tingkat risiko (*staging*) masing-masing, yaitu dengan 12 bulan kedepan untuk *stage* 1 (*performing*), serta selama umur tagihan (*lifetime*) untuk *stage* 2 (*under performing*) dan *stage* 3 (*non performing*).

c. Risiko Pasar

Risiko pasar adalah risiko yang timbul dari pergerakan variabel pasar dalam portofolio yang dimiliki oleh Bank yang dapat menimbulkan kerugian bagi Bank *(adverse movement)*. Variabel pasar didefinisikan sebagai suku bunga dan nilai tukar termasuk derivatif dari kedua jenis risiko ini. Tujuan dari manajemen risiko pasar adalah untuk mengelola dan mengendalikan eksposur risiko pasar dalam parameter yang dapat diterima, dan secara bersamaan mengoptimalkan hasil pengembalian atas risiko yang diterima.

ALCO Bank yang beranggotakan Direksi dan beberapa anggota manajemen senior bertanggungjawab untuk menetapkan kebijakan dan strategi pengelolaan risiko tingkat suku bunga di *banking book*, serta mengawasi penerapan dalam pelaksanaannya. Tujuan utama ALCO adalah untuk mengoptimalkan hasil usaha Bank dengan tetap memperhatikan limit risiko yang telah ditetapkan.

***3. Financial Risk Management and Capital Management Policies** (continued)*

***b. Credit Risk** (continued)*

***Measurement of Expected Credit Loss (ECL)** (continued)*

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

The expected credit loss (ECL) will be calculated according to the respective level of risk (staging), 12 months ECL for stage 1 (performing), and lifetime ECL for stage 2 (under performing) and stage 3 (non-performing).

c. Market Risk

Market Risk is the risk arising from movement in market variables in portfolios held by the Bank that could incur losses for the Bank (adverse movements). Market variables are defined as interest rates and exchange rates including derivatives of these two type of risks. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Bank's ALCO, which consists of the Board of Directors and selected members of senior management, is responsible for determining interest rate risk management policies and strategies in banking book and monitoring its implementation and execution. The main objective of ALCO is to optimize the Bank's return within predetermined risk limits.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

Secara keseluruhan, risiko pasar dibagi dalam risiko-risiko berikut:

i. Risiko mata uang

Bank memiliki eksposur risiko mata uang akibat adanya transaksi dalam valuta asing. Bank memonitor risiko konsentrasi yang terjadi untuk setiap valuta sehubungan dengan penjabaran transaksi dan aset dan liabilitas moneter dalam valuta asing ke dalam Rupiah.

Sejalan dengan *risk appetite* yang telah ditetapkan oleh Bank, dimana kegiatan *proprietary trading* tidak diperkenankan, maka risiko mata uang relatif kecil dan terkendali. Pengelolaan posisi valuta asing Bank dilakukan dengan cara mengendalikan Posisi Devisa Neto ("PDN") Bank secara keseluruhan.

PDN pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

3. Financial Risk Management and Capital Management Policies *(continued)*

c. Market Risk *(continued)*

In overall, market risk is divided into the following risks:

i. Currency risk

The Bank is exposed to currency risk through transaction in foreign currencies. The Bank monitors any concentration risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into Rupiah.

In line with the risk appetite set by the Bank, whereby proprietary trading activity is not allowed, hence the currency risk is minimal and manageable. The Bank's foreign currency position management is conducted by managing the Bank's overall Net Open Position ("NOP").

NOP as of December 31, 2023 and 2022 are as follows:

	2023			
Valuta	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto (nilai absolut)/ *Net Open Position (absolute amount)***	***Currencies***
Keseluruhan (laporan posisi keuangan dan rekening administratif)				*Aggregate (statement of financial position and administrative accounts)*
Euro Eropa	29.330	29.329	1	*European Euro*
Dolar Amerika Serikat	3.450.969	3.452.105	1.136	*United States Dollar*
Dolar Australia	10.169	10.010	159	*Australian Dollar*
Dolar Singapura	24.207	24.234	26	*Singapore Dollar*
Dolar Hong Kong	113	16	97	*Hong Kong Dollar*
Yen Jepang	62.348	62.350	2	*Japanese Yen*
Yen Cina	150	-	150	*Chinese Yen*
Poundsterling Inggris	5.744	5.741	2	*Great Britain Poundsterling*
Riyal Qatar	318	71	247	*Qatari Riyal*
Total			**1,821**	***Total***
Total modal 31 Desember 2023 (Catatan 3f)			4.250.397	*Total capital December 31, 2023 (Note 3f)*
Rasio PDN			**0,04%**	***NOP ratio***

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

Secara keseluruhan, risiko pasar dibagi dalam risiko-risiko berikut: (lanjutan)

i. Risiko mata uang (continued)

PDN pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut: (lanjutan)

3. Financial Risk Management and Capital Management Policies *(continued)*

c. Market Risk *(continued)*

In overall, market risk is divided into the following risks: (continue)

i. Currency risk *(continued)*

NOP as of December 31, 2023 and 2022 are as follows: (continued)

	2022			
Valuta	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto (nilai absolut)/ *Net Open Position (absolute amount)***	***Currencies***
Keseluruhan (laporan posisi keuangan dan rekening administratif)				*Aggregate (statement of financial position and administrative accounts)*
Euro Eropa	24.226	23.985	241	*European Euro*
Dolar Amerika Serikat	3.577.802	3.574.455	3.347	*United States Dollar*
Dolar Australia	33.274	33.262	12	*Australian Dollar*
Dolar Singapura	27.892	28.652	760	*Singapore Dollar*
Dolar Hong Kong	179	19	160	*Hong Kong Dollar*
Yen Jepang	27.222	26.836	386	*Japanese Yen*
Poundsterling Inggris	32.397	33.401	1.004	*Great Britain Poundsterling*
Riyal Qatar	379	82	297	*Qatari Riyal*
Total			**6.207**	***Total***
Total modal 31 Desember 2022 (Catatan 3f)			4.152.742	*Total capital December 31, 2022 (Note 3f)*
Rasio PDN			**0,15%**	***NOP ratio***

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko tingkat suku bunga

Kegiatan usaha Bank dipengaruhi oleh risiko fluktuasi suku bunga terhadap aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) yang memiliki jatuh tempo pada saat yang berbeda-beda atau dalam jumlah yang beragam.

Tabel di bawah ini menyajikan aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) Bank pada nilai tercatat, yang dikategorikan menurut sisa jangka waktu sampai dengan tanggal jatuh tempo kontraktual:

3. Financial Risk Management and Capital Management Policies *(continued)*

c. Market Risk *(continued)*

ii. Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities (not for trading purpose) mature at different times or in different amounts.

The table below summarizes the Bank's interest-earning assets and interest-bearing liabilities (not for trading purpose) at carrying amounts, categorized by remaining period to contractual maturity dates:

	2023									
		Suku bunga mengambang/ *Floating interest rate*				Suku bunga tetap/ *Fixed interest rate*				
	Nilai tercatat/ Carrying *amount*	< 3 bulan/ *months*	>3-12 bulan/ *months*	>1-2 tahun/ *years*	> 2 tahun/ *years*	< 3 bulan/ *months*	>3-12 bulan/ *months*	>1-2 tahun/ *years*	> 2 tahun/ *years*	
Penempatan pada Bank Indonesia dan bank lain	1.092.008	-	-	-	-	1.092.008	-	-	-	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	-	-	-	-	1.713.944	1.263.258	-	-	*Securities purchased under agreements to resell*
Kredit yang diberikan - neto	5.449.285	680.139	2.022.823	288.429	490.664	4.957	116.922	128.677	1.716.674	*Loans - net*
Efek-efek - neto	389.952	-	-	-	-	-	250.030	139.922	-	*Securities - net*
	9.908.447	680.139	2.022.823	288.429	490.664	2.810.909	1.630.210	268.599	1.716.674	
Simpanan dari nasabah	6.339.203	1.210.798	-	-	-	4.591.440	536.965	-	-	*Deposits from customers*
Simpanan dari bank lain	1.832	-	-	-	-	1.832	-	-	-	*Deposits from other*
Efek-efek yang dijual dengan janji dibeli kembali	385.051	-	-	-	-	385.051	-	-	-	*Securities sold under* repurchase agreements
	6.726.086	1.210.798	-	-	-	4.978.323	536.965	-	-	
Neto	**3.182.361**	**(530.659)**	**2.022.823**	**288.429**	**490.664**	**(2.167.414)**	**1.093.245**	**268.599**	**1.716.674**	***Net***

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko tingkat suku bunga (lanjutan)

3. Financial Risk Management and Capital Management Policies *(continued)*

c. Market Risk *(continued)*

ii. Interest rate risk *(continued)*

	2022									
		Suku bunga mengambang/ *Floating interest rate*				Suku bunga tetap/ *Fixed interest rate*				
	Nilai tercatat/ Carrying *amount*	< 3 bulan/ *months*	>3-12 bulan/ *months*	>1-2 tahun/ *years*	> 2 tahun/ *years*	< 3 bulan/ *months*	>3-12 bulan/ *months*	>1-2 tahun/ *years*	> 2 tahun/ *years*	
Penempatan pada Bank Indonesia dan bank lain	1.032.898	-	-	-	-	1.032.898	-	-	-	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	-	-	-	-	1.420.737	1.651.485	-	-	*Securities purchased under agreements to resell*
Kredit yang diberikan. neto	9.256.123	759.804	2.827.652	686.330	2.147.462	149.884	310.551	202.104	2.172.336	*Loans - net*
Efek-efek - neto	513.987	-	-	-	-	123.974	-	250.174	139.839	*Securities - net*
	13.875.230	759.804	2.827.652	686.330	2.147.462	2.727.493	1.962.036	452.278	2.312.175	
Simpanan dari nasabah	10.604.624	2.034.996	-	-	-	6.104.802	2.464.826	-	-	*Deposits from customers*
Simpanan dari bank lain	7.302	-	-	-	-	7.302	-	-	-	*Deposits from other banks*
Pinjaman yang diterima	1.000.000	340.000	660.000	-	-	-	-	-	-	*Borrowings*
	11.611.926	2.374.996	660.000	-	-	6.112.104	2.464.826	-	-	
Neto	**2.263.304**	**(1.615.192)**	**2.167.652**	**686.330**	**2.147.462**	**(3.384.611)**	**(502.790)**	**452.278**	**2.312.175**	***Net***

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko tingkat suku bunga (lanjutan)

Secara keseluruhan, Bank memiliki aset yang sebagian besar suku bunganya dapat disesuaikan sewaktu-waktu. Kondisi ini menyebabkan risiko suku bunga dalam banking book relatif rendah karena aset dapat dilakukan repricing lebih dulu dibandingkan kewajiban.

Tabel di bawah ini mengikhtisarkan kisaran suku bunga kontraktual dan suku bunga efektif rata-rata tertimbang setahun pada tanggal 31 Desember 2023 dan 2022 untuk masing-masing instrumen keuangan:

***3. Financial Risk Management and Capital Management Policies** (continued)*

***c. Market Risk** (continued)*

***ii. Interest rate risk** (continued)*

In general, the Bank have interest-earning assets that mostly can be adjusted anytime. Therefore, interest rate risk in the banking book is relatively low as the asset can be repriced a head from liabilities.

The tables below summarize the range of contractual interest rates and weighted average effective interest rates per annum as of December 31, 2023 and 2022 for each financial instrument:

	2023		2022		
	Suku bunga kontraktual/ *Contractual interest rates*	**Rata-rata suku bunga efektif/ *Average effective interest rates***	**Suku bunga kontraktual/ *Contractual interest rates***	**Rata-rata suku bunga efektif/ *Average effective interest rates***	
Aset					***Assets***
Rupiah:					*Rupiah:*
Penempatan pada Bank Indonesia dan bank lain	5,25%	1,48%	4,75%	1,95%	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	6,30% - 6,70%	6,16%	3,20% - 6,62%	3,77%	*Securities purchased under agreements to resell*
Kredit yang diberikan	2,00% - 35,40%	9,13%	2,00% - 32,00%	7,49%	*Loans*
Efek-efek					*Securities*
Obligasi pemerintah	6,04%-8,38%	7,40%	4,79% - 8,38%	7,40%	*Government bonds*
Valuta asing:					*Foreign currencies:*
Penempatan pada Bank Indonesia dan bank lain	5,34%	4,97%	4,32%	1,65%	*Placements with Bank Indonesia and other banks*
Kredit yang diberikan	2,54% - 8,02%	7,19%	0,00% - 8,73%	5,34%	*Loans*
Efek-efek					*Securities*
Wesel SKBDN	-	7,82%	4,95% - 5,25%	4,79%	*SKBDN bills*
Liabilitas					***Liabilities***
Rupiah:					*Rupiah:*
Simpanan dari nasabah					*Deposits from customers*
Giro	0,00% - 3,75%	1,35%	0,00% - 3,75%	2,32%	*Demand deposits*
Tabungan	0,00% - 5,00%	1,77%	0,00% - 5,00%	0,44%	*Saving deposits*
Deposito berjangka dan deposito *on call*	2,00% - 6,50%	5,27%	1,50% - 6,50%	4,29%	*Time deposits and on all deposits*
Simpanan dari bank lain					*Deposits from other banks*
Giro	-	0,36%	0,00% - 3,25%	1,15%	*Demand deposits*
Deposito berjangka dan deposito *on call*	-	-	3,25%	3,37%	*Time deposits and on call deposits*
Efek-efek yang dijual dengan janji dibeli kembali	6,70%	3,92%	-	-	*Securities sold under repurchase agreements*
Pinjaman yang diterima	-	8,72%	7,32% - 7,52%	5,23%	*Borrowings*
Valuta asing:					*Foreign currencies:*
Simpanan dari nasabah					*Deposits from customers*
Giro	0,00% - 1,25%	0,15%	0,00% - 1,00%	0,14%	*Demand deposits*
Deposito berjangka dan deposito *on call*	0,00% - 6,05%	4,09%	0,00% 4,35%	0.96%	*Time deposits and on call deposits*
Simpanan dari bank lain					*Deposits from othert banks*
Giro	0,10%	0,13%	0,10%	0,10%	*Demand deposits*
Interbank call money	-	2,59%	-	-	*Interbank call money*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko tingkat suku bunga (lanjutan)

Analisa sensitivitas atas risiko tingkat suku bunga

Pengelolaan risiko tingkat suku bunga dilengkapi dengan pemantauan atas sensitivitas terhadap aset dan liabilitas keuangan Bank yang memiliki tingkat suku bunga mengambang dan tetap terhadap berbagai skenario suku bunga. Skenario standar yang dipertimbangkan secara triwulanan meliputi penurunan atau kenaikan *yield curve* secara paralel sebesar 100 basis point (bp). Analisa sensitivitas Bank atas kenaikan atau penurunan tingkat suku bunga pasar, dengan asumsi tidak terdapat perubahan asimetris pada *yield curve* dan posisi keuangan yang konstan, adalah sebagai berikut: (tidak diaudit)

3. Financial Risk Management and Capital Management Policies *(continued)*

c. Market Risk *(continued)*

ii. Interest rate risk *(continued)*

Sensitivity analysis on interest rate

The management of interest rate risk is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities which have floating and fixed interest rate to various interest rate scenarios. Standard scenarios that are considered on a quarterly basis include a 100 basis point (bp) parallel fall or rise in all yield curves. An analysis of the Bank's sensitivity to increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows: (unaudited)

	100 bp kenaikan/*increase*	**100 bp penurunan/*decrease***	
Kenaikan (penurunan) pada bunga - neto			*Increase (decrease) in net interest*
Tahun yang berakhir pada tanggal 31 Desember 2023	41.721	(41.721)	*For the year ended December 31, 2023*
Tahun yang berakhir pada tanggal 31 Desember 2022	32.254	(32.254)	*For the year ended December 31, 2022*

d. Risiko Likuiditas

Pengelolaan likuiditas Bank ditekankan pada penyesuaian arus kas masuk dan keluar. Kesenjangan arus kas diantisipasi melalui pemeliharaan cadangan likuiditas primer yang memadai sesuai dengan perkiraan arus kas dan struktur liabilitas yang ada. Pemeliharaan cadangan likuiditas primer meliputi pemeliharaan cadangan wajib pada tingkat yang optimal yang ditetapkan OJK serta pemeliharaan efek-efek berjangka pendek yang sangat likuid seperti Sertifikat Bank Indonesia dan instrumen operasi moneter Bank Indonesia lainnya. Bank juga memelihara cadangan likuiditas sekunder yang terdiri dari penempatan dana jangka pendek di Bank Indonesia serta efek-efek berjangka panjang yang likuid seperti obligasi pemerintah. Pengelolaan likuiditas juga dilakukan melalui pengelolaan struktur sumber dana dengan menerapkan limit konsentrasi deposan dan berusaha mengurangi ketergantungannya pada dana mahal seperti deposito berjangka dan menggantinya dengan sumber dana murah seperti giro dan tabungan.

d. Liquidity Risk

The focus of the Bank's liquidity management is to match the cash inflows and cash outflows. The gap between cash flows will be anticipated with the proper maintenance of primary liquidity reserve in accordance with proforma cash flows and existing liabilities structure. Maintenance of primary liquidity reserve consists of maintenance of reserve requirement that should be in optimal level based on OJK regulation and short-term highly liquid securities, such as Certificates of Bank Indonesia and other Bank Indonesia monetary operation instruments. The Bank also maintains secondary liquidity reserve, which consists of short-term placements with Bank Indonesia and liquid long-term securities such as government bonds. Liquidity management is also conducted through financial resources structure, such as by applying the depositor concentration limit and trying to reduce the dependence on high cost fund such as time deposits and replace it with lower cost fund such as demand deposits and saving deposits.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

d. Risiko Likuiditas (lanjutan)

Bank juga senantiasa memelihara kemampuannya untuk memiliki akses ke pasar uang dengan selalu memelihara hubungan dengan bank-bank koresponden. Bank juga secara berkala memonitor seluruh keadaan di atas dan mengambil tindakan agar terdapat diversifikasi pendanaan.

Eksposur terhadap Risiko Likuiditas

Ukuran utama yang digunakan oleh Bank untuk mengelola risiko likuiditas adalah rasio *LCR (Liquidity Coverage Ratio)* dan rasio *NSFR (Net Stable Funding Ratio)*. Rasio yang pertama digunakan untuk mengukur kemampuan jangka pendek bank dengan memastikan bahwa bank memiliki cukup aset-aset berkualitas tinggi yang dapat dilikuidasi sewaktu-waktu untuk dapat bertahan dalam *scenario stress* selama 30 hari. Sementara rasio kedua digunakan untuk mengurangi risiko pendanaan dalam jangka panjang dimana bank diharapkan mampu membiayai kegiatannya dengan memiliki cukup sumber-sumber dana yang stabil. Posisi NSFR per 31 Desember 2023 dan 2022 adalah 190,59% dan 146,25%.

Liquidity Coverage Ratio ("LCR") Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

***3. Financial Risk Management and Capital Management Policies** (continued)*

***d. Liquidity Risk** (continued)*

The Bank also maintains its ability to access money market by maintaining relationship with correspondent banks. The Bank also regularly monitors all situations above and takes some actions to achieve funding diversifications.

Exposure to Liquidity Risk

The key measure used by the Bank for managing liquidity risk is LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio). The first ratio is used to see short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient High Quality Liquid Asset (HQLA) to survive a significant stress scenario lasting for 30 days. Meanwhile the second ratio objective is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. As of December 31, 2023 and 2022, the reported ratios of NSFR customers were 190.59% and 146.25%, respectively.

The Bank's Liquidity Coverage Ratio ("LCR") as of December 31, 2023 and 2022 was as follows:

	2023	2022	
LCR Bank	465,30%	400,00%	*Bank's LCR*
LCR yang diwajibkan oleh regulator	100,00%	100,00%	*Regulatory required LCR*

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada arus kas yang tidak didiskontokan pada tanggal 31 Desember 2023 dan 2022

The table below shows the remaining contractual maturities of financial liabilities based on undiscounted cash flow as of December 31, 2023 and 2022:

	2023					
	Nilai tercatat/ *Carrying amount*	Nilai nominal bruto arus kas masuk (keluar)/*Gross nominal inflow (outflow)*	Kurang dari 1 bulan/*Less than 1 month*	1 - 3 bulan/ *months*	> 3 -12 bulan/ *months*	
Liabilitas non-derivatif						***Non-derivative liabilities***
Liabilitas segera	(12.555)	(12.555)	(12.555)	-	-	*Liabilities payable on demand*
Beban masih harus dibayar dan liabilitas lain-lain	(232.552)	(232.552)	(232.552)	-	-	*Accruals and other liabilities*
Simpanan dari nasabah	(6.339.203)	(6.415.294)	(4.234.466)	(1.623.974)	(556.854)	*Deposits from customers*
Simpanan dari bank lain	(1.832)	(1.832)	(1.832)	-	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	(385.051)	(386.565)	(386.565)	-	-	*Securities sold under repurchase agreements*
	(6.971.193)	(7.048.798)	(4.867.970)	(1.623.974)	(556.854)	*Deposits from customers*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

d. Risiko Likuiditas (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada arus kas yang tidak didiskontokan pada tanggal 31 Desember 2023 dan 2022: (lanjutan)

***3. Financial Risk Management and Capital Management Policies** (continued)*

***d. Liquidity Risk** (continued)*

The table below shows the remaining contractual maturities of financial liabilities based on undiscounted cash flow as of December 31, 2023 and 2022: (continued)

	2023					
	Nilai tercatat/ *Carrying amount*	Nilai nominal bruto arus kas masuk (keluar)/*Gross nominal inflow (outflow)*	Kurang dari 1 bulan/*Less than 1 month*	1 - 3 bulan/ *months*	> 3 -12 bulan/ *months*	
Liabilitas derivatif						***Derivative liabilities***
Diperdagangkan:	(1.838)	-	-	-	-	*Trading:*
Arus kas masuk	-	233.598	233.598	-	-	*Cash inflows*
Arus kas keluar	-	(235.436)	(235.436)	-	-	*Cash outflows*
	(1.838)	(1.838)	(1.838)	-	-	
Total	**(6.973.031)**	**(7.050.636)**	**(4.869.808)**	**(1.623.974)**	**(556.854)**	***Total***

	2022					
	Nilai tercatat/ *Carrying amount*	Nilai nominal bruto arus kas masuk (keluar)/*Gross nominal inflow (outflow)*	Kurang dari 1 bulan/*Less than 1 month*	1 - 3 bulan/ *months*	> 3 -12 bulan/ *months*	
Liabilitas non-derivatif						***Non-derivative liabilities***
Liabilitas segera	(24.028)	(24.028)	(24.028)	-	-	*Liabilities payable on demand*
Liabilitas akseptasi	(26.336)	(26.336)	(17.639)	(7.205)	(1.492)	*Acceptance payables*
Beban masih harus dibayar dan liabilitas lain-lain	(307.767)	(307.767)	(307.767)	-	-	*Accruals and other liabilities*
Simpanan dari nasabah	(10.604.624)	(11.177.528)	(6.095.002)	(2.432.840)	(2.649.686)	*Deposits from customers*
Simpanan dari bank lain	(7.302)	(7.610)	(7.610)	-	-	*Deposits from other banks*
Pinjaman yang diterima	(1.000.000)	(1.000.000)	-	(340.000)	(660.000)	*Borrowing*
	(11.970.057)	(12.543.269)	(6.452.046)	(2.780.045)	(3.311.178)	
Liabilitas derivatif						***Derivative liabilities***
Diperdagangkan:	(90)	-	-	-	-	*Trading:*
Arus kas masuk	-	26.355	26.355	-	-	*Cash inflows*
Arus kas keluar	-	(26.445)	(26.445)	-	-	*Cash outflows*
	(90)	(90)	(90)	-	-	
Total	**(11.970.147)**	**(12.543.359)**	**(6.452.136)**	**(2.780.045)**	**(3.311.178)**	***Total***

Tabel di atas menyajikan arus kas yang tidak didiskontokan dari liabilitas keuangan Bank berdasarkan periode jatuh tempo kontraktual yang paling dekat. Arus kas atas instrumen keuangan yang diharapkan Bank bervariasi secara signifikan dari analisa ini. Sebagai contoh, simpanan dari nasabah diharapkan memiliki saldo yang stabil atau meningkat.

Nilai nominal arus kas masuk (keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan.

The above table shows the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, deposits from customers are expected to maintain a stable or increasing balance.

The nominal inflow (outflow) disclosed in the above table represents the contractual undiscounted cash flows relating to the principal and interest on the financial liability.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

d. Risiko Likuiditas (lanjutan)

Analisa jatuh tempo aset dan liabilitas keuangan

Tabel di bawah menganalisa nilai tercatat aset dan liabilitas keuangan Bank ke dalam kelompok jatuh tempo berdasarkan sisa jangka waktu sampai dengan tanggal jatuh tempo kontraktual pada tanggal 31 Desember 2023 dan 2022:

3. Financial Risk Management and Capital Management Policies *(continued)*

d. Liquidity Risk *(continued)*

Maturity gap analysis of financial assets and liabilities

The table below analysis the carrying amount of financial assets and liabilities of the Bank into maturity time bands based on remaining period to contractual maturity dates as of December 31, 2023 and 2022:

	2023							
	Nilai tercatat/ *Carrying amount*	**Tanpa tanggal jatuh tempo kontraktual/ *Without a contractual maturity date***	**< 1 bulan/ *month***	**1 -3 bulan/ *months***	**> 3 – 12 bulan/ *months***	**> 1 - 2 tahun/ *years***	**> 2 tahun/ *years***	
Kas	24.445	24.445	-	-	-	-	-	*Cash*
Giro pada Bank Indonesia	543.920	543.920	-	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank lain	184.089	184.089	-	-	-	-	-	*Current accounts with other banks*
Penempatan pada Indonesia dan bank lain	1.092.008	-	1.092.008	-	-	-	-	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	-	695.797	1.018.147	1.263.258	-	-	*Securities purchased agreements to resell*
Tagihan derivatif	11	-	11	-	-	-	-	*Derivative receivables*
Kredit yang diberikan	5.449.285	-	296.254	388.842	2.139.745	417.106	2.207.338	*Loans*
Efek-efek	389.952	-	-	-	250.030	139.922	-	*Securities*
Aset lain-lain*)	247.977	-	185.215	-	55.944	-	6.818	*Other assets*)*
Total asel keuangan	**10.908.889**	**752.454**	**2.269.285**	**1.406.989**	**3.708.977**	**557.028**	**2.214.156**	***Total financial assets***
Liabilitas segera	12.555	12.555	-	-	-	-	-	*Liabilities payable on demand*
Simpanan dari nasabah	6.339.203	1.210.798	2.996.450	1.594.990	536.965			*Deposits from customers*
Simpanan dari bank lain	1.832	1.832	-	-	-	-	-	*Deposits from other banks*
Liabilitas derivatif	1.838	-	1.838	-	-	-	-	*Derivative payables*
Efek-efek yang dijual dengan janji dibeli kembali	385.051	-	385.051	-	-	-	-	*Securities sold under repurchase agreements*
Beban masih harus dibayar dan liabilitas lain-lain	232.552	-	232.552	-	-	-	-	*Accruals and other liabilities*
Total liabilitas keuangan	**6.973.031**	**1.225.185**	**3.615.891**	**1.594.990**	**536.965**	**-**	**-**	***Total financial liabilities***
Selisih	**3.935.858**	**(472.731)**	**(1.346.606)**	**(188.001)**	**3.172.012**	**557.028**	**2.214.156**	***Difference***

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain.

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables*

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

d. Risiko Likuiditas (lanjutan)

Analisa jatuh tempo aset dan liabilitas keuangan (lanjutan)

Tabel di bawah menganalisa nilai tercatat aset dan liabilitas keuangan Bank ke dalam kelompok jatuh tempo berdasarkan sisa jangka waktu sampai dengan tanggal jatuh tempo kontraktual pada tanggal 31 Desember 2023 dan 2022: (lanjutan)

3. Financial Risk Management and Capital Management Policies *(continued)*

d. Liquidity Risk *(continued)*

Maturity gap analysis of financial assets and liabilities (continued)

The table below analysis the carrying amount of financial assets and liabilities of the Bank into maturity time bands based on remaining period to contractual maturity dates as of December 31, 2023 and 2022: (continued)

	2022							
	Nilai tercatat/ *Carrying amount*	**Tanpa tanggal jatuh tempo kontraktual/ *Without a contractual maturity date***	**< 1 bulan/ *month***	**1 -3 bulan/ *months***	**> 3 – 12 bulan/ *months***	**> 1 - 2 tahun/ *years***	**> 2 tahun/ *years***	
Kas	33.354	33.354	-	-	-	-	-	*Cash*
Giro pada Bank Indonesia	919.797	919.797	-	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank lain	148.347	148.347	-	-	-	-	-	*Current accounts with other banks*
Penempatan pada Indonesia dan bank lain	1.032.898	-	1.032.898	-	-	-	-	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	-	512.242	908.495	1.651.485	-	-	*Securities purchased agreements to resell*
Tagihan derivatif	108	-	108	-	-	-	-	*Derivative receivables*
Tagihan akseptasi	188.295	-	131.398	7.790	49.107	-	-	*Acceptance receivables*
Kredit yang diberikan	9.256.123	-	170.246	739.443	3.138.202	888.434	4.319.798	*Loans*
Efek-efek	513.987	-		123.974	-	390.013	-	*Securities*
Aset lain-lain*)	256.787	-	94.468	-	155.505	-	6.814	*Other assets*)*
Total asel keuangan	**15.421.918**	**1.101.498**	**1.941.360**	**1.779.702**	**4.994.299**	**1.278.447**	**4.326.612**	***Total financial assets***
Liabilitas segera	24.028	24.028	-	-	-	-	-	*Liabilities payable on demand*
Simpanan dari nasabah	10.604.624	2.034.996	3.841.277	2.263.525	2.464.826	-	-	*Deposits from customers*
Simpanan dari bank lain	7.302	4.805	2.497	-	-	-	-	*Deposits from other banks*
Liabilitas derivatif	90	-	90	-	-	-	-	*Derivative payables*
Liabilitas akseptasi	26.336	-	17.639	7.205	1.492	-	-	*Acceptance payables*
Pinjaman yang diterima	1.000.000	-	-	340.000	660.000	-	-	*Borrowings*
Beban masih harus dibayar dan liabilitas lain-lain	307.767	-	307.767	-	-	-	-	*Accruals and other liabilities*
Total liabilitas keuangan	**11.970.147**	**2.063.829**	**4.169.270**	**2.610.730**	**3.126.318**	**-**	**-**	***Total financial liabilities***
Selisih	**3.451.771**	**(962.331)**	**(2.227.910)**	**(831.028)**	**1.867.981**	**1.278.447**	**4.326.612**	***Difference***

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain.

