

## INTERNAL CONTROL SYSTEM

- Resolve any outstanding accounts that have not been recorded in the appropriate ledger (temporary/holding accounts) promptly.
- f. Every Work Unit that uses forms or worksheets must use standardized forms or worksheets containing appropriate security elements and supported by adequate documentation.

### 2. Information

- a. The Bank has an Information System that must be able to provide business activities, financial condition, risk management implementation, fulfillment provisions report to support Board of Directors and Board of Commissioners duties.
- b. The internal control system at least includes the provision of a reliable/adequate information system regarding all functional activities of the Bank, particularly functional activities that are significant and have a high potential for risk. Such information systems, including electronic data storage and use systems, must be guaranteed its security, monitored by independent parties (internal auditors) and supported by adequate contingency programs.
- c. The Bank ensures that information security is carried out effectively hence able to maintain the confidentiality, integrity and availability of information.

### 3. Communication

- a. The Bank has a communication system that is able to provide information to all stakeholders (interested parties) both internal and external, such as the Banking Supervisory Authority, external auditors, shareholders and customers of the Bank.
- b. The Internal Control System ensures that there is an effective communication channel hence the Management and Employees understand and comply with applicable policies and procedures in carrying out their duties and responsibilities.

- c. Management organizes effective communication channels/lines hence the necessary information is affordable to interested parties. This requirement applies to any information, both regarding established policies and procedures, risk exposure and actual transactions, as well as on the Bank's operational performance.

### Monitoring Activities and Correcting Deficiencies

The Board of Directors continuously monitors the overall effectiveness of the implementation of SPI including but not limited to the effectiveness and security in the use of IT, where in its implementation the Board of Commissioners ensures that the Board of Directors has carried out proper monitoring.

Monitoring of the Company's main risks is part of the Company's daily activities including periodic evaluations, both by the Work Unit, Compliance Unit, Risk Management Unit, and Internal Audit Unit.

Related work units continuously monitor the adequacy of SPI related to changes in internal and external conditions and increase the capacity of the SPI hence its effectiveness can be improved. Meanwhile, if there are weaknesses in the SPI, both identified by the Work Unit (risk taking unit), Internal Audit Unit and other parties, it is immediately reported to the Management, and significant matter are also reported to the Board of Commissioners.

### Compliance with SEOJK No. 35/SEOJK.03/2017 on Internal Control Standard Guidelines for Commercial Banks

SPI consists of 5 (five) components that are interrelated with each other and are effectively applied by all levels of organization in the Company in order to achieve the Company's objectives. The SPI component implemented by the Bank refers to the provisions of the Regulator