

# Management Discussion and Analysis





# Economic Overview

## Global Economic Overview

According to the International Monetary Fund (IMF), the global economy still experienced a slowdown in 2023 with a projected growth set to reach only 3.1%, decreasing from 3.5% in 2022. This is mainly due to several factors, including the post-pandemic scarring effect, increased inflationary pressure caused by supply and demand imbalances, geopolitical tensions, and different structural challenges faced by major economies globally.

In 2023, there was an increase in benchmark interest rates in many countries as a result of the high inflation. This high inflation trend began in the second half of 2022 and started to decline in the second quarter of 2023. Major commodity prices also decreased over the past year, with over a 20% decline compared to 2022 prices. Coal saw the biggest decline at 63.78% YoY, followed by natural gas at 43.82% YoY and palm

oil at 15.75% YoY. The decline in commodity prices throughout 2023 was triggered by the normalization of the value chain of goods and services and slowing economic growth in the US and China.

Geopolitical tensions between several countries persist, such as the ongoing conflict between Ukraine and Russia. Additionally, the renewed conflict in the Middle East between Israel and Hamas continues. The relationship between the US and China is also volatile, adding colours to the geopolitical conditions in 2023, which are expected to persist into 2024.

Furthermore, there was a growing concern for environmental issues in 2023, influenced by El-Niño, which had occurred since April 2023. Such concerns had an impact on the dynamics of the global economy.

## Overview of the National Economy

Indonesia's economy is reportedly in a better position than its peer countries. BPS-Statistics Indonesia projected that national economic growth would reach 4.94% by the end of the third quarter of 2023, while Bank Indonesia projects 2023 economic growth of 5.05%. This is a better figure when compared to economic growth in other countries. The growth had been driven by household consumption, investment, and positive contributions from government spending, while net exports continued to make a positive contribution despite a significant decline compared to its contribution in 2022.

Indonesia's Gross Domestic Growth (GDP) was boosted by the country's primary and secondary sectors, particularly mining, manufacturing, and construction. The national inflation was decreasing faster than projected and was expected to end at 2.6% in 2023, with a low core inflation rate of 1.8%. However,

inflation risks remained present, mainly in the food segment, which had increased 6.1% from the previous year due to the impact of El-Niño and protective policies from commodity-exporting countries, such as India's ban on rice exports.

Despite low inflation, Bank Indonesia maintained a high BI rate of 5.75% until September 2023. The rate increased to 6% in October 2023. Bank Indonesia's primary objective was to ensure the stability of the Rupiah exchange rate amid global uncertainties. Between August and October 2023, foreign fund outflow recorded US\$4.5 billion from the bond and stock markets, causing the Rupiah exchange rate to weaken to Rp15,940 in October 2023. However, the exchange rate gradually strengthened and reached Rp15,397 by the end of 2023, in line with The Fed's more favourable monetary policy outlook.

## Overview of the Banking Industry

Between July and October 2023, the banking industry experienced consistent credit growth at 10.9% YoY. However, the liquidity position, as measured by the loan-to-deposit ratio, increased to 83.8% from 79% at the beginning of the year. This improvement was due to the slower growth of third-party funds at 3.7% YoY in October 2023 (compared to 8% YoY at the beginning of the year). Investment loans had the highest

growth of 12.3% Year-to-Date (YTD) from the end of 2022 until October 2023.

Meanwhile, according to OJK, Islamic banking assets grew by 11.1% in October 2023 compared to the same period the previous year, with a market share of 7.6%. This suggests an increase in public trust in Islamic banking.

# Overview of BCAS's Operations by Business Segment

Along with the positive Islamic banking industry developments, BCAS experienced substantial growth in 2023. BCAS provided financing through different types of contracts tailored to meet its customers' specific needs. The total amount of financing disbursed was Rp9,013.6 billion, which was an increase of Rp1,427.6 billion compared to the previous year's amount of Rp7,585.9 billion.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
<i>Murabahah</i> financing (sell and buy)	1,654.6	18.4%	1,346.8**	17.8%	307.8	22.9%
IMBT financing (lease purchase)	596.5	6.6%	402.8**	5.3%	193.7	48.1%
<i>Mudharabah</i> financing (profit sharing)	760.3	8.4%	508.1	6.7%	252.2	49.6%
<i>Musyarakah</i> financing	5,988.6	66.4%	5,297.4	69.9%	691.3	13.0%
<i>Qardh</i> financing	13.5	0.1%	30.8	0.4%	(17.4)	(56.3%)
<b>Total financing</b>	<b>9,013.6</b>	<b>100.0%</b>	<b>7,585.9**</b>	<b>100.0%</b>	<b>1,427.6</b>	<b>18.8%</b>

\*) Percentage of total financing

\*\*) Restatement due to changes in accounting treatment on *murabahah* financing and IMBT financing in 2023

Our efforts to provide financing solutions that meet the individual needs of our customers while reducing the risk of financing concentration are reflected in the diversified financing contracts we offer. As of December 2023, our contract portfolio comprised financing with different types of contracts, including *murabahah* (sale and purchase) financing, *ijarah*

*muntahiya bittamlik* (lease purchase) financing, *mudharabah* (profit sharing) financing, *musyarakah* financing, and *qardh* financing. BCAS financing in 2023 was particularly dominated by *musyarakah* contracts, which accounted for 66.4% of total financing, followed by *murabahah* contracts, which accounted for 18.4%.

## Financial Performance Review

We evaluate our financial performance based on our financial statements for the years 2023 and 2022, presented herein. These financial statements have been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja and received a fair opinion for all material aspects, our financial position as of 31 December 2023, and our financial performance and cash flows in 2023, per Indonesian Financial Accounting Standards.

### Statement of Financial Position

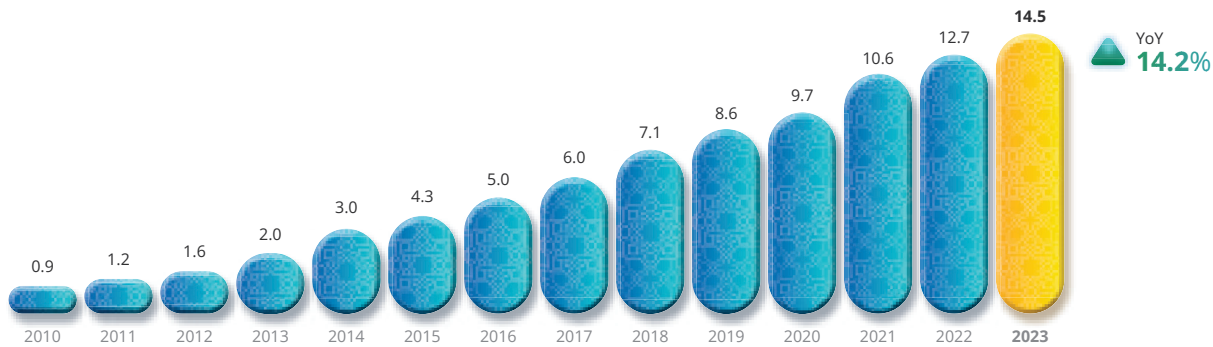
#### Assets

From the beginning until the end of 2023, BCAS's assets showed positive and stable growth. As of the end of December 2023, the asset position was recorded at Rp14,471.7 billion, which is an increase of 14.2% compared to the previous year, amounting to Rp12,669.9 billion. Since its establishment in 2010, BCAS has steadily increased its total assets. The average annual growth of our assets calculated from 2010 to 2023 (CAGR) is 24.1%.



## Total Asset

in trillion rupiah



BCAS's asset growth mainly came from third-party funds, which we then allocated as productive assets such as financing and securities.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
<b>Earning assets</b>	<b>14.434,8</b>	<b>99,7%</b>	<b>12.679,1***</b>	<b>100,1%</b>	<b>1.755,7</b>	<b>13,8%</b>
Placement with other banks	-	-	-	-	-	-
Current account and placement with Bank Indonesia	1.056,6	7,3%	935,4	7,4%	121,1	12,9%
Marketable securities	4.288,9	29,6%	4.110,9	32,4%	178,1	4,3%
Financing	9.013,6	62,3%	7.585,9***	59,9%	1.427,6	18,8%
<b>Non-earning assets</b>	<b>584,7</b>	<b>4,0%</b>	<b>536,3</b>	<b>4,2%</b>	<b>48,4</b>	<b>9,0%</b>
Cash	42,8	0,3%	69,2	0,5%	(26,4)	(38,2%)
Placement with other banks	28,8	0,2%	14,4	0,1%	14,4	99,8%
Current accounts with Bank Indonesia**	37,4	0,3%	10,6	0,1%	26,8	253,3%
Fixed assets	198,0	1,4%	156,7	1,2%	41,3	26,3%
Deferred tax asset	58,5	0,4%	35,6	0,3%	23,0	64,6%
Other assets	219,2	1,5%	249,9	2,0%	(30,6)	(12,3%)
<b>Allowance for impairment losses of financial assets</b>	<b>(472,0)</b>	<b>(3,3%)</b>	<b>(498,7)</b>	<b>(3,9%)</b>	<b>26,7</b>	<b>5,3%</b>
<b>Total asset</b>	<b>14.471,7</b>	<b>100,0%</b>	<b>12.669,9</b>	<b>100,0%</b>	<b>1.801,9</b>	<b>14,2%</b>

\*) Percentage of total assets

\*\*) Current accounts with Bank Indonesia in 2022 and 2023 represent nominal current accounts with BI to support BI Fast services.

\*\*\*) Restatement due to changes in accounting treatment in 2023

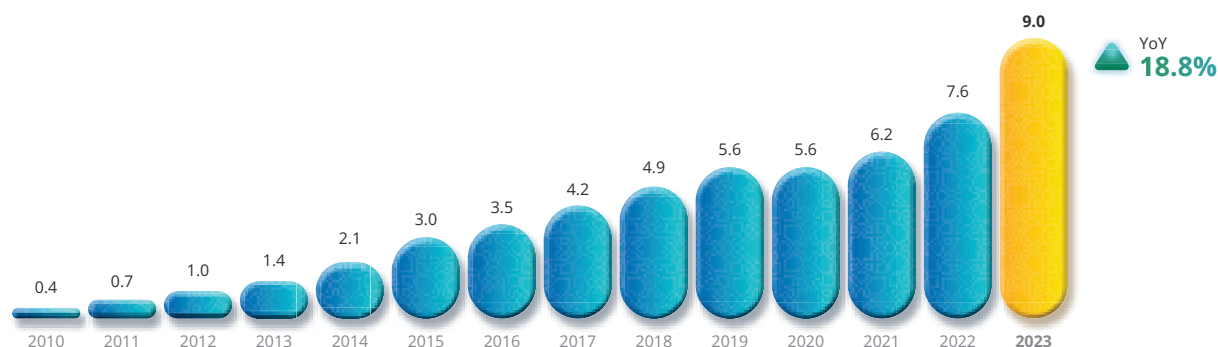
As of 31 December 2023, BCAS's earning assets were recorded at Rp14,434.8 billion. It is an increase of Rp1,755.7 billion or 13.8% from Rp12,679.1 billion in 2022. BCAS's growing disbursed financing was the primary factor contributing to this increase.

### Financing Disbursed

BCAS's financing portfolio is the main component of its total assets, contributing 62.3%. The total financing we disbursed in 2023 was Rp9,013.6 billion, which is an increase of Rp1,427.6 billion or 18.8% compared to 2022's Rp7,585.9 billion. BCAS consistently records financing growth annually, as reflected in its average annual growth rate (CAGR) from 2010-2023, which was 26.3%.

## Financing

in trillion rupiah



We provided Rp 6,373.7 billion in financing for the commercial segment in 2023, which made up 70.7% of the total financing. It is an increase of Rp939.7 billion or 17.3% from 2022.

the MSME sector contributes 61%, or Rp9,580 trillion to the Gross Domestic Product (GDP). It also accounts for 97% of Indonesia's total workforce.

BCAS places significant emphasis on the MSME segment as it is vast, with 67 million actors, and thereby, it is a critical driving force of the Indonesian economy. According to data from the Coordinating Ministry for Economic Affairs, as of August 2023,

Our total MSME financing in 2023 was Rp1,817.9 billion, an increase of Rp86.9 billion or 5.0% from Rp1,731.0 billion in 2022. MSME financing contributed 20.2% to our total financing.

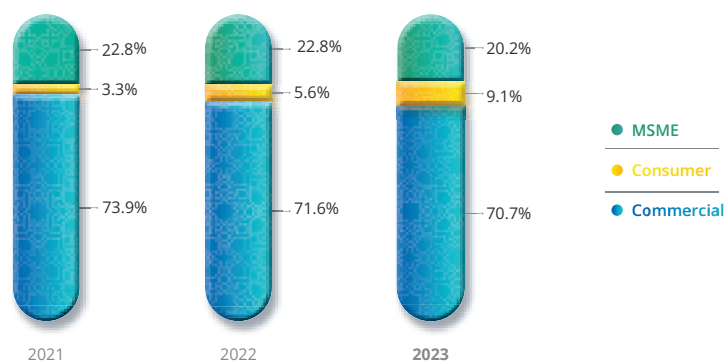
In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
Commercial	6,373.7	70.7%	5,433.9	71.6%	939.7	17.3%
Consumer	821.9	9.1%	420.8	5.6%	401.1	95.3%
MSME:	1,817.9	20.2%	1,731.0	22.8%	86.9	5.0%
Medium	1,164.7	12.9%	1,427.3	18.8%	(262.5)	(18.4%)
Small	401.1	4.5%	85.0	1.1%	316.2	372.1%
Micro	252.1	2.8%	218.8	2.9%	33.2	15.2%
<b>Total financing</b>	<b>9,013.6</b>	<b>100.0%</b>	<b>7,585.9</b>	<b>100.0%</b>	<b>1,427.7</b>	<b>18.8%</b>

\*) Percentage to total financing

## Financing Segmentation

in percentage



Consumer financing showed remarkable growth with an annual increase of 95.3% YoY or Rp401.1 billion compared to the previous year. This growth can be attributed to the wide range of consumer financing products offered, attractive features, continuous promotional programs, and extensive marketing activities through our branch network and collaborative events with BCA, such as BCA Expoversary and BCA Expo.

In 2023, the wholesale and retail trade sector received the highest financing disbursement in the business sector, with a total financing of Rp1,841.8 billion, accounting for 20.4% of the total financing. The manufacturing industry came second

in financing distribution with a total of Rp1,632.8 billion, representing 18.1% of the total financing.

As part of our commitment to sustainable finance implementation in the financial services sector, we prioritize financing for sustainable business activities. In 2023, we allocated a total of Rp2,712.0 billion or approximately 30.1% of our financing to sustainable businesses. It represents a 4.7% increase compared to the previous year, where we allocated Rp2,589.5 billion. You can find more detailed information on sustainable business financing by BCAS in BCA Syariah's 2023 Sustainability Report.

In billion Rupiah, unless stated otherwise

Financing by sustainable business category	2023	2022	Growth	
			Nominal	%
1 Renewable energy	-	-	-	-
2 Energy Efficiency	367.7	270.6	97.1	35.9%
3 Pollution prevention and control	10.7	1.0	9.7	1,006.2%
4 Sustainable management of biological resources and land use	195.5	217.4	(21.9)	(10.1%)
5 Conservation of terrestrial and aquatic biodiversity	-	-	-	-
6 Eco-friendly transportation	2.3	-	2.3	-
7 Sustainable water and wastewater management	2.5	1.1	1.4	129.4%
8 Adaptation to climate change	-	-	-	-
9 Products that can use less resources and produce less pollution (Eco-efficient)	315.4	368.4	(53.0)	(14.4%)
10 Environmentally friendly buildings that meet nationally, regionally, or internationally recognized standards or certifications	-	-	-	-
11 Business activities and/or other environmentally friendly activities	-	-	-	-
12 MSME Activities	1,817.9	1,731.0	86.9	5.0%
<b>Total sustainable business financing</b>	<b>2,712.0</b>	<b>2,589.5</b>	<b>122.5</b>	<b>4.7%</b>
<b>Percentage of sustainable business financing to total financing</b>	<b>30.1%</b>	<b>34.1%</b>	<b>-</b>	<b>(4.0%)</b>
<b>Total financing</b>	<b>9,013.6</b>	<b>7,585.9</b>	<b>1,436.7</b>	<b>19.0%</b>

#### Financing Collectability Level

BCAS understands the significance of financing quality as an indicator of well-managed risks. Hence, we adhere to prudential banking practices and diligently monitor risks in every financing distribution process. This approach helps us maintain the

quality of our financing portfolio to keep it healthy. Of the total financing disbursed, Rp8,920.1 billion or 99.0% was classified as 'Current' and 'Special Mention'. Non-Performing Financing (NPF) in 2023 was at a healthy level, standing at 1.04% on a gross basis and 0.00% on a net basis.