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables*

e. Risiko Operasional

Risiko operasional adalah risiko yang disebabkan oleh ketidakcukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem atau adanya faktor eksternal yang mempengaruhi operasional Bank.

e. Operational Risk

Operational Risk is the risk caused by by inadequacy and/or failed of internal processes, human error, system failure or external factors affecting the operations of the Bank.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

e. Risiko Operasional (lanjutan)

Bank telah memiliki Kerangka Kerja Manajemen Risiko Operasional yang menjadi standar dalam mengelola risiko operasional. Kerangka Kerja Manajemen Risiko Operasional ini terdiri dari berbagai komponen seperti appetite risiko operasional, struktur, governance, kebijakan dan prosedur. Kebijakan dan prosedur yang terkait dengan pengelolaan risiko operasional telah diterbitkan dan diperbaharui secara berkesinambungan untuk memastikan kecukupan pengelolaan risiko operasional. Diantara kebijakan dan prosedur tersebut misalnya Kebijakan Manajemen Risiko Operasional, Pedoman Petunjuk *Operational Risk Event Loss Data Management*, Prosedur *Risk and Control Self Assessment* (RCSA), Pedoman *Operational Risk Mitigating Action* dan Kebijakan *Third Party Risk Management*. Konsep Pertahanan Tiga Lini juga telah diimplementasikan oleh Bank. Konsep ini menjelaskan bahwa terdapat tiga lini pertahanan dalam mengelola risiko dimana masing-masing lini memiliki peran dan tanggung jawabnya dalam mengelola risiko.

Bank secara aktif melakukan program sosialisasi untuk meningkatkan *risk awareness* dalam rangka meminimalisir risiko operasional. Sosialisasi dilakukan dalam bentuk *e-learning*, *e-mail blast* dan tatap muka.

Dalam rangka memitigasi risiko operasional, Bank telah menyusun kebijakan *anti-fraud* untuk meminimalisir potensi kecurangan (*fraud*), yang akan menyebabkan kerugian Bank, baik dikarenakan kecurangan eksternal maupun internal. Selain itu Bank juga telah memiliki mekanisme *whistleblowing* sebagai salah satu sarana untuk melaporkan dan mengeskalasikan indikasi kejadian kecurangan.

Selain itu, Bank telah mengembangkan *Risk & Control Self Assessment* (RCSA) sebagai salah satu *tools* untuk mengidentifikasi risiko operasional. Selanjutnya RCSA dan KRI akan diterapkan ke seluruh unit kerja secara bertahap. Bank juga telah memiliki proses pelaporan Kejadian Risiko Operasional yang mengatur proses pelaporan, *monitoring* dan eskalasi kejadian risiko operasional.

3. Financial Risk Management and Capital Management Policies *(continued)*

e. Operational Risk *(continued)*

Bank already has Operational Risk Mangement Framework that will become standard for managing operational risk. Operational Risk Framework consists of several components such as operational risk appetite, structure, governance, policies and procedures. Policies and procedures related to operational risk are published and reviewed continuously to ensure the adequacy of the management of operational risk. Such policies and procedures are Operational Risk Management Policy, Operational Risk Event Loss Data Management Guidance, Risk and Control Self Assessment (RCSA) Procedure, Operational Risk Mitigating Action Guidance, and Third Party Risk Management Policy. Three Lines of Defense Concept is already implemented by the Bank. This concept explain that there are three lines of defense in managing risk in which each lines have their own role and responsibilities in managing risk.

Bank actively conducts the socialization program to improve risk awareness in order to minimize the operational risk. Socialization are performed in form of e-learning, e-mail blast and face to face.

In order to mitigate operational risks, the Bank has developed anti-fraud policy to minimize potential of fraud, which led to the Bank's losses, either caused by external or internal fraud. Beside, Bank already has whistleblowing mechanism as a tool to report and escalate indication of fraud incident.

Beside that, the Bank has developed Risk & Control Self Assessment (RCSA) as tools to identify operational risk. RCSA and KRI will be implemented to all work units gradually. The Bank also has Incident reporting process which governs reporting process, monitoring and escalation of operational risk incident.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

e. Risiko Operasional (lanjutan)

Business Continuity Management (BCM)

BCM adalah proses manajemen secara holistik untuk mengidentifikasi potensi ancaman terhadap suatu organisasi dan menimbulkan dampak terhadap operasional bisnis jika ancaman tersebut terjadi, dan menyediakan kerangka kerja untuk membangun ketahanan organisasi melalui kemampuan respon yang efektif untuk melindungi kepentingan para *stakeholder*, reputasi, *brand*, dan kegiatan-kegiatan penciptaan nilai. Bank telah memiliki Kebijakan BCM yang mengatur proses *end to end* terkait dengan BCM.

Sasaran dari penerapan BCM adalah untuk:

1. Memastikan kelanjutan proses dari fungsi/unit yang kritikal sesuai dengan toleransi waktu yang telah ditetapkan saat terjadi krisis atau bencana;
2. Memastikan setiap fungsi/unit yang kritikal memiliki strategi pemulihan yang sesuai dan dapat diimplementasikan saat terjadi krisis atau bencana;
3. Memastikan ketersediaan sumber daya manusia dan material yang dibutuhkan oleh bank dalam menjalankan bisnis saat terjadi krisis atau bencana;
4. Meningkatkan kesadaran de untuk selalu siap dalam menghadapi kondisi krisis atau bencana;
5. Menjaga sumber daya utama yang dibutuhkan dalam mendukung pemulihan aktivitas Bank;
6. Mengurangi dampak terhadap layanan Bank;
7. Mengurangi risiko reputasi;
8. Meningkatkan kepercayaan publik dan sistem keuangan makro;
9. Meningkatkan ketahanan atau kemampuan pemulihannya; dan
10. Menjaga eksistensi Bank.

Penerapan program-program terkait BCM di Bank melibatkan seluruh komponen dan mendapat dukungan penuh dari manajemen sejak dari tahap perencanaan, penyusunan, pemeliharaan, pengawasan sampai penyempurnaannya.

3. Financial Risk Management and Capital Management Policies *(continued)*

e. Operational Risk *(continued)*

Business Continuity Management (BCM)

BCM is a holistic management process that identifies potential impacts that threaten an organization and provides a framework for building resilience and the capability to respond effectively safeguard the interests of the stakeholders, reputation, brand and value creating activities. The Bank already has BCM policy which governs end to end process regarding BCM.

The goal of the application of BCM is to:

1. *Ensure the continuing process of critical function/unit in accordance with a predetermined tolerance time during a crisis or disaster;*
2. *Ensure each critical function/unit has the appropriate recovery strategies and can be implemented during a crisis or disaster;*
3. *Ensure the availability of human and material resources required by the bank to continue run the business in the event of a crisis or disaster;*
4. *Increase awareness of employees to always be prepared to deal with a crisis situation or disaster;*
5. *Keeping the main resources required to support the recovery of the Bank's activities;*
6. *Reduce the impact on the Bank's services;*
7. *Reducing the risk of reputation;*
8. *Improve public confidence and macro financial system;*
9. *Increasing the resilience or recovery capability; and*
10. *Maintain the existence of the Bank.*

The implementation of programs related to BCM at Bank involve all components and have the full support of management since the planning stage, the preparation, maintenance, supervision until perfected.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

e. Risiko Operasional (lanjutan)

Komite Manajemen Risiko Operasional

Untuk meningkatkan kualitas monitoring dan pengawasan terhadap implementasi manajemen risiko operasional telah dibentuk Komite Manajemen Risiko Operasional sejak Februari 2018. Secara berkala dilakukan rapat Komite Manajemen Risiko Operasional untuk membahas dan mengambil keputusan terkait dengan isu-isu risiko operasional.

f. Manajemen Modal

Bank diwajibkan untuk mentaati Peraturan Otoritas Jasa Keuangan ("POJK") yang berlaku dalam hal modal yang diwajibkan regulator. Pendekatan Bank terhadap pengelolaan modal ditentukan oleh strategi dan persyaratan organisasi Bank, dengan mempertimbangkan peraturan, serta keadaan ekonomi dan komersial.

Bank menghitung kebutuhan modal berdasarkan POJK yang berlaku dimana modal yang diwajibkan regulator Bank dianalisa dalam dua tier:

- Modal tier 1, meliputi modal ditempatkan dan disetor penuh, dana setoran modal, cadangan umum dan wajib, saldo laba (rugi) dan laba tahun berjalan, laba (rugi) tahun lalu, aset tak berwujud dan selisih kurang antara penyisihan kerugian kredit dan cadangan kerugian penurunan nilai atas aset produktif dan non produktif, aset pajak tangguhan serta instrumen yang memenuhi persyaratan;
- Modal tier 2, meliputi instrumen modal dalam bentuk saham atau lainnya yang memenuhi persyaratan, cadangan umum aset produktif yang wajib dibentuk.

Bank tidak mempunyai modal tambahan lain yang memenuhi kriteria modal tier 3 sesuai dengan POJK yang berlaku.

***3. Financial Risk Management and Capital Management Policies** (continued)*

***e. Operational Risk** (continued)*

Operational Risk Management Committee

To improve the quality of monitoring and oversight of operational risk management implementation, Operational Risk Committee has been established in February 2018. Meeting of Operational Risk Committee to discuss and make decision on operational risk related issues has been conducted on a periodic basis.

f. Capital Management

The Bank is required to comply with prevailing Financial Service Authority Regulation ("POJK") regulation in respect of regulatory capital. The Bank's approach to capital management is driven by the Bank's strategic and organizational requirements, taking into account the regulatory, economic and commercial environment.

The Bank calculates its capital requirements using the prevailing POJK where the Bank's regulatory capital is analyzed into two tiers:

- *Tier 1 capital, which includes issued and fully paid share capital, advanced capital, general and legal reserve, retained earnings and profit (loss) for the year, profit (loss) from prior year, intangible assets, and difference between provision for loan losses and allowance for impairment losses for productive asset and non productive asset, deffered tax asset and instruments that fulfills terms;*
- *Tier 2 capital, which includes capital instruments in the form of shares or others that fulfills terms, required general provision for productive assets.*

The Bank does not have any other supplementary capital which meets the criteria of tier 3 capital under prevailing POJK.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

f. Manajemen Modal (lanjutan)

Berbagai batasan telah diterapkan untuk menentukan komponen modal yang diwajibkan oleh regulator. Pengaruh dari pajak tangguhan telah dikeluarkan dalam menentukan jumlah saldo laba untuk menghitung modal tier 1; 100 persen laba tahun berjalan sebelum aset pajak tangguhan yang dapat diperhitungkan dalam modal tier 1; dan modal tier 2 tidak boleh melebihi modal tier 1. Juga terdapat batasan jumlah cadangan umum aset produktif yang boleh dimasukkan sebagai bagian dari modal tier 2.

Aset Tertimbang Menurut Risiko ("ATMR") Bank ditentukan berdasarkan persyaratan yang telah ditentukan yang mencerminkan berbagai tingkatan risiko yang terkait dengan aset dan eksposur yang tidak tercermin dalam laporan posisi keuangan. Berdasarkan POJK, 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.

Bank telah mematuhi semua persyaratan modal yang ditetapkan oleh OJK sepanjang tahun.

3. Financial Risk Management and Capital Management Policies *(continued)*

f. Capital Management *(continued)*

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; 100 percent of the profit for the year before deferred tax asset 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 general allowance for productive assets that may be included as part of tier 2 capital.

The Bank's risk weighted assets ("RWA") 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 POJK, the Bank needs to take into consideration its credit risk, market risk and operational risk in measuring the RWA.

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 the business. The impact of the level of capital on shareholders' return is also recognized and the Bank also recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security level afforded by a strong capital position.

The Bank has complied with all capital requirements set by OJK throughout the year.

3. Kebijakan Manajemen Risiko Keuangan dan Manajemen Modal (lanjutan)

f. Manajemen Modal (lanjutan)

Tabel di bawah ini menunjukkan modal dan rasio kewajiban penyediaan modal minimum Bank masing-masing pada tanggal 31 Desember 2023 dan 2022 sebagai berikut:

3. Financial Risk Management and Capital Management Policies *(continued)*

f. Capital Management *(continued)*

The table below shows the Bank's capital and capital adequacy ratio as of December 31, 2023 and 2022, are as follows:

	2023	2022	
Modal tier 1	4.194.882	4.056.257	*Tier 1 capital*
Modal tier 2	55.515	96.485	*Tier 2 capital*
Total modal yang diwajibkan regulator	4.250.397	4.152.742	*Total regulatory capital*
Aset tertimbang menurut risiko			*Risk weighted assets*
Risiko kredit	6.101.747	9.787.220	*Credit risk*
Risiko pasar	1.821	6.208	*Market risk*
Risiko operasional	726.026	967.133	*Operational risk*
Total aset tertimbang menurut risiko	6.829.594	10.760.561	*Total risk weighted assets*
Rasio kewajiban penyediaan modal untuk risiko kredit	69,66%	42,43%	*Capital adequacy ratio for credit risk*
Rasio kewajiban penyediaan modal untuk risiko kredit dan risiko operasional	62,25%	38,61%	*Capital adequacy ratio for credit risk and operational risk*
Rasio kewajiban penyediaan modal minimum untuk risiko kredit, pasar dan operasional	62,23%	38,59%	*Minimum capital adequacy ratio for credit risk, market risk and operational risk*
Rasio kewajiban penyediaan modal minimum yang diwajibkan	8,00%	8,00%	*Required capital adequacy ratio*
Rasio kewajiban penyediaan modal minimum yang diwajibkan menurut profil risiko	9,00%	9,00%	*Required capital adequacy ratio accordance with risk profile*

Manajemen menggunakan rasio modal yang diwajibkan regulator untuk memantau modal dan rasio-rasio modal ini tetap menjadi standar industri untuk mengukur kecukupan modal. Pendekatan OJK untuk pengukuran ini terutama berdasarkan pemantauan terhadap hubungan antara modal yang diwajibkan berdasarkan profil risiko terhadap modal yang tersedia.

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 capital resources requirement based on risk profile to available capital resources.

4. Penggunaan Estimasi dan Pertimbangan

Pengungkapan ini merupakan tambahan atas pembahasan tentang manajemen risiko keuangan (Catatan 3).

a. Sumber utama atas ketidakpastian estimasi

(i) Cadangan kerugian penurunan nilai atas aset keuangan

Evaluasi atas kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan diamortisasi dijelaskan di Catatan 2s.

Cadangan kerugian penurunan nilai terkait dengan pihak lawan spesifik dalam seluruh cadangan kerugian penurunan nilai dibentuk atas tagihan yang penurunan nilainya dievaluasi secara individual berdasarkan estimasi terbaik manajemen atas nilai tunai arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas ini, manajemen membuat pertimbangan mengenai kondisi keuangan dari pihak lawan dan nilai bersih yang dapat direalisasi dari agunan yang diterima. Setiap aset yang mengalami penurunan nilai dievaluasi, dan strategi penyelesaiannya serta estimasi arus kas yang dinilai dapat diperoleh kembali secara independen disetujui oleh Departemen Kredit.

Evaluasi cadangan kerugian penurunan nilai secara kolektif meliputi kerugian kredit yang melekat pada portofolio tagihan dengan karakteristik ekonomi yang serupa ketika terdapat bukti obyektif bahwa telah terjadi penurunan nilai tagihan dalam portofolio tersebut namun penurunan nilai secara individu belum dapat diidentifikasi. Dalam menentukan perlunya membentuk cadangan kerugian penurunan nilai kredit secara kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit, besarnya portofolio, konsentrasi kredit dan faktor-faktor ekonomi.

Dalam mengestimasi cadangan yang dibutuhkan, asumsi-asumsi dibuat untuk menentukan model kerugian bawaan dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman historis dan kondisi ekonomi saat ini.

4. Use of Estimates and Judgments

These disclosures supplement the commentary on financial risk management (Note 3).

a. Key sources of estimation uncertainty

(i) Allowances for impairment losses of financial assets

Allowances for impairment losses of financial assets Financial assets accounted for at amortized cost are evaluated for impairment on a basis described in Note 2s.

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Department.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, credit concentrations and economic factors.

In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experience and current economic conditions.

4. Penggunaan Estimasi dan Pertimbangan (lanjutan)

a. Sumber utama atas ketidakpastian estimasi (lanjutan)

(i) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

Ketepatan dari cadangan ini tergantung pada seberapa tepat estimasi arus kas masa depan untuk menentukan cadangan individual serta asumsi model dan parameter yang digunakan dalam menentukan cadangan kolektif.

(ii) Penentuan nilai wajar

Dalam menentukan nilai wajar atas aset dan liabilitas keuangan dimana tidak terdapat harga pasar yang dapat diobservasi, Bank harus menggunakan teknik penilaian seperti dijelaskan pada Catatan 2f. Untuk instrumen keuangan yang jarang diperdagangkan dan tidak memiliki harga yang transparan, nilai wajarnya menjadi kurang obyektif dan karenanya, membutuhkan tingkat pertimbangan yang beragam, tergantung pada likuiditas, konsentrasi, ketidakpastian faktor pasar, asumsi penentuan harga dan risiko lainnya yang mempengaruhi instrumen tertentu.

(iii) Liabilitas imbalan kerja

Penentuan liabilitas imbalan kerja Bank bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian.

(iv) Pengakuan aset pajak tangguhan

Aset pajak tangguhan diakui atas seluruh rugi fiskal yang belum digunakan sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga rugi fiskal tersebut dapat digunakan. Estimasi signifikan digunakan oleh manajemen dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak dan strategi perencanaan pajak masa depan.

***4. Use of Estimates and Judgments** (continued)*

***a. Key sources of estimation uncertainty** (continued)*

(i) Allowances for impairment losses of financial assets (continued)

The accuracy of the allowances depends on how well the estimated future cash flows are determined for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 2f. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(iii) Obligation for employment benefits

The determination of the Bank's obligation for employment benefits is dependent on its selection of certain assumptions used by the independent actuaries in calculating such accounts. Those assumptions include among others, discount rates, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate.

(iv) Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Penggunaan Estimasi dan Pertimbangan (lanjutan)

a. Sumber utama atas ketidakpastian estimasi (lanjutan)

(iv) Pengakuan aset pajak tangguhan (lanjutan)

Bank menelaah aset pajak tangguhan pada setiap tanggal laporan posisi keuangan dan mengurangi jumlah tercatat dalam hal tidak adanya lagi kemungkinan bahwa penghasilan kena pajak yang cukup akan tersedia untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan.

(v) Provisi perpajakan

Bank menentukan provisi perpajakan berdasarkan estimasi atas kemungkinan adanya tambahan beban pajak. Jika hasil akhir dari hal ini berbeda dengan jumlah yang dicatat semula, maka perbedaan tersebut akan berdampak terhadap laba/rugi.

b. Pertimbangan akuntansi yang material dalam menerapkan kebijakan akuntansi Bank

(i) Nilai wajar dari instrumen keuangan

Kebijakan akuntansi Bank untuk pengukuran nilai wajar dibahas di Catatan 2f.

Informasi mengenai penentuan nilai wajar dari instrumen keuangan diungkapkan pada Catatan 36.

(ii) Klasifikasi aset dan liabilitas keuangan

Kebijakan akuntansi Bank memberikan keleluasaan untuk menetapkan aset dan liabilitas keuangan ke dalam berbagai kategori pada saat pengakuan awal sesuai dengan standar akuntansi yang berlaku berdasarkan kondisi tertentu.

4. Use of Estimates and Judgments *(continued)*

a. Key sources of estimation uncertainty *(continued)*

(iv) Recognition of deferred tax assets (continued)

The Bank review their deferred tax assets at each statement of financial position date and reduce the carrying amount to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized..

(v) Provision for taxes

The Bank provides for tax provision based on estimates whether the additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the profit/loss.

b. Material accounting judgments in applying the Bank's accounting policies

(ii) Fair value of financial instrument

The Bank's accounting policy on fair value measurements is discussed in Note 2f.

Information about the determination of fair value of financial instruments is disclosed in Note 36.

(ii) Financial asset and liability classification

The Bank's accounting policies provide scope for financial assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

5. Kas / *5. Cash*

	2023	2022	
Rupiah	19.405	23.407	*Rupiah*
Valuta asing			*Foreign currencies*
Dolar Amerika Serikat	3.732	8.731	*United States Dollar*
Dolar Singapura	1.308	1.092	*Singapore Dollar*
Dolar Australia	-	8	*Australian Dollar*
Euro Eropa	-	116	*Europian euro*
Total	**24.445**	**33.354**	***Total***

Pada tanggal 31 Desember 2023 dan 2022, saldo kas dalam mata uang Rupiah termasuk jumlah kas pada ATM masing-masing sebesar Rp1.278 dan Rp1.259.

As of December 31, 2023 and 2022, total cash in Rupiah includes cash amount in ATMs of Rp1,278 and Rp1,259, respectively.

Pada tanggal 31 Desember 2023 dan 2022, manajemen berkeyakinan bahwa seluruh saldo kas dapat digunakan dan tidak terdapat saldo kas yang dijaminkan.

As of December 31, 2023 and 2022, management believes that all cash can be used and no cash balance as collateral.

6. Giro pada Bank Indonesia / *6. Current Accounts with Bank Indonesia*

	2023	2022	
Rupiah	448.459	809.268	*Rupiah*
Dolar Amerika Serikat	95.461	110.529	*United States Dollar*
Total	**543.920**	**919.797**	***Total***

Bank dipersyaratkan untuk memiliki Giro Wajib Minimum (GWM) dalam mata uang Rupiah dalam kegiatannya sebagai bank umum, serta GWM dalam mata uang asing dalam kegiatannya melakukan transaksi mata uang asing.

The Bank is required to maintain minimum statutory reserves (GWM) in Rupiah for commercial banking, and statutory reserves in foreign currencies for foreign exchange transactions.

Rasio Giro Wajib Minimum (GWM) pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

The minimum statutory reserves ratio (GWM) as of December 31, 2023 and 2022 are as follows:

	2023	2022	
Rupiah			*Rupiah*
Giro Wajib Minimum Harian	10,08%	9,30%	*Daily Minimum Statutory Reserves*
Giro Wajib Minimum Rata-rata	8,84%	9,01%	*Average Minimum Statutory Reserves*
Valuta asing			*Foreign currencies*
Giro Wajib Minimum Harian	4,01%	4,05%	*Daily Minimum Statutory Reserves*
Giro Wajib Minimum Rata-rata	4,01%	4,05%	*Average Minimum Statutory Reserves*
Penyangga Likuiditas Mikroprudensial			*Macroprudential Liquidity Reserve*
d/h Giro Wajib Minimum	76,35%	42,06%	*d/h Secondary Minimum*
Sekunder	76,35%	42,06%	*Statutory Reserves*

6. Giro pada Bank Indonesia (lanjutan)

Rasio GWM pada tanggal 31 Desember 2023 dan 2022 dihitung berdasarkan Peraturan Bank Indonesia No. 20/3/PBI/2018 tanggal 29 Maret 2018 yang telah diubah beberapa kali, terakhir dengan PBI No. 24/4/PBI/2022 tanggal 25 Februari 2022. PBI tersebut dijelaskan oleh Peraturan Anggota Dewan Gubernur (PADG) No. 20/10/PADG/2018 tanggal 31 Mei 2018 sebagaimana telah diubah beberapa kali dengan PADG No.20/30/PADG/2018 tanggal 30 November 2018, PADG No. 21/14/PADG/2019 tanggal 26 Juni 2019 sebagaimana telah diubah beberapa kali dengan PADG No. 21/27/PADG/2019 tanggal 26 Desember 2019, PADG No. 22/2/PADG/2020 tanggal 13 Maret 2020, PADG No. 22/10/PADG/2020 tanggal 30 April 2020, PADG No. 22/19/PADG/2020 tanggal 29 Juli 2020, PADG No.23/27/PADG/2021 tanggal 21 Desember 2021, PADG No. 24/3/PADG/2022 tanggal 1 Maret 2022, PADG No. 24/8/PADG/2022 tanggal 30 Juni 2022, PADG No. 2 Tahun 2023 tanggal 24 Maret 2023 dan perubahan terakhir pada PADG No. 12 Tahun 2023 tanggal 1 Oktober 2023 tentang "Giro Wajib Minimum dalam Rupiah dan Valuta Asing bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

Pada tanggal-tanggal 31 Desember 2023 dan 2022, Bank juga harus memenuhi Peraturan Bank Indonesia (PBI) No. 20/4/PBI/2018 tanggal 29 Maret 2018 tentang "Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah" sebagaimana telah diubah dengan PBI No. 21/12/PBI/2019 tanggal 25 November 2019, PBI No. 22/17/PBI/2020 tanggal 30 September 2020, dan PBI No.24/16/PBI/2022 tanggal 1 November 2022 yang dijelaskan melalui Peraturan Anggota Dewan Gubernur No.21/22/PADG/2019 tanggal 28 November 2019 yang telah diubah dengan PADG No. 21/11/PADG/2020 tanggal 29 April 2020, PADG 22/30/PADG/2020 tanggal 5 Oktober 2020, PADG No. 23/7/PADG/2021 tanggal 26 April 2021, PADG No. 23/31/PADG/2021 tanggal 31 Desember 2021 dan perubahan terakhir PADG No. 24/14/PADG/2022 tanggal 1 November 2022 tentang "Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

6. Current Accounts with Bank Indonesia *(continued)*

The calculation of the GWM ratios as of December 31, 2023 and 2022 is based on Bank Indonesia regulation (PBI) No. 20/3/PBI/2018 dated March 29, 2018, which has been amended several times, the latest with PBI No. 24/4/PBI/2022 dated February 25, 2022. The PBI is explained by Regulations of Members of the Board of Governors (PADG) No. 20/10/PADG/2018 dated May 31, 2018 which has been amended several times with PADG No. 20/30/PADG/2018 dated November 30, 2018, PADG No. 21/14/PADG/2019 dated June 26, 2019 which has been amended several times with PADG No. 21/27/PADG/2019 dated December 26, 2019, PADG No. 22/2/PADG/2020 dated March 13 2020 PADG No. 22/10/PADG/2020 dated April 30, 2020, PADG No. 22/19/PADG/2020 dated July 29, 2020, PADG No.23/27/PADG/2021 dated December 21, 2021, PADG No. 24/3/PADG/2022 dated March 1, 2022, PADG No. 24/8/PADG/2022 dated June 30, 2022, PADG No. 2 year of 2023 dated March 24, 2023 and the latest amendment by PADG No.12 year of 2023 dated October 1, 2023 regarding "Minimum Statutory Reserve Requirements in Rupiah and Foreign Currencies of Conventional Commercial Banking, Sharia Commercial Banking and Sharia Business Units".

As of December 31, 2023 and 2022, The Bank must also comply with Bank Indonesia Regulation (PBI) No. 20/4/PBI/2018 dated March 29, 2018 regarding "Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit" which has been amended with PBI 21/12/PBI/2019 dated November 25, 2019, PBI No. 22/17/PBI/2020 dated September 30, 2020 and PBI 24/16/PBI/2022 dated November 1, 2022, which is explained through PADG No. 21/22/PADG/2019 dated November 28, 2019 which has been amended with PADG No. 21/11/PADG/2020 dated April 29, 2020, PADG No. 22/30/PADG/2020 dated October 5, 2020, PADG No. 23/7/PADG/2021 dated April 26, 2021, PADG No. 23/31/PADG/2021 dated December 31, 2021 and the latest amendment by PADG 24/14/PADG/2022 dated November 1, 2022 concerning "Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units".

6. Giro pada Bank Indonesia (lanjutan)

Bank Indonesia melakukan penguatan kebijakan insentif untuk mendorong peranan perbankan dalam pembiayaan kepada sektor prioritas sesuai Peraturan Bank Indonesia (PBI) No. 24/5/PBI/2022 tentang Insentif bagi Bank yang Memberikan Penyediaan Dana untuk Kegiatan Ekonomi Tertentu dan Inklusif tanggal 25 Februari 2022, sebagaimana diatur lebih lanjut melalui PADG No. 24/4/PADG/2022 tanggal 1 Maret 2022 sebagaimana telah diubah dengan perubahan terakhir PADG No. 1 Tahun 2023 tanggal 15 Februari 2023 dan perubahan terakhir PADG No. 11 tahun 2023 tanggal 27 September 2023 tentang "Peraturan Pelaksanaan Kebijakan Insentif Likuiditas Makroprudensial" Bank Indonesia memberikan insentif berupa kelonggaran atas kewajiban pemenuhan GWM dalam rupiah yang wajib dipenuhi secara harian sebesar 0,70. Insentif bagi Bank yang melakukan penyediaan dana untuk kegiatan ekonomi tertentu dan inklusif ditetapkan oleh Bank Indonesia dan berlaku mulai 1 Desember 2023 sampai dengan 29 Februari 2024.

