

3. Determining the appropriate frequency for monitoring activities based on the risks inherent in the Bank and the nature or frequency of changes occurring in operational activities.
4. Integrating the Internal Control System into operational activities and provide routine reports such as bookkeeping journals, management reviews and reports regarding approval of exceptions or deviations from established policies and procedures (justification for irregularities) which are then reviewed.
5. Reviewing documentation and evaluation results from work units or employees assigned to carry out monitoring.
6. Determining information or feedback in an appropriate format and frequency.

In addition, the Company also carries out an Audit on Compliance with Legislation and Internal Control (PSA 62) to ensure the Bank's compliance with legal articles, regulations and cooperation agreements as well as internal control compliance which includes the control environment, Risk Identification, control activities, information and communication and monitoring. Evaluation of the effectiveness of the Bank's internal control (risk control) system is carried out in all Head Office units (divisions/desks/Regional Offices) as well as Branch Offices, both Conventional and Sharia. Everything related to issues regarding the adequacy of internal control has been reported directly to the Board of Directors through the President Director and to the Board of Commissioners through the Audit Committee. Follow-up efforts have been made to minimize risks and overcome problems that arise.

The Board of Directors and Board of Commissioners are committed to ensuring that Corporate Governance is carried out well as a basis for achieving goals to maintain and increase the value of the Company. One of the implementations of good corporate governance is ensuring that the internal control system is implemented adequately.

The Board of Directors and the Board of Commissioners or the Audit Committee conduct a review once a year of the results of the evaluation of the effectiveness of the Bank's internal control system which includes five main components of control, namely the Control Environment, including Supervision by Management and Management Culture Oversight and Control Culture), Risk Identification and Assessment, Control Activities and Segregation of Duties, Accounting, Information and Communication Systems, Monitoring Activities and Correction Deficiencies. Based on the results of the review carried out in 2023, the Board of Directors and Board of Commissioners assess that the internal control system has been implemented adequately.

This Internal Control System Standards Guideline becomes a guideline that contains minimum measures regarding the Internal Control System that must be maintained and implemented by the Bank in all aspects related to the organization and implementation of the Bank's operational activities to create a common understanding and basis regarding the level of maintenance of interests and commitment from all parties related to the Bank.

Whistleblowing System

The Company's Violation Reporting System (WBS) policy is guided by the Minister of SOEs Regulation No.PER-2/MBU/03/2023 dated March 3, 2023 concerning Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises and OJK Regulation No. 39/POJK.03/2019 dated December 19, 2019 concerning Implementation of Anti-Fraud Strategies for Commercial Banks, as well as Technical Instructions No. PT.7-B.2 dated October 31, 2023 concerning Whistleblowing System Management. The Company's WBS is part of the internal control system and the implementation of anti-fraud strategies to prevent its occurrence irregular practices and aims to detect early and prevent irregularities or violations and gradually create an open, sincere, honest and responsible work climate in the Company.

The mechanism for submitting violation reports through the WBS is carried out by making a complaint/disclosure report and sending it based on indications of who the violation was committed. The Company is committed to providing protection to every whistleblower. Protection for the Whistleblower is provided to support the courage of the Whistleblower in reporting suspected violations and/or if there is retaliation from the Reported Party. For Whistleblowers who submit WBS reports that are recognized for their level of accuracy and in good faith, the Company can provide a guarantee of protection.

The Company's WBS was managed by an independent WBS Manager from an external party (Deloitte). The Company has also collaborated with the Corruption Eradication Commission (KPK) of the Republic of Indonesia regarding handling the WBS in efforts to eradicate corruption. This collaboration aims to build and improve the effectiveness and efficiency of handling complaints both internally and externally in an integrated, professional, transparent and accountable manner by prioritizing confidentiality in the context of optimizing the eradication of criminal acts of corruption.

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