In billion Rupiah, unless stated otherwise

Description	2023		2022	
	Nominal	Composition*	Nominal	Composition*
<b>Performing financing</b>	<b>8,920.2</b>	<b>99.0%</b>	<b>7,478.2</b>	<b>98.6%</b>
Current	8,621.0	95.6%	7,036.4	92.8%
Special Mention	299.2	3.3%	441.8	5.8%

Description	2023		2022	
	Nominal	Composition*	Nominal	Composition*
<b>Non-Performing Financing</b>	<b>93.4</b>	<b>1.0%</b>	<b>107.6</b>	<b>1.4%</b>
Substandard	2.0	0.0%	1.7	0.0%
Doubtful	0.7	0.0%	0.2	0.0%
Loss	90.7	1.0%	105.7	1.4%
<b>Total Financing</b>	<b>9,013.6</b>	<b>100.0%</b>	<b>7,585.9</b>	<b>100.0%</b>
Rasio NPF - Gross		1.04%		1.42%
Rasio NPF - Net		0.00%		0.01%

\*) Percentage to total financing

We use the Financing at Risk (FaR) ratio indicator to monitor the quality of our financing portfolio. The FaR ratio is calculated by adding up financing that falls into the categories of 'Non-Performing Financing', 'Special Mention' and restructured financing with 'Pass' collectability status, compared to the total financing portfolio. Using the FaR ratio gives us a broader picture of credit risk coverage.

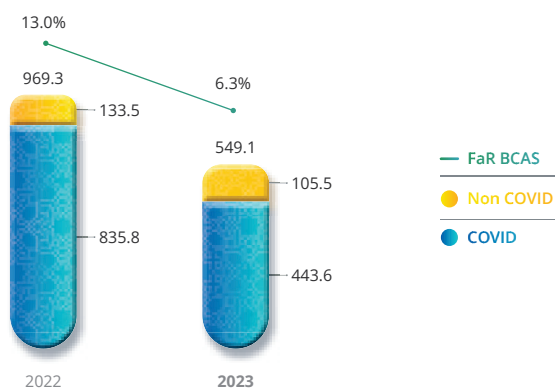
BCAS recorded a FaR of 6.3% until the end of 2023, which was a decrease of 6.7% compared to the previous year's record of 13.0%. This decline was consistent with the improvement in

NPF from 1.42% in 2022 to 1.04% at the end of 2023 and the decrease in the share of financing with the second collectability status from 5.23% in 2022 to 3.32% at the end of 2023.

The total amount of financing undergoing restructuring in 2023 was Rp549.1 billion, equivalent to 6.1% of the total financing. Of this amount, Rp443.6 billion was for customers affected by COVID-19, while the remaining Rp105.5 billion was for customers not affected by COVID-19. The restructured financing decreased by Rp420.2 billion or 43.3% compared to the previous year, which was Rp969.3 billion.

### Restructured Financing and BCAS FaR

in billion Rupiah



### Current Accounts and Placements with Bank Indonesia

BCAS placed Rp691.9 billion with the Bank Indonesia Syariah Deposit Facility (FASBIS) in 2023, an increase of 75.5% from Rp394.3 billion in 2022. BCAS also maintained its current account position with Bank Indonesia as per the regulation on the placement of current accounts with BI and utilized incentives from the Macprudential Liquidity Incentive Policy (KLM). As of December 2023, BCAS's current account with BI stood at 4% of its third-party funds.

### Investment in Securities

BCAS invested Rp4,288.9 billion in securities in 2023, marking a growth of 4.3% or Rp178.1 billion from the previous year's investment of Rp4,110.9 million. The majority of this increase can be attributed to BCAS's increased investment in Government Sharia Securities (SBSN).

### Cash

BCAS had a cash position of Rp42.8 billion at the end of 2023, which was a decrease of Rp26.4 billion from the previous year's cash position of Rp69.2 billion. The decrease was a result of BCAS decision to invest in more productive instruments, which would provide optimal returns. Nevertheless, BCAS ensured that it maintained its cash position at an adequate level to meet customers' cash transaction needs.

### Current accounts with Bank Indonesia

BCAS had a current account of Rp37.4 billion with Bank Indonesia in 2023, which was used to support BI Fast services. This amount was an increase from Rp10.6 billion in 2022, which was in line with the increase in customer transactions using the BI Fast service on the BCA Syariah Mobile application.



## Liabilities

BCAS recorded total liabilities of Rp11,389.2 billion as of December 2023, indicating an increase of Rp1,650.2 billion or 16.9% from Rp9,740.8 billion in 2022.

In billion Rupiah, unless otherwise stated

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
Third-Party Funds	10,949.5	96.1%	9,481.6	97.4%	1,467.8	15.5%
Giro	2,076.1	18.2%	2,104.0	21.6%	(27.8)	(1.3%)
Savings	2,096.6	18.4%	1,556.1	16.0%	540.5	34.7%
Deposito	6,776.8	59.5%	5,821.6	59.8%	955.1	16.4%
Liabilities to Other Banks	66.4	2.3%	5.9	0.1%	60.5	1,027.9%
Guarantee deposits	0.3	0.0%	0.3	0.0%	0.0	6.4%
Other liabilities	183.0	1.6%	251.2**	2.6%	(68.2)	(27.1%)
<b>Total liabilities</b>	<b>11,389.2</b>	<b>100%</b>	<b>9,739.0**</b>	<b>100.0%</b>	<b>1,650.2</b>	<b>16.9%</b>

\*) Percentage to total financing

\*\*) Restatement due to changes in accounting treatment in 2023

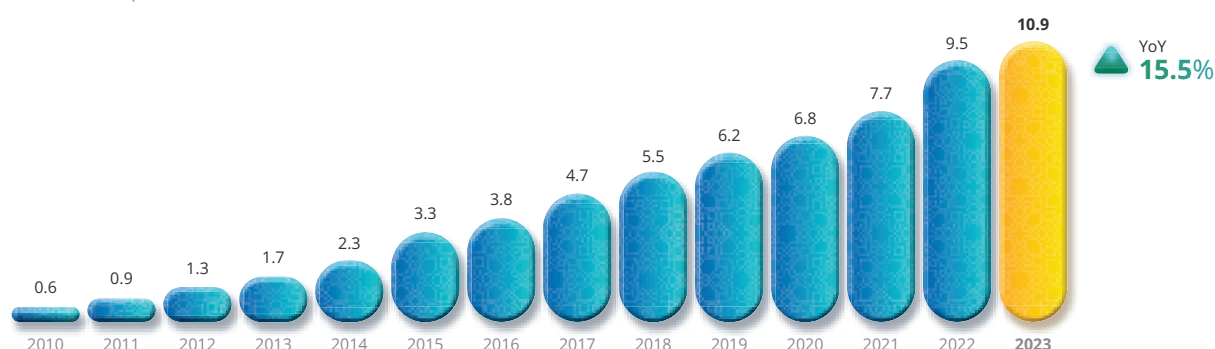
### Third-Party Funds

Third-party funds are collected through current accounts, savings and deposits using *wadiah* (entrustment) and *mudharabah* (profit sharing) contracts. We managed to collect

Rp10,949.5 billion in third-party funds in 2023, an increase of Rp1,467 billion or 15.5% from Rp9,481.6 billion we collected in 2022. If we analyze the growth since 2010, our deposits' average growth (CAGR) in 2023 would be 25.8%.

### Third-Party Funds

Dalam triliun Rupiah



We remain committed to improving transaction features on our e-channels, aiming to provide customers with comprehensive transaction solutions and conveniences. *Alhamdulillah*, our efforts have earned our customers' trust and loyalty, resulting in an increase in deposits year after year.

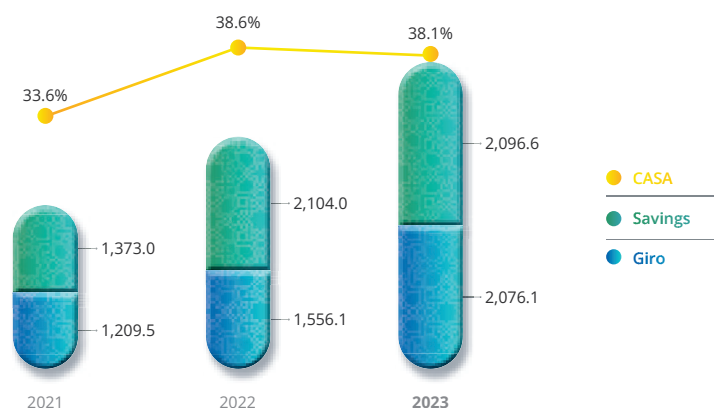
BCAS has been making efforts to improve the ease of transactions, and the composition of its savings and current

accounts (CASA) reflects an upward trend. In 2023, BCAS's CASA stood at 38.1%, a correction of 0.5% from the previous year, contributing 38.6% to the total deposits. Savings products saw the most significant growth in the total deposits collected, amounting to 34.7% or Rp540.5 billion compared to the previous year. Meanwhile, deposit products experienced an increase of Rp955.1 billion, equivalent to 16.4%, in 2023.



## CASA Composition

in billion Rupiah and Percentage



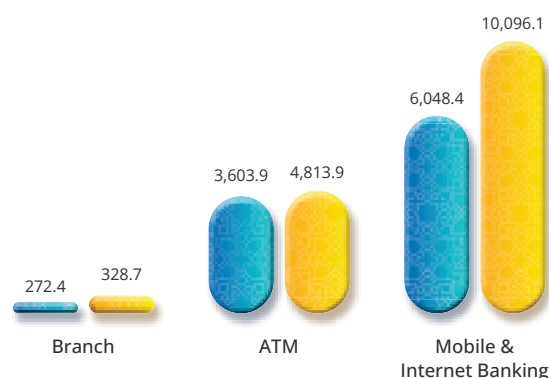
Our strategic goals for 2023 were to increase our customer base and improve our CASA composition. To achieve these, we have taken various measures, including launching an online account opening feature in mid-2023. This feature allows customers to open an account anytime, anywhere, using their mobile devices. *Alhamdulillah*, we are pleased to report that it has been well-received by customers. As of December 2023, 268,062 new accounts were opened online, accounting for 48.6% of all BCAS savings accounts. We are committed to listening to and understanding our customers' needs, and the

launch of the feature is a testament to that commitment. Our customers can now easily open an account without having to visit a branch, making it more convenient for those who are constrained by distance or limited time by using the BCA Syariah Mobile application.

Customer transactions through e-channels increased in 2023. Transaction data for 2023 shows that 10.1 million BCAS customer transactions were made through mobile and internet banking channels, representing 66.2% of the total transactions.

## Banking Transaction Frequency

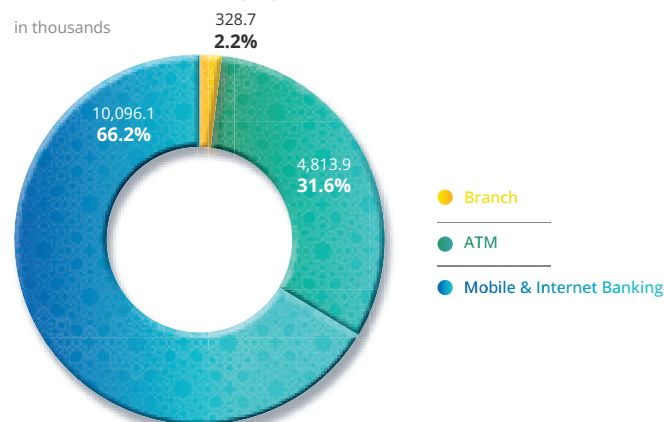
in thousands



● 2022 ● 2023

## Transaction Frequency by Channel

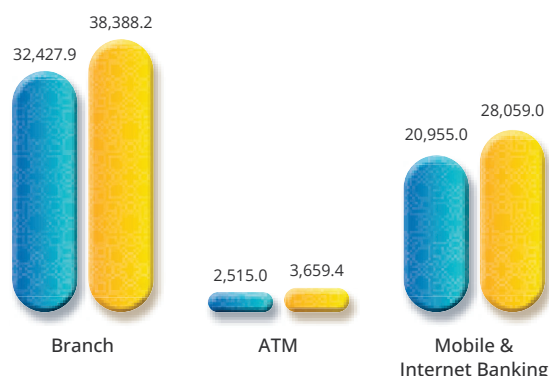
in thousands



More than half of big-value transactions, which accounted for 54.7% of the total transactions, were made through our branch offices, with a total value of Rp38,388.2 billion. On the other hand, 40.1% of the transactions were made through mobile and internet banking channels, with a total value of Rp28,177.2 billion. It was an increase compared to Rp20,955.0 billion transacted through mobile and internet banking channels in the previous year. This reflects the growing trust of the public in mobile and internet banking transactions.

### Banking Transaction Nominal

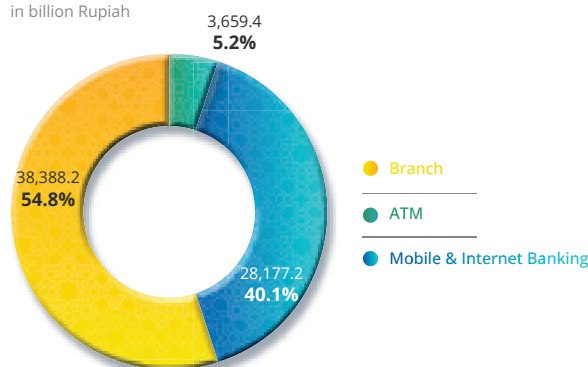
in billion Rupiah



● 2022 ● 2023

### Transaction Nominal by Channel

in billion Rupiah



### Equity

BCAS's equity had reached Rp3,082.5 billion by 31 December 2023, which was a 5.2% increase from 2022, or Rp151.7 billion higher. This increase was primarily due to the profit of IDR153.8 billion for that year, which was 30.8% higher than the previous year's profit of IDR117.6 billion.

### Comprehensive Income Statement

BCAS managed to achieve positive performance in 2023 by consistently implementing strategic policies throughout the year. This included increasing our customer base, channelling financing, and adopting IT in our business and operational activities.

In billion Rupiah, unless otherwise stated

Description	2023	2022	Growth	
			Nominal	%
Revenue from fund management as <i>mudharib</i>	933.5	749.7	183.7	24.5%
Financing income	634.7	553.7	80.9	14.6%
Other main operating income	298.8	196.0	102.8	52.4%
Third-party share on return temporary <i>syirkah</i> funds	(275.2)	(161.4)	113.9	70.6%
Bank's share in profit/operational income	658.3	588.4	69.9	11.9%
<i>Wadiah</i> bonus expense	(44.5)	(25.1)	19.4	77.3%
Income after distribution of profit sharing, benefit, and bonuses	613.8	563.3	50.5	9.0%
Other operating income	70.7	54.6	16.1	29.4%
Operating expenses	(410.6)	(254.2)	156.3	61.5%
CKPN	(57.9)	(212.2)	(154.4)	(72.7%)
Income from operation	216.0	151.4	64.6	42.6%
Non-operating expenses	(24.6)	(5.2)	19.4	371.1%
Income before tax	191.4	146.2	45.2	30.9%
Income tax expenses	(37.6)	(28.6)	9.0	31.3%
Net income	153.8	117.6	36.2	30.8%
Other comprehensive loss net of income tax	(2.1)	(27.5)	(25.3)	(92.2%)
Comprehensive income	151.7	90.1	61.6	68.3%
Earnings per share (in full Rupiah)	68.2	52.1	16.1	30.8%

### Income from Fund Management as Mudharib

We recorded a revenue of Rp933.5 billion from managing funds as a mudharib in 2023. This amount represents an increase of Rp183.7 billion or 24.5% compared to the previous year's revenue of Rp749.7 billion. The increase in revenue was mainly due to the rise in financing income and other main business income. This was in line with the increase in financing distribution and placement in securities we conducted in 2023.

### Financing Income

Our financing income in 2023 was Rp634.7 billion, which was an increase of Rp80.9 billion or 14.6% compared to the previous year's financing income of Rp553.7 billion. The majority of this income was from *musyarakah* profit-sharing contracts, contributing 64.5% to the total financing income. This is in line with the distribution of BCAS financing in 2023, which was

dominated by *musyarakah* contracts. Income from *musyarakah* profit-sharing contracts that year was Rp409.3 billion, an increase of Rp54.0 billion or 15.2% compared to 2022, which was Rp355.3 billion.