Pada tanggal 31 Desember 2023 dan 2022, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM Primer dan PLM. Persentase persyaratan adalah sebagai berikut:

6. Current Accounts with Bank Indonesia *(continued)*

Bank Indonesia has strengthened incentive policy to stimulate the role of banks in financing priority sectors in accordance with Bank Indonesia Regulation (PBI) No. 24/5/PBI/2022 regarding Incentives for Banks Providing Funds for Certain and Inclusive Economic Activities dated February 25, 2022, as further regulated through PADG No. 24/4/PADG/2022 dated March 1, 2022 as amended by the latest amendment of PADG No. 1 of 2023 dated February 15, 2023, and the latest amendment by PADG No. 11 year of 2023 dated September 27, 2023 regarding "Regulations for Implementing Macroprudential Liquidity Incentive Policy" Bank Indonesia provides incentives in the form of leniency on the obligation to fulfill the statutory reserve in rupiah which must be fulfilled on a daily basis of 0.70%. This incentive is given to Banks that provide funds for certain and inclusive economic activities as stipulated by Bank Indonesia and are valid from December 1, 2023 to February 29, 2024.

As of December 31, 2023 and 2022, based on the above Bank Indonesia regulations, The Bank is required to maintain primary GWM and PLM. The percentage requirements are as follows:

	2023	2022	
Rupiah			*Rupiah*
Giro Wajib Minimum Primer	9,00%	9,00%	*Primary Minimum Statutory Reserves*
Valuta Asing			*Foreign Currency*
Giro Wajib Minimum	4,00%	4,00%	*Minimum Statutory Reserves*
Penyangga Likuiditas Makroprudensial d/h Giro Wajib Minimum	6,00%	6,00%	*Macroprudential Liquidity Reserve d/h Minimum Statutory Reserves*

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder dan Penyangga Likuiditas Makroprudensial (PLM) adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia (SBI), Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau excess *reserve* yang merupakan kelebihan saldo Rekening Giro Rupiah dari GWM Primer, GWM LFR dan Rasio Intermediasi Makroprudensial (RIM). GWM LFR dan RIM adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR dan RIM target Bank Indonesia (84%) atau jika di atas maksimum LFR dan RIM target BI (94%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve and Macroprudential Liquidity Buffer are the minimum reserves that should be maintained by the Bank which comprise of Certificates of Bank Indonesia (SBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represents the excess reserve of the Bank Current Accounts in Rupiah over the Primary Minimum Statutory Reserve, Minimum Statutory Reserve on LFR and Macroprudential Intermediation Ratio (RIM). Minimum Statutory Reserve on LFR and RIM is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank and its subsidiaries' LFR and RIM is below the minimum of LFR and RIM targeted by Bank Indonesia (84%) or if the Bank LFR and RIM is above the maximum of LFR and RIM targeted by BI (94%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

6. Giro pada Bank Indonesia (lanjutan)

Pada tanggal 31 Desember 2023 dan 2022, Bank telah memenuhi ketentuan Peraturan Bank Indonesia yang berlaku tentang GWM Bank Umum.

Pada tanggal 31 Desember 2023 dan 2022, tidak ada giro pada Bank Indonesia yang dijadikan jaminan.

6. Current Accounts with Bank Indonesia *(continued)*

As of December 31, 2023 and 2022 , the Bank has fulfilled Bank Indonesia's prevailing regulation regarding GWM of Commercial Banks.

As of December 31, 2023 and 2022, there are no current accounts with Bank Indonesia pledged as collateral.

7. Giro pada Bank Lain / ***7. Current Accounts with Other Banks***

	2023	2022	
Rupiah			***Rupiah***
Pihak ketiga:			*Third parties:*
PT Bank Permata Tbk	10.984	10.000	*PT Bank Permata Tbk*
PT Bank Central Asia Tbk	7.624	5.589	*PT Bank Central Asia Tbk*
PT Bank CIMB Niaga Tbk	3.454	4.345	*PT Bank CIMB Niaga Tbk*
PT Bank Mandiri (Persero) Tbk	330	276	*PT Bank Mandiri (Persero) Tbk*
Standard Chartered Bank Jakarta	25	25	*Standard Chartered Bank Jakarta*
PT Bank Tabungan Negara (Persero) Tbk	-	2	*PT Bank Tabungan Negara (Persero) Tbk*
Total - Rupiah	22.417	20.237	*Total - Rupiah*
Valuta asing			***Foreign currencies***
Pihak berelasi:			*Related parties:*
Qatar National Bank (Q.P.S.C.) Qatar (Catatan 38)	282	338	*Qatar National Bank (Q.P.S.C.) Qatar (Note 38)*
Pihak ketiga:			*Third parties:*
Standard Chartered Bank - New York	77.218	35.137	*Standard Chartered Bank - New York*
Bank Mizuho Ltd., Tokyo	31.723	13.811	*Bank Mizuho Ltd., Tokyo*
JP Morgan Chase Bank - Frankfurt	14.679	12.181	*JP Morgan Chase Bank - Frankfurt*
JP Morgan Chase Bank - New York	13.315	17.754	*JP Morgan Chase Bank - New York*
United Overseas Bank Ltd., Singapura	9.143	12.218	*United Overseas Bank Ltd., Singapore*
ANZ Banking Group Ltd., Australia	5.165	16.643	*ANZ Banking Group Ltd., Australia*
PT Bank Mandiri (Persero) Tbk	4.326	1.659	*PT Bank Mandiri (Persero) Tbk*
Standard Chartered Bank - Singapura	2.311	809	*Standard Chartered Bank - Singapore*
Standard Chartered Bank - London	1.889	15.698	*Standard Chartered Bank - London*
PT Bank Central Asia Tbk	1.298	1.726	*PT Bank Central Asia Tbk*
PT Bank ICBC Indonesia	150	-	*PT Bank ICBC Indonesia*
United Overseas Bank Ltd. - Hong Kong	105	169	*United Overseas Bank Ltd. - Hong Kong*
JP Morgan Chase Bank - London	83	-	*JP Morgan Chase Bank - London*
Total - valuta asing	161.687	128.143	*Total - foreign currencies*
Total	**184.104**	**148.380**	***Total***
Cadangan kerugian penurunan nilai	(15)	(33)	*Allowance for impairment losses*
Neto	**184.089**	**148.347**	***Net***

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutupi kemungkinan penurunan nilai giro pada bank lain.

The Bank's management believes that the allowance for impairment losses provided is adequate to cover any possible impairment on current accounts with other banks.

7. Giro pada Bank Lain (lanjutan)

Pada tanggal 31 Desember 2023 dan 2022, tidak ada giro pada bank lain yang dijadikan jaminan.

Perubahan nilai tercatat bruto adalah sebagai berikut:

7. *Current Accounts with Other Banks* *(continued)*

As of December 31, 2023 and 2022, there are no current accounts with other banks pledged as collateral.

The movements in the gross carrying amount are as follows:

	Tahap 1/ *Stage 1*	**Tahap 2/ *Stage 2***	**Tahap 3/ *Stage 3***	**Jumlah/ *Total***	
31 Desember 2021	**275.614**	**-**	**-**	**275.614**	***December 31, 2021***
Aset baru	19.306	-	-	19.306	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	-	-	-	-	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	(151.027)	-	-	(151.027)	*Remeasurement*
Dampak perubahan kurs	4.487	-	-	4.487	*Effect on exchange rate*
31 Desember 2022	**148.380**	**-**	**-**	**148.380**	***December 31, 2022***
Aset baru	233	-	-	233	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(2)	-	-	(2)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	36.640	-	-	36.640	*Remeasurement*
Dampak perubahan kurs	(1.147)	-	-	(1.147)	*Effect on exchange rate*
31 Desember 2023	**184.104**	**-**	**-**	**184.104**	***December 31, 2023***

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

The movements in the allowance for impairment losses are as follows:

	Tahap 1/ *Stage 1*	**Tahap 2/ *Stage 2***	**Tahap 3/ *Stage 3***	**Jumlah/ *Total***	
31 Desember 2021	**(46)**	**-**	**-**	**(46)**	***December 31, 2021***
Aset baru	(3)	-	-	(3)	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	-	-	-	-	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	19	-	-	19	*Remeasurement*
Dampak perubahan kurs	(3)	-	-	(3)	*Effect on exchange rate*
31 Desember 2022	**(33)**	**-**	**-**	**(33)**	***December 31, 2022***
Aset baru	-	-	-	-	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	-	-	-	-	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	18	-	-	18	*Remeasurement*
Dampak perubahan kurs	-	-	-	-	*Effect on exchange rate*
31 Desember 2023	**(15)**	**-**	**-**	**(15)**	***December 31, 2023***

Informasi mengenai klasifikasi dan nilai wajar giro pada bank lain diungkapkan pada Catatan 36. Giro pada pihak berelasi diungkapkan pada Catatan 38.

Information regarding the classification and fair value of current accounts with other banks is disclosed in Note 36. Current accounts with related parties are disclosed in Note 38.

Informasi mengenai kualitas giro pada bank lain diungkapkan pada Catatan 37.

Information regarding the quality of current accounts with other banks is disclosed in Note 37.

Informasi mengenai giro pada bank lain berdasarkan jenis mata uang diungkapkan pada Catatan 40.

Information regarding the currency type of current accounts with other banks is disclosed in Note 40.

8. Penempatan pada Bank Indonesia dan Bank Lain / *Placements with Bank Indonesia and Other Banks*

Rincian penempatan pada Bank Indonesia adalah sebagai berikut:

The details of placements with Bank Indonesia are as follows:

	2023	2022	
Rupiah			***Rupiah***
Pihak ketiga			*Third party*
Bank Indonesia	429.937	129.983	*Bank Indonesia*
Valuta asing			***Foreign currency***
Pihak ketiga			*Third party*
Bank Indonesia	662.071	902.915	*Bank Indonesia*
Total	**1.092.008**	**1.032.898**	***Total***

Pada tanggal 31 Desember 2023 dan 2022, seluruh penempatan pada Bank Indonesia dan bank lain tidak mengalami penurunan nilai.

As of December 31, 2023 and 2022, all placements with Bank Indonesia and other banks are not impaired.

Pada tanggal 31 Desember 2023 dan 31 Desember 2022, tidak ada penempatan pada Bank Indonesia dan bank lain yang dijadikan jaminan.

As of December 31, 2023 and 2022, there are no placement with Bank Indonesia and other banks pledged as collateral.

Jangka waktu penempatan pada Bank Indonesia adalah sebagai berikut:

The term of placements with Bank Indonesia are as follows:

	2023	2022	
Rupiah			***Rupiah***
Bank Indonesia	4 hari/*days*	3 hari/*days*	*Bank Indonesia*
Valuta asing			***Foreign currency***
Bank Indonesia	4 hari/*days*	4 hari/*days*	*Bank Indonesia*

Perubahan nilai tercatat bruto adalah sebagai berikut:

The movements in the gross carrying amount are as follows:

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2021	**1.979.562**	**-**	**-**	**1.979.562**	***December 31, 2021***
Aset baru	1.032.898	-	-	1.032.898	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(1.979.562)	-	-	(1.979.562)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
31 Desember 2022	**1.032.898**	**-**	**-**	**1.032.898**	***December 31, 2022***
Aset baru	1.092.008	-	-	1.092.008	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	- (1.032.898)	-	-	(1.032.898)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
31 Desember 2023	**1.092.008**	**-**	**-**	**1.092.008**	***December 31, 2023***

8. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Informasi mengenai suku bunga penempatan pada Bank Indonesia dan bank lain diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo penempatan pada Bank Indonesia dan bank lain diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar penempatan pada Bank Indonesia dan bank lain diungkapkan pada Catatan 36.

Informasi mengenai kualitas penempatan pada Bank Indonesia dan bank lain diungkapkan pada Catatan 37.

Informasi mengenai penempatan pada Bank Indonesia dan bank lain berdasarkan jenis mata uang diungkapkan pada Catatan 40.

8. Placements with Bank Indonesia and Other Banks *(continued)*

Information in respect of interest rate of placements with Bank Indonesia and other banks is disclosed in Note 3c. Information in respect of maturities of placements with Bank Indonesia and other banks is disclosed in Note 3d. Information regarding the classification and fair value of placements with Bank Indonesia and other banks is disclosed in Note 36.

Information regarding the quality of placements with Bank Indonesia and other banks is disclosed in Note 37.

Information regarding the currency type of placements with Bank Indonesia and other banks is disclosed in Note 40.

9. Tagihan dan Liabilitas Derivatif

Pada tanggal 31 Desember 2023 dan 2022, tagihan dan liabilitas derivatif adalah sebagai berikut:

9. Derivative Receivables and Payables

As of December 31, 2023 and 2022, derivative receivables and payables are as follows:

	2023		2022		
	Tagihan Derivatif/ *Derivative Receivables*	**Liabilitas Derivatif/ *Derivative Payables***	**Tagihan Derivatif/ *Derivative Receivables***	**Liabilitas Derivatif/ *Derivative Payables***	
Kontrak berjangka valuta asing Bank	11	(1.838)	108	(90)	*Currency forward contract Banks*

Pada tanggal 31 Desember 2023 dan 2022 semua tagihan derivatif merupakan transaksi dengan pihak ketiga.

Pada tanggal 31 Desember 2023 dan 2022, tidak ada tagihan derivatif yang dijadikan jaminan.

Informasi mengenai klasifikasi dan nilai wajar tagihan dan liabilitas derivatif diungkapkan pada Catatan 36.

Informasi mengenai kualitas tagihan derivatif diungkapkan pada Catatan 37.

As of December 31, 2023 and 2022 all derivative receivables are made with third parties.

As of December 31, 2023 and 2022, there are no derivative receivables pledged as collateral.

Information regarding the classification and fair value of derivative receivables and payables is disclosed in Note 36.

Information regarding the quality of derivative receivables is disclosed in Note 37.

9. Tagihan dan Liabilitas Derivatif (lanjutan)

Pada tanggal 31 Desember 2023 dan 2022, nilai kontrak dan rata-rata jangka waktu kontrak berjangka valuta asing adalah sebagai berikut:

9. Derivative Receivables and Payables *(continued)*

As of December 31, 2023 and 2022, the contract amount and average contract period of currency forward contracts are as follows:

	2023			
	Jenis valuta/ ***Currencies***	**Nilai Kontrak (dalam nilai penuh)/** ***Contract amount (in original currency) (in full amount)***	**Rentang tanggal Jatuh tempo/** ***Range of maturity date***	
Kontrak berjangka valuta asing yang akan diterima	USD	50.000	16 Januari 2024/ *January 16, 2024*	*Currency forward contracts received*
	GBP	70.581	4 Januari 2024/ *January 4, 2024*	
	JPY	12.772.723	4 Januari 2024/ *January 4, 2024*	
Kontrak berjangka valuta asing yang akan dibayar	USD	33.282.920	4 Januari 2024 - 19 Januari 2024/ *January 4, 2024 - January 19, 2024*	*Currency forward contracts paid*

	2022			
	Jenis valuta/ ***Currencies***	**Nilai Kontrak (dalam nilai penuh)/** ***Contract amount (in original currency) (in full amount)***	**Rentang tanggal Jatuh tempo/** ***Range of maturity date***	
Kontrak berjangka valuta asing yang akan diterima	USD	1.694.019	9 Januari 2023 - 20 Januari 2023/ *January 9, 2023 - January 20, 2023*	*Currency forward contracts received*
Kontrak berjangka valuta asing yang akan dibayar	USD	1.694.019	9 Januari 2023 - 20 Januari 2023/ *January 9, 2023 - January 20, 2023*	*Currency forward contracts paid*

10. Tagihan dan Liabilitas Akseptasi

10. Acceptance Receivables and Payables

a. Tagihan akseptasi:

a. Acceptance receivables

	2023	**2022**	
Rupiah			***Rupiah***
Pihak ketiga			*Third parties*
Korporasi	-	5.362	*Corporates*
Valuta asing			***Foreign currencies***
Pihak ketiga			*Third parties*
Korporasi	-	183.150	*Corporates*
	-	188.512	
Cadangan kerugian penurunan nilai	-	(217)	*Allowance for impairment losses*
Total	**-**	**188.295**	***Total***

10. Tagihan dan Liabilitas Akseptasi (lanjutan)

a. Tagihan akseptasi: (lanjutan)

Perubahan nilai tercatat bruto adalah sebagai berikut:

10. Acceptance Receivables and Payables *(continued)*

a. Acceptance receivables (continued)

The movements in the gross carrying amount are as follows:

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2021	**6.778**	**-**	**-**	**6.778**	***December 31, 2021***
Aset baru	188.512	-	-	188.512	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(6.778)	-	-	(6.778)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	(517)	-	-	(517)	*Remeasurement*
Dampak perubahan kurs	517	-	-	517	*Effect on exchange rate*
31 Desember 2022	**188.512**	**-**	**-**	**188.512**	***December 31, 2022***
Aset baru	-	-	-	-	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(188.512)	-	-	(188.512)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
Dampak perubahan kurs	-	-	-	-	*Effect on exchange rate*
31 Desember 2023	**-**	**-**	**-**	**-**	***December 31, 2023***

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

The movements in the allowance for impairment losses are as follows:

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2021	**(3)**	**-**	**-**	**(3)**	***December 31, 2021***
Aset Baru	(187)	-	-	(217)	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	3	-	-	3	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
Dampak perubahan kurs	(30)	-	-	(30)	*Effect on exchange rate*
31 Desember 2022	**(217)**	**-**	**-**	**(217)**	***December 31, 2022***
Aset Baru	-	-	-	-	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	217	-	-	217	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	(17)	-	-	(17)	*Remeasurement*
Dampak perubahan kurs	17	-	-	17	*Effect on exchange rate*
31 Desember 2023	**-**	**-**	**-**	**-**	***December 31, 2023***

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutupi kemungkinan penurunan nilai tagihan akseptasi.

The Bank's management believes that the allowance for impairment losses provided is adequate to cover any possible impairment on acceptance receivables.

Pada tanggal 31 Desember 2022, tidak ada tagihan akseptasi yang dijadikan jaminan.

As of December 31, 2022, there are no acceptance receivables pledged as collateral.

10. Tagihan dan Liabilitas Akseptasi (lanjutan)

10. Acceptance Receivables and Payables *(continued)*

b. Liabilitas akseptasi:

b. Acceptance payables:

	2023	2022	
Rupiah			***Rupiah***
Pihak ketiga			*Third parties*
Bank	-	5.362	*Banks*
Valuta asing			***Foreign currencies***
Pihak ketiga			*Third parties*
Bank	-	20.974	*Banks*
Total	**-**	**26.336**	***Total***

Informasi mengenai jatuh tempo diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 36.

Information in respect of maturities were disclosed in Note 3d. Information with regards to the classification and fair value were disclosed in Note 36.

Informasi mengenai kualitas tagihan akseptasi diungkapkan pada Catatan 37.

Information regarding the quality of acceptance receivables is disclosed in Note 37.

Informasi mengenai tagihan dan liabilitas akseptasi berdasarkan jenis mata uang diungkapkan pada Catatan 40.

Information regarding the currency type of acceptance receivables and payables is disclosed in Note 40.

11. Efek-efek yang Dibeli dengan Janji Dijual Kembali

11. Securities Purchased Under Agreements to Resell

2023

Pihak lawan/ *Counterparty*	Efek yang mendasari/ *Underlying securities*	Rentang tanggal pembelian/ *Range of purchase date*	Rentang tanggal penjualan kembali/ *Range of resale date*	Harga penjualan kembali/ *Resale price*	Pendapatan bunga yang belum diakui/ *Unearned interest*	Nilai tercatat/ *Carrying amount*
Bank Indonesia	Obligasi pemerintah	3 Februari- 4 Agustus 2023/ *February 3 - August 4, 2023*	12 Januari - 2 Agustus 2024/ *January 12 - August 2, 2024*	3.091.884	114.682	2.997.202

2022

Pihak lawan/ *Counterparty*	Efek yang mendasari/ *Underlying securities*	Rentang tanggal pembelian/ *Range of purchase date*	Rentang tanggal penjualan kembali/ *Range of resale date*	Harga penjualan kembali/ *Resale price*	Pendapatan bunga yang belum diakui/ *Unearned interest*	Nilai tercatat/ *Carrying amount*
Bank Indonesia	Obligasi pemerintah	8 April - 30 Desember 2022/ *April 27 - December 30, 2022*	6 Januari - 29 September 2023/ *January 6 - September 29, 2023*	3.107.183	34.961	3.072.222

Pada tanggal 31 Desember 2023 dan 2022, lokasi penyimpanan efek-efek jaminan berupa tanpa warkat (*scriptless*) dicatat pada sistem BI-S4 Bank Indonesia.

As of December 31, 2023 and 2022, the scriptless collateral securities were custodied in BI-S4 system of Bank Indonesia.

11. Efek-efek yang Dibeli dengan Janji Dijual Kembali (lanjutan)

Manajemen Bank berkeyakinan bahwa tidak ada cadangan kerugian penurunan nilai efek-efek yang dibeli dengan janji dijual kembali yang perlu dibentuk pada tanggal 31 Desember 2023 dan 2022.

Informasi mengenai suku bunga efek-efek yang dibeli dengan janji dijual kembali diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo efek-efek yang dibeli dengan janji dijual kembali diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar efek-efek yang dibeli dengan janji dijual kembali diungkapkan pada Catatan 36.

Informasi mengenai kualitas efek-efek yang dibeli dengan janji dijual kembali diungkapkan pada Catatan 37.

Pada tanggal 31 Desember 2023 dan 2022, tidak ada efek-efek yang dibeli dengan janji dijual kembali yang dijadikan jaminan.

11. Securities Purchased Under Agreements to Resell *(continued)*

The Bank's management believes that no allowance for impairment losses on securities purchased under agreements to resell should be provided as of December 31, 2023 and 2022.

Information in respect of interest rate of securities purchased under agreements to resell is disclosed in Note 3c. Information in respect of maturities of securities purchased under agreement to resell is disclosed in Note 3d. Information regarding the classification and fair value of securities purchased under agreements to resell is disclosed in Note 36

Information regarding the quality of securities purchased under agreements to resell is disclosed in Note 37.

As of December 31, 2023 and 2022, there are no securities purchased under agreements to resell pledged as collateral.

12. Kredit yang Diberikan / ***12. Loans***

a. Berdasarkan hubungan, jenis dan valuta / *a. By relationship, type and currency*

	2023	2022	
Pihak berelasi			***Related parties***
Rupiah			*Rupiah*
Karyawan (Catatan 38)	1.976	397	*Employee loans (Note 38)*
Investasi	-	490.000	*Investment*
Konsumsi	-	3.269	*Consumer*
	1.976	493.666	
Pihak ketiga			***Third parties***
Rupiah			*Rupiah*
Modal kerja	2.423.061	3.742.945	*Working capital*
Investasi	1.584.595	3.561.753	*Investment*
Sindikasi	594.787	721.700	*Syndicated*
Konsumsi	40.648	93.682	*Consumer*
Karyawan	16.082	14.321	*Employee*
	4.659.173	8.134.401	
Valuta asing			*Foreign currencies*
Sindikasi	952.158	434.956	*Syndication*
Modal Kerja	329.003	396.331	*Working capital*
Investasi	14.114	202.896	*Investment*
	1.295.275	1.034.183	
Total	**5.956.424**	**9.662.250**	***Total***
Cadangan kerugian penurunan nilai	(507.139)	(406.127)	*Allowance for impairment losses*
Neto	**5.449.285**	**9.256.123**	***Net***

12. Kredit yang Diberikan (lanjutan)

***12. Loans** (continued)*

b. Berdasarkan sektor ekonomi

b. By economic sectors

	2023	2022	
Rupiah			*Rupiah*
Jasa usaha	1.852.663	3.750.682	*Business services*
Manufaktur	1.706.686	2.200.118	*Manufacturing*
Konstruksi	418.872	419.815	*Constructions*
Perdagangan, restoran dan hotel	376.650	579.533	*Trading, restaurant and hotels*
Pertanian, perkebunan, dan sarana perkebunan	172.605	882.727	*Agriculture, plantation, and plantation equipments*
Pengangkutan, pergudangan dan komunikasi	74.967	631.309	*Transportation, warehousing and communication*
Pertambangan	-	52.213	*Mining*
Lain-lain	58.706	111.670	*Others*
	4.661.149	8.628.067	
Valuta asing			*Foreign currencies*
Manufaktur	952.158	396.331	*Manufacturing*
Pertambangan	343.117	506.307	*Mining*
Jasa usaha	-	131.545	*Business services*
Perdagangan, restoran dan hotel	-	-	*Trading, restaurant and hotels*
	1.295.275	1.034.183	
Total	5.956.424	9.662.250	*Total*
Cadangan kerugian penurunan nilai	(507.139)	(406.127)	*Allowance for impairment losses*
Neto	**5.449.285**	**9.256.123**	***Net***

c. Berdasarkan periode perjanjian kredit:

c. Based on the term of loan agreements:

	2023	2022	
Rupiah			*Rupiah*
< 1 tahun	1.962.566	3.791.761	*< 1 year*
> 1 - 3 tahun	948.610	1.628.007	*> 1 - 3 year*
> 3 - 5 tahun	810.045	1.463.570	*> 3 - 5 year*
> 5 tahun	939.928	1.744.729	*> 5 year*
	4.661.149	8.628.067	
Valuta asing			*Foreign currencies*
< 1 tahun	966.272	396.331	*< 1 year*
> 1 - 3 tahun	137.156	202.896	*> 1 - 3 year*
> 3 - 5 tahun	191.847	434.956	*> 3 - 5 year*
	1.295.275	1.034.183	
Total	5.956.424	9.662.250	*Total*
Cadangan kerugian penurunan nilai	(507.139)	(406.127)	*Allowance for impairment losses*
Neto	**5.449.285**	**9.256.123**	***Net***

d. Kredit dijamin dengan agunan yang diikat dengan akta pemberian hak tanggungan, jaminan lain atau aset yang umumnya diterima oleh bank, antara lain deposito berjangka, giro, kendaraan bermotor, tanah dan bangunan.

d. The loans are secured by collaterals which are legalized by deed of encumbrance, other guarantees or assets that are generally accepted in the banking industry, such as time deposits, demand deposits, motor vehicles, land and buildings.

12. Kredit yang Diberikan (lanjutan)

d. Pada tanggal 31 Desember 2023 dan 2022, kredit dijamin dengan jaminan tunai berupa deposito masing-masing sebesar Rp16.100 dan Rp31.020 (Catatan 20).

Pada tanggal 31 Desember 2023 dan 31 Desember 2022, tidak ada kredit yang dijadikan jaminan.

e. Kredit modal kerja dan investasi diberikan kepada debitur untuk kepentingan modal kerja dan pembelian barang modal. Kredit modal kerja mencakup kredit dalam bentuk rekening koran.

f. Kredit konsumsi terdiri dari kredit pemilikan rumah dan kendaraan bermotor dan kredit perorangan lainnya.

g. Pada tanggal 31 Desember 2023 dan 2022, rasio kredit usaha mikro kecil menengah (UMKM) terhadap jumlah kredit yang diberikan masing-masing adalah 0,18% dan 0,27% dengan nilai rasio pembiayaan inklusif makroprudensial masing-masing sebesar 9,94% dan 14,52%.

h. Kredit sindikasi merupakan kredit yang diberikan kepada nasabah berdasarkan perjanjian pembiayaan bersama dengan bank-bank lain. Partisipasi Bank dalam kredit sindikasi dengan bank-bank lain pada tanggal 31 Desember 2023 dan 2022 adalah masing-masing sebesar Rp923.790 dan Rp1.156.656 atau 15,51% dan 11,97% dari total kredit. (tidak diaudit)

i. Kredit yang diberikan kepada karyawan Bank digunakan untuk keperluan pinjaman atas pembelian rumah, kendaraan, dan keperluan lainnya dengan jangka waktu jatuh tempo berkisar dari 1 tahun sampai 15 tahun, yang dikenakan bunga 5% per tahun. Kredit tersebut akan dilunasi melalui pemotongan gaji setiap bulan. Jumlah kredit yang diberikan kepada karyawan masing-masing sebesar Rp18.058 dan Rp14.718 atau 0,30% dan 0,15% dari jumlah kredit yang diberikan pada tanggal 31 Desember 2023 dan 2022.

***12. Loans** (continued)*

d. As of December 31, 2023 and 2022, total loans secured by cash collateral (back-to-back loans) amounted to Rp16,100 and Rp31,020, respectively (Note 20).

As of December 31, 2023 and December 31, 2022, there are no loans pledged as collateral.

e. Working capital loans and investment loans were granted to customers for working capital and purchase of capital goods. Working capital loans include overdraft.

f. Consumer loans consist of housing and motor vehicles ownership loans and other personal loans.

g. As of December 31, 2023 and 2022, the ratio of small business loans to total loans is 0.18% and 0.27%, respectively, with macroprudential inclusive financing ratio (RPIM) is 9.94% and 14.52%, respectively.

h. Syndicated loans represent loans provided to borrowers under a syndication agreement with other banks. The Bank's participation in syndicated loans with other banks as of December 31, 2023 and 2022 amounted to Rp923,790 and Rp1,156,656 or 15.51% and 11.97% of loans balance, respectively. (unaudited)

i. The loans given to the Bank's employees are used for purchase of houses, cars and other personal necessities with maturities ranging from 1 to 15 years, with interest rates 5% per annum. These loans will be settled through their monthly salary deductions. The loans to the employees amounted Rp18,058 and Rp14,718 or represented 0.30% and 0.15% of total loans as of December 31, 2023 and 2022, respectively.

12. Kredit yang Diberikan (lanjutan)

j. Restrukturisasi kredit dilakukan melalui modifikasi persyaratan jumlah pokok dan bunga dan perpanjangan jangka waktu kredit. Pada tanggal 31 Desember 2023 dan 2022, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp1.713.836 atau 28,77% dan Rp3.320.278 atau 34,36% dari jumlah kredit yang diberikan, dengan cadangan kerugian penurunan nilai masing-masing sebesar Rp376.556 dan Rp230.038. Dari kredit yang direstrukturisasi tersebut, Bank tidak memiliki komitmen untuk memberikan fasilitas kredit tambahan.

Restrukturisasi kredit berdasarkan jenis kredit dan kolektibilitas adalah sebagai berikut:

***12. Loans** (continued)*

j. Loans restructuring was conducted through modification of terms of principal and interest and extension of terms. As of December 31, 2023 and 2022, restructured loans amounted to Rp1,713,836 or 28.77% and Rp3,320,278 or 34.36% of total loans, respectively, with the respective allowance for impairment losses amounted to Rp376,556 and Rp230,038. From the restructured loans, the Bank did not have any commitments to extend additional loan facilities.

Loan restructuring by loan type and collectibility are as follows:

	2023						
	Lancar/ *Current*	Dalam perhatian khusus/ *Special Mention*	Kurang lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	*Total*	
Investasi	994.899	85.048	-	-	13.818	1.093.765	*Investment*
Sindikasi	46.053	417.796	-	-	-	463.849	*Sindication*
Modal kerja	-	155.940	-	-	-	155.940	*Working capital*
Konsumer	48	212	22	-	-	282	*Consumer*
Total	**1.041.000**	**658.996**	**22**	**-**	**13.818**	**1.713.836**	***Total***

	2022						
	Lancar/ *Current*	Dalam perhatian khusus/ *Special Mention*	Kurang lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	*Total*	
Investasi	2.009.086	443.741	-	-	13.818	2.466.645	*Investment*
Sindikasi	579.821	-	-	-	-	579.821	*Sindication*
Modal kerja	273.294	-	-	-	-	273.294	*Working capital*
Konsumer	389	5	-	124	-	518	*Consumer*
Total	**2.862.590**	**443.746**	**-**	**124**	**13.818**	**3.320.278**	***Total***

Total kredit yang telah direstrukturisasi dan dalam kategori kredit bermasalah pada tanggal 31 Desember 2023 dan 2022 masing-masing sebesar Rp13.840 dan Rp13.942.

Total loans that have been restructured and in the category of non-performing loans as of December 31, 2023 and 2022 amounted Rp13,840 and Rp13,942, respectively.

k. Pada tahun 2023, Bank melakukan penjualan atas kredit yang dihapusbukukan. Pembayaran dari harga jual dari kredit tersebut sebesar Rp86.429 telah diterima seluruhnya oleh Bank dan dibukukan sebagai bagian dari "pendapatan operasional lainnya - lain-lain" pada laporan laba rugi dan penghasilan komprehensif lain di tahun berjalan.

k. On 2023, the Bank sold its written off loans. Payment for the selling prices of Rp86,429 has been fully received by the Bank and presented as part of "other operating income - others" in current year statement of profit or loss and other comprehensive income.

12. Kredit yang Diberikan (lanjutan)

Pada tahun 2023, Bank melakukan penjualan atas kredit lancar. Pembayaran dari harga jual dari kredit tersebut sebesar Rp425.478 telah diterima seluruhnya oleh Bank dan kerugian dari penjualan atas kredit sebesar Rp39.668 dibukukan sebagai bagian dari "beban operasional lainnya - lain-lain" pada laporan laba rugi dan penghasilan komprehensif lain di tahun berjalan.

Bank telah mengalihkan seluruh hak atas arus kas dan juga mengalihkan seluruh risiko dan manfaat atas kredit yang diberikan yang dijual tersebut. Oleh karena itu, Bank menghentikan pengakuan atas kredit yang diberikan ini dan mengakui pemulihan seluruh cadangan kerugian penurunan nilai yang dibentuk sebelumnya.

l. Bank telah melakukan restrukturisasi kredit untuk debitur yang terdampak pandemi Covid-19 sesuai dengan POJK No. 11/POJK.03/2020 "Stimulus Perekonomian Nasional sebagai kebijakan *countercyclica*l dampak penyebaran *Corona Virus Disease* 2019" tertanggal 13 Maret 2020 yang telah diperbaharui beberapa kali dengan POJK No.48/POJK.03/2020 "Perubahan Pertama Atas POJK No.11/POJK.03/2020" tertanggal 1 Desember 2020 dan POJK No. 17/POJK.03/2021 "Perubahan Kedua Atas POJK No.11/POJK.03/2020" tertanggal 10 September 2021 serta Siaran Pers OJK No. SP 85/DHMS/OJK/XI/2022 tertanggal 28 November 2022 tentang Perpanjangan Kebijakan Restrukturisasi Kredit dan Pembiayaan Secara Targeted dan Sektoral Atasi Dampak Lanjutan Pandemi Covid-19. Per tanggal 31 Desember 2023 dan 2022, kredit restrukturisasi Covid-19 masing-masing sebesar Rp1.514.614 Adan Rp3.219.623.

***12. Loans** (continued)*

On 2023, the Bank sold its performing loans. Payment for the selling prices of Rp425,478 has been fully received by the Bank and loss from sale of loans of Rp39,668 was presented as part of "other operating expenses - others" in current year statement of profit or loss and other comprehensive income.

Bank has transferred all rights to cash flows and also transferred all risks and benefits of the credit granted for sale. Therefore, the Bank derecognized this credit and recognized the recovery of all previously established allowances for impairment losses.

l. The Bank has restructured credit for debtors affected by the Covid-19 pandemic in accordance with POJK No. 11/POJK.03/2020 "National Economic stimulus as countercyclical policy in the impact of the spread of Coronavirus Disease 2019 dated March 13, 2020 which was updated by POJK No. 48/POJK.03/2020 "First Changes in POJK No. 11/POJK.03/2020" dated December 1, 2020 and POJK No. 17/POJK.03/2021 "Second Changes in POJK No. 11/POJK.03/2020" dated September 10, 2021, also Press Release OJK No. SP 85/DHMS/OJK/XI/2022 dated November 28, 2022 regarding extension of targeted and sectoral credit and financing restructuring policies due to the continued impact of the Covid-19 pandemic. As of December 31, 2023 and 2022, Covid-19 restructured debit balance amounted to Rp1,514,614 or Rp3,219,623, respectively.

12. Kredit yang Diberikan (lanjutan)

m. Pada tanggal 31 Desember 2023 dan 2022, rincian kredit bermasalah berdasarkan sektor ekonomi adalah sebagai berikut:

***12. Loans** (continued)*

m. As of December 31, 2023 and 2022, details of non-performing loans based on economic sector are as follows:

	2023		2022		
	Kredit bermasalah/ *Non-performing loans*	**Cadangan Kerugian penurunan nilai/ *Allowance for impairment losses***	**Kredit bermasalah/ *Non-performing loans***	**Cadangan kerugian penurunan nilai/ *Allowance for impairment losses***	
Jasa usaha	17.502	(14.320)	18.911	(12.502)	*Business service*
Perdagangan, restoran dan hotel	14.864	(14.864)	-	-	*Trading, restaurant and hotels*
Konstruksi	656	-	2.635	(962)	*Construction*
Pengangkutan, perdagangan dan komunikasi	2.373	(694)	-	-	*Transportation, warehousing and communication*
Lain-lain	10.392	(10.408)	15.193	(15.198)	*Others*
Total	**45.787**	**(40.286)**	**36.739**	**(28.662)**	***Total***

n. Pada tanggal 31 Desember 2023 dan 2022, rasio non-performing loan ("NPL") adalah sebagai berikut:

n. As of December 31, 2023 and 2022, the non-performing loan ("NPL") ratio are as follows:

	2023	**2022**	
NPL bruto	0,77%	0,38%	*Gross NPL*
NPL neto	0,09%	0,08%	*Net NPL*

o. Kredit hapus buku sepanjang tahun 2023 dan 2022 masing-masing sebesar Rp35.882 dan Rp530.772.

o. Written off loans during 2023 and 2022, amounted to Rp35,882 and Rp530,772, respectively.

p. Pada tanggal 31 Desember 2023 dan 2022, Bank telah memenuhi ketentuan Batas Maksimum Pemberian Kredit ("BMPK"), untuk pihak ketiga dan pihak berelasi.

p. As of December 31, 2023 dan 2022, the Bank has complied with the Legal Lending Limit ("LLL") requirements for third parties and related parties.

q. Perubahan nilai tercatat bruto kredit yang diberikan selama tahun berjalan adalah sebagai berikut:

q. The changes in gross carrying amount on loans during the year are as follows:

	Tahap 1/ *Stage 1*	**Tahap 2/ *Stage 2***	**Tahap 3/ *Stage 3***	**Jumlah/ *Total***	
31 Desember 2021	**7.755.069**	**2.174.578**	**6.974**	**9.936.621**	***December 31, 2021***
Aset baru	4.940.295	243.633	12.421	5.196.349	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(4.277.690)	(165.027)	(2.849)	(4.445.566)	*Assets derecognized or repaid (exclude write-off)*
Transfer ke Tahap 1	253.483	(253.420)	(63)	-	*Transfer to Stage 1*
Transfer ke Tahap 2	(18.976)	18.976	-	-	*Transfer to Stage 2*
Transfer ke Tahap 3	(4.350)	(16.376)	20.726	-	*Transfer to Stage 3*
Pengukuran kembali	(893.577)	(108.774)	530.302	(472.049)	*Remeasurement*
Penghapusbukuan	-	-	(530.772)	(530.772)	*Write-off*
Dampak perubahan kurs	(22.333)	-	-	(22.333)	*Effect on exchange rate*
31 Desember 2022	**7.731.921**	**1.893.590**	**36.739**	**9.662.250**	***December 31, 2022***

12. Kredit yang Diberikan (lanjutan)

q. Perubahan nilai tercatat bruto kredit yang diberikan selama tahun berjalan adalah sebagai berikut: (lanjutan)

***12. Loans** (continued)*

q. The changes in gross carrying amount on loans during the year are as follows: (continued)

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2022	**7.731.921**	**1.893.590**	**36.739**	**9.662.250**	***December 31, 2022***
Aset baru	3.159.218	197.401	1.877	3.358.496	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(5.730.927)	(754.260)	(17.575)	(6.502.762)	*Assets derecognized or repaid (exclude write-off)*
Transfer ke Tahap 1	486	(486)	-	-	*Transfer to Stage 1*
Transfer ke Tahap 2	(462.017)	462.017	-	-	*Transfer to Stage 2*
Transfer ke Tahap 3	(8.019)	(18.052)	26.071	-	*Transfer to Stage 3*
Pengukuran kembali	(504.968)	(52.998)	34.557	(523.409)	*Remeasurement*
Penghapusbukuan	-	-	(35.882)	(35.882)	*Write-off*
Dampak perubahan kurs	(2.269)	-	-	(2.269)	*Effect on exchange rate*
31 Desember 2023	**4.183.425**	**1.727.212**	**45.787**	**5.956.424**	***December 31, 2023***

r. Perubahan cadangan kerugian penurunan nilai kredit yang diberikan selama tahun berjalan adalah sebagai berikut:

r. The changes in allowance for impairment losses on loans during the year are as follows:

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2021	**81.941**	**235.916**	**3.318**	**321.175**	***December 31, 2021***
Aset baru	68.779	63.138	12.581	144.498	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(49.463)	(15.816)	(3.016)	(68.295)	*Assets derecognized or repaid (exclude write-off)*
Transfer ke Tahap 1	15.051	(14.986)	(65)	-	*Transfer to Stage 1*
Transfer ke Tahap 2	(297)	297	-	-	*Transfer to Stage 2*
Transfer ke Tahap 3	(327)	(3.318)	3.645	-	*Transfer to Stage 3*
Pengukuran kembali	(23.196)	18.214	542.971	537.989	*Remeasurement*
Penghapusbukuan	-	-	(530.772)	(530.772)	*Write-off*
Dampak perubahan kurs	1.263	269	-	1.532	*Effect on exchange rate*
31 Desember 2022	**93.751**	**283.714**	**28.662**	**406.127**	***December 31, 2022***
Aset baru	65.896	112.498	2.742	181.136	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(71.265)	(147.682)	(16.137)	(235.084)	*Assets derecognized or repaid (exclude write-off)*
Transfer ke Tahap 1	74	(74)	-	-	*Transfer to Stage 1*
Transfer ke Tahap 2	(5.013)	5.013	-	-	*Transfer to Stage 2*
Transfer ke Tahap 3	(434)	(2.882)	3.316	-	*Transfer to Stage 3*
Pengukuran kembali	12.623	120.690	57.510	190.823	*Remeasurement*
Penghapusbukuan	-	-	(35.882)	(35.882)	*Write-off*
Dampak perubahan kurs	(4.508)	4.452	75	19	*Effect on exchange rate*
31 Desember 2023	**91.124**	**375.729**	**40.286**	**507.139**	***December 31, 2023***

s. Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutupi kemungkinan penurunan nilai kredit yang diberikan.

s. The Bank's management believes that the allowance for impairment losses provided is adequate to cover any possible impairment on loans.

t. Informasi mengenai suku bunga kredit yang diberikan diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo kredit yang diberikan diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar kredit yang diberikan diungkapkan pada Catatan 36.

t. Information in respect of interest rate of loans is disclosed in Note 3c. Information in respect of maturities of loans is disclosed in Note 3d. Information regarding the classification and fair value of loans is disclosed in Note 36.

12. Kredit yang Diberikan (lanjutan)

u. Informasi mengenai kredit yang diberikan berdasarkan kualitas aset produktif diungkapkan pada Catatan 37.

v. Pada tanggal-tanggal 31 Desember 2023 dan 2022, kredit pada pihak berelasi diungkapkan pada Catatan 38.

w. Informasi mengenai kredit yang diberikan berdasarkan jenis mata uang diungkapkan pada Catatan 40.

x. Selama tahun 2023 dan 2022, Bank telah menempuh berbagai langkah strategis dalam mengelola kredit bermasalahnya, antara lain melalui restrukturisasi kredit, eksekusi agunan, dan penjualan kredit.

***12. Loans** (continued)*

u. Information regarding the quality of productive assets of loans is disclosed in Note 37.

v. As of December 31, 2023 and 2022, loans with related parties were disclosed in Note 38.

w. Information regarding the currency type of loans is disclosed in Note 40.

x. During 2023 and 2022, the Bank has taken various strategic steps to manage its non-performing loans, either through credit restructuring, collateral execution, and loans sale.

13. Efek-Efek / ***13. Securities***

	2023		
	Nilai nominal/ *Nominal Value*	**Nilai tercatat/ *Carrying amount***	
Nilai wajar melalui penghasilan komprehensif lain			***Fair value through other comprehensive income***
Pihak Ketiga			*Third Parties*
Rupiah			*Rupiah*
Obligasi pemerintah	140.000	139.922	*Government bonds*
Biaya perolehan diamortisasi			***Amortized cost***
Pihak Ketiga			*Third Parties*
Rupiah			*Rupiah*
Obligasi pemerintah	250.000	250.030	*Government bonds*
Total biaya perolehan diamortisasi	250.000	250.030	***Total amortized cost***
Total	**390.000**	**389.952**	***Total***
Cadangan kerugian penurunan nilai		-	*Allowance for Impairment Losses*
Neto		**389.952**	***Net***

13. Efek-Efek (lanjutan) / ***13. Securities*** *(continued)*

	2022		
	Nilai nominal/ *Nominal Value*	**Nilai tercatat/ *Carrying amount***	
Nilai wajar melalui penghasilan komprehensif lain			***Fair value through other comprehensive income***
Pihak Ketiga			*Third Parties*
Rupiah			*Rupiah*
Obligasi pemerintah	140.000	139.839	*Government bonds*
Biaya perolehan diamortisasi			***Amortized cost***
Pihak Ketiga			*Third Parties*
Rupiah			*Rupiah*
Obligasi pemerintah	250.000	250.174	*Government bonds*
Dolar Amerika Serikat			*United States Dollar*
Wesel SKBDN	125.146	124.169	*SKBDN Bills*
Total biaya perolehan diamortisasi	375.146	374.343	***Total amortized cost***
Total	**515.146**	**514.182**	***Total***
Cadangan kerugian penurunan nilai		(195)	*Allowance for Impairment Losses*
Neto		**513.987**	***Neto***

Rincian efek-efek adalah sebagai berikut: / *Details of the securities are as follows:*

	2023			
	Nilai nominal/ *Nominal value*	**Nilai tercatat/ *Carrying amount***	**Rentang tanggal jatuh tempo/ *Range of maturity***	**Frekuensi pembayaran bunga/ *Frequency of interest date***
Obligasi Pemerintah/ *Government Bonds*	390.000	389.952	15 Maret 2024 - 25 April 2025/ *March 15, 2024 - April 25, 2025*	3 bulan/*months* dan 6 bulan/*months*

	2022			
	Nilai nominal/ *Nominal value*	**Nilai tercatat/ *Carrying amount***	**Rentang tanggal jatuh tempo/ *Range of maturity***	**Frekuensi pembayaran bunga/ *Frequency of interest date***
Obligasi Pemerintah/ *Government Bonds*	390.000	390.013	15 Maret 2024 - 25 April 2025/ *March 15, 2024 - April 25, 2025*	3 bulan/*months* dan 4 bulan/*months*
Wesel SKBDN/ *SKBDN Bills*	125.146	124.169	31 Januari 2023 - 20 Maret 2023/ *January 31, 2023 - March 20, 2023*	-

13. Efek-Efek (lanjutan)

Nilai wajar melalui penghasilan komprehensif lain didasarkan pada harga pasar efek yang tercatat pada tanggal pelaporan. Mutasi keuntungan/(kerugian) yang belum direalisasi akibat kenaikan/(penurunan) nilai wajar efek-efek dicatat sebagai bagian komponen ekuitas, sehingga Bank mengakui keuntungan/(kerugian) periode berjalan atas perubahan nilai wajar efek-efek, sedangkan penyesuaian reklasifikasi atas keuntungan/ (kerugian) sudah termasuk dalam laba rugi.

Perubahan keuntungan/(kerugian) yang belum direalisasi atas efek-efek dalam kelompok nilai wajar melalui penghasilan komprehensif lain adalah sebagai berikut:

***13. Securities** (continued)*

Fair values through other comprehensive income securities are based on market prices of listed securities at the reporting date. Movements of unrealized gains/(losses) resulting from the increase/(decrease) in fair value of marketable securities is recorded as part of the equity component, and the Bank recognized current period gain/(losses) from changes in fair value of marketable securities, whereas reclassification adjustment on gains/ (losses) are included in profit or loss.

The changes of unrealized gains/(losses) on marketable securities in fair value through other comprehensive income:

	2023	**2022**	
Saldo awal	28.183	8.605	*Beginning balance*
Perubahan nilai wajar	(36.210)	25.100	*Changes in fair value*
Pajak penghasilan terkait akun-akun yang akan direklasifikasi ke laporan laba rugi	7.966	(5.522)	*Income tax of related accounts which will reclassified to statement of profit or loss*
Saldo Akhir	(61)	28.183	*Ending balance*

Perubahan nilai tercatat bruto efek-efek selama tahun berjalan adalah sebagai berikut:

The changes in gross carrying amount on securities during the year are as follows:

	Tahap 1/ ***Stage 1***	**Tahap 2/** ***Stage 2***	**Tahap 3/** ***Stage 3***	**Jumlah/** ***Total***	
31 Desember 2021	**954.128**	**-**	**-**	**954.128**	***December 31, 2021***
Aset baru	207.491	-	-	207.491	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(741.676)	-	-	(741.676)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
Dampak perubahan kurs	94.239	-	-	94.239	*Effect on exchange rate*
31 Desember 2022	**514.182**	**-**	**-**	**514.182**	***December 31, 2022***
Aset baru	-	-	-	-	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(124.169)	-	-	(124.169)	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	(61)	-	-	(61)	*Remeasurement*
Dampak perubahan kurs	-	-	-	-	*Effect on exchange rate*
31 Desember 2023	**389.952**	**-**	**-**	**389.952**	***December 31, 2023***

13. Efek-Efek (lanjutan)

Perubahan cadangan kerugian penurunan nilai efek-efek selama tahun berjalan adalah sebagai berikut:

***13. Securities** (continued)*

The changes in allowance for impairment losses on securities during the year are as follows:

	Tahap 1/ *Stage 1*	Tahap 2/ *Stage 2*	Tahap 3/ *Stage 3*	Jumlah/ *Total*	
31 Desember 2021	**(274)**	**-**	**-**	**(274)**	***December 31, 2021***
Aset baru	(195)	-	-	(195)	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	274	-	-	274	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	-	-	-	-	*Remeasurement*
Dampak perubahan kurs	-	-	-	-	*Effect on exchange rate*
31 Desember 2022	**(195)**	**-**	**-**	**(195)**	***December 31, 2022***
Aset baru	-	-	-	-	*New assets originated*
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	195	-	-	195	*Assets derecognized or repaid (exclude write off)*
Pengukuran kembali	(6)	-	-	(6)	*Remeasurement*
Dampak perubahan kurs	6	-	-	6	*Effect on exchange rate*
31 Desember 2023	**-**	**-**	**-**	**-**	***December 31, 2023***

Manajemen Bank berpendapat bahwa cadangan kerugian penurunan nilai tidak diperlukan.

The Bank's management believes that no allowances for impairment losses is necessary.

Informasi mengenai suku bunga surat-surat berharga diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo surat-surat berharga diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar efek-efek diungkapkan pada Catatan 36.

Information in respect of interest rate of securities is disclosed in Note 3c. Information in respect of maturities of securities is disclosed in Note 3d. Information regarding the classification and fair value of securities is disclosed in Note 36.

Informasi mengenai efek-efek yang diberikan berdasarkan kualitas aset produktif diungkapkan pada Catatan 37.

Information regarding the quality of productive assets of securities is disclosed in Note 37.

Informasi mengenai efek-efek yang diberikan berdasarkan jenis mata uang diungkapkan pada Catatan 40.

Information regarding the currency type of securities is disclosed in Note 40.

Pada tanggal 31 Desember 2023 dan 2022, tidak ada efek-efek yang dijadikan jaminan.

As of December 31, 2023 and 2022, there are no securities pledged as collateral.

14. Beban Dibayar Dimuka / *14. Prepayments*

Rincian beban dibayar dimuka adalah sebagai berikut:

Details of prepayments are as follows:

	2023	2022	
Perolehan aset tetap	13.723	7.369	*Acquisition of fixed assets*
Pemeliharaan	12.109	8.286	*Maintenance*
Asuransi	2.966	2.352	*Insurance*
Pihak ketiga	2.337	2.762	*Third parties*
Bonus	1.900	1.918	*Bonus*
Total	**33.035**	**22.687**	***Total***

15. Aset Tetap dan Aset Hak Guna / *15. Fixed Assets and Right-of-Use Assets*

Aset tetap dan aset hak guna pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

Fixed assets and right-of-uses as of December 31, 2023 and 2022 are as follows:

	2023				
	Saldo awal/ *Beginning Balance*	**Penambahan/ *Addition***	**Pengurangan/ *Deductions***	**Saldo akhir/ *Ending balance***	
Biaya perolehan:					***Cost:***
Tanah	54.407	-	(978)	53.429	*Land*
Gedung	18.881	-	(13.466)	5.415	*Buildings*
Renovasi dan perbaikan gedung	72.239	-	(2.869)	69.370	*Leasehold improvement*
Perlengkapan dan perabot kantor	228.157	13.651	(46.933)	194.875	*Office equipment, furniture and fixtures*
	373.684	13.651	(64.246)	323.089	
Aset hak-guna	195.665	-	(9.082)	186.583	*Right-of-use-assets*
Total biaya perolehan	569.349	13.651	(73.328)	509.672	*Total cost*
Akumulasi penyusutan					***Accumulated depreciation:***
Gedung	(9.402)	(868)	7.342	(2.928)	*Buildings*
Renovasi dan perbaikan gedung	(50.756)	(3.421)	2.814	(51.363)	*Leasehold improvement*
Perlengkapan dan perabot kantor	(158.809)	(36.498)	46.605	(148.702)	*Office equipment, furniture and fixtures*
	(218.967)	(40.787)	56.761	(202,993)	
Aset hak-guna	(74.984)	(23.736)	4.957	(93.763)	*Right-of-use-assets*
Total akumulasi penyusutan	(293.951)	(64.523)	61.718	(296.756)	*Total accumulated depreciation*
Nilai buku - neto	**275.398**			**212.916**	***Book value - net***

15. Aset Tetap dan Aset Hak Guna (lanjutan)

Aset tetap dan aset hak guna pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut: (lanjutan)

15. Fixed Assets and Right-of-Use Assets *(continued)*

Fixed assets and right-of-uses as of December 31, 2023 and 2022 are as follows: (continued)

	2022				
	Saldo awal/ *Beginning Balance*	**Penambahan/ *Addition***	**Pengurangan/ *Deductions***	**Saldo akhir/ *Ending balance***	
Biaya perolehan:					***Cost:***
Tanah	54.407	-	-	54.407	*Land*
Gedung	18.881	-	-	18.881	*Buildings*
Renovasi dan perbaikan gedung	76.480	2.448	(6.689)	72.239	*Leasehold improvement*
Perlengkapan dan perabot kantor	225.281	16.623	(13.747)	228.157	*Office equipment, furniture and fixtures*
Kendaraan bermotor	139	-	(139)	-	*Vehicles*
	375.188	19.071	(20.575)	373.684	
Aset hak-guna	201.847	5.498	(11.680)	195.665	*Right-of-use-assets*
Total biaya perolehan	577.035	24.569	(32.255)	569.349	*Total cost*
Akumulasi penyusutan					***Accumulated depreciation:***
Gedung	(8.531)	(871)	-	(9.402)	*Buildings*
Renovasi dan perbaikan gedung	(53.676)	(3.744)	6.664	(50.756)	*Leasehold improvement*
Perlengkapan dan perabot kantor	(137.362)	(33.671)	12.224	(158.809)	*Office equipment, furniture and fixtures*
Kendaraan bermotor	(138)	-	138	-	*Vehicles*
	(199.707)	(38.286)	19.026	(218.967)	
Aset hak-guna	(56.102)	(25.523)	6.641	(74.984)	*Right-of-use-assets*
Total akumulasi penyusutan	(255.809)	(63.809)	25.667	(293.951)	*Total accumulated depreciation*
Nilai buku - neto	**321.226**			**275.398**	***Book value - net***

Beban penyusutan aset tetap dan aset hak guna yang dibebankan ke dalam beban umum dan administrasi sebesar Rp 64.523 dan Rp63.809 untuk tahun yang berakhir tanggal 31 Desember 2023 dan 2022 (Catatan 34).

Depreciation expense of fixed assets and right-of-uses charged to general and administrative expenses amounted to Rp64,523 and Rp63,809 for the years ended December 31, 2023 and 2022, respectively (Note 34).

Rincian penjualan aset tetap adalah sebagai berikut:

Details of sale of fixed assets are as follows:

	2023	**2022**	
Hasil penjualan aset tetap	5.107	805	*Proceeds from sale of fixed assets*
Nilai buku	(1.900)	(1.334)	*Net book value*
Laba (rugi) penjualan aset tetap	**3.207**	**(529)**	***Gain (loss) on sale of fixed assets***

15. Aset Tetap dan Aset Hak Guna (lanjutan)

Pada tanggal 31 Desember 2023, seluruh hak kepemilikan atas tanah Bank adalah dalam bentuk Hak Guna Bangunan (HGB), yang memiliki sisa jangka waktu hak legal berkisar dari 2 tahun sampai dengan 20 tahun. Manajemen Bank berkeyakinan bahwa hak kepemilikan atas tanah tersebut dapat diperpanjang pada saat jatuh tempo.

Pada tanggal 31 Desember 2023 dan 2022, aset tetap yang telah disusutkan penuh dan masih digunakan masing-masing sejumlah Rp74.198 dan Rp59.008. (tidak diaudit)

Pada tanggal 31 Desember 2023, kendaraan, gedung, perlengkapan dan perabot kantor telah diasuransikan kepada PT Sompo Insurance Indonesia dan Malacca Trust Insurance dan pada tanggal 31 Desember 2022, kendaraan, gedung, perlengkapan dan perabot kantor diasuransikan kepada PT Sompo Insurance Indonesia terhadap semua risiko kehilangan atau kerusakan fisik dengan nilai pertanggungan masing-masing sejumlah Rp142.606 dan Rp230.121 untuk 31 Desember 2023 dan 31 Desember 2022.

Manajemen Bank berkeyakinan bahwa nilai pertanggungan aset tetap yang diasuransikan adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan. Manajemen Bank juga berkeyakinan tidak terdapat penurunan nilai aset tetap selama tahun berjalan.

Pada tanggal 31 Desember 2023 dan 2022, tidak ada aset tetap yang dijadikan jaminan.

Aset hak-guna per 31 Desember 2023 dan 2022 adalah sebagai berikut:

15. Fixed Assets and Right-of-Use Assets *(continued)*

As of December 31, 2023, all the Bank's land are in the form of landrights (Hak Guna Bangunan), which have remaining period of legal rights ranging from 2 to 20 years. The Bank's management believes that the landrights can be extended upon expiry.