In the mean time, *murabahah* margin income was recorded at Rp129.6 billion. This represents an increase of Rp4.3 billion or 3.4% compared to the previous year's *murabahah* margin income of Rp125.3 billion. Furthermore, the net income earned from *ijarah* contracts as of the end of 2023 was Rp45.0 billion, an increase of Rp15.8 billion or 54.2% from Rp29.1 billion earned in 2022. The *mudharabah* profit-sharing income recorded in 2023 was Rp50.8 billion, an increase of Rp6.9 billion or 15.7% compared to the previous year's *mudharabah* profit-sharing income of Rp43.9 billion.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
<i>Murabahah</i> margin income	129.6	20.4%	125.3	22.6%	4.3	3.4%
Net <i>ijarah</i> income	45.0	7.1%	29.1	5.3%	15.8	54.2%
<i>Mudharabah</i> profit-sharing income	50.8	8.0%	43.9	7.9%	6.9	15.7%
<i>Musyarakah</i> profit-sharing income	409.3	64.5%	355.3	64.2%	54.0	15.2%
<b>Total financing income</b>	<b>634.7</b>	<b>100.0%</b>	<b>553.7</b>	<b>100.0%</b>	<b>80.9</b>	<b>14.6%</b>

\*) Percentage to total financing income

### Other Primary Business Income

BCAS earned other primary business income from FASBIS bonuses, placements with other Islamic banks, profit-sharing from investments in securities, and mutual funds in 2023.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
Securities profit sharing income	164.4	55.0%	122.5	62.5%	41.8	34.1%
Bonus income from Bank Indonesia Sharia savings facility	111.1	37.2%	56.4	28.7%	54.8	97.2%
Mutual fund income	22.1	7.4%	17.1	8.7%	5.0	29.2%
Profit sharing income from placements with other banks	-	-	-	-	-	-
Profit sharing income of interbank <i>mudharabah</i> investment certificate	1.2	0.4%	0.0	0.0%	1.2	3.810.1%
<b>Total other main operating income</b>	<b>298.8</b>	<b>100.0%</b>	<b>196.0</b>	<b>100.0%</b>	<b>102.8</b>	<b>52.4%</b>

\*) Percentage to total other main operating income

We recorded Rp298.8 billion in income from other primary business activities as of the end of 2023. It was an increase of Rp102.8 billion or 52.4% from the previous year, which was Rp196.0 billion. The increase was mainly due to the rise in profit-sharing income from sharia-compliant securities, which was recorded at Rp164.4 billion, an increase of Rp42.8 billion or 35.2.7%. Additionally, bonus income from the Sharia Bank Indonesia Deposit Facility (Fasbis) was recorded at Rp111.1 billion, an increase of 54.8 billion or 97.2% compared to the previous year.

### Third-Party Rights on Profit Sharing from Temporary Syirkah Funds

We recorded third-party rights on profit sharing from temporary syirkah funds as of the end of 2023 at Rp275.2 billion. The shows an increase of Rp113.9 billion or Rp70.6% from Rp161.4 billion in 2022. The increase was in line with the growth of mutlaqah mudharabah deposits in BCAS, which were recorded at Rp6,776.8 million in 2023. This amount is 16.4% higher than the previous year.

### BCAS's Share in the Profit Sharing

BCAS recorded its share of Rp658.3 billion from profit sharing in 2023, a growth of Rp69.9 billion or 11.9% compared to the previous year's share of Rp588.4 billion. The increase was mainly attributed to the rise in our investment portfolio

in various financial instruments and profit-sharing-based financing disbursement.

### Operating Expenses

BCAS incurred operating expenses of Rp410.6 billion in 2023, a 61.5% increase (or Rp156.3 billion) compared to 2022 when the expenses incurred were Rp254.2 billion. These operating expenses include personnel expenses, general and administrative expenses, government guarantee expenses, and IT investment expenses. Despite the increase, the 2023 expenses were still at a reasonable and ideal level to run our business processes, and our operations remained optimal, in line with the growth of the BCAS organization.

### Operating Income

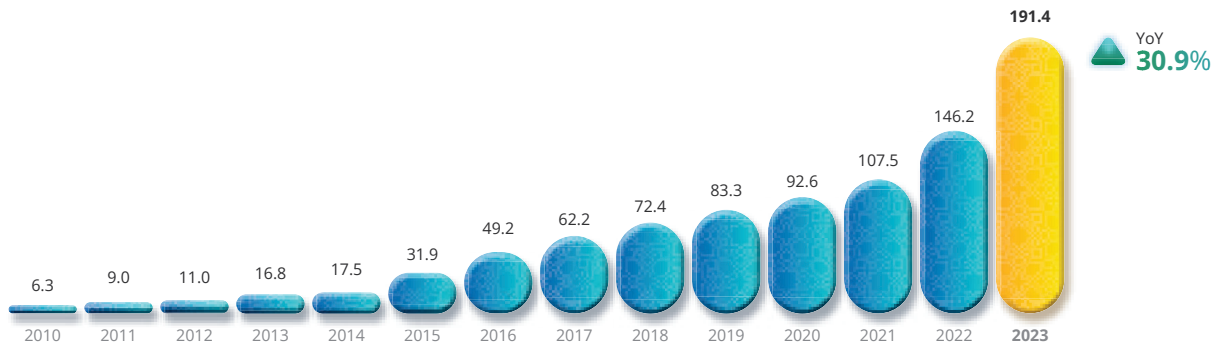
Our operating income in 2023 was Rp216.0 billion, increasing Rp64.6 or 42.6% from Rp151.4 billion in 2022.

### Income Before Tax

BCAS has achieved year-on-year growth in income before tax by managing its assets and liabilities in a balanced and optimized manner. As you can see from our financial statements as of the end of 2023, we managed to achieve income before tax of Rp191.1 billion, Rp45.2 billion or 30.9% higher than Rp146.2 billion achieved in 2022. BCAS has been showing an annual average income-before-tax growth (CAGR) of 30.1% since 2010.

### Income Before Tax

dalam miliar Rupiah



### Net Income

Along with the growth in income before tax, BCAS's net income increased in 2023. Our net income increased by 30.8% or Rp36.2 billion to Rp153.8 billion from Rp117.6 billion in 2022.

### Earnings per Share

As of 31 December 2023, BCAS had 2,255,183,207 shares. Each share generated a net income of Rp68.2, representing a 30.8% increase from the previous year, with a net income of Rp52.1 per share.

### Statements of Changes in Equity

BCAS's equity at the end of 2023 was Rp3,082.5 billion, an increase of Rp151.7 billion or 5.2% from the previous year, where it was recorded at Rp2,930.9 billion. This increase was due to the net income we generated. During the year, we recorded a total net income of Rp153.8 billion, an increase of Rp36.2 billion or 30.8% compared to the previous year, where it was recorded at Rp117.6 billion.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
Paid-in capital	2,255.2	73.2%	2,255.2	76.9%	-	-
Additional paid-in capital	70.6	2.3%	70.6	2.4%	-	-
Other comprehensive income (loss)	46.6	1.5%	48.8	1.7%	(2.1)	(4.4%)
Allowance	16.0	0.5%	14.0	0.5%	2.0	14.3%
Profit (loss)	694.2	22.5%	542.4	18.5%	151.8	28.0%
Profit (loss) of past years	540.4	17.5%	424.8	14.5%	115.6	27.2%
Profit (loss) for the year	153.8	5.0%	117.6	4.0%	36.2	30.8%
Total equity attributable to owners	153.8	5.0%	117.6	4.0%	36.2	30.8%
<b>Total equity</b>	<b>3,082.5</b>	<b>100%</b>	<b>2,930.9</b>	<b>100.0%</b>	<b>151.7</b>	<b>5.2%</b>

\*) Percentage to total financing equity

## Statements of Cash Flows

BCAS's cash flow statements have been prepared using the direct method, which involves categorizing cash flows into three activities: operating, investing, and financing. Cash and cash equivalents, as defined in the cash flow statements, include cash on hand, current accounts with Bank Indonesia and other banks, and placements with Bank Indonesia and

other banks with maturities within three months from the date of acquisition.

BCAS's cash and cash equivalents position as of 31 December 2023 increased by Rp135.9 billion or 13% from Rp1,029.6 billion in the previous year, reaching Rp1,165.5 billion. The main cash-flow components are summarized below:

In billion Rupiah, unless stated otherwise

Description	2023	2022
Cash flows from operating activities	372.5	936.3
Cash flows from investing activities	(236.7)	(1,063.8)
Cash flows from funding activities	-	-
Net increase (decrease) in cash and cash equivalent	135.9	(127.5)
Cash and cash equivalents at beginning of the year	1,029.6	1,157.2
<b>Cash and cash equivalents at end of the year</b>	<b>1,165.5</b>	<b>1,029.6</b>

### Cash Flows from Operating Activities

BCAS had net cash inflows of Rp372.5 billion in 2023. The cash inflows were from operating activities and included Rp908.9 billion in income as a *mudharib* and Rp1,528.3 billion in customer deposits. On the other hand, Rp1,576.0 billion, Rp412.1 billion, and Rp259.0 billion from operating cash

outflows were used for financing disbursements, operating expenses, and profit-sharing payments, respectively. Overall, BCAS generated positive cash flows from operating activities due to the significant increase in customer deposits and the revenue we received from financing disbursements.

In billion Rupiah, unless stated otherwise

Description	2023	2022
Cash inflows from income as a <i>mudharib</i>	908.9	745.0
Cash inflows from customer deposits	1,528.3	1,803.6
Cash outflows for financing disbursements	(1,576.0)	(1,418.2)
Cash outflows for operating expenses	(412.1)	(264.4)
Cash outflows for profit-sharing payments	(259.0)	(179.4)



### Cash Flows from Investing Activities

We recorded Rp236.7 billion in cash outflows used for investments in 2023, while the cash outflows used for investments in 2022 were Rp1,063.8 billion.

### Cash Flows from Financing Activities

No financing-activity cash flows were recorded in 2023.

### Financial Ratio Statements

We measured our financial performance in 2023 using key financial ratios specified in the following table:

Description	2023	2022	Growth
<b>Capital</b>			
Capital Adequacy Ratio (CAR)	34.8%	36.7%	(1.9%)
Fixed Assets to Capital	9.3%	7.7%	1.6%
<b>Asset Quality</b>			
Non-performing earning assets and non-performing nonearning assets to Total Earning Assets and Non-Earning Assets	1.8%	1.7%	0.1%
Non-performing Earning Assets to Total Earning Assets	0.7%	0.9%	(0.2%)
Allowance for Impairment Losses on Financial Assets to Earning Assets	3.3%	3.9%	(0.7%)
NPF Gross	1.04%	1.42%	(0.38%)
NPF Net	0.0%	0.01%	(0.01%)
<b>Profitability</b>			
Return On Asset (ROA)	1.5%	1.3%	0.2%
Return On Equity (ROE)	5.2%	4.1%	1.0%
Net Imbalan (NI)	4.7%	5.1%	(0.4%)
Net Operating Margin (NOM)	1.7%	1.4%	0.3%
Operating Expenses to Operating Income (BOPO)	78.6%	81.6%	(3.0%)
Cost To Income Ratio (CIR)	60.0%	41.2%	18.9%
Profit/loss to income	20.5%	19.5%	1.0%
<b>Liquidity</b>			
Financing with profit sharing to total financing	74.9%	76.5%	(1.7%)
Financing to Deposit Ratio (FDR)	82.3%	80.0%	2.4%
Macroprudential Intermediation Ratio (RIM)	87.7%	95.0%	(7.3%)
Current assets to current liabilities ratio	32.7%	62.9%	(30.2%)
Liabilities to equity ratio	369.5%	332.3%	37.2%
Liabilities to assets ratio	78.7%	76.9%	1.8%
<b>Compliance</b>			
Percentage of BMPD Violations			
• Related parties	0.0%	0.0%	0.0%
• Non-related Parties	0.0%	0.0%	0.0%
Percentage of BMPD exceedances			
• Related parties	0.0%	0.0%	0.0%
• Non-related Parties	0.0%	0.0%	0.0%
Reserve Requirement			
• Reserve Requirement - Rupiah	4.0%	6.5%	(2.6%)
• Reserve Requirement - Foreign Currency	0.0%	0.0%	0.0%
Total Net Open Position (PDN)	0.0%	0.0%	0.0%

## Ability to Pay Debt and Collectability of Receivables

### Ability to Pay Receivables

BCAS assesses its ability to repay its debts by considering its solvency, liquidity, and profitability.

#### Solvency

We use the capital adequacy ratio (CAR) as an indicator to measure our solvency. We are committed to maintaining sufficient capital to mitigate credit, market, and operational risks. BCAS's CAR was 34.8%, slightly lower than the previous year's ratio of 36.7%. Despite the fall, BCAS's CAR still met the minimum requirement of 8% based on the risk profile set by the regulators. BCAS's CAR indicates it has enough flexibility to respond to its market, credit, and operational risks. Furthermore, the high CAR also suggests that BCAS is highly supportive of its strategic initiatives to grow its portfolio and expand its business.

#### Liquidity

We use the Financing-to-Deposit Ratio (FDR), Macroprudential Intermediation Ratio (RIM), and Macroprudential Liquidity

Buffer (PLM) ratio to evaluate our liquidity level. To maintain our liquidity, we consider various aspects, including funding structure, liquid assets, commitments to financing borrowers, and immediate obligations. BCAS's FDR in 2023 increased to 82.3% from 80.0% in 2022. This increase was due to the increase in financing distribution. The FDR indicates the balance between our fundraising and financing disbursements.

BCAS manages its distribution of funds through financing and securities, in line with the Macroprudential Intermediation Ratio policy set by Bank Indonesia. BCAS's RIM in 2023 decreased by 7.3% to 87.7% from 95.0% in the previous year. BCAS's RIM still falls within the limits set by Bank Indonesia.

Another effort we make to manage our liquidity risk is to provide a Macroprudential Liquidity Buffer (PLM) that acts as a minimum liquidity reserve. We maintain this reserve in the form of Bank Indonesia Syariah Certificates (SBIS), State Sharia Securities (SBSN), and Bank Indonesia Sukuk (SukBI). The amount of the reserve is determined by Bank Indonesia as a certain percentage of our third-party funds.

In billion Rupiah, unless stated otherwise

Description	2023		2022		Growth	
	Nominal	Composition*	Nominal	Composition*	Nominal	%
SBIS	-	-	-	-	-	-
SBSN	1,627.5	55.4%	1,040.4	41.8%	587.1	56.4%
Sukuk BI	1,311.5	44.6%	1,450.0	58.2%	(138.5)	(9.6%)
<b>Total PLM</b>	<b>2,939.0</b>	<b>100.0%</b>	<b>2,490.4</b>	<b>100.0%</b>	<b>448.6</b>	<b>18.0%</b>

\*) Percentage of total PLM

BCAS recorded a PLM of Rp2,939.0 billion in 2023, an increase of Rp448.6 billion or 18.0% from Rp2,490.4 billion in 2022. The majority of BCAS's PLM was placed in SBSN, accounting for 55.4% of the total PLM or Rp1,627.5 billion. The placement of PLM in SBSN significantly increased by Rp587.1 billion or 56.4% from the previous year. BCAS had no placements in SBIS as of 31 December 2023.

#### Rentability

We use profitability ratios as a tool to assess our ability to repay debt. We do this by considering our Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and Operating Cost to Operating Income (BOPO).

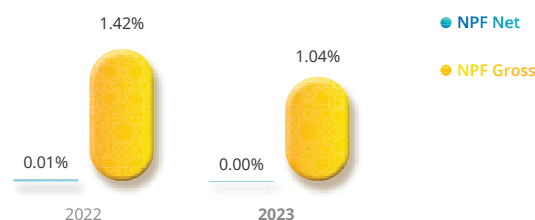
Return on Assets (ROA) is a profitability ratio that measures the extent to which a bank can manage its assets to generate profits. BCAS's ROA in 2023 was 1.5%, 0.2% higher than its ROA in 2022. On the other hand, Return on Equity (RoE) is a profitability ratio that measures a bank's ability to manage its own capital from shareholder investment to generate profits. BCAS's RoE in 2023 was 5.2%, an increase of 1.0% from 4.1% in 2022.