As of December 31, 2023, and December 31, 2022, fixed assets that have been fully depreciated yet still being used amounted to Rp74,198 and Rp59,009, respectively. (unaudited)

As of December 31, 2023, motor vehicles, buildings and office equipment were insured with PT Sompo Insurance Indonesia and Malacca Trust Insurance and as of December 31, 2022, motor vehicles, buildings and office equipment were insured with PT Sompo Insurance against all risks of physical loss or damage for sum insured of Rp142,606 and Rp230,121 as of December 31, 2023 and December 31, 2022, respectively.

The Bank's management believes that the insurance coverage is adequate to cover possible losses on the assets insured. The Bank's management also believes that there was no impairment of fixed assets during the year.

As of December 31, 2023 and 2022, there are no fixed assets pledged as collateral.

Right-of-use assets as of December 31, 2023 and 2022 as follows:

	2023				
	Saldo awal/ ***Beginning balance***	**Penambahan/** ***Addition***	**Pengurangan/** ***Deductions***	**Saldo akhir/** ***Ending balance***	
Biaya perolehan:					***Cost:***
Gedung	175.703	-	(8.621)	167.082	*Buildings*
Kendaraan bermotor	3.181	-	(461)	2.720	*Vehicles*
Lainnya	16.781	-	-	16.781	*Others*
	195.665	-	(9.082)	186.583	
Akumulasi penyusutan:					***Accumulated depreciation:***
Gedung	(64.712)	(18,735)	4.957	(78.490)	*Buildings*
Kendaraan bermotor	(881)	(747)	-	(1.628)	*Vehicles*
Lainnya	(9.391)	(4.254)	-	(13.645)	*Others*
	(74.984)	(23.736)	4.957	(93.763)	
Nilai buku - neto	**120.681**			**92.820**	***Book value - net***

15. Aset Tetap dan Aset Hak Guna (lanjutan) / *15. Fixed Assets and Right-of-Use Assets (continued)*

	2022				
	Saldo awal/ *Beginning balance*	**Penambahan/ *Addition***	**Pengurangan/ *Deductions***	**Saldo akhir/ *Ending balance***	
Biaya perolehan:					***Cost:***
Gedung	176.770	-	(1.067)	175.703	*Buildings*
Kendaraan bermotor	4.419	2.240	(3.478)	3.181	*Vehicles*
Lainnya	20.658	3.258	(7.135)	16.781	*Others*
	201.847	5.498	(11.680)	195.665	
Akumulasi penyusutan:					***Accumulated depreciation:***
Gedung	(45.463)	(20.034)	785	(64.712)	*Buildings*
Kendaraan bermotor	(3.124)	(1.235)	3.478	(881)	*Vehicles*
Lainnya	(7.515)	(4.254)	2.378	(9.391)	*Others*
	(56.102)	(25.523)	6.641	(74.984)	
Nilai buku - neto	**145.745**			**120.681**	***Book value - net***

16. Aset Takberwujud / *16. Intangible Assets*

	2023				
	Saldo awal/ *Beginning balance*	**Penambahan/ *Addition***	**Pengurangan/ *Deductions***	**Saldo akhir/ *Ending balance***	
Biaya perolehan:					***Cost:***
Perangkat lunak	110.378	11.659	(298)	121.739	*Software*
Lisensi penggunaan perangkat lunak	39.679	3.001	(8)	42.672	*Software license*
	150.057	14.660	(306)	164.411	
Akumulasi amortisasi:					***Accumulated amortization:***
Perangkat lunak	(58.613)	(7.622)	56	(66.179)	*Software*
Lisensi penggunaan perangkat lunak	(34.296)	(4.052)	8	(38.340)	*Software license*
	(92.909)	(11.674)	64	(104.519)	
Total	**57.148**			**59.892**	***Total***

	2022				
	Saldo awal/ *Beginning balance*	**Penambahan/ *Addition***	**Pengurangan/ *Deductions***	**Saldo akhir/ *Ending balance***	
Biaya perolehan:					***Cost:***
Perangkat lunak	97.012	16.994	(3.628)	110.378	*Software*
Lisensi penggunaan perangkat lunak	38.343	1.336	-	39.679	*Software license*
	135.355	18.330	(3.628)	150.057	
Akumulasi amortisasi:					***Accumulated amortization:***
Perangkat lunak	(50.826)	(8.693)	906	(58.613)	*Software*
Lisensi penggunaan perangkat lunak	(31.750)	(2.546)	-	(34.296)	*Software license*
	(82.576)	(11.239)	906	(92.909)	
Total	**52.779**			**57.148**	***Total***

Beban amortisasi yang dibebankan dalam beban umum dan administrasi sejumlah Rp11.674 dan Rp11.239 untuk tahun 2023 dan 2022 (Catatan 34).

Amortization expense charged to general and administrative expenses amounted to Rp11,674 and Rp11,239 for the year 2023 and 2022 (Note 34).

16. Aset Takberwujud (lanjutan)

Pada tanggal 31 Desember 2023 dan 2022, aset takberwujud yang telah diamortisasi penuh dan masih digunakan masing-masing sejumlah Rp101.403 dan Rp127.236. (tidak diaudit)

Pada tanggal 31 Desember 2023 dan 2022, seluruh aset tak berwujud tidak mengalami penurunan nilai.

***16. Intangible Assets** (continued)*

As of December 31, 2023, and December 31, 2022, fixed assets that have been fully depreciated yet still being used amounted to Rp101,403 and Rp127,236, respectively. (unaudited)

As of December 31, 2023 and 2022, all intangible assets are not impaired.

17. Agunan yang Diambil Alih

Rincian dalam akun ini adalah:

17. Foreclosed Assets

Details are as follows:

	2023	2022	
Agunan yang diambil alih	285.735	736.066	*Foreclosed assets*
Cadangan kerugian penurunan nilai	(35.319)	(71.020)	*Allowance for impairment losses*
Total	**250.416**	**665.046**	***Total***

Perubahan cadangan kerugian penurunan nilai agunan yang diambil alih selama tahun berjalan adalah sebagai berikut:

The changes in allowance for impairment losses on foreclosed assets during the year are as follows:

	2023	2022	
Saldo awal tahun	71.020	159.549	*Balance beginning of year*
Pemulihan selama tahun berjalan	(35.701)	(88.529)	*Reversal during the year*
Saldo akhir tahun	**35.319**	**71.020**	***Balance end of year***

Pada tanggal 31 Desember 2023 dan 2022, Bank telah menerima bank garansi dari pihak berelasi yaitu Qatar National Bank (Q.P.S.C) untuk menutupi kemungkinan kerugian terhadap risiko kerugian atas penurunan nilai dari penjualan aset yang diambil alih dengan nilai dari bank garansi tersebut masing-masing adalah Rp218.883 dan Rp562.597. Bank garansi ini akan digunakan oleh Bank dengan cara mengajukan klaim kepada Qatar National Bank (Q.P.S.C) sejumlah selisih antara nilai buku dari aset yang diambil alih yang tercatat pada 31 Desember 2018 dengan harga jual setelah dikurangi biaya-biaya penjualan. Pengajuan klaim dapat dilakukan lebih dari sekali dengan jumlah agregat tidak melebihi nilai dari bank garansi. Pada tanggal 18 Desember 2023, Bank menerima addendum perjanjian bank garansi dengan Qatar National Bank (Q.P.S.C) yang berlaku sampai dengan 30 Juni 2024.

On December 31, 2023 and 2022, QNBI received a bank guarantee from Qatar National Bank (Q.P.S.C.), a related party, the bank guarantee will cover potential losses in case of the reduction of the foreclosed asset value from sales of foreclosed assets with value of the bank guarantee is Rp218,883 and Rp562,597. This bank guarantee will be used by Bank to make claims to Qatar National Bank (Q.P.S.C) amounting to the difference between book value of the foreclosed asset in December 31, 2018 and its sales price after related costs. Multiple claims can be made with aggregate amount should not exceed value of bank guarantee. On December 18, 2023, the Bank has received an addendum of the bank guarantee agreement with Qatar National Bank (Q.P.S.C) which is valid until Juni 30, 2024.

Pada tanggal 31 Desember 2023 dan 2022, nilai tercatat agunan yang diambil alih (AYDA) masing-masing adalah sebesar Rp285.735 dan Rp736.066. Sedangkan pada tanggal 31 Desember 2023 dan 2022, nilai wajar agunan yang diambil alih masing-masing sebesar Rp360.807 dan Rp843.280.

As of December 31, 2023 and 2022, carrying value of foreclosed assets amounted to Rp285,735 and Rp736,066, respectively. Meanwhile, as of December 31, 2023 and 2022, fair value of foreclosed assets amounted to Rp360,807 and Rp843,280, respectively.

17. Agunan yang Diambil Alih (lanjutan)

Sepanjang tahun 2023 dan 2022, Bank telah melakukan penjualan agunan yang diambil alih dengan nilai bersih masing-masing sebesar Rp414.630 dan Rp336.711.

Manajemen Bank berkeyakinan bahwa cadangan kerugian penurunan nilai yang telah dibentuk cukup untuk menutup kemungkinan kerugian atas agunan yang diambil alih.

Penilaian nilai wajar atas tanah dan bangunan untuk tanggal yang berakhir 31 Desember 2023 dan 2022 dilakukan masing-masing oleh penilai independen eksternal Kantor Jasa Penilai Publik ("KJPP") Firman, Suryantoro, Sugeng, Suzy, Hartomo & Rekan dan Toha, Okky, Heru & Rekan.

Nilai wajar untuk tujuan pengukuran pengakuan awal dan pengukuran setelah pengakuan awal (Catatan 2q) agunan yang diambil alih dinilai oleh KJPP, penilai properti independen eksternal, yang memenuhi kualifikasi profesional dan berpengalaman di lokasi dan kategori aset yang dinilai.

Penilaian dilakukan berdasarkan Standar Penilaian Indonesia (SPI 2018) untuk tujuan pelaporan keuangan. Nilai wajar ditentukan dengan menggunakan hirarki dan input-input yang digunakan dalam teknis penilaian untuk aset non-keuangan:

- Tingkat 1: Input yang berasal dari harga kuotasian (tanpa penyesuaian) dalam pasar aktif untuk aset yang identik.
- Tingkat 2: Input selain harga kuotasian pasar dalam level 1 yang dapat diobservasi baik secara langsung maupun tidak langsung.
- Tingkat 3: Input yang tidak dapat diobservasi.

Nilai wajar adalah berdasarkan pendekatan data pasar dengan membandingkan harga-harga aset yang serupa yang dapat diobservasi. Harga pasar yang paling mendekati disesuaikan dengan perbedaan atribut-atribut utama, seperti: ukuran tanah dan bangunan, lokasi, tingkat hunian, kondisi fisik, faktor depresiasi dan biaya penggantian. Pengukuran nilai wajar juga mempertimbangkan penggunaan tertinggi dan terbaik *(highest and best use)* dari aset yang dinilai.

Selama tahun 2023 dan 2022, pengukuran nilai wajar di atas dikategorikan sebagai nilai wajar Level 2 berdasarkan input-input dalam teknik penilaian yang digunakan.

***17. Foreclosed Assets** (continued)*

During 2022 and 2021, the Bank has sold foreclosed assets with a net value amounted to Rp414,630 and Rp336,711, respectively.

The Bank's management believes that the allowance for impairment losses is adequate to cover possible losses on foreclosed assets.

The fair value valuations of land and building for the years ended December 31, 2023 and 2022 are perfomed by the following external independent appraiser Kantor Jasa Penilai Publik ("KJPP") Firman, Suryantoro, Sugeng, Suzy, Hartomo & Rekan and Toha, Okky, Heru & Rekan, respectively.

The fair values for the purposes of the measurement at initial recognition and the measurement subsequent to the initial recognition (Note 2q) of foreclosed assets were determined by KJPP, an external independent property appraiser, who fulfills the professional qualifications and experience in the location and category of the assets being valued.

Valuations are performed based on Indonesian Valuation Standards (SPI 2018) for the purposes of financial reporting. Fair values are determined using the following hierarchy of input used in the valuation techniques for non-financial assets:

- *Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets.*
- *Level 2: Inputs other than quoted market price included in level 1 that are observable either directly or indirectly.*
- *Level 3: Inputs that are unobservable.*

The fair values are based on market data approach by comparing observable market prices of similar assets. Market prices in close proximity are adjusted for differences in key attributes such as: land and buildings size, location, occupancy rate, physical conditions, depreciation factors and replacement costs. These fair value measurement also considers highest and best use of the asset being valued.

During 2023 and 2022, the above fair value measurement has been categorized as a Level 2 fair value based on the inputs to the valuation technique used.

18. Aset Lain-lain / *18. Other Assets*

	2023	2022	
Piutang bunga	173.378	83.807	*Interest receivable*
Tagihan atas transaksi agunan yang diambil alih	55.944	155.505	*Receivables from foreclosed asset transactions*
Piutang lain-lain	11.837	10.661	*Other receivable*
Setoran jaminan	6.818	6.814	*Security deposits*
Properti terbengkalai	6.543	419	*Abandoned property*
Lain-lain	1.440	1.971	*Others*
Total	**255.960**	**259.177**	***Total***

19. Liabilitas Segera / *19. Liabilities Payable on Demand*

	2023	2022	
Utang pajak	4.517	6.549	*Tax payables*
Lain-lain	8.038	17.479	*Others*
Total	**12.555**	**24.028**	***Total***

20. Simpanan dari Nasabah / *20. Deposits from Customers*

	2023			
	Pihak berelasi/ *Related parties*	**Pihak ketiga/ *Third parties***	**Total**	
Rupiah				***Rupiah***
Giro	1.661	254.447	256.108	*Demand deposits*
Tabungan	342	439.917	440.259	*Saving deposits*
Deposito berjangka dan deposito *on call*	-	3.212.738	3.212.738	*Time deposits and on call deposits*
	2.003	3.907.102	3.909.105	
Valuta asing				***Foreign currencies***
Giro	15.378	499.052	514.430	*Demand deposits*
Deposito berjangka dan deposito *on call*	62.764	1.852.904	1.915.668	*Time deposits and on call deposits*
	78.142	2.351.956	2.430.098	
Total	**80.145**	**6.259.058**	**6.339.203**	***Total***

	2022			
	Pihak berelasi/ *Related parties*	**Pihak ketiga/ *Third parties***	**Total**	
Rupiah				***Rupiah***
Giro	2.291	408.305	410.596	*Demand deposits*
Tabungan	384	405.030	405.414	*Saving deposits*
Deposito berjangka dan deposito *on call*	13.498	7.340.219	7.353.717	*Time deposits and on call deposits*
	16.173	8.153.554	8.169.727	
Valuta asing				***Foreign currencies***
Giro	15.141	1.203.846	1.218.987	*Demand deposits*
Deposito berjangka dan deposito *on call*	66.097	1.149.813	1.215.910	*Time deposits and on call deposits*
	81.238	2.353.659	2.434.897	
Total	**97.411**	**10.507.213**	**10.604.624**	***Total***

20. Simpanan dari Nasabah (lanjutan)

Saldo deposito berjangka dan deposito *on call* berdasarkan periodenya:

***20. Deposits from Customers** (continued)*

The amount of time deposits and on call deposits based on period:

	2023			2022			
	Rupiah	Valuta asing/ *Foreign currencies*	Total	Rupiah	Valuta asing/ *Foreign currencies*	Total	
Kurang dari 1 bulan	788.652	1.138.294	1.926.946	1.147.657	636.774	1.784.431	*Less than 1 month*
> 1 - 3 bulan	1.127.229	498.791	1.626.020	2.316.433	429.871	2.746.304	*> 1 - 3 months*
> 3 - 6 bulan	708.876	66.370	775.246	2.701.411	56.197	2.757.608	*> 3 - 6 months*
> 6 - 12 bulan	516.481	59.031	575.512	987.784	18.344	1.006.128	*> 6 - 12 months*
On call	71.500	153.182	224.682	200.432	74.724	275.156	*On call*
Total	**3.212.738**	**1.915.668**	**5.128.406**	**7.353.717**	**1.215.910**	**8.569.627**	***Total***

Pada tanggal 31 Desember 2023 dan 2022, jumlah deposito yang dijadikan sebagai jaminan kredit yang diberikan adalah masing-masing sebesar Rp16.100 dan Rp31.020 (Catatan 12).

As of December 31, 2023 and 2022, time deposits pledged as loan collateral amounted to Rp16,100 and Rp31,020, respectively (Note 12).

Informasi mengenai suku bunga simpanan dari nasabah diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo simpanan dari nasabah diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar simpanan dari nasabah diungkapkan pada Catatan 36. Simpanan dari pihak berelasi diungkapkan pada Catatan 38.

Information in respect of interest rate of deposits from customers is disclosed in Note 3c. Information in respect of maturities of deposits from customers is disclosed in Note 3d. Information regarding the classification and fair value of deposits from customers is disclosed in Note 36. Deposits from related parties are disclosed in Note 38.

Informasi mengenai simpanan dari nasabah yang diberikan berdasarkan jenis mata uang diungkapkan pada Catatan 40.

Information regarding the currency type of deposits from customers is disclosed in Note 40.

21. Simpanan dari Bank Lain

21. Deposits from Other Banks

	2023	2022	
Rupiah			***Rupiah***
Pihak berelasi			*Related party*
Giro (Catatan 38)	276	22	*Demand deposits (Note 38)*
Pihak ketiga			*Third parties*
Giro	4	3.215	*Demand deposits*
Deposito berjangka	-	2.497	*Time deposits*
	4	5.712	
Mata Uang Asing			***Foreign Currencies***
Pihak ketiga			*Third parties*
Giro	1.552	1.568	*Demand deposits*
Total	**1.832**	**7.302**	***Total***

Saldo deposito berjangka berdasarkan periodenya:

The amounts of time deposits based on its period:

	2023	2022	
Deposito berjangka			*Time deposits*
< 1 bulan	-	2.497	*< 1 month*
Total	**-**	**2.497**	***Total***

21. Simpanan dari Bank Lain (lanjutan)

Informasi mengenai suku bunga simpanan dari bank lain diungkapkan pada Catatan 3c. Informasi mengenai jatuh tempo simpanan dari bank lain diungkapkan pada Catatan 3d. Informasi mengenai klasifikasi dan nilai wajar simpanan dari bank lain diungkapkan pada Catatan 36. Simpanan dari pihak berelasi diungkapkan pada Catatan 38.

Informasi mengenai simpanan dari bank lain berdasarkan jenis mata uang diungkapkan pada Catatan 40.

***21. Deposits from Other Banks** (continued)*

Information in respect of interest rate of deposits from other banks is disclosed in Note 3c. Information in respect of maturities of deposits from other banks is disclosed in Note 3d. Information regarding the classification and fair value of deposits from other banks is disclosed in Note 36. Deposits from related parties are disclosed in Note 38.

Information regarding the currency type of deposits from other banks is disclosed in Note 40.

22. Efek-efek yang Dijual dengan Janji Dibeli Kembali

22. Securities Sold Under Agreements to Repurchase

	2023					
Pihak lawan/ ***Counterparty***	**Efek yang mendasari/** ***Underlying securities***	**Rentang tanggal penjualan/** ***Range of sell date***	**Rentang tanggal pembelian kembali/** ***Range of resale date***	**Harga pembelian kembali/** ***Repurchase price***	**Beban bunga yang belum diakui/** ***Unpaid interest***	**Nilai tercatat/** ***Carrying amount***
Bank Indonesia	Obligasi pemerintah/ *Government bonds*	6 Des 2023 - 20 Des 2023/ *Dec 6, 2023 - Dec 20, 2023*	3 Jan 2024 - 17 Jan 2024/ *Jan 3, 2024 - Jan 17, 2024*	386.565	1.514	385.051

23. Pinjaman Diterima

23. BORROWING

	2023	**2022**	
Rupiah			*Rupiah*
PT Bank Central Asia Tbk	-	1.000.000	*PT Bank Central Asia Tbk*
Total	**-**	**1.000.000**	***Total***

Berdasarkan Perjanjian Kredit No. 205.170.2021 tanggal 3 Juni 2020, Bank BCA setuju memberikan Fasilitas *Term Loan Revolving* dengan jumlah maksimum sebesar Rp1.000.000 untuk modal kerja Bank *(General Funding Purpose)*.

Pinjaman ini dikenakan tingkat suku bunga sebesar JIBOR dengan marjin tertentu per tahun untuk jangka waktu pinjaman selama 12 (dua belas) bulan.

Pada tahun 2021, Bank mendapatkan perpanjangan fasilitas selama 24 (dua puluh empat) bulan sampai dengan 3 Juni 2023.

Adapun syarat dan ketentuan yang wajib dipenuhi oleh Bank antara lain (i) menyampaikan laporan keuangan tahunan yang telah diaudit oleh Kantor Akuntan Publik Terdaftar, (ii) menyampaikan neraca dan perhitungan laba rugi setiap bulan, (iii) menyampaikan neraca dan perhitungan laba rugi triwulanan.

Perjanjian tersebut dijamin dengan *Standby Letter of Credit* dari Qatar National Bank (Q.P.S.C.) dalam jumlah Rp1.000.000.

Based on the Credit Agreement No. 205.170.2021 dated June 3, 2020, Bank BCA agreed to provide a Term Loan Revolving Facility with maximum amount of Rp1,000,000 for working capital to the Bank (General Funding Purpose).

The borrowing are subject to interest rate JIBOR plus certain margin during the loan period for 12 (twelve) months.

In 2021, the Bank obtained an extension of the facility for 24 (twenty-four) months until June 3, 2023.

The terms and conditions that must be met by the Bank are as follows; (i) provide annual financial statement which has been audited by a Listed Public Accountant Firm, (ii) provide monthly balance sheet and income statement, (iii) provide quarterly balance sheet and income statement.

The agreement is secured by Standby Letter of Credit from Qatar national Bank (Q.P.S.C.) with total amount of Rp1,000,000.

23. Pinjaman Diterima (lanjutan)

Bank telah melakukan pelunasan untuk pinjaman ini pada tanggal 2 Juni 2023. Tidak ada penalti yang dibebankan kepada Bank atas pelunasan ini.

***23. BORROWING** (continued)*

The Bank made prepayment for this loan on June 2, 2023. No penalty has been charged to the Bank for this prepayment.

24. Pajak Penghasilan

24. Income Tax

a. Beban pajak penghasilan terdiri dari:

a. The components of income tax expense are as follows:

	2023	2022	
Pajak kini	-	-	*Current tax*
Pajak tangguhan	-	-	*Deferred tax*
Total	**-**	**-**	***Total***

b. Berdasarkan Undang-Undang perpajakan di Indonesia, Bank menghitung dan melaporkan/menyetorkan pajak berdasarkan sistem *self-assesment*. Direktur Jendral Pajak (DJP) dapat menetapkan atau mengubah liabilitas pajak dalam waktu 5 (lima) tahun sejak saat terutangnya pajak.

b. Under the Indonesian taxation laws, the Bank submits tax returns on a self-assessment basis. The Director General of Tax (DGT) may assess or amend taxes within 5 (five) years since the tax becomes due.

c. Rekonsiliasi antara rugi sebelum manfaat pajak penghasilan yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dengan rugi kena pajak untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

c. The reconciliation between loss before income tax benefit as presented in the statement profit or loss and other comprehensive income and taxable loss for the year ended December 31, 2023 and 2022, is as follows:

	2023	2022	
Laba (rugi) sebelum beban pajak penghasilan	**69.249**	**(400.732)**	***Profit (loss) before income tax expenses***
Beda waktu:			***Timing differences:***
Cadangan kerugian penurunan nilai kredit	111.303	87.827	*Allowance for impairment losses on loans*
Cadangan kerugian penurunan lainnya	(408)	(80.305)	*Other Allowance for impairment losses*
Bonus dan tunjangan yang masih harus dibayar	13.574	(5.232)	*Accrued bonus and allowances*
Imbalan pasca-kerja	(370)	(3.257)	*Post-employment benefits*
Penyusutan aset hak guna dan beban bunga liabilitas sewa	7.696	(13.937)	*Depreciation of right-of-use assets and interest expense of lease liability*
Cadangan kerugian penurunan nilai agunan yang diambil alih	(35.701)	(88.529)	*Allowance for impairment losses on foreclosed assets*
Penyusutan aset tetap dan amortisasi aset takberwujud	(4.777)	21.908	*Depreciation of fixed assets and amortization of intangible assets*
	91.317	(81.525)	
Beda tetap			***Permanent differences***
Bentuk natura dan kenikmatan	19	172	*Benefits in kind*
Lain-lain	(1.254)	3.490	*Others*
	(1.235)	3.662	
Laba (rugi) kena pajak	159.331	(478.595)	*Taxable income (loss)*
Akumulasi rugi fiskal tahun sebelumnya	(2.705.570)	(2.226.975)	*Prior year's accumulated tax loss carry forward*
Rugi fiskal jatuh tempo	-	-	*Tax los expired*
Total rugi fiskal	**(2.546.239)**	**(2.705.570)**	***Total fiscal loss***

24. Pajak Penghasilan (lanjutan)

Perhitungan pajak penghasilan badan untuk tahun yang berakhir tanggal 31 Desember 2023 adalah estimasi untuk pengisian SPT 2023 dan perhitungan pajak penghasilan badan 2022 adalah sesuai dengan SPT Bank.

d. Rekonsiliasi antara hasil perkalian rugi sebelum beban pajak penghasilan dengan tarif pajak yang berlaku dan manfaat pajak penghasilan adalah sebagai berikut:

***24. Income Tax** (continued)*

The calculations of corporate income tax for the year ended December 31, 2023 are estimated numbers for 2023 annual tax return and 2022 corporate income tax which conform to the Bank's Annual Tax Return.

d. The reconciliation between loss before income tax expense multiplied by the prevailing tax rate and income tax benefit are as follows:

	2023	2022	
Laba (rugi) sebelum beban pajak penghasilan	69.249	(400.732)	*Profit (loss) before income tax benefit*
Tarif pajak yang berlaku	22%	22%	*Prevailing tax rate*
	(15.235)	88.161	
Beda permanen dengan tarif pajak 22%	272	(806)	*Permanent differences at 22% tax rate*
Dampak perubahan tarif pajak		-	*Impact of change in tax rate*
Provisi atas pajak tangguhan	-	-	*Provision on deferred tax*
Dampak aset pajak tangguhan rugi fiskal	14.963	(87.355)	*Impact of deferred tax assets of tax loss*
Beban pajak	**-**	**-**	***Income tax expenses***

e. Rincian aset (liabilitas) pajak tangguhan pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

e. The details of the deferred tax assets (liabilities) as of December 31, 2023 and 2022, are as follows:

	2022	Diakui pada laba rugi/ *Recognized in profit or*	Diakui pada penghasilan komprehensif lain/*Recognized in other comprehensive loss income*	2023	
Aset (liabilitas) pajak tangguhan:					***Deferred tax assets (liabilities):***
Liabilitas imbalan pasca-kerja	14.976	(83)	(112)	14.781	*Post-employment benefits obligation*
Cadangan kerugian penurunan nilai nilai aset keuangan	73.685	13.271	-	86.956	*Allowance for impairment losses on financial assets*
Bonus dan tunjangan yang masih harus dibayar	10.937	(4.650)	-	6.287	*Accrued bonus and allowanes*
Selisih nilai buku aset tetap, aset hak guna dan aset tak berwujud antara dasar pengenaan pajak dan akuntansi	13.417	(8.681)		4.736	*Differences in net book value of fixed assets, right-of-use assets and intangible assets between tax and accounting bases*
Cadangan kerugian penurunan nilai agunan yang diambil alih	15.625	(7.855)	-	7.770	*Allowance for impairment losses on foreclosed assets*
Rugi belum direalisasi dari perubahan nilai wajar efek-efek yang tersedia untuk dijual	(7.948)	-	7.966	18	*Unrealized loss from changes in fair value of available-for-sale securities*
Kerugian pajak tahun berjalan	150.944	8.858	-	159.802	*Current tax loss*
Cadangan kerugian penurunan lainnya	864	(860)	-	4	*Other Allowance for impairment losses*
Aset pajak tagguhan - neto	**272.500**	**-**	**7.854**	**280.354**	***Deferred tax assets - net***

24. Pajak Penghasilan (lanjutan)

e. Rincian aset (liabilitas) pajak tangguhan pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut: (lanjutan)

***24. Income Tax** (continued)*

e. The details of the deferred tax assets (liabilities) as of December 31, 2023 and 2022, are as follows: (continued)

	2021	Diakui pada laba rugi/ *Recognized in profit or*	Diakui pada penghasilan komprehensif lain/*Recognized in other comprehensive loss income*	2022	
Aset (liabilitas) pajak tangguhan:					***Deferred tax assets (liabilities):***
Liabilitas imbalan pasca-kerja	17.955	(716)	(2.263)	14.976	*Post-employment benefits obligation*
Cadangan kerugian penurunan nilai nilai aset keuangan	54.363	19.322	-	73.685	*Allowance for impairment losses on financial assets*
Bonus dan tunjangan yang masih harus dibayar	12.088	(1.151)	-	10.937	*Accrued bonus and allowanes*
Selisih nilai buku asset tetap, aset hak guna dan aset takberwujud antara dasar pengenaan pajak dan akuntansi	11.664	1.753	-	13.417	*Differences in net book value of fixed assets, right-of-use assets and intangible assets between tax and accounting bases*
Cadangan kerugian penurunan nilai agunan yang diambil alih	35.101	(19.476)	-	15.625	*Allowance for impairment losses on foreclosed assets*
Rugi belum direalisasi dari perubahan nilai wajar efek-efek yang tersedia untuk dijual	(2.426)	-	(5.522)	(7.948)	*Unrealized loss from changes in fair value of available-for-sale securities*
Kerugian pajak tahun berjalan	133.009	17.935	-	150.944	*Current tax loss*
Cadangan kerugian Penurunan lainnya	18.531	(17.667)	-	864	*Other Allowance for impairment losses*
Aset pajak tagguhan - neto	**280.285**	**-**	**(7.785)**	**272.500**	***Deferred tax assets - net***

f. Manajemen Bank berkeyakinan bahwa seluruh aset pajak tangguhan diatas pada Catatan 24 kemungkinan besar dapat direalisasi pada tahun-tahun mendatang.

f. The Bank's management believes that total deferred tax assets above on Note 24 are probable to be realized in the future years.

g. Pada 31 Desember 2023 dan 2022, Bank memiliki akumulasi rugi fiskal untuk tahun 2023 dan 2022 sebesar Rp2.546.239 dan Rp2.705.570 yang akan berakhir di tahun antara 2024 - 2028.

g. As of December 31, 2023 and 2022, the Bank had tax loss carryforwards for fiscal years 2023 and 2022 amounted Rp2,546,239 and Rp2,705,570 which will expire between 2024 - 2028.

h. Aset pajak tangguhan atas rugi fiskal yang belum dikompensasi sebesar Rp159.802 diakui karena laba fiskal pada masa mendatang akan tersedia untuk dikompensasi dimana Bank bisa memanfaatkan keuntungan dari hal ini.

h. Deferred tax asset on tax loss carryforwards amounted to Rp159,802 have been recognized because future taxable profits will be available against which the Bank can utilize the benefits there from.

25. Liabilitas Imbalan Kerja

Imbalan Pasca Kerja

Bank wajib memberikan imbalan pasca-kerja kepada karyawannya pada saat pemutusan hubungan kerja atau pada saat karyawan menyelesaikan masa kerjanya. Imbalan pasca-kerja ini diberikan terutama berdasarkan masa kerja dan kompensasi karyawan pada saat pemutusan hubungan kerja atau selesainya masa kerja. Pemberian imbalan pasca-kerja kepada karyawan Bank yang bergabung saat dan setelah 1 Januari 2022 mengacu pada Undang-Undang Cipta Kerja No. 11/2020 dan Peraturan Pemerintah No. 35/2021, sedangkan pemberian imbalan pasca kerja kepada karyawan Bank yang bergabung sebelum 1 Januari 2022 mengacu pada Undang-Undang Ketenagakerjaan No. 13/2013.

Imbalan jangka panjang lainnya

Imbalan jangka panjang lainnya terdiri dari cuti panjang. Program cuti panjang dikelola sendiri oleh Bank dan merupakan program imbalan kerja bagi karyawan untuk penggantian hak cuti panjang.

Tabel berikut menyajikan liabilitas imbalan kerja Bank yang tercatat di laporan posisi keuangan pada tanggal 31 Desember 2023 dan 2022, dan perubahan liabilitas imbalan kerja dan beban yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir tanggal 31 Desember 2023 dan 2022:

25. Employment Benefits

Post Employee Benefits

Bank is required to provide post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement. Provision of post-employment benefits for Bank employees who join on and after January 1, 2022 refers to Job Creation Law No. 11/2020 and the accompaniying Government Regulation No.35/2021, while the provision of post-employment benefits for Bank employees who join before January 1, 2022 refers to Labor Law No. 13/2013.

Other long-term benefits

Other long-term benefits consist of long service leave. The long service leave program is managed by the Bank itself and is an employee benefit program for employees to reimburse long service leave rights.

The following table summarizes the obligation for employment benefits of the Bank as recorded in the statement of financial position as of December 31, 2023 and 2022, and movement in the obligation and expense recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2023 and 2022:

	2023			
	Imbalan Pasca Kerja/ *Post Employment Benefit*	**Manfaat Cuti Panjang/ *Long Leave Benefit***	**Total**	
Nilai kini liabilitas awal tahun	61.628	6.438	68.066	*Present value of obligation for employment benefits, beginning of the year*
Diakui melalui laba atau rugi				*Recognized in profit or loss*
Beban jasa kini	11.261	1.268	12.529	*Current service cost*
Beban atas kewajiban	3.663	409	4.072	*Interest on obligation*
Pengukuran kembali atas imbalan jangka panjang lainnya	-	1.236	1.236	*Remeasurement of other long-term benefit*
	14.924	2.913	17.837	
Diakui melalui pendapatan komprehensif lainnya				*Recognized in other comprehensive income*
Keuntungan aktuarial yang muncul dari:				*Actuarial gain arising from:*
Penyesuaian pengalaman	(509)	-	(509)	*Experience adjustment*
Pembayaran imbalan kerja selama tahun berjalan	(16.628)	(1.579)	(18.207)	*Payments of benefits during the year*
Nilai kini liabilitas imbalan kerja akhir tahun	**59.415**	**7.772**	**67.187**	***Present value of obligation for employment benefits, end of the year***

25. Liabilitas Imbalan Kerja (lanjutan)

Imbalan jangka panjang lainnya (lanjutan)

Tabel berikut menyajikan liabilitas imbalan kerja Bank yang tercatat di laporan posisi keuangan pada tanggal 31 Desember 2023 dan 2022, dan perubahan liabilitas imbalan kerja dan beban yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir tanggal 31 Desember 2023 dan 2022: (lanjutan)

25. Employment Benefits *(continued)*

Other long-term benefits *(continued)*

The following table summarizes the obligation for employment benefits of the Bank as recorded in the statement of financial position as of December 31, 2023 and 2022, and movement in the obligation and expense recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2023 and 2022: (continued)

	2022			
	Imbalan Pasca Kerja/ *Post Employment Benefit*	**Manfaat Cuti Panjang/ *Long Leave Benefit***	**Total**	
Nilai kini liabilitas imbalan kerja awal tahun	73.937	7.637	81.610	*Present value of obligation for employment benefits, beginning of the year*
Diakui melalui laba atau rugi				*Recognized in profit or loss*
Beban jasa kini	8.373	(111)	8.262	*Current service cost*
Beban atas kewajiban	4.211	421	4.632	*Interest on obligation*
Pengukuran kembali atas imbalan jangka panjang lainnya	(1.500)	-	(1.500)	*Remeasurement of other long-term benefit*
Penyesuaian atas perubahan metode atribusi manfaat	(6.094)	-	(6.094)	*Adjustment due to change in benefit attribution method*
	4.990	310	5.300	
Diakui melalui pendapatan komprehensif lainnya				*Recognized in other comprehensive income*
Keuntungan aktuarial yang muncul dari:				*Actuarial gain arising from:*
Penyesuaian pengalaman	(10.288)	-	(10.288)	*Experience adjustment*
Pembayaran imbalan kerja selama tahun berjalan	(7.011)	(1.545)	(8.556)	*Payments of benefits during the year*
Nilai kini liabilitas imbalan kerja akhir tahun	**61.628**	**6.438**	**68.066**	***Present value of obligation for employment benefits, end of the year***

Mutasi atas nilai kini liabilitas imbalan kerja untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022:

The movement in the present value of obligation for employment benefit for the years ended December 31, 2023 and 2022, are as follows:

	2023			
	Imbalan Pasca Kerja/ *Post Employment Benefit*	**Manfaat Cuti Panjang/ *Long Leave Benefit***	**Total**	
Nilai kini liabilitas imbalan kerja, awal tahun	61.628	6.438	68.066	*Present value of obligation for employment benefits, beginning of the year*
Beban jasa kini	11.261	1.268	12.529	*Current service cost*
Beban jasa lalu	-	1.236	1.236	*Past service cost*
Beban atas kewajiban	3.663	409	4.072	*Interest on obligation*
Pengukuran kembali atas program manfaat pasti	(509)	-	(509)	*Remeasurement of defined benefit plan*
Pembayaran imbalan kerja selama tahun berjalan	(16.628)	(1.579)	(18.207)	*Payments of benefits during the year*
Nilai kini liabilitas imbalan kerja akhir tahun	**59.415**	**7.772**	**67.187**	***Present value of obligation for for employment benefits, end of the year***

25. Liabilitas Imbalan Kerja (lanjutan)

Mutasi atas nilai kini liabilitas imbalan kerja untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022: (lanjutan)

25. Employment Benefits *(continued)*

The movement in the present value of obligation for employment benefit for the years ended December 31, 2023 and 2022, are as follows: (continued)

	2022			
	Imbalan Pasca Kerja/ *Post Employment Benefit*	**Manfaat Cuti Panjang/ *Long Leave Benefit***	**Total**	
Nilai kini liabilitas imbalan kerja, awal tahun	73.937	7.673	81.610	*Present value of obligation for employment benefits, beginning of the year*
Beban jasa kini	8.373	(111)	8.262	*Current service cost*
Beban jasa lalu	(1.500)	-	(1.500)	*Past service cost*
Beban atas kewajiban	4.211	421	4.632	*Interest on obligation*
Pengukuran kembali atas program manfaat pasti	(10.288)	-	(10.288)	*Remeasurement of defined benefit plan*
Pembayaran imbalan kerja selama tahun berjalan	(7.011)	(1.545)	(8.556)	*Payments of benefits during the year*
Penyesuaian atas perubahan metode atribusi manfaat	(6.094)	-	(6.094)	*Adjustment due to change in benefit attribution method*
Nilai kini liabilitas imbalan kerja akhir tahun	**61.628**	**6.438**	**68.066**	***Present value of obligation for for employment benefits, end of the year***

Perhitungan liabilitas imbalan kerja dan imbalan jangka panjang lainnya pada tanggal 31 Desember 2023 dan 2022 masing-masing dilakukan oleh Santhi Devi & Ardianto Handoyo (dahulu Willis Tower Watson) sebagai aktuaris independen berdasarkan laporannya masing-masing pada tanggal 29 Januari 2024 dan 18 Januari 2023. Liabilitas imbalan pasti tersebut dihitung dengan menggunakan metode *"Projected Unit Credit"* dan asumsi-asumsi signifikan sebagai berikut:

The calculation of obligation for employment benefits and other long term benefit as of December 31, 2023 and 2022 was performed by Santhi Devi & Ardianto Handoyo and (formerly Willis Towers Watson) as the independent actuary based on its reports dated January 29, 2024 and January 18, 2023, respectively. Obligation for employment benefits are calculated using the "Projected Unit Credit" method with the following assumptions:

	2023	**2022**	
Tingkat diskonto per tahun	6,50%	6,75%	Discount rate per annum
Kenaikan gaji per tahun	5,00%	5,00%	Salary increase per annum
Usia pensiun	55 tahun/*years*	55 tahun/*years*	Pension age
Tingkat kematian	Tabel TMI 2019/ *TMI 2019 Table*	Tabel TMI 2019/ *TMI 2019 Table*	Mortality rate

Jumlah penyesuaian yang timbul pada liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan posisi tiga tahun sebelumnya adalah sebagai berikut (tidak diaudit):

The amounts of experience adjustments arising on the plan liabilities for the three ended 31 December 2023 and previous four years are as follows (unaudited):

	2023	**2022**	**2021**	**2020**	
Nilai kini liabilitas	(59.415)	(61.628)	(81.610)	(74.016)	*Present value of benefits obligation*
Penyesuaian liabilitas	509	10.288	5.956	10.418	*Experience adjustment on liability*

25. Liabilitas Imbalan Kerja (lanjutan)

Sensitivitas dari liabilitas manfaat pasti terhadap perubahan asumsi aktuaria adalah sebagai berikut: (tidak diaudit)

***25. Employment Benefits** (continued)*

The sensitivity of defined benefit obligation to changes in the weighted assumptions are as follows: (unaudited)

		Dampak Tehadap Liabilitas Manfaat Pasti/ *Impact on Defined Benefit Obligation*	
		2023	2022
	Perubahan Asumsi/ *Change in Assumption*	**Nilai Kini Liabilitas Manfaat Pasti/ *Present value of Benefit obligation***	**Nilai Kini Liabilitas Manfaat Pasti/ *Present value of Benefit obligation***
Tingkat diskonto/ *Discount rate*	Kenaikan/*Increase* 1%	(3.329)	(2.912)
	Penurunan/*Decrease* 1%	3.653	3.195
Tingkat kenaikan gaji/ *Salary increase rate*	Kenaikan/*Increase* 1%	3.673	3.219
	Penurunan/*Decrease* 1%	(3.407)	(2.986)

Jatuh tempo dari liabilitas manfaat pasti yang tidak terdiskonto pada tanggal-tanggal 31 Desember 2023 dan 2022: (tidak diaudit)

Expected maturity analysis of undiscounted defined benefits obligation as of December 31, 2023 and 2022: (unaudited)

	2023	2022	
1 tahun	5.623	5.334	*1 year*
>1-5 tahun	49.549	42.308	*>1-5 years*
>5-10 tahun	72.942	69.466	*>5-10 years*

26. Beban yang Masih Harus Dibayar dan Liabilitas Lain-lain

26. Accruals and Other Liabilities

	2023	2022	
Liabilltas sewa	106.636	124.580	*Lease liability*
Beban operasional yang masih harus dibayar	68.610	64.399	*Accrued operational expense*
Kesejahteraan karyawan	25.893	11.391	*Employee welfare*
Liabilitas bunga	22.797	35.458	*Interests payable*
Biaya *bancassurance* yang belum diamortisasi	21.818	25.455	*Unamortized bancassurance fee*
Uang muka atas penjualan agunan yang diambil alih	3.806	53.628	*Down payment funds from sales of foreclosed assets*
Setoran jaminan	265	5.094	*Security deposits*
Liabilitas lainnya*	4.545	13.217	**Other Liabilities*
Total	**254.370**	**333.222**	***Total***

*) Liabilitas lainnya terdiri dari *suspense account* dan uang elektronik.

*) *Other liabilities consist of suspense account and electronic money.*

27. Modal Saham dan Dana Setoran Modal

Komposisi pemegang saham Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

27. *Share Capital and Advanced Capital*

The composition of the Banks' shareholders as of December 31, 2023 and 2022, is as follows:

	2023			
	Total saham/ *Number of shares*	**Persentase kepemilikan/ *Percentage of ownership* (%)**	**Total**	
Qatar National Bank (Q.P.S.C.)	33.621.884.939	95,63	8.405.471	*Qatar National Bank (Q.P.S.C.)*
Masyarakat (masing-masing di bawah 5%)	1.536.163.426	4,37	384.041	*Public (each below 5%)*
Total	**35.158.048.365**	**100,00**	**8.789.512**	***Total***

	2022			
	Total saham/ Number of shares	**Persentase kepemilikan/ Percentage of ownership (%)**	**Total**	
Qatar National Bank (Q.P.S.C.)	18.900.786.704	92,48	4.725.197	*Qatar National Bank (Q.P.S.C.)*
Masyarakat (masing-masing di bawah 5%)	1.535.899.280	7,52	383.974	*Public (each below 5%)*
Total	**20.436.685.984**	**100,00**	**5.109.171**	***Total***

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa Kedua pada tanggal 26 Juni 2009, sebagaimana dinyatakan dalam akta No. 85 tanggal 26 Juni 2009 yang dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta, Bank melakukan Penawaran Umum Terbatas I (PUT I) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 125.304.750 saham dengan nilai nominal sebesar Rp250 (nilai penuh) per saham yang ditawarkan dengan harga Rp320 (dalam Rupiah penuh) per saham. Penerbitan saham melalui PUT I tersebut menghasilkan agio saham sebesar Rp8.771.

Based on the Second Extraordinary Shareholder's General Meeting on June 26, 2009, effected by deed No. 85 dated June 26, 2009 of Fathiah Helmi, SH, notary public in Jakarta, the Bank released the First Limited Public Offering (PUT I) by issuing the Rights Issue (HMETD) amounting to 125,304,750 shares with par value of Rp250 (full amount) per share at an offering price of Rp320 (full amount) per share. This share issuance through PUT I resulted in additional paid-in capital of Rp8,771.

Setelah PUT I, modal ditempatkan dan disetor Bank meningkat menjadi 626.523.750 lembar saham atau senilai Rp156.631.

After the PUT I, the Bank's issued and fully paid capital increased to 626,523,750 shares or Rp156,631.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 27 Desember 2010 sebagaimana dinyatakan dalam akta No. 63 tanggal 27 Desember 2010 yang dibuat di hadapan Fathiah Helmi, SH, notaris di Jakarta, Bank melakukan Penawaran Umum Terbatas II (PUT II) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.935.263.768 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Based on the Extraordinary Shareholder's General Meeting on December 27, 2010, as effected by deed No. 63 dated December 27, 2010 of Fathiah Helmi, SH, notary public in Jakarta, the Bank released the Second Limited Public Offering (PUT II) by issuing the Rights Issue (HMETD) amounting to 2,935,263,768 shares with par value and at the offering price of Rp250 (in full Rupiah) per share.

Setelah PUT II, modal ditempatkan dan disetor Bank meningkat menjadi 3.561.787.518 saham atau senilai Rp890.447.

After the PUT II, the Bank's issued and fully paid capital increased to 3,561,787,518 shares or Rp890,447.

27. Modal Saham dan Dana Setoran Modal (lanjutan)

Berdasarkan Akta Akuisisi No. 26 tanggal 26 Januari 2011 yang dibuat di hadapan Fathiah Helmi, SH, notaris di Jakarta, Bank dan Qatar National Bank (Q.P.S.C.) telah menandatangani Akta Akuisisi dimana Qatar National Bank (Q.P.S.C.) sebagai pembeli siaga dalam rights issue telah memperoleh 2.478.728.032 saham biasa atas Saham Baru dengan nominal Rp250 (nilai penuh) per saham atau senilai Rp619.682.

Pada tanggal 27 Mei 2013, Bank memperoleh Pernyataan Efektif dari Otoritas Jasa Keuangan ("OJK") berdasarkan Surat Keputusan No. S-141/D.04/2013 dalam rangka Penawaran Umum Terbatas III (PUT III) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.596.543.000 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (nilai penuh) per saham.

Setelah PUT III, modal ditempatkan dan disetor Bank meningkat menjadi 6.158.330.518 lembar saham atau senilai Rp1.539.583.

Pada tanggal 2 Juni 2014, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-253/D.04/2014 dalam rangka Penawaran Umum Terbatas IV (PUT IV) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 2.598.815.479 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (nilai penuh) per saham.

Setelah PUT IV, modal ditempatkan dan disetor Bank meningkat menjadi 8.757.145.997 lembar saham atau senilai Rp2.189.287.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan Bank No. 37 tanggal 27 Februari 2015 yang dibuat di hadapan Fathiah Helmi, SH, notaris di Jakarta, para pemegang saham menyetujui peningkatan modal dasar Bank dari Rp2.500.000 atau sebanyak 10.000.000.000 saham, menjadi Rp8.000.000 atau sebanyak 32.000.000.000 saham.

Peningkatan modal dasar tersebut telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-0004611.AH.01.02 Tahun 2015 tanggal 24 Maret 2015 serta telah diumumkan dalam Berita Negara Republik Indonesia No. 35 tanggal 30 April 2015, Tambahan No. 25140.

***27. Share Capital and Advanced Capital** (continued)*

Based on the Acquisition Deed No. 26 dated January 26, 2011, of Fathiah Helmi, SH, notary public in Jakarta, the Bank and Qatar National Bank (Q.P.S.C.) have signed the Deed of Acquisition where Qatar National Bank (Q.P.S.C.) as a standby buyer in the rights issue has acquired 2,478,728,032 ordinary shares of New Shares with a nominal value of Rp250 (full amount) per share or Rp619,682.

On May 27, 2013, the Bank obtained the Effective Notification from the Otoritas Jasa Keuangan ("OJK") through its Decree No. S-141/D.04/2013 in relation to the Third Limited Public Offering (PUT III) by conducting the Rights Issue (HMETD) amounting to 2,596,543,000 shares with par value and at the offering price of Rp250 (full amount) per share.

After the PUT III, the Bank's issued and fully paid capital increased to 6,158,330,518 shares or Rp1,539,583.

On June 2, 2014, the Bank obtained the Effective Notification from the OJK through its Decree No.S-253/D.04/2014 in relation to the Fourth Limited Public Offering (PUT IV) by conducting the Rights Issue (HMETD) amounting to 2,598,815,479 shares with par value and at the offering price of Rp250 (full amount) per share.

After the PUT IV, the Bank's issued and fully paid capital increased to 8,757,145,997 shares or equivalent to Rp2,189,287.

Based on the Deed of Minutes of Annual Shareholders' General Meeting of Bank No. 37 dated February 27, 2015 of Fathiah Helmi, SH, notary public in Jakarta, the shareholders agreed to increase the Bank's authorized share capital from Rp2,500,000 or 10,000,000,000 shares to Rp8,000,000 or 32,000,000,000 shares.

The increase in the authorized share capital has been approved by the Minister of Laws and Human Rights of the Republic of Indonesia under his Decree No. AHU-0004611.AH.01.02 Year 2015 dated March 24, 2015 and was published into the State Gazette of the Republic of Indonesia No. 35 dated April 30, 2015, Addition No. 25140.

27. Modal Saham dan Dana Setoran Modal (lanjutan)

Pada tanggal 14 Desember 2016, Bank memperoleh tambahan modal lainnya berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD56 juta atau setara dengan Rp751.800.

Pada tanggal 16 Juni 2017, Bank memperoleh tambahan modal lainnya berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD36 juta atau setara dengan Rp478.000.

Pada tanggal 20 Juni 2017, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-330/D.04/2017 dalam rangka Penawaran Umum Terbatas V (PUT V) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 8.235.719.252 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (nilai penuh) per saham.

Setelah PUT V, modal ditempatkan dan disetor Bank meningkat menjadi 16.992.865.249 lembar saham atau senilai Rp4.248.216.

Pada tanggal 4 Desember 2017, Bank memperoleh tambahan modal lainnya berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD61 juta atau setara dengan Rp824.110.

Pada tanggal 22 Mei 2018, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-53/D.04/2018 dalam rangka Penawaran Umum Terbatas VI (PUT VI) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 3.786.010.377 dengan nilai nominal dan harga penawaran sebesar Rp250 (nilai penuh) per saham.

Setelah PUT VI, modal ditempatkan dan disetor Bank meningkat menjadi 20.436.685.984 lembar saham atau senilai Rp5.109.171.

Pada tanggal 6 November 2018, Bank memperoleh tambahan modal lainnya berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD45 juta atau setara dengan Rp656.101.

Pada tanggal 15 Oktober 2020, Bank memperoleh tambahan modal lainnya berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD30 juta atau setara dengan Rp442.230.

***27. Share Capital and Advanced Capital** (continued)*

On December 14, 2016, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD56 million or equivalent to Rp751,800.

On June 16, 2017, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD36 million or equivalent to Rp478,000.

On June 20, 2017, the Bank Obtained the Effective Notification from OJK through its Decree No. S-330/D.04/2017 in relation to the the fifth Limited Public Offering (PUT V) by conducting the Rights Issue (HMETD) amounting to 8,235,719,252 shares with par value and at the offering price of Rp250 (full amount) per share.

After the PUT V, the Bank's issued and fully paid capital increased to 16,992,865,249 shares or Rp4,248,216.

On December 4, 2017, Bank obtained capital injection in the form of advanced capital. The capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD61 million or equivalent to Rp824,110.

On May 22, 2018, the Bank Obtained the Effective Notification from OJK through its Decree No. S-53/D.04/2018 in relation to the the fifth Limited Public Offering VI (PUT VI) by conducting the Rights Issue (HMETD) amounting to 3,786,010,377 ares with par value and at the offering price of Rp250 (full amount) per share.

After the PUT VI, the Bank's issued and fully paid capital increased to 20,436,685,984 shares or Rp5,109,171.

On November 6, 2018, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD45 million or equivalent to Rp656,101.

On October 15, 2020, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD30 million or equivalent to Rp442,230.

27. Modal Saham dan Dana Setoran Modal (lanjutan)

Pada 22 Desember 2021, Bank memperoleh tambahan modal berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar Rp1.500.000.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan No. 33 tanggal 21 Juli 2022 yang dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta, para pemegang saham menyetujui peningkatan modal dasar Bank dari Rp8.000.000 atau sebanyak 32.000.000.000 saham, menjadi Rp10.000.000 atau sebanyak 40.000.000.000 saham.

Peningkatan modal dasar tersebut telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat keputusan No. AHU-0055864.AH.01.02 Tahun 2022, tanggal 8 Agustus 2022.

Pada 16 November 2022, Bank memperoleh tambahan modal berupa dana setoran modal yang dilakukan dengan cara penyetoran dana oleh Qatar National Bank (Q.P.S.C.) sebesar USD64.8 juta atau setara dengan Rp1.000.000.

Pada tanggal 28 April 2023, Bank memperoleh Pernyataan Efektif dari OJK berdasarkan Surat Keputusan No. S-109/D.04/2023 dalam rangka Penawaran Umum Terbatas VII (PUT VII) dengan menerbitkan Hak Memesan Efek Terlebih Dahulu (HMETD) sejumlah 14.721.362.381 saham dengan nilai nominal dan harga penawaran sebesar Rp250 (dalam Rupiah penuh) per saham.

Setelah PUT VII, modal ditempatkan dan disetor Bank meningkat menjadi 35.158.048.365 lembar saham atau senilai Rp8.789.512.

27. Share Capital and Advanced Capital *(continued)*

On December 22, 2021, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to Rp1,500,000.

Based on the Deed of Minutes of Annual Shareholders' General Meeting of Bank No. 33 dated July 21, 2022 of Fathiah Helmi, SH, notary public in Jakarta, the shareholders agreed to increase the Bank's authorized share capital from Rp8,000,000 or 32,000,000,000 shares to Rp10,000,000 or 40,000,000,000 shares.

The increase in the authorized share capital has been approved by the Minister of Laws and Human Rights of the Republic of Indonesia under his Decree No. AHU-0055864.AH.01.02 Year 2022 dated August 8, 2022.

On November 16, 2022, Bank obtained capital injection in the form of advanced capital. The Capital injection is done through fund transfer by Qatar National Bank (Q.P.S.C.) amounted to USD64,8 million or equivalent to Rp1,000,000.

On April 28, 2023, the Bank obtained the effective notification from OJK through its Decree No. S-109/D.04/2023 in relation to the Limited Public Offering VII (PUT VII) by conducting the Rights Issue (HMETD) of 14,721,362,381 shares with par value and the offering price of Rp250 (in full Rupiah) per share.

After Right Issue VII, the issued and paid-in capital of the Bank increased to 35,158,048,365 shares or equal to Rp8,789,512.

28. Tambahan Modal Disetor

Tambahan modal disetor pada tanggal 31 Desember 2023 dan 2022 berasal dari:

28. Additional Paid-In Capital

The additional paid-in capital as of December 31, 2023 and 2022 were derived from:

	2023	2022	
Agio saham	8.771	8.771	*Additional paid-in capital*
Beban emisi saham	(42.359)	(38.921)	*Shares issuance costs*
Total - neto	**(33.588)**	**(30.150)**	***Total - net***

Beban emisi saham karena penerbitan saham melalui Penawaran Umum Perdana, PUT I, PUT II, PUT III, PUT IV, PUT V, PUT VI dan PUT VII masing-masing sebesar Rp1.635, Rp1.032, Rp25.562, Rp2.525, Rp2.587, Rp3.036, Rp2.544 dan 3.438.

Share issuance costs is due to shares issuance through Initial Public Offering, PUT I, PUT II, PUT III, PUT IV, PUT V, PUT VI and PUT VII amounting to Rp1,635, Rp1,032, Rp25,562, Rp2,525, Rp2,587, Rp3,036, Rp2,544 and Rp3,438, respectively.

29. Cadangan Umum dan Wajib

Cadangan umum dan wajib dibentuk sesuai dengan Undang-Undang Republik Indonesia No. 1/1995 sebagaimana telah diubah dengan Undang-Undang No. 40/2007 tentang Perseroan Terbatas yang berlaku efektif sejak tanggal 16 Agustus 2007 yang mewajibkan perusahaan-perusahaan untuk membentuk cadangan dengan jumlah paling sedikit 20% dari jumlah modal yang ditempatkan dan disetor. Tidak ada batas waktu pembentukan cadangan ini.

Berdasarkan akta Berita Acara Rapat Umum Pemegang Saham Tahunan No. 54 tanggal 30 Mei 2023 dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta, disetujui penetapan rugi bersih tahun 2022.

Berdasarkan akta Berita Acara Rapat Umum Pemegang Saham Tahunan No. 32 tanggal 21 Juli 2022 dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta, disetujui penetapan rugi bersih tahun 2021.

29. General and Legal Reserve

The general and legal reserve was provided in relation with the Law of the Republic of Indonesia No. 1/1995 which has been replaced with the Law No. 40/2007 regarding the Limited Liability Bank effective on August 16, 2007 which requires companies to set up a general reserve amounting to at least 20% of the issued and paid up share capital. There is no timeline over which this amount should be provided.

Based on the Annual General Meeting as stated in Deed No. 54 dated May 30, 2023 of Notary Fathiah Helmi, SH in Jakarta, approved loss for the year 2022.

Based on the Annual General Meeting as stated in Deed No. 32 dated July 21, 2022 of Notary Fathiah Helmi, SH in Jakarta, approved loss for the year 2021.