BCAS's net income margin in 2023 was adjusted to 4.7% in 2023, which is lower than the 5.1% in 2022. However, BCAS managed to improve its operational efficiency, as reflected by its Operating-Expenses-to-Operating-Income (BOPO) ratio, which decreased to 78.6% in 2023 from 81.6% in 2022.

### Receivables Collectability Level

The stability of the business world and the quality of financing in the banking sector depend on the resilience of the national economy throughout 2023. At BCAS, we always maintain the quality of our financing portfolio at a healthy level to operate optimally and maintain stakeholder trust. We take various measures to ensure the quality of our financing portfolio, including managing risks, applying prudent principles from the beginning of financing acquisition, prioritizing the quality of partnerships in monitoring financing, and implementing strategies to resolve problematic financing quickly and effectively. By implementing these efforts, our NPF is maintained at a healthy level, with gross and net NPF ratios of 1.04% and 0.00%.

## Non-Performing Financing



## Compliance

Ensuring compliance with regulatory requirements and laws has always been a top priority for us. We measure our commitment through several indicators, including Maximum Lending Limit (LLL), Statutory Reserves (GWM), and Net Open Position (NOP). By implementing good corporate governance principles, we were able to ensure that there were no violations or exceedances of the Maximum Lending Limit (LLL) in 2023.

Additionally, we maintained a 4% current account position at Bank Indonesia at the end of 2023, meeting the minimum reserve requirement and utilizing incentives from the Macroprudential Liquidity Incentive Policy (KLM).

However, we did not conduct banking business activities in foreign currencies in 2023. Therefore, no information is available on the Net Open Position (NOP).

## Commitments and Contingencies Statements

In million Rupiah

Accounts	Individual	
	2023	2022
<b>I Total commitments</b>		
1. Undrawn financing facilities		
• Rupiah	-	-
• Foreign Currency	-	-
2. Undrawn position of financing to customers	-	-
3. Others	-	-
<b>II Liabilities commitment</b>	<b>1,685,987</b>	<b>1,729,991</b>
1. Undrawn financing facilities to customers		
a. Committed		
• Rupiah	534,906	572,008
• Foreign Currency	-	-
b. Uncommitted		
• Rupiah	1,151,081	1,157,982
• Foreign Currency	-	-
2. Undrawn financing facilities to other banks		
a. Committed		
• Rupiah	-	-
• Foreign Currency	-	-
b. Uncommitted		
• Rupiah	-	-
• Foreign Currency	-	-
3. Ongoing Irrevocable L/C		
a. Overseas L/C	-	-
b. Domestic L/C	-	-

Accounts		Individual	
		2023	2022
	4. Ongoing spot and forward sales positions	-	-
	5. Others	-	-
<b>III</b>	<b>Contingencies receivables</b>	<b>47,200</b>	<b>66,796</b>
	1. Warranty received		
	• Rupiah	-	-
	• Foreign Currency	-	-
	2. Revenue in progress		
	a. Murabahah	7,926	7,796
	b. Istishna'	-	-
	c. Rent	2,820	2,856
	d. Profit sharing	-	-
	e. Others	36,454	56,144
	3. Others	-	-
<b>IV</b>	<b>Contingent liabilities</b>	<b>75,733</b>	<b>46,848</b>
	1. Guarantee Given		
	• Rupiah	75,733	46,848
	• Foreign Currency	-	-
	2. Others	-	-

## Other Financial Performance Information

### Capital Adequacy Ratio (CAR)

In million Rupiah

Posts		Individual	
		2023	2022
<b>I</b>	<b>Core Capital (Tier 1)</b>	<b>3,022,480</b>	<b>2,884,560</b>
	1. Common Equity (CET 1)	3,022,480	2,884,560
	1.1. Paid-in capital (net of treasury shares)	2,255,183	2,255,183
	1.2. Additional Capital Reserves	833,304	668,603
	1.2.1. Addition Factors	837,323	684,084
	1.2.1.1. Other Comprehensive Income	56,570	57,133
	1.2.1.1.1. Difference from translation of financial statements	-	-
	1.2.1.1.2. Potential gains from the increasing fair values of financial assets measured at fair value through other comprehensive income	1,541	2,104
	1.2.1.1.3. Fixed asset revaluation surplus balance	55,029	55,029
	1.2.1.2. Other Additional Capital Reserves (other disclosed reserves)	780,753	626,951
	1.2.1.2.1. Agio on common shares	-	-
	1.2.1.2.2. Common Reserves	16,000	14,000
	1.2.1.2.3. Previous years' profit after tax	540,394	424,811
	1.2.1.2.4. Profit for the year after tax	153,802	117,583
	1.2.1.2.5. Capital deposit fund	70,557	70,557

Posts	Individual	
	2023	2022
1.2.1.2.6. Donated capital	-	-
1.2.1.2.7. Warrants issued	-	-
1.2.1.2.8. Stock options issued within the framework of a stock-based compensation program	-	-
1.2.2. Deduction Factor	4,019	15,481
1.2.2.2. Other Comprehensive Income	-	-
1.2.2.2.1. Difference in translation of financial statements	-	-
1.2.2.2.2. Potential loss from decline in fair value of assets Available-for-sale financial assets	-	-
1.2.2.3. Other Additional Capital Reserves (other disclosed reserves)	4,019	15,481
1.2.2.3.1. Disagio of common stock	-	-
1.2.2.3.2. Profit of past years can be taken into account	-	-
1.2.2.3.3. Loss for the year that can be accounted for	-	-
1.2.2.3.4. Difference between allowance for possible asset losses (PPA) and allowance for possible impairment losses (CKPN)	-	-
1.2.2.3.5. Difference less the amount of fair value adjustment of financial instruments in Trading Book	-	-
1.2.2.3.6. PPA on non-earning assets that must be established	4,019	15,481
1.3. Non-controlling interests that can be taken into account	-	-
1.4. Core Capital Deduction Factor	66,007	39,226
1.4.1. Deferred tax calculation	58,502	35,550
1.4.2. Goodwill	-	-
1.4.3. All other intangible assets	7,505	3,676
1.4.4. Capital investment that is taken into account as a deduction factor	-	-
1.4.5. Capital shortfall in insurance subsidiaries	-	-
1.4.6. Securitization exposure	-	-
1.4.7. Other main core capital deduction factors	-	-
1.4.7.2. Placement of funds in AT 1 and/or Tier 2 instruments with other banks	-	-
2. Additional Tier (AT-1)	-	-
2.1. Instruments that meet the requirements AT-1	-	-
2.2. Agio (disagio) (+/-)	-	-
2.3. Additional core capital deduction factors	-	-
2.3.1. Placement of funds in AT 1 and/or Tier 2 instruments with other banks	-	-
<b>II Supplementary Capital (Tier 2)</b>	<b>89,899</b>	<b>79,324</b>
1. Capital instruments in the form of shares or others that meet the requirements of Tier 2	-	-
2. Aigo (disagio) (+/-)	-	-
3. General PPA reserve on earning assets that must be established (at most 1.25% RWA credit risk)	89,899	79,324
4. Reserve destination	-	-
5. Supplementary capital deduction factor	-	-
5.1. Sinking Fund	-	-
5.2. Placement of funds in Tier 2 instruments with other banks	-	-
<b>Total Capital</b>	<b>3,112,379</b>	<b>2,963,884</b>



Posts	Individual	
	2023	2022
<b>Risk-Weighted Assets</b>		
Risk Weighted Asset on Credit Risk	7,986,555	7,292,927
Risk Weighted Asset on Market Risk	-	-
Risk Weighted Asset on Operational Risk	949,422	777,900
Total Risk-Weighted Asset	8,935,978	8,070,827
<b>CAR ratio according to risk profile (%)</b>	<b>9.00%</b>	<b>9.00%</b>
<b>Allocation of CAR fulfilment according to risk profile</b>		
From CET 1 (%)	4.50%	4.50%
From AT1 (%)	0.00%	0.00%
Additional CET1 allocated to fulfil at least 6% of Tier 1	1.50%	1.50%
From Tier 2 (%)	1.01%	0.98%
Additional CET1 Ratio allocated to meet Risk Profile CARs	1.99%	2.02%
<b>CAR Ratio</b>		
CET1 Ratio (%)	33.82%	35.74%
Tier 1 Ratio (%)	33.82%	35.74%
Tier 2 Ratio (%)	1.01%	0.98%
CAR Ratio (%)	34.83%	36.72%
<b>CET 1 for buffer (%)</b>	<b>25.83%</b>	<b>27.72%</b>
<b>Percentage of buffer required by banks (%)</b>	<b>0.00%</b>	<b>0.00%</b>
Capital conservation buffer (%)	0.00%	0.00%
Countercyclical buffer (%)	0.00%	0.00%
Capital surcharge for systemic banks (%)	0.00%	0.00%

### Allowance for impairment losses and loss provisions

BCAS determines its allowance for impairment losses (LLP) by evaluating the quality of its financial assets. This is part of its risk management strategy to prepare for possible credit risk resulting from customers or other parties failing to meet their obligations to BCAS.

We adopted a prudent provisioning policy for allowance for impairment losses to cope with the uncertain economic conditions and high credit risk. We set aside a provision of Rp472.8 billion with a mandatory earning assets financing percentage of Rp180.6 billion. The amount set aside for the allowance for impairment losses exceeds the applicable regulations and is sufficient to anticipate any potential decline in the quality of the disbursed financing.

Accounts	Allowance for Impairment Losses		Mandatory Earning Assets Financing Percentage that Must be Established	
	Individual	Collective	Special	General
Placements with other banks	-	288.0	-	288.0
Spot and forward receivables	-	-	-	-
Securities held	35,525.0	13,280.0	35,525.0	13,280.0
Acceptances receivable	-	-	-	-
<i>Murabahah</i> receivables	-	11,531.0	2,986.0	15,824.0
<i>Istishna'</i> receivables	-	-	-	-
<i>Qardh</i> receivables	-	135.0	-	135.0
Rent receivables	15.0	-	1.0	-
<i>Mudharabah</i> financing	-	7,469.0	-	7,469.0
<i>Musarakah</i> financing	298,675.0	105,109.0	52,144.0	52,143.0
Other financing	-	-	-	-
Incorporation	-	-	-	-
Temporary Investments in shares	-	-	-	-
Commitments and Contingencies	-	760.0	-	760.0

### Spot and Forward Transactions

BCAS did not conduct foreign exchange banking activities in 2023. Therefore, no information is available on spot and forward transactions.

### Profit-Sharing Distribution Statements

In million Rupiah

Types of Fund Raising	Balance Average	Income to be shared	Share of Fund Owner		
			Profit-sharing ratio (%)	Total Revenue Share	Indicated Rate of Return (%)
Liabilities to Other Banks	-	-	-	-	-
<i>Mudharabah</i> Current Account	-	-	-	-	-
<i>Mudharabah</i> Deposit	917,294.0	10,700.9	3.6	385.2	0.5
Deposito <i>Mudharabah</i>					
a. 1 Month	5,835,705.6	68,077.9	18.0	12,254.0	2.5%
b. 3 Months	611,889.6	7,138.1	18.0	1,284.9	2.5%
c. 6 Months	169,526.7	1,977.7	18.0	356.0	2.5%
d. 12 Months	378,244.3	4,412.5	18.0	794.3	2.5%
Securities issued	-	-	-	-	-
<b>Financing Received</b>	-	-	-	-	-
<b>Total</b>	<b>7,912,660.1</b>	<b>92,307.1</b>	<b>-</b>	<b>15,074.3</b>	<b>-</b>

In million Rupiah

Type of Fund Distribution	Average Balance	Income Received
Placements with other banks	70.0	-
Securities issued	2,630,915.0	16,251.0
Murabahah receivables	1,654,006.0	12,618.0
Istishna receivables	-	-
Multijasa receivables	-	-
Pawn Financing	-	-
Murabahah financing	774,414.0	4,446.0
Musarakah financing	5,357,895.0	34,511.0
Lease financing	602,081.0	34,608.0
Other financing	-	-
<b>Total</b>	<b>11,019,381.0</b>	<b>102,434.0</b>

### Zakat Source and Distribution Statements

In million Rupiah

Description	2023	2022
Beginning balance of zakat funds	49.1	70.0
Zakat funds that come from		
a. Internal BUS		-
b. External BUS	44.8	49.2
Distribution of zakat funds to zakat management entities		
a. Amil Zakat Institutions	49.2	70.1
b. Amil Zakat Agency		-
Increase (decrease) of zakat funds	(4.4)	(20.9)
Ending balance of zakat funds	44.7	49.1

### Benevolent Fund Source and Appropriation Statements

In million Rupiah

Description	2023	2022
Sources of benevolent funds at the beginning of the period	745.7	758.0
Qardhul Hasan receipts		
a. Infaq	-	-
b. Shadaqah	32.9	1.9
c. Pengembalian dana kebijakan produktif	-	-
d. Penalty	687.8	362.0
e. Non-halal income	354.7	139.3
f. Others	-	-
<b>Total Receipts</b>	<b>1,075.4</b>	<b>503.1</b>
Use of Qardhul Hasan		
a. Productive Qardhul Hasan	-	-
b. Donation	943.8	515.4
c. Other uses for public interest	-	-

Description	2023	2022
<b>Total Usage</b>	<b>943.8</b>	<b>515.4</b>
Increase (decrease) qardhul hasan funds	131.6	(12.3)
Sources of qardhul hasan at the end of the period	877.3	745.7

### Statement of Change in Restricted Investment

BCAS had no restricted investment funds in 2023. Therefore, the statement of change in restricted investment is not available.

## Comparison of Target and Realization in 2023 and Projection in 2024

We have developed a business plan encompassing our strategic plan and achievement targets. The bank's business plan is regularly evaluated to ensure that our strategies are aligned with economic development conditions and comply with relevant regulations. Furthermore, it is also continually monitored to ensure that the set targets are in line with 'our business direction. In executing our business strategies, the bank's business plan serves as our guideline to achieve the expected performance in the reporting year.

### Business Development and Target Achievement Strategies in 2023

The BCAS management annually evaluates and adjusts the bank's business strategy to overcome challenges during the reporting period and achieve targets set in the bank's business plan. Some of the strategies we are executing in 2023 are as follows:

#### Accelerate financing distribution

BCAS has achieved a positive result in financing disbursement. This growth is attributed to the active marketing efforts of the marketing team across the branch network and customer-deepening initiatives. These initiatives have enabled us to serve new customers from the existing customer ecosystem, including the supply chain and customer business groups. In addition, we collaborate with BCA, our parent company, and leverage the BCA Group ecosystem to capture opportunities for sharia-compliant financing needs from BCA Group customers.

Consumer financing is one of the focuses to drive financing growth. Consumer financing grew significantly to Rp821.9 billion, a 95.3% increase from the previous year. This achievement results from active marketing carried out by all branches, supported by cooperation with developers and property brokers and attractive programs offered in 2024 for residential house purchase, takeover, and refinancing needs.

BCAS is committed to inclusive financing and has always engaged in financing MSMEs. In 2023, BCAS provided Rp1,817.9 billion to finance MSMEs, contributing 20.2% to its total financing portfolio.

Another key to successful financing distribution is the quality of service and engagement with customers. At BCAS, we understand that building trust with our customers is essential to creating successful financing partnerships. Our customers can always rely on us to help them achieve their business growth goals.

#### Accelerate the increase of customer base

A bank's customer base is one of its biggest assets and supports its long-term business growth. With this in mind, we focused on increasing the number of customers, especially CASA customers, throughout 2023. This includes adding the online account opening feature to the BCA Syariah Mobile banking application and collaborating with a wide range of educational and religious institutions and associations for collective account opening. We also actively marketed our products and services through our branch network and digital media and offered promotional programs to support these efforts.

To improve the convenience and security of customer transactions, BCAS actively keeps track of customer needs by benchmarking them against other financial institutions' features and monitoring customer complaints and suggestions through various channels. The introduction of the online account opening feature in 2023 was a concrete demonstration of our commitment to listening to and providing solutions to our customers.

Touchpoints between BCAS and its customers occur through various physical and digital channels. Customer satisfaction is a critical factor in increasing BCAS's customer base. The voice of customers who receive excellent service from BCAS goes a long way in retaining existing customers and acquiring new customers. Therefore, BCAS is committed to providing excellent service quality through physical and digital channels. *Alhamdulillah*, BCAS has improved its service quality over time as reflected in various customer satisfaction indicators, such as being ranked third among Sharia banks in satisfaction, loyalty and engagement in 2023 by the Infobank Satisfaction Loyalty Engagement 2023, being awarded second best Sharia-compliant mobile banking (KBMI 1) by the Infobank Digital Brand Awards 2023, and receiving Golden Recognition for Five Consecutive Years in Service Excellence from the Infobank Banking Service Excellence 2023.