30. Pendapatan Bunga - Neto / *30. Interest Income - Net*

	2023	2022	
Pendapatan bunga			***Interest income***
Kredit yang diberikan	595.517	697.686	*Loans*
Efek-efek yang dibeli dengan janji dijual kembali	253.598	81.482	*Securities purchased under agreements to resell*
Penempatan pada Bank Indonesia dan bank lain	65.585	39.323	*Placements with Bank Indonesia and other banks*
Efek-efek	29.817	45.405	*Securities*
Lainnya	184	-	*Others*
	944.701	863.896	
Beban bunga			***Interest expense***
Simpanan dari nasabah			*Deposits from customers*
Deposito berjangka dan deposito *on call*	(364.957)	(316.350)	*Time deposits and on call deposits*
Tabungan	(8.833)	(2.483)	*Saving deposits*
Giro	(6.023)	(13.504)	*Demand deposits*
Pinjaman yang diterima	(24.126)	(52.372)	*Borrowing*
Premi penjaminan ke LPS (Catatan 41)	(19.977)	(22.538)	*Guarantee premium to LPS (Note 41)*
Setoran jaminan	(6.333)	(10.843)	*Margin deposits*
Efek-efek yang dijual dengan janji dibeli kembali	(2.514)	-	*Securities sold under repurchased agreements*
Simpanan dari bank lain	(345)	(81)	*Deposits from other banks*
Efek-efek yang diterbitkan	-	(4.968)	*Marketable securities issued*
Lainnya	(7.695)	(8.757)	*Others*
	(440.803)	(431.896)	
Pendapatan bunga - neto	**503.898**	**432.000**	***Interest income - net***

31. Pendapatan Provisi dan Komisi - Neto / *31. Fees and Commission Income - Net*

	2023	2022	
Pendapatan provisi dan komisi			***Fees and commission income***
Jasa administrasi	35.729	30.036	*Administration fees*
Jasa	32.076	42.715	*Services*
Lain-lain	221	1.477	*Others*
	68.026	74.228	
Beban provisi dan komisi			***Fees and commission expenses***
Visa	(2.838)	(3.520)	*Visa*
Transaksi antar bank	(1.504)	(1.936)	*Interbank transactions*
Lain-lain	(678)	(645)	*Others*
Pendapatan provisi dan komisi - neto	**63.006**	**68.127**	***Fees and commission income - net***

32. Penyisihan Kerugian Penurunan Nilai Aset Keuangan / *32. Provision for Impairment Losses on Financial Assets*

Rincian penyisihan kerugian penurunan nilai aset keuangan adalah sebagai berikut:

Details of the allowance for impairment losses on financial assets are as follows:

	2023	2022	
Penyisihan kerugian penurunan nilai aset keuangan			***Provision for impairment losses on financial assets***
Tagihan akseptasi (Catatan 10)	200	(184)	*Acceptance receivables (Note 10)*
Efek-efek (Catatan 13)	189	78	*Securities (Note 13)*
Giro pada bank lain (Catatan 7)	18	16	*Current accounts with other banks (Note 7)*
Kredit yang diberikan (Catatan 12)	(136.875)	(614.192)	*Loans (Note 12)*
Irrevocable LC dan Bank Garansi	-	550	*Irrevocable LC dan Bank Guarantee*
Total penyisihan kerugian penurunan nilat aset keuangan	**(136.468)**	**(613.732)**	***Total provision for impairment losses on financial assets***

33. Beban Karyawan / *33. Personnel Expenses*

	2023	2022	
Gaji pokok	133.345	144.524	*Basic salaries*
THR/bonus	64.115	52.179	*THR/bonus*
Imbalan kerja (Catatan 25)	17.837	5.300	*Employment benefits (Note 25)*
Tunjangan cuti, kehadiran dan transportasi	17.434	19.566	*Leave, attendance and transportation allowance*
Outsourcing	16.304	18.296	*Outsourcing*
Pengobatan	9.477	9.318	*Medical*
Pendidikan dan pelatihan	8.552	4.520	*Education and training*
Asuransi	6.894	7.446	*Insurance*
Tunjangan jabatan	2.890	2.634	*Functional allowance*
Pesangon	2.348	7.708	*Severance*
Perekrutan	1.561	35	*Recruitment*
Lain-lain	9.059	8.888	*Others*
Total	**289.816**	**280.414**	***Total***

34. Beban Umum dan Administrasi / *34. General and Administrative Expenses*

	2023	2022	
Pemeliharaan dan perbaikan	78.729	82.369	*Repair and maintenance*
Penyusutan aset tetap dan aset hak guna (Catatan 15)	64.523	63.809	*Depreciation of fixed assets (Note 15)*
Jasa profesional	24.265	17.032	*Professional fees*
Telepon, telex dan data komunikasi	11.937	9.391	*Telephone, telex and data communication*
Amortisasi aset takberwujud (Catatan 16)	11.674	11.239	*Amortization of intangible assets (Note 16)*
Sewa	5.304	4.518	*Rental*
Asuransi	2.888	3.263	*Insurance*
Transportasi	2.431	2.261	*Transportation*
Air, gas dan listrik	1.676	2.031	*Water, gas and electricity*
Iklan dan promosi	1.471	1.682	*Advertising and promotion*
Pajak dan retribusi	913	829	*Tax and retribution*
Lain-lain	3.923	4.093	*Others*
Total	**209.734**	**202.517**	***Total***

35. Laba Per Saham - Dasar / *35. Earnings Per Share - Basic*

Laba (rugi) per saham - dasar dihitung dengan membagi laba tahun berjalan dengan rata-rata tertimbang jumlah saham yang beredar pada tahun yang bersangkutan.

Earning (loss) per share - basic is computed by dividing income for the year by the weighted average number of outstanding shares during the year.

	2023	2022	
Laba (rugi) tahun berjalan	69.249	(400.732)	*Profit (loss) for the year*
Rata-rata tertimbang jumlah saham yang beredar untuk perhitungan laba per saham	29.455.542.608	16.508.003.303	*Weighted average number of outstanding shares for basic profit per share*
Laba (rugi) per saham - dasar (nilai penuh)	**2,50**	**(24,28)**	***Profit (loss) per share - basic (full amount)***

36. Aset Keuangan dan Liabilitas Keuangan / *36. Financial Assets and Financial Liabilities*

a. Klasifikasi aset keuangan dan liabilitas keuangan / *a. Classification of financial assets and financial liabilities*

Di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan.

Pada tabel di bawah ini, instrumen keuangan telah dikelompokkan berdasarkan klasifikasi masing-masing. Kebijakan akuntansi yang material di Catatan 2f menjelaskan bagaimana kategori aset keuangan dan liabilitas keuangan tersebut diukur dan bagaimana pendapatan dan beban, termasuk laba dan rugi atas nilai wajar (perubahan nilai wajar instrumen keuangan), diakui.

Below is the comparison of the carrying amounts, as reported in the statement of financial position, and the fair value of all financial assets and liabilities.

In the below table, financial instruments have been allocated based on their classification. The material accounting policies in Note 2f describe how the categories of the financial assets and financial liabilities are measured and how income and expenses, including fair value gains and losses (changes in fair value of financial instruments), are recognized.

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

a. Klasifikasi aset keuangan dan liabilitas keuangan (lanjutan)

Aset keuangan telah dikelompokkan ke dalam aset keuangan yang diukur pada nilai wajar melalui laba atau rugi, diukur pada nilai wajar melalui pendapatan komprehensif lainnya dan biaya perolehan diamortisasi. Sama halnya dengan aset keuangan, liabilitas keuangan telah dikelompokkan ke dalam liabilitas keuangan yang diukur pada nilai wajar melalui laba atau rugi dan yang dicatat pada biaya perolehan diamortisasi lainnya.

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 terjadi setelah tanggal laporan posisi keuangan.

Tabel di bawah menyajikan nilai tercatat dan nilai wajar aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2023 dan 2022.

36. Financial Assets and Financial Liabilities *(continued)*

a. Classification of financial assets and financial liabilities *(continued)*

Financial assets classes have been allocated into assets at fair value through profit or loss, fair value through other comprehensive income loans and amortized cost. Similarly, financial liability has been allocated into financial liabilities at fair value through profit or loss and other amortized cost.

The fair values are based on relevant information available as at the date of statement of financial position and have not been updated to reflect changes in market condition after the date of statement of financial position.

The table below sets out the carrying amount and fair values of the Bank's financial assets and liabilities as of December 31, 2023 and 2022.

	2023					
	Biaya perolehan diamortisasi/ *Amortized cost*	**Nilai wajar melalui laba rugi/ *Fair value through profit or loss***	**Nilai wajar melalui penghasilan komprehensif lain/ *Fair value through other comprehensive income***	**Jumlah nilai tercatat/ *Total carrying amount***	**Nilai wajar/ *Fair Value***	
Aset keuangan						***Financial assets***
Kas	24.445	-	-	24.445	24.445	*Cash*
Giro pada Bank Indonesia	543.920	-	-	543.920	543.920	*Current accounts with Bank Indonesia*
Giro pada bank lain	184.089	-		184.089	184.089	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	1.092.008	-	-	1.092.008	1.092.008	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	-	11	-	11	11	*Derivative receivables*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	-	-	2.977.202	3.163.580	*Securities purchased under agreements to resell*
Kredit yang diberikan	5.449.285	-	-	5.449.285	5.449.285	*Loans*
Efek-efek	250.030	-	139.922	389.952	390.687	*Securities*
Aset lain-lain *)	247.977	-	-	247.977	247.977	*Other assets *)*
	10.768.956	**11**	**139.922**	**10.908.889**	**11.096.002**	
Liabilitas keuangan						***Financial liabilities***
Liabilitas segera	12.555	-	-	12.555	12.555	*Liabilities payable on demand*
Simpanan dari nasabah	6.339.203	-	-	6.339.203	6.339.203	*Deposits from customers*
Simpanan dari bank lain	1.832	-	-	1.832	1.832	*Deposits from other banks*
Liabilitas derivatif	-	1.838	-	1.838	1.838	*Derivative payables*
Efek-efek yang dijual dengan janji dibeli kembali	385.051	-	-	385.051	390.687	*Securities sold under agreements to repurchase*
Beban masih harus dibayar dan liabilitas lain-lain	232.552	-	-	232.552	232.552	*Accruals and other liabilities*
	6.971.193	**1.838**	**-**	**6.973.031**	**6.978.667**	

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

a. Klasifikasi aset keuangan dan liabilitas keuangan (lanjutan)

Tabel di bawah menyajikan nilai tercatat dan nilai wajar aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2023 dan 2022. (lanjutan)

36. Financial Assets and Financial Liabilities *(continued)*

a. Classification of financial assets and financial liabilities *(continued)*

The table below sets out the carrying amount and fair values of the Bank's financial assets and liabilities as of December 31, 2023 and 2022. (continued)

	2022					
	Biaya perolehan diamortisasi/ *Amortized cost*	**Nilai wajar melalui laba rugi/ *Fair value through profit or loss***	**Nilai wajar melalui penghasilan komprehensif lain/ *Fair value through other comprehensive income***	**Jumlah nilai tercatat/ *Total carrying amount***	**Nilai wajar/ *Fair Value***	
Aset keuangan						***Financial assets***
Kas	33.354	-	-	33.354	33.354	*Cash*
Giro pada Bank Indonesia	919.797	-	-	919.797	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain	148.347	-	-	148.347	148.347	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	1.032.898	-	-	1.032.898	1.032.898	*Placements with Bank Indonesia and other banks*
Tagihan derivatif		108	-	108	108	*Derivative receivables*
Tagihan akseptasi	188.295	-	-	188.295	188.295	*Acceptance receivables*
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	-	-	3.072.222	3.234.360	*Securities purchased under agreements to resell*
Kredit yang diberikan	9.256.123	-	-	9.256.123	9.256.123	*Loans*
Efek-efek	374.148	-	139.839	513.987	521.775	*Securities*
Aset lain-lain *)	256.787	-	-	256.787	256.787	*Other assets *)*
	15.281.971	**108**	**139.839**	**15.421.918**	**15.591.844**	
Liabilitas keuangan						***Financial liabilities***
Liabilitas segera	24.028	-	-	24.028	24.028	*Liabilities payable on demand*
Simpanan dari nasabah	10.604.624	-	-	10.604.624	10.604.624	*Deposits from customers*
Simpanan dari bank lain	7.302	-	-	7.302	7.302	*Deposits from other banks*
Liabilitas derivatif	-	90	-	90	90	*Derivative payables*
Liabilitas akseptasi	26.336	-	-	26.336	26.336	*Acceptance payables*
Pinjaman diterima	1.000.000	-	-	1.000.000	1.000.000	*Borrowing*
Beban masih harus dibayar dan liabilitas lain-lain	307.767	-	-	307.767	307.767	*Accruals and other liabilities*
	11.970.057	**90**	**-**	**11.970.147**	**11.970.147**	

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivable.*

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan

Nilai wajar aset keuangan dan liabilitas keuangan yang diperdagangkan di pasar aktif didasarkan pada kuotasian harga pasar atau harga *dealer*. Untuk semua instrumen keuangan lainnya, Bank menentukan nilai wajar dengan menggunakan teknik penilaian lainnya.

Untuk instrumen keuangan yang jarang diperdagangkan dan sedikit memiliki transparansi harga, nilai wajar menjadi kurang objektif, dan membutuhkan berbagai tingkat pertimbangan tergantung pada likuiditas, konsentrasi, ketidakpastian faktor pasar, asumsi harga dan risiko lainnya yang mempengaruhi instrumen tertentu.

Model Penilaian

Bank mengukur nilai wajar dengan menggunakan hirarki dari metode berikut:

- Tingkat 1: input yang berasal dari harga kuotasian (tanpa penyesuaian) di pasar aktif untuk instrumen yang identik yang dapat diakses Bank pada tanggal pengukuran.
- Tingkat 2: input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi, baik secara langsung atau tidak langsung. Dalam kategori ini termasuk instrumen yang dinilai dengan menggunakan: harga kuotasian untuk instrumen yang serupa di pasar aktif; harga kuotasian untuk instrumen yang identik atau yang serupa di pasar yang tidak aktif; atau teknik penilaian lainnya dimana seluruh input signifikan dapat diobservasi secara langsung maupun tidak langsung dari data pasar.
- Tingkat 3: input yang tidak dapat diobservasi. Dalam kategori ini termasuk semua instrumen dimana teknik penilaian menggunakan input yang tidak dapat diobservasi dan input yang tidak dapat diobservasi ini memberikan dampak signifikan terhadap penilaian instrumen. Termasuk dalam kategori ini adalah instrumen yang dinilai berdasarkan harga kuotasian untuk instrumen serupa yang memerlukan penyesuaian atau asumsi signifikan yang tidak dapat diobservasi untuk mencerminkan perbedaan diantara instrumen tersebut.

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair values is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation Models

The Bank measures fair values using the following hierarchy of methods:

- *Level 1: inputs that are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.*
- *Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.*
- *Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.*

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Model Penilaian (lanjutan)

Teknik penilaian mencakup model nilai kini bersih dan arus kas yang didiskontokan, perbandingan dengan instrumen sejenis yang harga pasarnya tersedia, serta dapat diobservasi, serta model penilaian lainnya. Asumsi dan input yang digunakan dalam teknik penilaian meliputi suku bunga bebas risiko *(risk-free)* dan suku bunga acuan serta *credit spreads* yang digunakan untuk mengestimasi tingkat diskonto, harga obligasi dan nilai tukar mata uang asing.

Tujuan dari teknik penilaian adalah untuk pengukuran nilai wajar yang mencerminkan harga yang akan diterima untuk menjual aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur *(orderly transactions)* antara pelaku pasar *(market participants)* pada tanggal pengukuran.

Bank menggunakan model penilaian yang diakui secara luas untuk menentukan nilai wajar atas instrumen keuangan yang umum dan yang lebih sederhana, seperti swap nilai tukar yang hanya menggunakan data pasar yang dapat diobservasi dan membutuhkan sedikit pertimbangan dan estimasi manajemen. Harga yang dapat diobservasi atau input model biasanya tersedia di pasar untuk efek-efek utang yang tercatat di bursa dan derivatif *over-the-counter* (OTC) seperti *swap* nilai tukar. Ketersediaan harga pasar yang dapat diobservasi dan input model mengurangi kebutuhan pertimbangan dan estimasi manajemen dan juga mengurangi ketidakpastian terkait penentuan nilai wajar. Ketersediaan harga pasar yang dapat diobservasi dan input bervariasi bergantung pada produk dan pasar dan cenderung berubah berdasarkan kejadian tertentu dan kondisi umum di pasar keuangan.

Pertimbangan dan estimasi manajemen biasanya memerlukan pemilihan model yang sesuai untuk digunakan, penentuan arus kas masa depan yang diharapkan pada instrumen keuangan yang dinilai, penentuan probabilitas kegagalan pihak lawan dan pembayaran dimuka dan pemilihan tingkat diskonto yang tepat.

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments *(continued)*

Valuation Models *(continued)*

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and credit spreads used in estimating discount rates, bond prices and foreign currency exchange rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair values of common and more simple financial instruments, such as currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt securities and simple over-the-counter (OTC) derivatives such as currency swaps. Availability of observable market prices and model inputs reduces the needs for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Management consideration and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Instrumen keuangan yang diukur pada nilai wajar

Tabel di bawah ini menunjukkan instrumen keuangan yang diukur pada nilai wajar yang dikelompokkan berdasarkan hirarki nilai wajar.

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments *(continued)*

Financial instruments measured at fair values

The table below show the financial instruments measured at fair value grouped according to the fair value hierarchy.

	2023				
		Nilai wajar/*Fair value*			
	Nilai tercatat/ *Carrying value*	**Tingkat/ *Level 1***	**Tingkat/ *Level 2***	**Tingkat/ *Level 3***	
Aset keuangan					***Financial assets***
Tagihan derivatif	11	-	11	-	*Derivative receivables*
Efek-efek - nilai wajar melalui penghasilan komprehensif lain	139.922	139.922	-	-	*Securities - fair value through other comprehensive income*
	139.933	139.922	11	-	
Liabilitas keuangan					***Financial liabilities***
Liabilitas derivatif	1.838	-	1.838	-	*Derivative payables*
	1.838	-	1.838	-	

	2022				
		Nilai wajar/*Fair value*			
	Nilai tercatat/ *Carrying value*	**Tingkat/ *Level 1***	**Tingkat/ *Level 2***	**Tingkat/ *Level 3***	
Aset keuangan					***Financial assets***
Tagihan derivatif	108	-	108	-	*Derivative receivables*
Efek-efek - nilai wajar melalui penghasilan komprehensif lain	139.839	139.839	-	-	*Securities - fair value through other comprehensive income*
Efek-efek yang dibeli dengan janji dijual kembali	3.072.222	3.072.222	-	-	*Securities purchased under agreements to resell*
	3.212.169	**3.212.061**	**108**	**-**	
Liabilitas keuangan					***Financial liabilities***
Liabilitas derivatif	90	-	90	-	*Derivative payables*
	90	**-**	**90**	**-**	

Nilai wajar atas instrumen derivatif yang dinilai menggunakan teknik penilaian dengan menggunakan komponen yang dapat diamati di pasar terutama adalah *swap* mata uang dan kontrak pertukaran mata uang. Teknik penilaian yang paling banyak digunakan meliputi model penilaian *forward* dan *swap* yang menggunakan perhitungan nilai kini.

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation.

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Instrumen keuangan yang diukur pada nilai wajar (lanjutan)

Model tersebut menggabungkan berbagai komponen yang meliputi kualitas kredit dari *counterparty*, nilai spot dan kontrak berjangka serta kurva tingkat suku bunga.

Di tahun 2022, nilai wajar dari efek-efek tersedia untuk dijual diestimasi dengan menggunakan harga kuotasian untuk instrumen yang identik atau yang serupa di pasar yang tidak aktif.

Instrumen keuangan yang tidak diukur pada nilai wajar

Tabel di bawah ini menunjukkan instrumen keuangan yang tidak diukur pada nilai wajar yang dikelompokkan berdasarkan hirarki nilai wajar.

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments *(continued)*

Financial instruments measured at fair values (continued)

The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

In 2022, fair value of available for sale securities are estimated using quoted prices for identical or similar instruments in markets that are not active.

Financial instruments not measured at fair values

The table below show the financial instruments not measured at fair value grouped according to the fair value hierarchy.

	2023				
		Nilai wajar/*Fair value*			
	Nilai tercatat/ *Carrying value*	**Tingkat/ *Level 1***	**Tingkat/ *Level 2***	**Tingkat/ *Level 3***	
Aset keuangan					***Financial assets***
Kredit yang diberikan	5.449.285	-	-	5.449.285	*Loans*
Efek-efek yang dibeli dengan janji dijual kembali	2.977.202	3.163.580	-	-	*Securities purchased under agreements to resell*
Efek-efek - Biaya perolehan diamortisasi	250.030	250.765	-	-	*Securities Amortized cost –*
	8.676.517	**3.414.345**	**-**	**5.449.285**	
Liabilitas keuangan					***Financial liabilities***
Simpanan dari nasabah	6.339.203	-	6.339.203	-	*Deposits from customers*
Simpanan dari bank lain	1.832	-	1.832	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	385.051	390.687	-	-	*Securities sold under repurchased agreements*
	6.341.035	**390.687**	**6.341.035**	**-**	

	2022				
		Nilai wajar/*Fair value*			
	Nilai tercatat/ *Carrying value*	**Tingkat/ *Level 1***	**Tingkat/ *Level 2***	**Tingkat/ *Level 3***	
Aset keuangan					***Financial assets***
Kredit yang diberikan	9.256.123	-	-	9.256.123	*Loans*
Efek-efek - Biaya perolehan diamortisasi	374.343	381.936	-	-	*Securities Amortized cost -*
	9.630.466	**381.936**	**-**	**9.256.123**	

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Instrumen keuangan yang tidak diukur pada nilai wajar (lanjutan)

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments *(continued)*

Financial instruments not measured at fair values *(continued)*

	2023				
		Nilai wajar/*Fair value*			
	Nilai tercatat/ *Carrying value*	Tingkat/ *Level 1*	Tingkat/ *Level 2*	Tingkat/ *Level 3*	
Liabilitas keuangan					***Financial liabilities***
Simpanan dari nasabah	10.604.624	-	10.604.624	-	*Deposits from customers*
Pinjaman diterima	1.000.000	-	1.000.000	-	*Borrowing*
Simpanan dari bank lain	7.302	-	7.302	-	*Deposits from other banks*
	11.611.926	**-**	**11.611.926**	**-**	

Sebagian besar dari instrumen keuangan yang tidak diukur pada nilai wajar, diukur pada biaya perolehan diamortisasi. Rincian di bawah ini menyajikan daftar instrumen keuangan yang nilai tercatatnya mendekati nilai wajarnya, contohnya, instrumen keuangan jangka pendek atau yang ditinjau ulang menggunakan harga pasar secara berkala.

Majority of the financial instruments not measured at fair value are measured at amortized cost. The following lists those financial instruments for which their carrying amount are reasonable approximation of fair value because, for example, they are short term in nature or re-price to current market rates frequently.

Aset Keuangan:

- Kas
- Giro pada Bank Indonesia
- Giro pada bank lain
- Penempatan pada Bank Indonesia dan bank lain
- Tagihan akseptasi
- Efek-efek yang dibeli dengan janji dijual kembali
- Aset lain-lain

Financial Assets:

- *Cash*
- *Current accounts with Bank Indonesia*
- *Current accounts with other banks*
- *Placements with Bank Indonesia and other banks*
- *Acceptance receivables*
- *Securities purchased under agreements to resell*
- *Other assets*

Liabilitas Keuangan:

- Liabilitas segera
- Liabilitas akseptasi
- Efek-efek yang dijual dengan janji dibeli kembali
- Beban masih harus dibayar dan liabilitas lain-lain

Financial Liabilities:

- *Liabilities payable on demand*
- *Acceptance payables*
- *Securities sell under agreements to purchased*
- *Accruals and other liabilities*

Nilai wajar dari kredit yang diberikan dengan suku bunga mengambang dan nilai tercatat atas kredit jangka pendek dengan suku bunga tetap adalah perkiraan yang layak atas nilai wajar. Nilai wajar dari kredit jangka panjang yang diberikan dengan suku bunga tetap menunjukkan nilai diskon 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.

The carrying amounts of variable loans and short-term fixed rate loans are the reasonable approximation of their fair values. The carrying amount of long term fixed rate loans shows the discounted estimated future cash flows. The cash flows estimation is discounted at the market interest rate to determine fair value.

36. Aset Keuangan dan Liabilitas Keuangan (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Nilai wajar efek-efek yang diklasifikasikan sebagai pinjaman yang diberikan dan piutang dan dimiliki hingga jatuh tempo yang diberikan dengan suku bunga tetap menunjukkan nilai diskon 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.

Nilai wajar simpanan dari nasabah dan simpanan dari bank lain sama dengan nilai tercatatnya karena sifatnya dapat ditarik sewaktu-waktu.

Perhitungan nilai wajar dilakukan hanya untuk kepentingan pengungkapan dan tidak berdampak pada pelaporan posisi atau kinerja keuangan Bank. Nilai wajar yang dihitung oleh Bank mungkin berbeda dengan jumlah aktual yang akan diterima/dibayar pada saat penyelesaian atau jatuh tempo instrumen keuangan. Mengingat kategori tertentu instrumen keuangan yang tidak diperdagangkan, maka terdapat pertimbangan manajemen dalam perhitungan nilai wajar.

36. Financial Assets and Financial Liabilities *(continued)*

b. Fair values of financial instruments *(continued)*

The carrying amount securities that classified as loans and receivables and held-to-maturity shows the discounted estimated future cash flows. The cash flows estimation is discounted at the market interest rate to determine fair value.

The fair value of deposits from customers and deposits from other banks are same with the carrying amount because they are payable on demand in nature.

The fair values calculated are for disclosure purposes only and do not have any impact on the Bank's reported financial performance or position. The fair values calculated by the Bank may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded, there is management consideration involved in calculating the fair values.

37. Kualitas Aset Produktif

Tabel di bawah ini menunjukkan tingkat kolektibilitas aset produktif Bank yang disajikan pada nilai tercatatnya:

37. Quality of Productive Assets

The tables below present the collectability grading of productive assets of the Bank at their carrying amounts:

	2023						
	Lancar/ *Current*	**Dalam perhatian khusus/ *Special mention***	**Kurang lancar/ *Substandard***	**Diragukan/ *Doubtful***	**Macet/ *Loss***	**Jumlah/ *Total***	
Giro pada Bank Indonesia	543.920	-	-	-	-	543.920	*Current accounts with Bank Indonesia*
Giro pada bank lain	184.089	-	-	-	-	184.089	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	1.092.008	-	-	-	-	1.092.008	*Placements with Bank Indonesia and other banks*
Tagihan Derivatif	11	-	-	-	-	11	*Derivative receivables*
Efek-efek yang dibeli dengan janji jual kembali	2.977.202	-	-	-	-	2.977.202	*Securities purchased under agreements to resell*
Kredit yang diberikan - neto	4.994.890	448.894	-	-	5.501	5.449.285	*Loans - net*
Efek-efek	389.952	-	-	-	-	389.952	*Securities*
Aset lain-lain *)	224.371	23.606	-	-	-	247.977	*Other assets *)*
Total	**10.406.443**	**472.500**	**-**	**-**	**5.501**	**10.884.444**	***Total***

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables.*

37. Kualitas Aset Produktif (lanjutan)

Tabel di bawah ini menunjukkan tingkat kolektibilitas aset produktif Bank yang disajikan pada nilai tercatatnya: (lanjutan)

***37. Quality of Productive Assets** (continued)*

The tables below present the collectability grading of productive assets of the Bank at their carrying amounts: (continued)

	2022						
	Lancar/ *Current*	**Dalam perhatian khusus/ *Special mention***	**Kurang lancar/ *Substandard***	**Diragukan/ *Doubtful***	**Macet/ *Loss***	**Jumlah/ *Total***	
Giro pada Bank Indonesia	919.797	-	-	-	-	919.797	*Current accounts with Bank Indonesia*
Giro pada bank lain	148.347	-	-	-	-	148.347	*Current accounts with other banks*
Penempatan pada bank Indonesia dan bank lain	1.032.898	-	-	-	-	1.032.898	*Placements with Bank Indonesia and other banks*
Tagihan derivatif	108	-	-	-	-	108	*Derivative receivables*
Tagihan akseptasi	188.295	-	-	-	-	188.295	*Acceptance receivables*
Efek-efek yang dibeli dengan janji jual kembali	3.072.222	-	-	-	-	3.072.222	*Securities purchased under agreements to resell*
Kredit yang diberikan	8.851.049	396.997	-	1.443	6.634	9.256.123	*Loans*
Efek-efek	513.987	-	-	-	-	513.987	*Securities*
Aset lain-lain *)	253.251	3.511	25	-	-	256.787	*Other assets *)*
Total	**14.979.954**	**400.508**	**25**	**1.443**	**6.634**	**15.388.564**	***Total***

*) Aset lain-lain terdiri dari tagihan atas transaksi agunan yang diambil alih, piutang bunga, setoran jaminan, dan piutang lain-lain

*) *Other assets consist of receivables from foreclosed assets transactions, interest receivables, security deposits, and other receivables.*

38. Sifat Hubungan dan Transaksi dengan Pihak Berelasi

Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak berelasi pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

38. Nature of Relationship and Transactions With Related Parties

The details of the relationship and type of significant transactions with related parties as of December 31, 2023 and 2022, are as follows:

Pihak berelasi/ *Related parties*	**Sifat dari hubungan/ *Nature of relationship***	**Sifat dari transaksi/ *Nature of transaction***
Dewan Komisaris, Direksi dan karyawan kunci/*Board of Commissioners, Directors and Bank's key personnel*	Manajemen Bank/ *The Bank's Management*	Giro, tabungan, deposito berjangka, pinjaman karyawan, pendapatan bunga dan beban bunga/*Demand deposits, saving deposits, time deposits, employee loan, interest income and interest expenses*
Ooredoo Asia	Perusahaan afiliasi/ *Affiliated company*	Giro/ *Demand deposits*
Qatar National Bank (Q.P.S.C.)	Perusahaan induk/ *Parent company*	Simpanan dari bank lain, *Standby Letter of Credit*, dan *Bank Guarantee/Deposits from other banks, Stand Letter of Credit and Bank Guarantee*
PT Indosat Tbk	Entitas yang dikendalikan oleh pemerintah yang sama sebagai pemegang saham akhir, *State of Qatar/Entity controlled by the same government as the ultimate shareholder, State of Qatar*	Giro dan deposito berjangka/ *Demand deposits and time deposits*

38. Sifat Hubungan dan Transaksi dengan Pihak Berelasi (lanjutan)

Transaksi dengan personil manajemen kunci

Personil manajemen kunci adalah pihak yang memiliki kewenangan dan tanggung jawab untuk mengendalikan aktivitas Bank baik secara langsung maupun tidak langsung.