### Accelerate Information Technology adoption

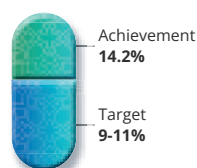
To successfully speed up financing disbursement and grow our customer base, we must ensure that our IT infrastructure has the capacity and capability to support these goals. Over the course of 2023, we took several measures to modernize our IT system, including upgrading our network and system to ensure the speed and efficiency of customer transactions.

To increase our financing disbursements, we took several steps, including simplifying processes and utilizing technology to achieve a more efficient and accurate financing process. One of the measures taken was the implementation of the Financing Origination System. This system allows for an end-to-end application of the financing process. The benefits include increased process efficiency, less use of paper (paperless), and easier monitoring of the financing process.

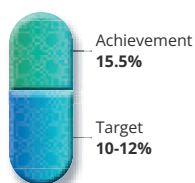
We have developed a digital dashboard to ensure the efficiency of our monitoring activities. This solution helps to present data quickly and accurately, becoming a basis to make the right strategic decisions. This is vital for us as it not only improves process efficiency but also facilitates performance monitoring.

BCAS successfully met all targets set in its business plan by implementing the formulated strategies. As of December 2023, our total assets reached Rp14.5 trillion, growing 19.3% from the previous year and exceeding the 9-11% target range. Our deposit growth was recorded at Rp10.9 trillion, growing 15.5% from the previous year and exceeding the 10-12% target range. Our financing value also increased 18.8% from the previous year to Rp9.0 trillion, higher than the target range of 10-12%. Furthermore, BCAS managed to book a net income of Rp153.8 billion, 30.8% higher than the previous year and exceeding the 17-19% target range.

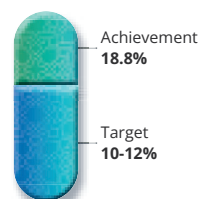
**Asset Growth**



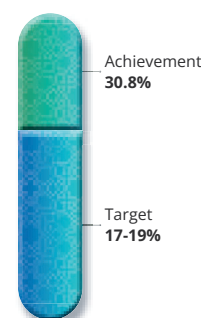
**Third-Party Fund Growth**



**Financing Growth**



**Net Income Growth**



## Business Development Strategy and Targets for 2024

In the upcoming year, 2024, we are optimistic about upholding the principle of prudence when developing our strategies for business development, predicting the bank's growth, and setting targets for 2024.

The strategic steps BCAS will take to grow its business in 2024 include:

### 1. Infrastructure improvement to support business and service development

BCAS is currently developing its delivery channels to meet the needs and expectations of its customers. We are gradually adding more features to our mobile banking, internet banking, and other channels to offer digital services. One feature we just added in 2023 is a feature to open a bank account online through mobile banking. This effort is aimed at increasing our customer base, which will result in an increase in BCAS's CASA. This, in turn, will help us maintain our cost of funds at the expected level.

### 2. Measured and prudent financing disbursement

Although the central bank's benchmark interest rate was high in 2023, customers still expect competitive financing rates. BCAS remains committed to carrying out its intermediary function by applying prudent banking practices. We distribute financing prudently to prospective customers based on several considerations while taking prudential principles into account.

### 3. Expansion of strategic partnerships

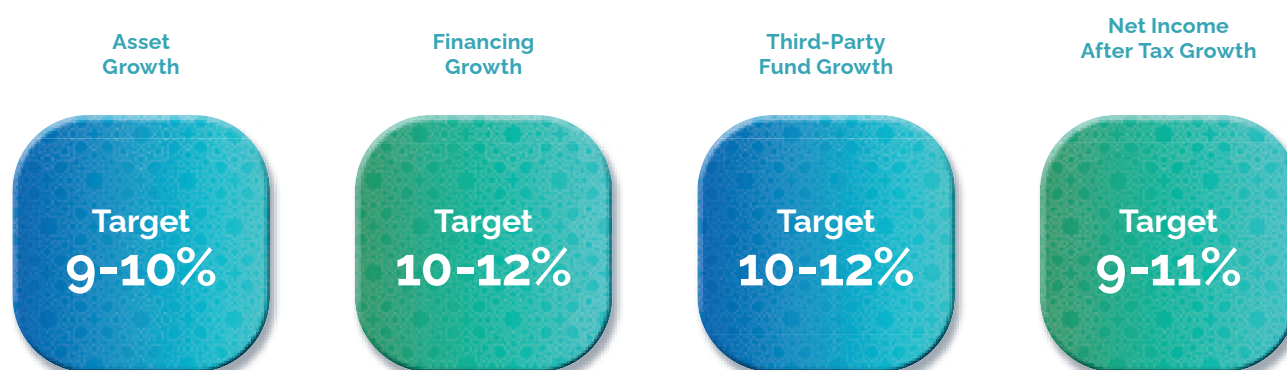
BCAS conducts business-to-business cooperation with third parties, including developers, property agents, dealers, showrooms, insurance and securities companies, and other companies, to grow its business.

### 4. Human resource quality and quantity improvement

BCAS synergizes with its parent company to optimize human resources through recruitment, training, and utilization of the workforce within the BCA Group. We also undertake other mutually beneficial synergistic initiatives and promote a culture of innovation and continuous improvement to support our sustainable business growth.



We have formulated our growth targets for 2024 based on the projections for loan and deposit growth given by the regulators, the future economic outlook, and the business strategies we plan to implement. Some of the growth indicators we have set for the coming year are as follows:



## Capital Structure and Capital Structure Management Policy

### Capital Structure Management Policy

We recognize that a robust capital structure is crucial for anticipating risks and expanding our business operations. In order to ensure adequate capital, we assess the latest economic developments, our current business growth, and projected future growth when planning our capital structure. Furthermore, we strive to optimize our capital structure while maintaining its health in compliance with regulatory requirements.

BCAS's Board of Directors designs the capital plan as part of its business plan, which is then approved by the Board of Commissioners. We ensure that the minimum capital adequacy level is in line with the risk profile and calculate it using the

minimum Capital Adequacy Ratio (CAR) according to relevant regulations.

### Capital Structure Breakdown

As of the end of 2023, BCAS's capital structure amounted to Rp3,082.5 billion. The composition includes paid-up capital of IDR2,255.5 billion, additional paid-up capital of IDR70.6 billion, other comprehensive income of IDR46.6 billion, retained earnings of IDR694.2 billion, and other reserves of IDR16.0 billion. There was a 5.2% increase in capital, or Rp151.7 billion, compared to 2022. As of 31 December 2023, our capital adequacy ratio was 34.8%, exceeding the regulatory requirement of 8.0%.

## Material Commitments on Capital Investment

BCAS did not make any material commitments on capital investment in 2023. As a result, the following information is not available:

1. The name of the party to whom the commitment was made;
2. The purpose of the commitment;
3. The funding source to fulfil the commitment;
4. The currency in which the commitment was denominated; and
5. Any measures BCAS planned to take to hedge against foreign currency risks.

## Capital Investment

Capital expenditures made by BCA in 2023 are presented in the following table:

In billion Rupiah, unless stated otherwise

Description	2023	2022	Growth	
			Nominal	%
Land	23.0	-	23.0	-
Building	14.4	2.2	12.2	547.4%
Inventory	15.9	13.3	2.7	19.9%
Motorized vehicles	0.0	0.0	0.0	95.5%
<b>Total investment</b>	<b>53.4</b>	<b>15.5</b>	<b>37.8</b>	<b>243.5%</b>

BCAS's asset value increased by Rp53.4 billion during the reporting year. This includes land, buildings, and inventory. Compared to 2022, there was a significant increase in the value of land, buildings, and inventory. Investments were made in land and buildings to renovate and relocate several BCAS buildings to provide customers with better and more comfortable services. On the other hand, the increase in inventory was due to activities carried over from the previous year to add more and replace office inventory for more optimal operations.

## Significant Information and Facts Subsequent to the Accountant's Reporting Date

No significant events have taken place after the accountant's report, except for what is disclosed in the attached financial statements.

## Dividend Policy

BCAS's policy for distributing dividends to shareholders complies with applicable laws and regulations. Some aspects of the policy are as follows:

- The distribution of cash dividends can be made if the Bank records a net profit, taking into account its conditions and development plans;
- Decisions about dividend amount and payment are determined through a General Meeting of Shareholders based on the Board of Directors' recommendations to the Board of Commissioners; and
- At their discretion, the directors may decide not to pay dividends to shareholders and set aside the profit earned for the fiscal year as reserves or retained earnings.

The annual GMS held on 22 February 2023 concluded that out of the net income of Rp117.5 billion earned in the 2022 financial year, Rp2.0 billion would be allocated as reserves, while the remaining unappropriated amount would be designated as retained earnings.

In the financial period that ended on 31 December 2023, BCAS did not declare any dividends. Therefore, no information is available about (i) the total amount of dividends distributed, (ii) the amount of cash dividends per share, (iii) the payout ratio, or (iv) the dates of announcement and payment of cash dividends.

## Employee and Management Stock Ownership Plan

BCAS did not have an employee or management share ownership plan (ESOP/MSOP) in 2023. As a result, no information is available about the number of shares targeted in ESOP/MSOP, it's the actual number of shares given, the period, requirements for eligible employees or management staff, and the exercise price.

## Use of Proceeds from Public Offering

Until 31 December 2023, BCAS had not conducted any public offering of its shares. As a result, no formation is available about the following:

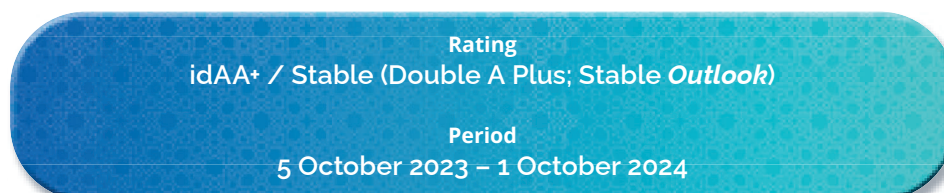
1. The total amount of the proceeds;
2. The planned utilization of the proceeds;
3. Details of the use of the proceeds;
4. The fund balance; and
5. The date of GMS approval for changes in the use of the proceeds.

## Material Information

No material information about BCAS's investment, expansion, acquisition, or debt/capital restructuring throughout 2023 is available.

## Other Material Information

The rating agency PT Pemeringkat Efek Indonesia (PEFINDO) has rated BCAS favourably.



The rating was given to BCAS for the period between 5 October 2023 and 1 October 2024, based on PEFINDO's examination of BCAS's unaudited financial statements as of 30 June 2023 and audited financial statements as of 31 December 2022.

## Information on Material Transactions Containing Conflicts of Interest and/or Transactions with Affiliated Parties

### Affiliated Party Transactions

In carrying out its operations, BCAS engages in transactions with affiliated parties per the definition described in PSAK No.7 (revised 2015) regarding "Related Party Disclosures". All transactions and balances that significantly impact related parties, whether conducted on normal terms as those with unrelated parties or not, have been described in detail in the accompanying notes to the financial statements. BCAS also has a policy on affiliated party transactions and transactions containing conflicts of interest as stipulated in the Board of Directors' Decision No. 057/SK/DIR/2023 dated 29 December 2023 on the Governance Policy of PT Bank BCA Syariah.

Our affiliated parties include:

- BCAS's employees, directors, and commissioners;
- BCAS's major shareholders, either individuals or companies who directly or indirectly own at least 20% (twenty per cent) of the voting rights of all voting shares issued by BCAS or a smaller amount than that as determined by the OJK;
- Companies with one or more directors or commissioners who serve or concurrently serve as BCAS's directors or commissioners;

- A company controlled by BCAS's major shareholder;
- A person who is related by marriage with or a descendant up to the second generation of a director, commissioner or major shareholder of BCA Syariah.

BCAS's major shareholder, BCA, has nine subsidiaries, which are not publicly listed and whose financial statements are consolidated with BCA. Those subsidiaries are PT Bank Digital BCA, PT Bank BCA Syariah, PT BCA Finance, PT BCA Multi Finance, BCA Finance Limited, PT BCA General Insurance, PT BCA Life Insurance, PT BCA Sekuritas, and PT Central Capital Ventura.

Related party transactions are conducted based on mutually agreed-upon agreements, which may include terms that differ from those applied in transactions with unrelated parties. All transactions and balances involving related parties are detailed in the notes attached to the financial statements.

Related party transactions disclosed herein are between BCA Syariah and BCA's other subsidiaries. Affiliated transactions in 2023 consisted of placements and deposits, with the following values as of 31 December 2023:

Type of Transaction	Affiliated Party	Transaction Value	Nature of Relationship
Deposits (in the form of current account deposits and other)	PT BCA Finance	Rp2,296,438	Shareholder
	PT BCA Sekuritas	Rp30,281,581,537	Owned by the same shareholder
	PT Central Capital Ventura	Rp2,259,154,406	Owned by the same shareholder
	PT Asuransi Jiwa BCA	Rp1,065,039,421	Owned by the same shareholder

### Principles and Fairness of Transactions with Affiliated Parties

BCAS always prioritizes the following principles in carrying out transactions with affiliated parties:

- Observe the principles of Good Corporate Governance: transparency, accountability, responsibility, independence, and fairness.
- Ensure the appropriateness, fairness, value and terms of the arm's length transaction.

BCAS's affiliated transactions throughout 2023 were fair and at arm's length transactions.

### Conformity of Affiliated Transactions with Applicable Procedures

All transactions with affiliated parties are carried out with BCAS's optimal benefits in mind. Affiliated transactions in 2023 went through proper procedures that BCAS established in accordance with its affiliated-transaction policies.

## Conflict-of-Interest Transactions and Policies

In accordance with BCAS's code of ethics, decision-making processes must not be influenced by any parties and must not have any conflicts of interest. The decisions and conflicts of interest must be recorded and documented as evidence.

According to the Governance Policy of PT Bank BCA Syariah, as stated in the Board of Directors' Decision No. 057/SK/DIR/2023 dated 29 December 2023, BCAS's policy on conflicts of interest states that BCAS's employees at all levels must be aware of activities that may lead to conflicts of interest and should avoid them. To manage potential conflicts of interest, BCAS requires all employees of class 5 and above to sign an annual disclosure agreement.

### a. Conflicts-of-interest policy for the Boards of Commissioners and Directors

Stipulations about conflicts of interest for the Boards of Commissioners and Directors are outlined in our corporate governance guidelines. These guidelines regulate the following matters:

- Boards of Commissioners and Directors' members with a conflict of interest are prohibited from making decisions, taking actions, or being involved in transactions that would harm BCAS or lower its profits. They must also reveal this conflict of interest in every decision-making process.
- Directors are not authorized to represent BCAS in transactions where they have a conflict of interest.

### Conformity of Transactions Containing Conflict of Interest with Applicable Policies

BCAS's Boards of Commissioners and Directors effectively managed any potential conflicts of interest in 2023 in accordance with its corporate governance guidelines. When a member of either board had a conflict of interest, she or he refrained from participating in the decision making process to ensure impartiality and fairness.

### b. Independent Parties in Affiliated Transactions and Conflicts of Interest

As per relevant regulations and BCAS's internal policies, if the transaction BCAS conducts with a third party would harm it due to different economic interests between BCAS and any director or commissioner or the major or controlling shareholder, BCAS will obtain prior approval based on the fair value of the transacted object or the fairness of the transaction.

### c. Affiliated transactions with a conflict of interest

BCAS made no significant affiliated transactions with a potential conflict of interest in 2023.



# Changes in Regulations and Legislation

Several regulations and laws related to BCAS's line of business came into effect in 2023, requiring our attention. Those regulations and laws as well as their significance for the banking sector are explained below.