Personil manajemen kunci termasuk Dewan Komisaris dan Direksi yang memiliki kewenangan dan tanggung jawab yang signifikan untuk merencanakan, mengarahkan dan mengendalikan kegiatan Bank.

Jumlah gaji, tunjangan dan bonus Dewan Komisaris dan Direksi selama tahun-tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

***38. Nature of Relationship and Transactions With Related Parties** (continued)*

Transactions with key management personnel

Key management personnel are parties who have authority and responsibility to control the Bank's activities, directly or indirectly.

Key management personnel include Board of Commissioners and Directors that have significant authority and responsibility for planning, directing and controlling the Bank's activities.

Total of salaries, allowances and bonuses of the Boards of Commissioners and Directors for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022	
Dewan Komisaris	2.579	3.051	*Board of Commissioners*
Direksi	25.871	30.232	*Directors*
Total	**28.450**	**33.283**	***Total***

Jumlah saldo dan transaksi yang signifikan dengan pihak-pihak berelasi pada tanggal dan untuk tahun yang berakhir tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

The total of significant balance and transactions with related parties as of and for the year ended December 31, 2023 and 2022, are as follows:

	2023		2022		
	Jumlah/ *Amount*	Persentase/ *Percentage *)*	Jumlah/ *Amount*	Persentase/ *Percentage *)*	
Giro pada bank lain	282	0,00%	338	0,00%	*Current accounts with other banks*
Kredit yang diberikan	1.976	0,02%	493.666	2,95%	*Loans*
Tagihan atas transaksi agunan yang diambil alih	55.944	0,48%	155.505	0,93%	*Receivables from foreclosed asset transactions*
Simpanan dari nasabah:					*Deposits from customers:*
Giro	17.039	0,24%	17.432	0,14%	*Demand deposits*
Tabungan	342	0,00%	384	0,00%	*Saving deposits*
Deposito berjangka	62.764	0,89%	79.595	0,66%	*Time deposits*
Simpanan dari bank lain	276	0,00%	22	0,00%	*Deposits from other banks*
Pendapatan bunga	9.150	0,97%	50.098	5,80%	*Interest income*
Beban bunga	3.573	0,81%	4.080	0,94%	*Interest expenses*

*) Persentase terhadap jumlah aset/liabilitas/pendapatan/ beban terkait

*) *Percentage of total assets/liabilities/respective income/expense*

Kompensasi personil manajemen kunci untuk tahun berjalan terdiri dari:

The compensation for key management personnel for the year comprised of:

	2023	2022	
Imbalan kerja jangka pendek	49.479	36.405	*Short terms employee benefits*

39. Komitmen dan Kontinjensi / *39. Commitments and Contingencies*

	2023	2022	
KOMITMEN			***COMMITMENTS***
Liabilitas komitmen			*Committed liabilities*
L/C yang tidak dapat dibatalkan	(141.420)	(122.414)	*Irrevocable letters of credit*
Total liabilitas komitmen	**(141.420)**	**(122.414)**	***Total committed liabilities***
KONTINJENSI			***CONTINGENCIES***
Tagihan kontinjensi			*Contingent receivables*
Bank garansi yang diterima	218.883	562.597	*Bank guarantees received*
Pendapatan bunga dalam penyelesaian	107.642	66.180	*Interest income on non-performing loans*
Total tagihan kontinjensi	326.525	628.777	*Total contingent receivables*
Liabilitas kontinjensi			*Contingent liabilities*
Bank garansi yang diterbitkan	(3.562)	(6.562)	*Bank guarantees issued*
Total aset kontinjensi - neto	322.963	622.215	*Total contingent assets - net*
Total aset komitmen dan kontinjensi - neto	**181.543**	**499.801**	***Total committed and contingent assets - net***

Jumlah fasilitas kredit (*uncommitted* dan *committed*) Bank kepada nasabah yang belum digunakan pada tanggal 31 Desember 2023 dan 2022 adalah masing-masing sebesar Rp3.901.406 dan Rp3.001.242.

The Bank's unused loan facilities (uncommitted and committed) granted to customers as of December 31, 2023 and 2022, are amounted to Rp3,901,406 and Rp3,001,242, respectively.

Pada tanggal 31 Desember 2023 jangka waktu untuk *Letters of Credit* (L/C) adalah sekitar 1 bulan sampai dengan 3 bulan, sedangkan jangka waktu untuk bank garansi yang diterbitkan masing-masing berkisar antara 3 bulan sampai dengan 3 tahun dan 1 bulan sampai dengan 1 tahun.

As of December 31, 2023, the term of Letters of Credit (L/C) were approximately 1 month to 3 month, while the term of bank guarantees issued ranged between 3 month to 3 years.

40. Aset dan Liabilitas dalam Valuta Asing / *40. Assets and Liabilities Denominated in Foreign Currencies*

	2023		2022		
	Valuta asing (dalam Nilai penuh)/*Foreign currencies (in full amount)*	**Ekuivalen Rp/ *Equivalent Rp***	**Valuta asing (dalam Nilai penuh)/*Foreign currencies (in full amount)***	**Ekuivalen Rp/ *Equivalent Rp***	
Aset					*Assets*
Kas					*Cash*
Dolar Amerika Serikat	242.377	3.732	560.853	8.731	*United States Dollar*
Dolar Singapura	112.002	1.308	94.164	1.092	*Singapore Dollar*
Dolar Australia	25	-	775	8	*Australian Dollar*
Euro Eropa	-	-	6.980	116	*European Euro*
Giro pada Bank Indonesia					*Current accounts with Bank Indonesia*
Dolar Amerika Serikat	6.200.000	95.461	7.100.000	110.529	*United States Dollar*
Giro pada bank lain					*Current accounts with other banks*
- Pihak berelasi					*Related party -*
Riyal Qatar	66.832	282	79.113	338	*Qatari Riyal*
- Pihak ketiga					*Third parties -*
Euro Eropa	861.422	14.677	734.512	12.179	*European Euro*
Dolar Amerika Serikat	6.244.955	96.154	3.613.608	56.255	*United States Dollar*
Dolar Australia	490.865	5.164	1.576.019	16.639	*Australian Dollar*
Dolar Singapura	980.783	11.452	1.123.266	13.025	*Singapore Dollar*
Dolar Hong Kong	53.372	105	84.662	169	*Hong Kong Dollar*
Yen Jepang	291.325.346	31.720	117.218.490	13.810	*Japanese Yen*
Poundsterling Inggris	100.428	1.971	835.541	15.697	*Great Britiain Poundsterling*
Yuan China	69.082	150			*Chinese Yuan*

40. Aset dan Liabilitas dalam Valuta Asing (lanjutan) / *40. Assets and Liabilities Denominated in Foreign Currencies (continued)*

	2023		2022		
	Valuta asing (dalam Nilai penuh)/*Foreign currencies (in full amount)*	**Ekuivalen Rp/ *Equivalent Rp***	**Valuta asing (dalam Nilai penuh)/*Foreign currencies (in full amount)***	**Ekuivalen Rp/ *Equivalent Rp***	
Aset (lanjutan)					*Assets (continued)*
Penempatan pada Bank Indonesia dan bank lain					*Placements with Bank Indonesia and other banks*
Dolar Amerika Serikat	43.000.000	662.071	58.000.000	902.915	*United States Dollar*
Tagihan akseptasi					*Acceptance receivables*
Dolar Amerika Serikat	-	-	11.751.348	182.939	*United States Dollar*
Kredit yang diberikan - neto					*Loans - net*
Dolar Amerika Serikat	82.684.962	1.273.100	65.106.580	1.013.547	*United States Dollar*
Efek-efek					*Securities*
- Pihak berelasi					*Related party -*
Dolar Amerika Serikat			7.963.611	123.974	*United States Dollar*
Aset lain-lain					*Other assets*
Dolar Amerika Serikat	15.866.694	244.300	860.053	13.389	*United States Dollar*
Dolar Australia	(15.192)	(160)	(1.267)	(13)	*Australian Dollar*
Euro Eropa	118	2	(14.756)	(245)	*European Euro*
Poundsterling Inggris	45.767	898	53.452	1.004	*Great Britain Poundsterling*
Dolar Hong Kong	(49.166)	(97)	(79.857)	(159)	*Hong Kong Dollar*
Yen Jepang	(10.024.490)	(1.091)	(3.367.279)	(397)	*Japanese Yen*
Riyal Qatar	(58.333)	(246)	(69.521)	(297)	*Qatari Riyal*
Dolar Singapura	2.704	32	66.636	772	*Singapore Dollar*
Yuan China	(69.068)	(150)			*Chinese Yuan*
Total asset		**2.440.835**		**2.486.017**	***Total assets***
Liabilitas					***Liabilities***
Liabilitas segera					*Liabilities payable on demand*
Euro Eropa	597	10	-	-	*European Euro*
Dolar Amerika Serikat	65.509	1.010	39.359	613	*United States Dollar*
Dolar Australia	6	-	70	1	*Australian Dollar*
Dolar Singapura	1.124	13	43	-	*Singapore Dollar*
Simpanan dari nasabah					*Deposits from customers*
- Pihak berelasi					*Related parties -*
Dolar Amerika Serikat	5.075.118	78.142	5.218.438	81.238	*United States Dollar*
- Pihak ketiga					*Third parties -*
Euro Eropa	860.760	14.666	726.821	12.052	*European Euro*
Dolar Amerika Serikat	148.339.547	2.283.713	146.454.762	2.279.935	*United States Dollar*
Dolar Australia	475.910	5.007	1.575.661	16.636	*Australian Dollar*
Dolar Singapura	1.093.642	12.770	1.282.018	14.862	*Singapore Dollar*
Dolar Hong Kong	4.156	8	4.756	9	*Hong Kong Dollar*
Yen Jepang	281.379.600	30.637	113.941.089	13.423	*Japanese Yen*
Poundsterling Inggris	146.349	2.872	888.981	16.700	*Great Britain Poundsterling*
Riyal Qatar	8.416	36	9.530	41	*Qatari Riyal*
Simpanan dari bank lain					*Deposits from Other Bank*
- Pihak ketiga					*Third parties -*
Dolar Amerika Serikat	100.789	1.552	100.709	1.568	*United States Dollar*
Liabilitas akseptasi					*Acceptance payables*
Dolar Amerika Serikat	-	-	1.347.275	20.974	*United States Dollar*
Beban masih harus dibayar dan liabilitas lain-lain					*Accruals and other liabilities*
Dolar Amerika Serikat	391.772	6.032	1.259.265	19.607	*United States Dollar*
Euro Eropa	(2)	-	126	2	*European Euro*
Dolar Singapura	286	3	949	14	*Singapore Dollar*
Dolar Australia	(172)	(2)	(81)	(1)	*Australian Dollar*
Yen Jepang	(1.378)	-	(1.378)	-	*Japanese Yen*
Total liabilitas		2.436.469		2.477.674	*Total liabilities*
Total aset - neto		**4.366**		**8.343**	***Total assets - net***

41. Jaminan terhadap Kewajiban Pembayaran Bank Umum

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004, efektif sejak tanggal 22 September 2005, Lembaga Penjamin Simpanan (LPS) dibentuk untuk menjamin kewajiban tertentu bank-bank umum berdasarkan program penjaminan yang berlaku.

Total premi penjaminan yang dibayarkan untuk periode yang berakhir tanggal 31 Desember 2023 dan 2022 adalah sebesar Rp19.977 dan Rp22.538 (Catatan 30).

Pada tanggal 31 Desember 2023 dan 2022, tingkat suku bunga atas simpanan yang dijamin oleh LPS masing-masing sebesar 4,25% dan 3,75% untuk mata uang Rupiah, serta masing-masing sebesar 2,25% dan 1,75% untuk valuta asing.

41. Guarantees on The Obligations of Commercial Banks

Based on Law No. 24 dated September 22, 2004, effective September 22, 2005, Indonesian Deposit Insurance Corporation (Lembaga Penjamin Simpanan/LPS) was established to provide guarantee on certain deposits from customers based on prevailing guarantee schemes.

The guarantee premium paid for the period ended December 31, 2023 and 2022 amounted to Rp19,977 and Rp22,538, respectively (Note 30).

As of December 31, 2023 and 2022 , interest rates of deposits secured by LPS were 4.25% and 3.75%, respectively, for Rupiah currency, and 2.25% dan 1.75% respectively, for foreign currency.

42. Segmen Operasi

a. Bidang usaha

Segmen Bank disajikan berdasarkan jenis kegiatan usahanya, yakni kredit, treasuri dan ekspor-impor.

b. Segmen usaha

Segmen geografis

Bank tidak mempunyai pendapatan dan aset tidak lancar dari pelanggan eksternal selain yang diatribusikan kepada Negara domisili bank.

Segmen operasi

Segmen operasi dilaporkan sesuai dengan laporan internal Bank yang disiapkan untuk pengambilan keputusan operasional yang bertanggung jawab untuk mengalokasikan sumber daya ke segmen tertentu dan penilaian atas kinerjanya.

Seperti yang dijelaskan di Catatan 2ac, Bank saat ini dikelola sebagai segmen operasi tunggal. Pada saat ini, Bank hanya menganalisa segmen secara geografis dimana manajemen menelaah laporan internal manajemen secara bulanan untuk masing-masing area.

Tidak ada pendapatan dari satu konsumen eksternal atau pihak lain yang mencapai 10% atau lebih dari total pendapatan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022.

42. Operating Segment

a. Business activities

The Bank's segment information is presented based on its business activities, namely credit, treasury and trade finance.

b. Business segment

Geographic segment

The Bank does not have revenues and non-current asset from external customers other than attributed to the Bank's country of domicile.

Operating segment

Operating segments are reported in accordance with the internal reporting provided to the chief operating decision maker which is responsible for allocating resources to certain segments and performance assessments.

As explained in Note 2ac, the Bank is being managed as a single operating segment. Currently, the Bank only analyzes segment based on the geographical area where the management reviews internal management reports on a monthly basis for each area.

There was no revenue from transactions with a single external customer or counterparty reached 10% or more of the Bank's total revenue for the period ended December 31, 2023 and 2022.

42. Segmen Operasi (lanjutan)

b. Segmen usaha (lanjutan)

Segmen operasi (lanjutan)

Segmen Operasi Bank berdasarkan letak geografis adalah sebagai berikut: (lanjutan)

Bank mengelola kegiatan operasinya dan mengidentifikasi segmen yang dilaporkan berdasarkan wilayah geografis yang terbagi menjadi beberapa area, yaitu Jakarta, Sumatera, Jawa dan wilayah Timur.

Segmen Operasi Bank berdasarkan letak geografis adalah sebagai berikut:

***42. Operating Segment** (continued)*

***b. Business segment** (continued)*

***Operating segment** (continued)*

Geographical segment information of the Bank was as follows: (continued)

The Bank manages its operating activities and indentifies its reporting segments based on geographical area that allocated into several areas, namely, Jakarta, Sumatera, Jawa and East Region.

Geographical segment information of the Bank was as follows:

	2023					
	Jakarta	**Sumatera**	**Jawa/ *Java***	**Wilayah Timur/ *East Region***	**Total**	
Total aset	11.673.554	18.135	61.796	-	11.753.485	*Total assets*
Total liabilitas	5.109.792	1.504.077	448.167	-	7.062.036	*Total liabilities*

	2022					
	Jakarta	**Sumatera**	**Jawa/ *Java***	**Wilayah Timur/ *East Region***	**Total**	
Total aset	15.879.802	470.504	360.175	6.606	16.717.087	*Total assets*
Total liabilitas	8.077.550	2.762.466	1.156.141	67.511	12.063.668	*Total liabilities*

	2023					
	Jakarta	**Sumatera**	**Jawa/ *Java***	**Wilayah Timur/ *East Region***	**Total**	
Pendapatan bunga neto	335.697	123.714	44.487	-	503.898	*Net interest income*
Provisi dan komisi - neto	47.403	7.313	8.290	-	63.006	*Fees and commission - net*
Pendapatan (beban) operasional lainnya	185.004	(2.177)	79	-	182.906	*Other operating income (expenses)*
Beban operasional	(675.650)	21.146	(26.057)	-	(680.561)	*Operating expenses*
Laba (rugi) sebelum Pajak penghasilan	**(107.546)**	**149.996**	**26.799**	**-**	**69.249**	***Income (loss) before income tax***

	2022					
	Jakarta	**Sumatera**	**Jawa/ *Java***	**Wilayah Timur/ *East Region***	**Total**	
Pendapatan bunga neto	228.903	158.794	41.056	3.247	432.000	*Net interest income*
Provisi dan komisi - neto	60.517	3.443	3.910	257	68.127	*Fees and commission - net*
Pendapatan operasional lainnya	173.296	17.894	9.534	604	201.328	*Other operating income*
Beban operasional	(1.059.809)	(21.861)	(16.056)	(4.461)	(1.102.187)	*Operating expenses*
Laba (rugi) sebelum pajak penghasilan	**(597.093)**	**158.270**	**38.444**	**(353)**	**(400.732)**	***Income (loss) before income tax***

Pendapatan bunga, pendapatan provisi dan komisi, pendapatan operasional lainnya dan pendapatan non-operasional Bank berasal dari pelanggan/pihak lain yang berdomisili di Negara Indonesia.

Tidak terdapat transaksi dengan pelanggan eksternal tunggal yang mencapai 10% dari jumlah pendapatan bunga yang dihasilkan Bank.

The Bank's interest income, fees and commission income, other operating income and non-operating income were generated from its customers/counterparties domiciled in Indonesia.

There was no transaction with single external customer which reached 10% of total interest income generated by the Bank.

43. Perjanjian yang Signifikan

Perjanjian Sewa Menyewa Gedung dengan PT Adinusa Puritapratama

Pada tanggal 11 April 2019, Bank menandatangani perjanjian sewa menyewa dengan PT Adinusa Puripratama, dimana Bank menyewa gedung Revenue Tower Lantai Dasar & 7,8,9 District 8 Jalan Jend. Sudirman Kav 52-53, Jakarta, yang digunakan sebagai Kantor Pusat Bank dan kantor cabang. Perjanjian berlaku untuk jangka waktu 10 tahun sejak ditandatanganinya perjanjian.

Perjanjian Kerjasama dengan PT Allianz Indonesia

Bank mengadakan perjanjian dengan PT Asuransi Allianz Life Indonesia sehubungan dengan penjualan produk Asuransi sesuai dengan model bisnis Bancassurance. Perjanjian kerjasama berlaku sejak 10 Desember 2019 untuk jangka waktu 10 tahun sejak ditandatanganinya perjanjian ini dan pada tahun 2020 perjanjian kerjasama ini di setujui oleh Otoritas Jasa Keuangan.

Perjanjian Kerjasama dengan PT Indosat Tbk dan PT Yuinsight Techologies International

Bank mengadakan perjanjian dengan PT Indosat Tbk dan PT Yuinsight Techologies International sehubungan dengan pengembangan produk jasa perbankan. Perjanjian kerjasama berlaku sejak 14 September 2019 untuk jangka waktu 5 tahun sejak tanggal efektif.

43. *Significant Agreements*

Leased Agreement with PT Adinusa Puripratama

On April 11, 2019, the Bank signed lease agreement with PT Adinusa Puripratama wherebt the Bank leased Revenue Tower Ground Floor & 7,8,9 located at District 8 Jalan Jend. Sudirman Kav 52-53, Jakarta, currently occupied as the Bank's Head Office and branch office. This agreement was effective for the period 10 years since signing of the agreement.

Mutual Agreement with PT Allianz Indonesia

Bank signed an agreement with PT Asuransi Allianz Life Indonesia in relation to market the Insurance product in accordance with Bancassurance Business Model. This agreement was effective since December 10, 2019 for the period of 10 years since the signing of the agreement and On 2020 this agreement was approved by Financial Authorities Service.

Mutual Agreement with PT Indosat Tbk and PT Yuinsight Techologies International

Bank signed an agreement PT Indosat Tbk and PT Yuinsight Techologies International in relation to banking product development. This agreement was effective since September 14, 2019 for the period of 5 years since the efective date.

44. Aset Kontinjensi

Sepanjang tahun 2023 dan 2022, Bank menghadapi beberapa kasus hukum yang masih dalam proses dan gugatan sehubungan dengan kegiatan usaha Bank. Tidak memungkinkan bagi Bank untuk memperkirakan dengan pasti apakah Bank akan berhasil dalam setiap kasus hukum tersebut, atau jika tidak, dampak yang mungkin timbul, namun demikian Bank memastikan bahwa posisi hukum Bank atas permasalahan hukum tersebut kuat dan tidak akan mempengaruhi usaha yang sedang dijalankan Bank.

44. *Contingency Asset*

During 2023 and 2022, the Bank faces several unresolved legal cases, and lawsuits related to the Bank's business activities. It is not possible for the Bank to predict with certainty whether the Bank will succeed in each of these legal cases, or if not, the repercussions that may arise, but the Bank ensures that the Bank's legal position on the legal issues is strong and will not affect the business being run by the Bank.

45. Transaksi Non-Kas

Pada tanggal 31 Desember 2023, terdapat transaksi non-kas atas reklasifikasi lisensi dan perangkat lunak dari biaya dibayar dimuka ke aset takberwujud dengan total sebesar Rp14.465. Selain itu, terdapat reklasifikasi dari biaya dibayar dimuka menjadi perangkat keras sebesar Rp13.562 dan reklasifikasi dari bangunan ke properti terbengkalai sebesar Rp6.124.

45. *Non-Cash Transaction*

As of December 31, 2023, there are non-cash transactions of licence and software reclassification from advance payment to intangible assets total amounted to Rp14,465. Also, there are reclassification from advance payment to hardware amounting to Rp13,562 and reclassification from building to abandoned property amounting to Rp6,124.

45. Transaksi Non-Kas (lanjutan)

Pada tanggal 31 Desember 2022, terdapat transaksi non-kas atas reklasifikasi lisensi dan perangkat lunak dari biaya dibayar dimuka ke aset takberwujud dengan total sebesar Rp17.726. Selain itu, terdapat reklasifikasi dari aset lain-lain menjadi aset tetap total sebesar Rp13.532.

***45. Non-Cash Transaction** (continued)*

As of December 31, 2022, there are non-cash transactions of licence and software reclassification from advance payment to intangible assets total amounted to Rp17,726. Also, there are reclassification from other assets to fixed assets amounting to Rp13,532.

46. Informasi Tambahan Arus Kas

Rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan.

Tabel dibawah ini menunjukkan rekonsiliasi liabilitas yang timbul dari pendanaan untuk periode yang berakhir pada tanggal 31 Desember 2023 dan 2022, sebagai berikut:

46. Supplemental Information Of Cash Flow

Reconciliation of liabilities occurred from financing activities.

The table below shoes reconciliation of liabilities occurred from financing activities for the year ended December 31, 2023 and 2022, as follows:

	31 Desember/ *December 31,* 2022	**Arus Kas/ *Cash flows***	**Perubahan non-kas/ *Non-cash changes***	**31 Desember/ *December 31,* 2023**	
Liabilitas sewa	124.580	(24.148)	6.204	106.636	*Lease liability*
Pinjaman yang diterima	1.000.000	(1.000.000)	-	-	*Borrowings*
Total	**1.124.580**	**(1.024.148)**	**6.204**	**106.636**	***Total***

	31 Desember/ *December 31,* 2021	**Arus Kas/ *Cash flows***	**Perubahan non-kas/ *Non-cash changes***	**31 Desember/ *December 31,* 2022**	
Efek-efek yang diterbitkan	99.888	(100.000)	112	-	*Securities issued*
Liabilitas sewa	146.228	(29.774)	8.126	124.580	*Lease liability*
Pinjaman yang diterima	1.000.000	-	-	1.000.000	*Borrowings*
Total	**1.246.116**	**(129.774)**	**8.238**	**1.124.580**	***Total***

47. Standar Akuntansi dan Interpretasi Standar yang Telah Disahkan Namun Belum Berlaku Efektif

Standar akuntansi yang telah diterbitkan sampai tanggal penerbitan laporan keuangan Bank namun belum berlaku efektif diungkapkan berikut ini. Manajemen Bank bermaksud untuk menerapkan standar-standar tersebut yang dipertimbangkan relevan terhadap Bank pada saat efektif, dan dampaknya terhadap posisi dan kinerja keuangan Bank masih diestimasi pada tanggal 28 Februari 2024:

47. New Accounting Standard and Interpretation of Standard Which Has Issued But Not Yet Effective

The accounting standards that have been issued up to the date of issuance of the Bank's financial statements, but not yet effective are disclosed below. The Bank's management intends to adopt these standards that are considered relevant to the Bank when they become effective, and the impact to the financial position and performance of the Bank is still being estimated as of February 28, 2024:

Mulai efektif pada atau setelah tanggal 1 Januari 2024

Effective beginning on or after January 1, 2024

Pilar Standar Akuntansi Keuangan

Financial Accounting Standards Pillars

Standar ini memberikan persyaratan dan pedoman bagi entitas untuk menerapkan standar akuntansi keuangan yang benar dalam menyusun laporan keuangan bertujuan umum. Akan ada 4 (empat) standar akuntansi keuangan yang saat ini diterapkan di Indonesia, yaitu:

These standards provides requirements and guidelines for entities to apply the correct financial accounting standards in preparing general purpose financial statements. There will be 4 (four) financial accounting standards that are currently applied in Indonesia, namely:

47. Standar Akuntansi dan Interpretasi Standar yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Mulai efektif pada atau setelah tanggal 1 Januari 2024 (lanjutan)

Pilar Standar Akuntansi Keuangan (continued)

1. Pilar 1 Standar Akuntansi Keuangan Internasional,
2. Pilar 2 Standar Akuntansi Keuangan Indonesia (PSAK),
3. Pilar 3 Standar Akuntansi Keuangan Indonesia untuk Entitas Swasta/Standar Akuntansi Keuangan Indonesia untuk Entitas Tanpa Akuntabilitas Publik, dan
4. Pilar 4 Standar Akuntansi Keuangan Indonesia untuk Entitas Mikro Kecil dan Menengah.

Standar Akuntansi Keuangan Internasional

Standar ini merupakan adopsi penuh dari *International Financial Reporting Standards ("IFRS")* yang diterjemahkan kata demi kata dan tidak ada modifikasi dari Standar IFRS, termasuk tanggal efektifnya. Entitas yang memenuhi persyaratan dapat menerapkan standar ini, sejak tanggal efektif.

Nomenklatur Standar Akuntansi Keuangan

Standar ini ini mengatur penomoran baru untuk standar akuntansi keuangan yang berlaku di Indonesia yang diterbitkan oleh DSAK IAI.

Amandemen PSAK 73: Liabilitas Sewa dalam Jual Beli dan Sewa-balik

Amandemen PSAK 73 Sewa menetapkan persyaratan yang digunakan penjual-penyewa dalam mengukur kewajiban sewa yang timbul dalam transaksi jual beli dan sewa-balik, untuk memastikan penjual-penyewa tidak mengakui jumlah setiap keuntungan atau kerugian yang terkait dengan hak guna yang dipertahankan.

48. Tanggung Jawab Manajemen atas Laporan Keuangan

Manajemen Bank bertanggung jawab atas penyusunan penyajian laporan keuangan yang diotorisasi oleh Direksi untuk terbit pada tanggal 28 Februari 2024.

47. New Accounting Standard and Interpretation of Standard Which Has Issued But Not Yet Effective *(continued)*

Effective beginning on or after January 1, 2024 *(continued)*

Financial Accounting Standards Pillars (continued)

1. *Pillar 1 International Financial Accounting Standards,*
2. *Pillar 2 Indonesian Financial Accounting Standards (PSAK),*
3. *Pillar 3 Indonesian Financial Accounting Standards for Private Entities/Indonesian Financial Accounting Standards for Entities without Public Accountability, and*
4. *Pillar 4 Indonesian Financial Accounting Standards for Micro Small and Medium Entities.*

International Financial Accounting Standard

This standard is a full-adoption of International Financial Reporting Standards ("IFRS") which is translated in a word-for-word basis and there is no modifications from IFRS Standards, including the effective date. Entities that meet the requirements can apply this standard, from the effective date.

Financial Accounting Standards Nomenclature

This standard regulates the new numbering for financial accounting standards applicable in Indonesia issued by DSAK IAI.

Amendment of PSAK 73: Lease liability in a Sale and Leaseback

The amendment to PSAK 73 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

48. Management's Responsibility on the Financial Statements

The Bank's management is responsible for the preparation and presentation of the financial statements which were authorized by Director for issuance on February 28, 2024.

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