Regulation	Subject	Impacts on the Banking Sector
Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 29/SEOJK.03/2022	Cyber Resilience and Security for Commercial Banks	<p>Banks adopt good governance and risk management to minimize cyber threat and incident risks and ensure cyber resilience and security in their operations through proper utilization of IT and by:</p> <ol style="list-style-type: none"> <li>1. conducting an inherent cyber-security risk assessment;</li> <li>2. conducting a cyber-security maturity level assessment;</li> <li>3. determining their cyber-security risk level;</li> <li>4. conducting periodic cyber-security testing of their network, system, and data;</li> <li>5. establishing a unit to ensure their cyber resilience and security.</li> </ol>
Financial Services Authority Regulation No. 3 of 2023	Improvement of Financial Literacy and Inclusion in the Financial Service Sector for Consumers and the Public	<p>Banks are required to have a unit to improve consumer and public financial literacy and inclusion.</p> <p>BCAS's financial literacy and inclusion unit is under the Corporate Communications and Secretarial Department.</p>
Financial Services Authority Regulation No. 8 of 2023	Implementation of Anti-Money Laundering, the Prevention of Financing Terrorism, and the Prevention of Financing the Proliferation of Weapons of Mass Destruction in the Financial Service Sector.	<p>Banks must adjust and update their anti-money laundering program and prevent financing terrorism and the proliferation of weapons of mass destruction.</p> <p>BCAS has an internal policy in the form of a decision entitled "PT Bank BCA Syariah's Policy on Anti-Money Laundering and the Prevention of Financing Terrorism and the Proliferation of Weapons of Mass Destruction."</p>
Bank Indonesia Regulation No. 3 of 2023	Bank Indonesia Consumer Protection	<p>Banks made internal adjustments based on Bank Indonesia's consumer protection regulation.</p> <p>BCAS updated its internal policy on consumer protection.</p>
Bank Indonesia Regulation No. 6 of 2023	Money Market and Foreign Exchange Market	<p>Banks adjusted their policies on activities and transactions in the money market by:</p> <ol style="list-style-type: none"> <li>1. adjusting their internal policies on the market code of conduct, treasury certificate ownership and treasury dealers;</li> <li>2. registering their treasury dealers with Bank Indonesia; and</li> <li>3. registering their treasury dealers as members of a treasury professional association and self-regulatory organizations in the money and foreign exchange markets.</li> </ol>
Financial Services Authority Regulation No. 9 of 2023	Use of Public Accountant Services and Public Accounting Firm	Banks updated their internal policies on using the services of public accountants and public accounting firms.
Regulation of the Financial Services Authority of the Republic of Indonesia Number 17 of 2023	Commercial Bank Governance	Banks adjusted their governance mechanisms, policies, and procedures based on this regulation.

Regulation	Subject	Impacts on the Banking Sector
Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 24/SEOJK.03/2023	Assessment of Commercial Banks' Digital Maturity Level.	To improve their maturity and measure the quality of their information technology, banks regularly assess their digital maturity level.
Financial Services Authority of the Republic of Indonesia Regulation Number 21 of 2023	Digital Services by Commercial Banks	Banks adjusted their digital service policy by: <ol style="list-style-type: none"> <li>1. Adjusting their digital service policies, standards, and procedures;</li> <li>2. Establishing a unit to handle digital services; and</li> <li>3. Establishing a handling mechanism to respond to and follow up on customers' questions and complaints.</li> </ol>

## Changes in Accounting Policy

There were no significant changes to our accounting policy or material impact on our financial statements, either in the current or prior periods, as a result of financial standards, amendments, or interpretations of financial accounting standards.

## Business Support

### Information Technology

Indonesia has entered a new phase of life, often referred to as post-COVID-19, since the pandemic status in the country was lifted. One of the most significant changes is the shift in people's patterns and lifestyles, with a greater reliance on digital aspects. This trend has been continuing due to the prolonged pandemic. In light of the current circumstances, BCAS is dedicated to improving its information technology infrastructure and working alongside BCA to facilitate digital customer banking transactions. The progress of digital banking is achieved by enhancing the features of electronic banking transactions and ensuring the sufficiency and dependability of the system, thus enabling customers to transact digitally with confidence and utilize all electronic banking services offered by BCAS.

We have improved our information technology management strategy with three main focuses to create added value and significantly contribute to business sustainability. The improvement we have made is as follows:

### People

BCAS conducted multiple information technology development initiatives to accelerate its business growth in 2023. We realized the importance of strengthening the capacity and capability of our human resources to manage our information technology. To achieve this, we require a diverse set of human resource competencies such as programming, networking, cybersecurity, monitoring, reporting, and application testing. Through the BCA Syariah Information Technology (BSIT) Program, we meet the needs of information technology professionals with participation levels that continue to increase in line with BCAS's business needs.

BCAS encourages all of its employees to enhance their knowledge and awareness of technology and start utilizing digital solutions and products in their work and daily lives. As a concrete step, we have introduced a key performance indicator that measures an employee's digital experience. This KPI will be gradually applied to each employee. Moreover, we encourage employees to use various tools we have provided to make collaboration, monitoring, and reporting functions more efficient.

### Process

Our process focuses on two main aspects: simplification for crucial tasks like account opening and automation for repetitive tasks that need speed.

BCAS introduced an online account opening feature through the BCA Syariah Mobile app in mid-2023. This feature aims to accelerate customer base growth and make account opening processes more efficient. The online account opening feature uses advanced technologies such as face recognition and e-Know Your Customer (e-KYC) to verify customers.

BCAS has developed its own financing origination system to speed up financing distribution. This application uses

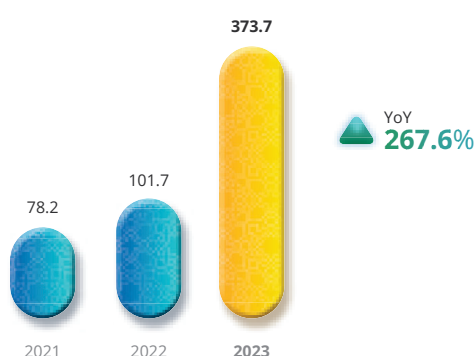
digital data to process financing from start to finish, making the process more efficient and accurate. This system allows financing to be tracked and reported more easily, providing valuable information for decision-making.

### Technology

BCAS constantly develops its e-channels to make customer transactions easier. As previously mentioned, the BCA Syariah Mobile app now allows customers to open accounts online in response to customer needs. This feature has led to a significant increase in the number of new customers and users of the app. The number of BCA Syariah Mobile app users was 373,700 in 2023, an increase of 267.6% from 101,700 thousand users in 2022.

### Number of Mobile Banking Users

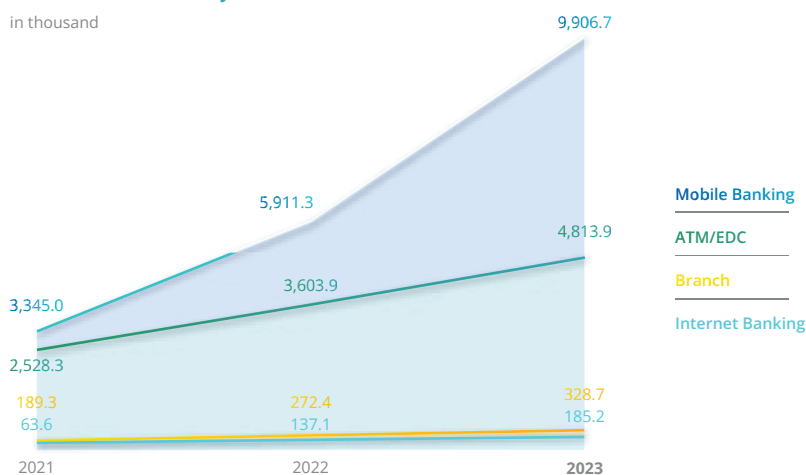
in thousand



The number of transactions made through BCAS's e-channels has increased, with mobile banking accounting for 65.0% of total transactions. This outperforms ATM/EDC, branch banking, and Internet banking, which made up only 31.6%, 2.2%, and 1.2% of customer transactions in BCAS, respectively. The number of mobile banking transactions in 2023 was 9.9 million, representing a 67.6% increase from 5.9 million transactions in 2022.

### Total Transactions by Channel

in thousand



In line with the regulators' efforts to accelerate the digitalization of the national economy and finance, we are actively engaged in activities to advance transactional solutions through BI Fast on the BCA Syariah Mobile app. We organized various BI Fast transfer fee promotional events with a thematic approach in 2023. Our objective was to encourage customers to become more familiar with and increase their use of BI Fast services for fast, easy, economical, and secure interbank transfers.



BCAS recognizes that cyber risks will also increase with the increase in digital transactions. Therefore, we are committed to strengthening our data security system and implementing IT-based cyber risk management. We regularly update our security system to protect BCAS's databases, ensuring that the system is not vulnerable to intrusion and anticipating potential attacks from external and internal parties. We carry out data security testing through penetration tests, and the results are evaluated to continuously improve our protection system. We conduct penetration tests of our new products and features and regularly every year. We have obtained an ISconduct2013 certificate for our commitment to information security. This certificate covers the scope of providing API (Application Programming Interface) and Host-to-Host Network infrastructure program applications. This certification signifies our strong commitment to implementing an Information Security Management System (ISMS) in accordance with the SNI ISO/IEC 27001:2013 standard.

## Sumber Daya Manusia

Effective human resource management is crucial for BCAS, as it relies on qualified and professional human resources to achieve its desired performance. We focus on managing and developing human resource competencies through a comprehensive, organized, and sustainable process cycle. This process involves key steps such as recruitment, capacity building, creating a supportive work climate, and termination management.

### Recruitment Management

To produce proficient and reliable professionals in the Islamic banking sector, it is vital that we recruit individuals who share BCAS's values. Therefore, our recruitment process emphasizes looking for candidates with strong values of teamwork, responsibility, integrity, and professionalism.

BCAS is rapidly expanding its business, which highlights the need for a well-equipped and capable workforce. To this end, a more efficient and accurate recruitment system is required. We are committed to developing high-quality systems and improving service levels at every stage of the recruitment process. This includes using competency standards, online and offline selection methods in our psychological tests and interviews, and collaboration with third-party sources as an alternative.

We have identified competency standards at each position level to quickly identify competency gaps. These gaps will be taken into consideration during recruitment decisions and can be an area of development for the prospective employee once s/he joins BCAS.

We offer various programs to cater to the need for human resources. These programs include the BCA Syariah Information Technology (BSIT) Program, which is designed to produce competent professionals in information technology. Additionally, the BCA Syariah Development Program (BDP) is offered to provide education and meet the need for marketing and financing analysis professionals.

We offer equal opportunities to all individuals to join BCAS through an open, fair and equal recruitment process. We do not discriminate on the basis of gender, ethnicity, religion, class or racial background. Our employee placement policy is based solely on the individuals' quality and competence and BCAS's needs.

### Competence Development

To improve our employees' competence, we ensure that all staff members receive training every year. Employees can obtain training from various sources, both internal and external. We understand that technology has made learning more accessible, including training, and therefore, we allow our employees to search for training opportunities independently.

Once they find a suitable training subject, they can register the results in their respective training data.

BCAS provides an online training platform, Syariah Mobile Learning iB (SMILE iB). The platform enables employees to access the training materials from anywhere. As of 2023, 2,316 participants took part in the training on the SMILE iB application with 24 modules available.

BCAS consistently assigns a more prominent role to supervisors to provide coaching and mentoring to guide their subordinates' performance and improve their technical expertise and interpersonal skills. Furthermore, BCAS has introduced target teaching hours for middle-to-upper management employees to foster a culture of teaching and knowledge transfer.

A transparent and fair performance appraisal system is essential for the development of the employees. At BCAS, we have a performance appraisal mechanism customized to each employee's position. The appraisal results are used for evaluation and guidance to assist their career development. We co-implement career development programs through training with BCA. This helps our employees prepare for the next career path within BCAS.

BCA is committed to implementing digital transformation initiatives for its employees. To achieve this, they have developed various digital applications that facilitate employee performance management processes. BCAS has a Coaching application that stores the history of coaching implementation, making it a helpful tool for employees. Additionally, BCAS has a Performance Appraisal application that enables supervisors and employees to conduct and store performance appraisal history in a digital format.

### Conducive Work Climate

Ensuring employee satisfaction and well-being is vital to maintaining and improving productivity. Similarly, achieving a healthy work-life balance is key to creating a conducive work environment that promotes a sense of security, comfort, and happiness. To this end, it is necessary to establish a supportive work climate.

Our efforts in establishing a supportive work climate include:

- Employee remuneration and benefits - including bonuses, allowances, healthcare, and other perks - are continually reviewed and enhanced by considering employee performance, company performance, and market competitiveness.

- Employees can get financing with lower margins for primary needs like housing and vehicles and without margins for short-term incidental needs.
- Employees are provided with safe and comfortable work facilities. BCAS renovated its head office in 2023 to accommodate the growth in the number of employees and improve work comfort.
- Employees' basic needs are met with worship, sports, and lactation facilities.
- Support is provided for spiritual activities like congregational prayers, online/offline studies, and group iftar.
- Support is provided for the growing art, sports, and hobby communities through a forum named the Sports and Arts Coordinating Board or Bakorseni.

We promote a culture of innovation and continuous improvement through various programs such as the Community of Practice (CoP), Kaizen, and Quality Meeting (QM). The CoP provides a platform for employees of all positions to share their knowledge and positive information to help with daily tasks. The Kaizen program encourages all BCAS staff to evaluate current work processes and suggest innovative ideas to make them more efficient. The QM program encourages middle and top management to discuss important issues in depth and find solutions. CoP, Kaizen, and QM are bundled together and compete at the national level in a program called Beberes, where winners will be determined annually at the branch and head office levels. In addition, we have a program called the BCA Syariah Innovation Award (BIA) that allows our employees to suggest innovative ideas that can enhance the efficiency of our products, services, or operations. The BIA competition takes place annually, and the winner will be eligible to participate in the BCA Group's national competition.

### Termination Management

We recognize the importance of an open and trusting relationship between management and employees, even after they have completed their tenure at BCAS. Therefore, we ensure that all employees who leave BCAS due to retirement or resignation receive their rights as per relevant regulations. Additionally, with BCA and several training institutions, we co-organize retirement preparation training programs for employees who are about to retire.



# Risk Management Practices

Risk information is disclosed per the Circular Letter of the Financial Services Authority No. 10/SEOJK.03/2020, issued on 1 July 2020. This circular letter regulates transparency and publication of reports of Sharia-compliant commercial banks and business units.

## Credit Risk

### Disclosure of Net Claims by Region

In million Rupiah

No	Portfolio Category	31 December 2023			
		Net Claims by Region			
		Sumatra	Java	Eastern Indonesia	Total
1	Claims against Government	-	4,060,419	-	4,060,419
2	Claims against Public Sector Entities	-	670,837	-	670,837
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-
4	Claims against Banks	-	52,689	-	52,689
5	Collateralized Housing Loans	23,189	634,370	12,167	669,726
6	Collateralized Commercial Property Loans	4,959	183,634	1,471	190,064
7	Loans to Employees/Pensioners	-	254,391	-	254,391
8	Claims against MSMEs and Retail Portfolio	20,953	281,490	4,580	307,023
9	Claims against Corporations	388,178	7,792,137	4,612	8,184,927
10	Mature Claims	-	-	-	-
11	Other Assets	-	365,907	-	365,907
<b>Total</b>		<b>437,279</b>	<b>14,295,874</b>	<b>22,829</b>	<b>14,755,982</b>

### Disclosure of Net Claims by Remaining Contract Term

In million Rupiah

No	Portfolio Category	31 December 2023				
		Net Claims by Remaining Contract Term				
		< 1 Year	>1 Year to 3 Year	>3 Year to 5 Year	> 5 Year	Non-Contractual
1	Claims against Government	2,502,105	709,028	321,149	528,136	-
2	Claims against Public Sector Entities	137,702	35,710	45,433	451,991	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-
4	Claims against Banks	29,773	-	22,916	-	-
5	Collateralized Housing Loans	3,387	22,570	85,970	557,798	-
6	Collateralized Commercial Property Loans	48,886	5,417	66,209	69,551	-

	31 December 2022			
	Net Claims by Region			
	Sumatra	Java	Eastern Indonesia	Total
	-	3,430,809	-	3,430,809
	-	655,990	-	655,990
	-	-	-	-
	-	244,396	-	244,396
	8,661	283,914	1,281	293,855
	3,063	241,353	1,533	245,949
	-	234,276	-	234,276
	8,009	179,554	2,829	190,393
	189,610	6,907,051	165,744	7,262,405
	-	50,063	-	50,063
	-	410,488	-	410,488
	<b>209,343</b>	<b>12,637,896</b>	<b>171,386</b>	<b>13,018,625</b>

Note:

- Region I: Greater Jakarta
- Region II: Outside Greater Jakarta (Java Island)
- Region III: Sumatra

		31 December 2022					
		Net Claims by Remaining Contract Term					
	Total	< 1 Year	>1 Year to 3 Year	>3 Year to 5 Year	> 5 Year	Non-Contractual	Total
	4,060,419	3,430,809	-	-	-	-	3,430,809
	670,837	286,368	39,103	4,868	325,652	-	655,990
	-	-	-	-	-	-	-
	52,689	244,396	-	-	-	-	244,396
	669,726	4,425	20,427	42,889	226,114	-	293,855
	190,064	51,655	10,864	53,503	129,927	-	245,949

No	Portfolio Category	31 December 2023				
		Net Claims by Remaining Contract Term				
		< 1 Year	>1 Year to 3 Year	>3 Year to 5 Year	> 5 Year	Non-Contractual
7	Loans to Employees/Pensioners	5,766	41,073	61,384	146,168	-
8	Claims against MSMEs and Retail Portfolio	210,140	36,619	39,839	20,425	-
9	Claims against Corporations	4,080,512	1,829,151	1,182,504	1,092,761	-
10	Mature Claims	-	-	-	-	-
11	Other Assets	365,907	-	-	-	-
<b>Total</b>		<b>7,384,178</b>	<b>2,679,568</b>	<b>1,825,404</b>	<b>2,866,831</b>	<b>-</b>

## Disclosure of Net Claims by Economic Sector

In million Rupiah

No	Economic Sector	Claims against government	Claims against Public Sector Entities	Claims against Multilateral development Banks and international organizations	Claims against Banks
<b>31 December 2023</b>					
1	Agriculture, Forestry and Fisheries	-	-	-	-
2	Mining and extractive industries	-	-	-	-
3	Processing industry	-	-	-	-
4	Electricity, Gas, Steam/Hot Water and Cold Air Supply	-	425,000	-	-
5	Water Management, Wastewater Management, Waste Management and Recycling	-	-	-	-
6	Construction	-	26,991	-	-
7	Wholesale and retail trade; Car and Motorcycle Repair and Maintenance	-	-	-	1,011
8	Transportation and Warehousing	-	-	-	-
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-
10	Information and Communication	-	-	-	-
11	Financial and Insurance Activities	4,060,419	188,910	-	51,678
12	Real Estate	-	-	-	-
13	Professional, Scientific, and Technical Activities	-	--	-	-
14	Leasing and Hire Purchase without Option Rights, Employment, Travel Agencies, and Other Business Supports	-	175	-	-
15	Government Administration, Defense and Mandatory Social Security	-	-	-	-
16	Education	-	29,760	-	-
17	Human Health and Social Activities	-	-	-	-
18	Arts, Entertainment, and Recreation	-	-	-	-



31 December 2022						
Net Claims by Remaining Contract Term						
Total	< 1 Year	>1 Year to 3 Year	>3 Year to 5 Year	> 5 Year	Non-Contractual	Total
254,391	7,622	43,025	53,679	129,950	-	234,276
307,023	114,244	45,471	19,046	11,631	-	190,393
8,184,927	4,442,546	553,631	942,601	1,323,627	-	7,262,405
-	50,063	-	-	-	-	50,063
365,907	410,488	-	-	-	-	410,488
<b>14,755,982</b>	<b>9,042,617</b>	<b>712,521</b>	<b>1,116,587</b>	<b>2,146,901</b>	<b>-</b>	<b>13,018,625</b>

Collateralized Housing Loans	Collateralized Commercial Property Loans	Loans to Employees/ Pensioners	Claims against MSMEs and retail Portfolio	Claims against Corporations	Mature Claims	Other Assets
-	-	241,489	40,171	1,158,440	-	-
-	-	-	35,175	366,663	-	-
-	19,560	-	23,337	1,753,769	-	-
-	-	-	-	-	-	-
-	-	-	9	1,513	-	-
-	46,000	-	3,718	311,641	-	-
-	-	-	59,886	1,094,274	-	-
-	63,953	-	58,002	1,143,688	-	-
380	-	-	2,277	215,628	-	-
-	-	-	4,920	67	-	-
-	-	-	8,949	640,700	-	-
-	43,552	-	-	328,906	-	-
-	-	-	586	7,458	-	-
-	-	-	3,111	660,433	-	-
-	-	-	-	-	-	-
-	-	-	-	60,140	-	-
366	-	-	12	9,638	-	-
-	-	-	-	-	-	-

No	Economic Sector	Claims against government	Claims against Public Sector Entities	Claims against Multilateral development Banks and international organizations	Claims against Banks
19	Other Services	-	-	-	-
20	Household Activities as Employer; Self-use homemade products and services	-	-	-	-
21	International organizations and other extra international organizations	-	-	-	-
22	Household	-	-	-	-
23	Non-Business Field	-	-	-	-
24	Others	-	-	-	-
<b>Total</b>		<b>4,060,419</b>	<b>670,837</b>	<b>-</b>	<b>52,689</b>
<b>31 December 2022</b>					
1	Agriculture, Forestry and Fisheries	-	-	-	-
2	Mining and extractive industries	-	-	-	-
3	Processing industry	-	-	-	-
4	Electricity, Gas, Steam/Hot Water and Cold Air Supply	-	289,286	-	-
5	Water Management, Wastewater Management, Waste Management and Recycling	-	-	-	-
6	Construction	-	9,779	-	-
7	Wholesale and retail trade; Car and Motorcycle Repair and Maintenance	-	-	-	-
8	Transportation and Warehousing	-	-	-	-
9	Provision of Accommodation and Provision of Food and Drink	-	-	-	-
10	Information and Communication	-	-	-	-
11	Financial and Insurance Activities	3,430,809	325,471	-	244,396
12	Real Estate	-	-	-	-
13	Professional, Scientific, and Technical Activities	-	-	-	-
14	Leasing and Hire Purchase without Option Rights, Employment, Travel Agencies, and Other Business Supports	-	-	-	-
15	Government Administration, Defense and Mandatory Social Security	-	-	-	-
16	Education	-	-	-	-
17	Human Health and Social Activities	-	31,455	-	-
18	Arts, Entertainment, and Recreation	-	-	-	-
19	Other Services	-	-	-	-
20	Household Activities as Employer; Self-use homemade products and services	-	-	-	-



	Collateralized Housing Loans	Collateralized Commercial Property Loans	Loans to Employees/Pensioners	Claims against MSMEs and retail Portfolio	Claims against Corporations	Mature Claims	Other Assets
	-	-	-	363	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	668,980	12,902	12,902	13,381	250,471	-	-
	-	-	-	53,128	181,496	-	-
	-	-	-	-	-	-	365,907
	<b>669,726</b>	<b>254,391</b>	<b>254,391</b>	<b>307,023</b>	<b>8,184,927</b>	<b>-</b>	<b>365,907</b>
	-	-	218,867	54,528	1,314,249	-	-
	-	-	-	83	48,057	-	-
	-	9,446	-	15,282	1,386,393	50,063	-
	-	-	-	-	-	-	-
	-	-	-	34	-	-	-
	-	46,951	-	5,998	246,968	-	-
	4,198	-	-	41,232	1,169,349	-	-
	-	16,098	-	2,052	362,406	-	-
	25	-	-	1,903	19,324	-	-
	-	-	-	1,004	36,117	-	-
	-	-	-	8,847	1,717,744	-	-
	-	158,618	-	-	147,808	-	-
	-	-	-	1,231	2,679	-	-
	-	-	-	2,678	736,785	-	-
	-	-	-	-	-	-	-
	-	-	-	343	22,149	-	-
	342	-	-	41	10,946	-	-
	-	-	-	-	-	-	-
	-	-	-	841	-	-	-
	-	-	-	-	-	-	-

No	Economic Sector	Claims against government	Claims against Public Sector Entities	Claims against Multilateral development Banks and international organizations	Claims against Banks
21	International organizations and other extra international organizations	-	-	-	-
22	Household	-	-	-	-
23	Non-Business Field	-	-	-	-
24	Others	-	-	-	-
<b>Total</b>		<b>3,430,809</b>	<b>655,990</b>	<b>-</b>	<b>244,396</b>

### Disclosure of Claims and Allowances by Region

In million Rupiah

No	Portfolio Category	31 December 2023			
		Claims and Allowances by Region			
		Sumatra	Java	Eastern Indonesia	Total
1	Claims	437,582	15,813,154	22,829	16,273,565
2	Impaired claims	7,745	635,160	-	642,905
	a. Outstanding	7,745	584,543	-	592,288
	b. Mature	-	50,617	-	50,617
3	CKPN – Individual	3,690	336,620	-	340,310
4	CKPN – Collective	3,812	128,496	29	132,337
5	Written-off claims	60,766	28,413	-	89,179

### Disclosure of Claims and Allowances by Economic Sector

In million Rupiah

No	Economic Sector	Claims	Impaired claims		
			Outstanding	Mature	
31 December 2023					
1	Agriculture, Forestry, and Fisheries	1,487,401	1,441		-
2	Mining and extractive industries	259,906	4		-
3	Processing industry	3,556,995	360,073	50,617	
4	Electricity, Gas, Steam/Hot Water and Cold Air Supply	533,434	-		-
5	Water Management, Wastewater Management, Waste Management and Recycling	1,522	9		-
6	Construction	1,936,879	70,328		-
7	Wholesale and retail trade; Car and Motorcycle Repair and Maintenance	385,274	3,408		-
8	Transportation and Warehousing	596,028	89,452		-
9	Provision of Accommodation and Provision of Food and Drink	78,765	-		-
10	Information and Communication	35,823	-		-

	Collateralized Housing Loans	Collateralized Commercial Property Loans	Loans to Employees/ Pensioners	Claims against MSMEs and retail Portfolio	Claims against Corporations	Mature Claims	Other Assets
	-	-	-	-	-	-	-
	289,291	14,836	15,409	12,661	51,394	-	-
	-	-	-	41,636	37	-	-
	-	-	-	-	-	-	410,488
	<b>293,855</b>	<b>245,949</b>	<b>234,276</b>	<b>190,393</b>	<b>7,262,405</b>	<b>50,063</b>	<b>410,488</b>

	31 December 2023			
	Claims and Allowances by Region			
	Region 1	Region 2	Region 3	Total
	5,144,747	1,302,408	6,207	6,453,362
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	2,926	30,975	59	33,960
	3,220	77,081	-	80,301

Notes  
 Region 1 : Greater Jakarta  
 Region 2 : Outside Greater Jakarta (Java island)  
 Region 3 : Sumatra

	CKPN - Individual	CKPN - Collective	Written-off claims
	67	12,271	-
	0	1,521	-
	153,543	8,666	-
	-	5,321	-
	1	5	-
	1,180	39,815	-
	69,632	14,052	14,573
	60,978	3,140	6,104
	-	602	-
	-	344	-

No	Economic Sector	Claims	Impaired claims	
			Outstanding	Mature
11	Financial and Insurance Activities	4,340,169	-	-
12	Real Estate	443,814	49,925	-
13	Professional, Scientific, and Technical Activities	8,017	-	-
14	Leasing and Hire Purchase without Option Rights, Employment, Travel Agencies, and Other Business Supports	557,665	641	-
15	Government Administration, Defense and Mandatory Social Security	1,093,935	-	-
16	Education	61,166	-	-
17	Human Health and Social Activities	10,010	12	-
18	Arts, Entertainment, and Recreation	-	-	-
19	Other Services	62,147	-	-
20	Household Activities as Employer; Self-use homemade products and services	-	-	-
21	International organizations and other extra international organizations	-	-	-
22	Household	770,644	16,996	-
23	Non-Business Field	53,970	-	-
24	Others	-	-	-
<b>Total</b>		<b>16,273,565</b>	<b>592,288</b>	<b>50,617</b>
<b>31 December 2022</b>				
1	Agriculture, Forestry, and Fisheries	501,668	-	-
2	Mining and extractive industries	177,144	-	-
3	Processing industry	399,804	-	-
4	Electricity, Gas, Steam/Hot Water and Cold Air Supply	41,436	-	-
5	Water Management, Wastewater Management, Waste Management and Recycling	34	-	-
6	Construction	83,506	-	-
7	Wholesale and retail trade; Car and Motorcycle Repair and Maintenance	70,877	-	-
8	Transportation and Warehousing	191,871	-	-
9	Provision of Accommodation and Provision of Food and Drink	6,303	-	-
10	Information and Communication	32,824	-	-
11	Financial and Insurance Activities	2,347,386	-	-
12	Real Estate	97,880	-	-
13	Professional, Scientific, and Technical Activities	1,896	-	-
14	Leasing and Hire Purchase without Option Rights, Employment, Travel Agencies, and Other Business Supports	139,897	-	-
15	Government Administration, Defense and Mandatory Social Security	1,980,580	-	-
16	Education	24,327	-	-
17	Human Health and Social Activities	6,322	-	-
18	Arts, Entertainment, and Recreation	-	-	-
19	Other Services	39	-	-



	CKPN – Individual	CKPN – Collective	Written-off claims
	-	13,232	-
	48,494	21,275	-
	-	76	-
	629	6,538	17,440
	-	-	-
	-	460	-
	1	16	-
	-	-	-
	-	611	51,063
	-	-	-
	-	-	-
	5,785	4,346	-
	-	185	-
	-	-	-
	<b>340,310</b>	<b>132,476</b>	<b>89,179</b>
	-	4,887	-
	-	1,761	-
	-	4,010	-
	-	411	-
	-	4	-
	-	819	-
	-	749	26,000
	-	1,891	1,628
	-	177	6,117
	-	323	-
	-	8,957	44,468
	-	946	2,088
	-	559	-
	-	2,196	-
	-	-	-
	-	231	-
	-	66	-
	-	-	-
	-	6	-



No	Economic Sector	Claims	Impaired claims	
			Outstanding	Mature
20	Household Activities as Employer; Self-use homemade products and services	-	-	-
21	International organizations and other extra international organizations	-	-	-
22	Household	309,116	-	-
23	Non-Business Field	40,453	-	-
24	Others	•	-	-
<b>Total</b>		<b>6,453,362</b>		-

### Disclosure of Details of Movements in Impairment Losses

In million Rupiah

No	Description	31 December 2023	
		CKPN Individual	CKPN Collective
1	Initial balance of CKPN	4,602	29,214
2	Establishment (recovery) of CKPN in the current period (Net)	41,744	(14,664)
	a. Establishment of CKPN in the current period	57,948	31,523
	b. Recovery of CKPN in the current period	(16,205)	(46,187)
3	CKPN used to write off bills for the current period	(561)	-
4	Formation (recovery) of Others in the current period	-	-
<b>Closing Impairment Reserve Balance</b>		<b>45,785</b>	<b>14,550</b>

	CKPN - Individual	CKPN - Collective	Written-off claims
	-	-	-
	-	-	-
	-	5,583	-
	-	385	-
	-	-	-
	-	<b>33,960</b>	<b>80,301</b>

31 December 2022		
	CKPN Individual	CKPN Collective
	-	16,602
	11,445	21,878
	11,445	21,878
	-	-
	(856)	-
	-	-
	<b>10,589</b>	<b>38,481</b>

## Net Claims by Portfolio Category and Rating

In million Rupiah

No	Portfolio Category	Rating Agency	Net Claims			
		Long-Term Ratings				
		Standard and Poo	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+ (idn) to AA- (idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB- (idn)
		PT. Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	idBBB+ to idBB-
31 December 2023						
1	Claims against Government		-	-	-	-
2	Claims against Public Sector Entities		-	589,350	-	-
3	Claims against Multilateral Development Banks and International Organizations		-	-	-	-
4	Claims against Banks		-	28,762	-	-
5	Collateralized Housing Loans		-	-	-	-
6	Collateralized Commercial Property Loans		-	-	-	-
7	Loans to Employees/ Pensioners		-	-	-	-
8	Claims against MSMEs and Retail Portfolio		-	-	-	-
9	Claims against Corporations		-	664,359	907,618	65,428
10	Mature Claims		-	-	-	-
11	Other Assets		-	-	-	-
Total						

				Short-Term Ratings						
	BB+ to BB-	B+ to B-	Less Than B-	A-1	A-2	A-3	Less Than A-3	No Rating	Total	
	BB+ to BB-	B+ to B-	Less Than B-	F1+ to F1	F2	F3	Less Than F3			
	Ba1 to Ba3	B1 to B3	Less Than B3	P-1	P-2	P-3	Less Than P-3			
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less Than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Less Than F3(idn)			
	Id BB+ to idBB-	Id B+ to idB-	Less Than idB-	idA1	idA2	idA4	Less Than idA4			
	-	-	-	-	-	-	-	4,060,419	4,060,419	
	-	-	35,525	-	-	-	-	45,962	670,837	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	23,926	52,689	
	-	-	-	-	-	-	-	669,726	669,726	
	-	-	-	-	-	-	-	190,064	190,064	
	-	-	-	-	-	-	-	254,391	254,391	
	-	-	-	-	-	-	-	307,023	307,023	
	-	-	-	-	-	-	-	6,547,522	8,184,927	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	365,907	365,907	
										14,755,982



No	Portfolio Category	Rating Agency	Net Claims			
		Long-Term Ratings				
		Standard and Poo	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+ (idn) to AA- (idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB- (idn)
		PT. Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	idBBB+ to idBB-
31 December 2022						
1	Claims against Government		-	-	-	-
2	Claims against Public Sector Entities		-	507,770	106,986	-
3	Claims against Multilateral Development Banks and International Organizations		-	-	-	-
4	Claims against Banks		-	14,396	-	-
5	Collateralized Housing Loans		-	-	-	-
6	Collateralized Commercial Property Loans		-	-	-	-
7	Loans to Employees/ Pensioners		-	-	-	-
8	Claims against MSMEs and Retail Portfolio		-	-	-	-
9	Claims against Corporations		-	264,139	935,892	425
10	Mature Claims		-	-	-	-
11	Other Assets		-	-	-	-
Total						



	Short-Term Ratings								
	BB+ to BB-	B+ to B-	Less Than B-	A-1	A-2	A-3	Less Than A-3	No Rating	Total
	BB+ to BB-	B+ to B-	Less Than B-	F1+ to F1	F2	F3	Less Than F3		
	Ba1 to Ba3	B1 to B3	Less Than B3	P-1	P-2	P-3	Less Than P-3		
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less Than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Less Than F3(idn)		
	Id BB+ to idBB-	Id B+ to idB-	Less Than idB-	idA1	idA2	idA4	Less Than idA4		
	-	-	-	-	-	-	-	3,430,809	3,430,809
	-	-	-	-	-	-	-	41,234	655,990
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	230,000	244,396
	-	-	-	-	-	-	-	293,855	293,855
	-	-	-	-	-	-	-	245,949	245,949
	-	-	-	-	-	-	-	234,276	234,276
	-	-	-	-	-	-	-	190,393	190,393
	-	-	-	-	-	-	-	6,061,949	7,262,405
	-	-	-	-	-	-	-	50,063	50,063
	-	-	-	-	-	-	-	410,488	410,488
									<b>13,018,625</b>

## Disclosure of Counterparty Credit Risks

### Sharia Hedging Transactions Over The Counter

Dalam jutaan Rupiah

No	Underlying Variables	31 December 2023						
		Notional Value			Sharia Hedging Claims	Sharia Hedging Obligations	Net Claims Before Credit Risk Mitigation	Credit Risk Mitigation
		≤ 1 Year	> 1 Year - ≤ 5 Year	> 5 Year				
1	Shariah-Compliant Profit Rate Swap	-	-	-	-	-	-	-
2	Shariah-Compliant Foreign Currency Swap	-	-	-	-	-	-	-
3	Other	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-

### Repo Transactions

In million Rupiah

No	Portfolio Category	31 December 2023			
		Net Claims	Credit risk mitigation value	Net Claims After Credit Risk Mitigation	Risk-weighted Assets
1	Claims against Government	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-
4	Claims against Banks	-	-	-	-
5	Claims against MSMEs and Retail Portfolio	-	-	-	-
6	Claims against Corporations	-	-	-	-
<b>Total</b>		-	-	-	-

31 December 2022									
	Net Claims After Credit Risk Mitigation	Notional Value			Sharia Hedging Claims	Sharia Hedging Obligations	Net Claims Before Credit Risk Mitigation	Credit Risk Mitigation	Net Claims After Credit Risk Mitigation
		≤ 1 Year	> 1 Year - ≤ 5 Year	> 5 Year					
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

31 December 2022				
	Net Claims	Credit risk mitigation value	Net Claims After Credit Risk Mitigation	Risk-weighted Assets
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

## Reverse Repo Transactions

In million Rupiah

No	Portfolio Category	31 December 2023			
		Net Claims	Credit Risk Mitigation value	Net Claims After Credit Risk Mitigation	Risk-weighted assets after Credit Risk Mitigation
1	Claims against Government	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-
4	Claims against Banks	-	-	-	-
5	Claims against MSMEs and Retail Portfolio	-	-	-	-
6	Claims against Corporations	-	-	-	-
<b>Total</b>		-	-	-	-

## Disclosure of Net Claims Based on Risk Weight After Credit Risk Mitigation Impact Calculation

Dalam jutaan Rupiah

No	Portfolio Category	Net Claims After Credit Risk Mitigation Impact						
		0%	20%	25%	35%	40%	45%	
31 December 2023								
A On-balance sheet exposure								
1	Claims against Government	4,060,419	-	-	-	-	-	
2	Claims against Public Sector Entities	-	589,350	-	-	-	-	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	
4	Claims against Banks	-	28,762	-	-	-	-	
5	Collateralized Housing Loans	-	106,642	244,217	318,668	-	-	
6	Collateralized Commercial Property Loans	-	-	-	-	-	-	
7	Loans to Employees/ Pensioners	-	-	-	-	-	-	
8	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-	
9	Claims against Corporations	-	664,359	-	-	-	-	
10	Mature Claims	-	-	-	-	-	-	
11	Other Assets	365,907	-	-	-	-	-	
Total on-balance sheet exposure		-	-	-	-	-	-	
B Other off-balance sheet exposure								
1	Claims against Government	-	-	-	-	-	-	
2	Claims against Public Sector Entities	142,716	-	-	-	-	-	



31 December 2022				
	Net Claims	Credit Risk Mitigation value	Net Claims After Credit Risk Mitigation	Risk-weighted assets after Credit Risk Mitigation
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

	50%	75%	100%	150%	Others	ATMR	Capital Expense
	-	-	-	-	-	-	-
	45,962	-	-	35,525	-	194,139	-
	-	-	-	-	-	-	-
	23,926	-	-	-	-	17,716	-
	-	-	-	-	-	193,916	-
	-	-	190,064	-	-	190,064	-
	254,391	-	-	-	-	127,195	-
	-	193,551	-	-	-	145,163	-
	907,618	-	6,001,577	45,000	-	6,655,757	-
	-	-	-	-	-	-	-
	-	-	323,096	-	-	323,095	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-



No	Portfolio Category	Net Claims After Credit Risk Mitigation Impact						
		0%	20%	25%	35%	40%	45%	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	-
4	Claims against Banks	-	-	-	-	-	-	-
5	Collateralized Housing Loans	414	1,000	-	-	-	-	-
6	Collateralized Commercial Property Loans	-	-	-	-	-	-	-
7	Loans to Employees/ Pensioners	-	-	-	-	-	-	-
8	Claims against MSMEs and Retail Portfolio	10,000	9,075	-	-	-	-	-
9	Claims against Corporations	996,701	524,831	-	-	-	-	-
10	Mature Claims	-	-	-	-	-	-	-
<b>Total Other Off-Balance Sheet Exposure</b>		-	-	-	-	-	-	-
<b>C Counterparty Credit Risk Exposure</b>								
1	Claims against Government	-	-	-	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	-
4	Claims against Banks	-	-	-	-	-	-	-
5	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-	-
6	Claims against Corporations	-	-	-	-	-	-	-
<b>Total Counterparty Credit Risk Exposure</b>		5,576,156	1,924,019	244,217	318,668	-	-	-
<b>31 December 2022</b>								
<b>A On-balance sheet exposure</b>								
1	Claims against Government	3,430,809	-	-	-	-	-	-
2	Claims against Public Sector Entities	-	507,770	-	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	-
4	Claims against Banks	-	244,396	-	-	-	-	-
5	Collateralized Housing Loans	-	53,740	79,767	160,347	-	-	-
6	Collateralized Commercial Property Loans	-	-	-	-	-	-	-
7	Loans to Employees/ Pensioners	-	-	-	-	-	-	-
8	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-	-
9	Claims against Corporations	-	264,139	-	-	-	-	-
10	Mature Claims	-	-	-	-	-	-	-
11	Other Assets	410,488	-	-	-	-	-	-
<b>Total on-balance sheet exposure</b>		-	-	-	-	-	-	-

						ATMR	Capital Expense
	50%	75%	100%	150%	Others		
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	40	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	50	-	-	1,399	-
	-	-	75,683	-	-	180,649	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,231,898	193,551	6,590,469	80,525	-	8,029,133	-
	-	-	-	-	-	-	-
	148,220	-	-	-	-	175,664	-
	-	-	-	-	-	-	-
	-	-	-	-	-	48,879,25	-
	-	-	-	-	-	85,641	-
	-	-	245,949	-	-	245,949	-
	234,286	-	-	-	-	117,138	--
	-	189,062	-	-	-	92,750	-
	935,892	-	5,902,456	-	-	6,049,981	-
	-	-	50,063	-	-	50,063	-
	-	-	-	-	-	341,267	-
	-	-	-	-	-	-	-

No	Portfolio Category	Net Claims After Credit Risk Mitigation Impact						
		0%	20%	25%	35%	40%	45%	
B Other off-balance sheet exposure								
1	Claims against Government	-	-	-	-	-	-	
2	Claims against Public Sector Entities	-	-	-	-	-	-	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	
4	Claims against Banks	-	-	-	-	-	-	
5	Collateralized Housing Loans	-	-	-	-	-	-	
6	Collateralized Commercial Property Loans	-	1	-	-	-	-	
7	Loans to Employees/ Pensioners	-	-	-	-	-	-	
8	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-	
9	Claims against Corporations	28,500	6,576	-	-	-	-	
10	Mature Claims	842,726	565,426	-	-	-	-	
Total other off-balance sheet exposure		-	-	-	-	-	-	
C Counterparty credit risk exposure								
1	Claims against Government	-	-	-	-	-	-	
2	Claims against Public Sector Entities	-	-	-	-	-	-	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	
4	Claims against Banks	-	-	-	-	-	-	
5	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-	
6	Claims against Corporations	-	-	-	-	-	-	
Total Counterparty Credit Risk Exposure		4,712,523	1,642,047	79,767	160,347	-	-	

						ATMR	Capital Expense
	50%	75%	100%	150%	Others		
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	0	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	16	-	-	998	-
	-	-	46,833	-	-	159,918	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,318,389	189,062	6,245,317	-	-	7,368,248	-

## Disclosure of Net Claims and Credit Risk Mitigation Methods

In million Rupiah

No	Portfolio Category	31 December 2023						
		Net Claims	The Guaranteed Section With				No Guaranteed	
			Collateral	Warranty	Financing Insurance	Other		
A On-balance sheet exposure								
1	Claims against Government	4,060,419	-	-	-	-	4,060,419	
2	Claims against Public Sector Entities	670,837	-	-	-	-	670,837	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	
4	Claims against Banks	52,689	-	-	-	-	52,689	
5	Collateralized Housing Loans	669,526	-	-	-	-	669,526	
6	Collateralized Commercial Property Loans	190,064	-	-	-	-	190,064	
7	Loans to Employees/ Pensioners	254,391	-	-	-	-	254,391	
8	Claims against MSMEs and Retail Portfolio	305,158	111,606,68	-	-	-	193,551	
9	Claims against Corporations	8,004,278	385,724,47	-	-	-	7,618,554	
10	Mature Claims	-	-	-	-	-	-	
11	Other Assets	365,907	-	-	-	-	365,907	
Total on-balance sheet exposure		14,573,268	4 97,331	-	-	-	14,075,937	
B Other off-balance sheet exposure								
1	Claims against Government	-	-	-	-	-	-	
2	Claims against Public Sector Entities	-	-	-	-	-	-	
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-	
4	Claims against Banks	-	-	-	-	-	-	
5	Collateralized Housing Loans	200	-	-	-	-	-	
6	Collateralized Commercial Property Loans	-	-	-	-	-	-	
7	Loans to Employees/ Pensioners	-	-	-	-	-	-	
8	Claims against MSMEs and Retail Portfolio	1,865	-	-	-	-	-	



	31 December 2022					
	Net Claims	The Guaranteed Section With				No Guaranteed
		Collateral	Warranty	Financing Insurance	Other	
	3,430,809	-	-	-	-	-
	655,990	-	-	-	-	387,976
	-	-	-	-	-	-
	244,396	-	-	-	-	-
	293,854	4,000,00	-	-	-	290,170
	245,949	-	-	-	-	245,949
	234,276	-	-	-	-	234,276
	189,062	104,898,54	-	-	-	123,515
	7,102,487	628,941,74	-	-	-	5,573,773
	50,063	-	-	-	-	50,063
	410,488	-	-	-	-	-
	<b>12,857,375</b>	<b>737,840,27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,905,722</b>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,331	-	-	-	-	-

No	Portfolio Category	31 December 2023					
		Net Claims	The Guaranteed Section With				No Guaranteed
			Collateral	Warranty	Financing Insurance	Other	
9	Claims against Corporations	180,649	-	-	-	-	-
10	Mature Claims	-	-	-	-	-	-
<b>Total other off-balance sheet exposure</b>		<b>182,714</b>	-	-	-	-	-
<b>C Counterparty Credit Risk Exposure</b>							
1	Claims against Government	-	-	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-
4	Claims against Banks	-	-	-	-	-	-
5	Claims against MSMEs and Retail Portfolio	-	-	-	-	-	-
6	Claims against Corporations	-	-	-	-	-	-
<b>Total Counterparty Credit Risk Exposure</b>		-	-	-	-	-	-

### Disclosure of Asset Securitization Transactions

No	Securitization Exposure	31 December 2023					
		Value of Securitized Assets	The Value of Securitized Assets that Have Decreased In Value		Profit/ Loss From Securitization Activities	Risk-weighted assets	Capital Deduction
			Maturity	Not Yet Due			
1	Bank acts as an initial creditor - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
2	Bank acts as a supporting credit provider:						
	a. First risk insurer facility - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
	b. Second risk insurer facility - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-

31 December 2022						
Net Claims	The Guaranteed Section With				No Guaranteed	
	Collateral	Warranty	Financing Insurance	Other		
159,918	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>161,250</b>	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Notes:  
 Unguaranteed Portion = Net Claims  
 - (Collateral + Guarantee + Financing Insurance + Other)

31 December 2022					
Value of Securitized Assets	The Value of Securitized Assets that Have Decreased In Value		Profit/Loss From Securitization Activities	Risk-weighted assets	Capital Deduction
	Maturity	Not Yet Due			
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

No	Securitization Exposure	31 December 2023					
		Value of Securitized Assets	The Value of Securitized Assets that Have Decreased in Value		Profit/Loss From Securitization Activities	Risk-weighted assets	Capital Deduction
			Maturity	Not Yet Due			
3	Bank acts as a provider of liquidity facilities - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
4	Bank acts as a service provider - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
5	Bank acts as custodian bank - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
6	Banks act as a financier						
	a. Senior tranche - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-
	b. Junior tranche - Type of exposure (e.g., claims with a residential house as the collateral)	-	-	-	-	-	-

### Summarized Disclosure of Asset Securitization Transactions When the Sharia-compliant Commercial Bank Acts as an Initial Creditor

No	Underlying Asset	31 December 2023		31 December 2022	
		Value of Securitized Assets	Sales Gains/Losses	Value of Securitized Assets	Sales Gains/Losses
1	Claims against Government	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-
4	Claims against Banks	-	-	-	-
5	Collateralized Housing Loans	-	-	-	-
6	Collateralized Commercial Property Loans	-	-	-	-
7	Loans to Employees/Pensioners	-	-	-	-
8	Claims against MSMEs and Retail Portfolio	-	-	-	-
9	Claims against Corporations	-	-	-	-
10	Mature Claims	-	-	-	-
<b>Total</b>		-	-	-	-



31 December 2022						
	Value of Securitized Assets	The Value of Securitized Assets that Have Decreased In Value		Profit/Loss From Securitization Activities	Risk-weighted assets	Capital Deduction
		Maturity	Not Yet Due			
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

## Disclosure of Risk-weighted Asset Calculation for Credit Risk Using the Standard Approach

### On-Balance Sheet Asset Exposure

In million Rupiah

No	Portfolio Category	31 December 2023			31 December 2022		
		Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation	Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation
1	Claims against Government	4,060,419	-	-	3,430,809	-	-
2	Claims against Public Sector Entities	670,837	194,138	194,138	655,990	175,664	175,664
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-
4	Claims against Banks	52,689	17,716	17,716	244,396	48,879	48,879
5	Collateralized Housing Loans	669,526	193,916	193,916	293,855	86,811	85,641



No	Portfolio Category	31 December 2023			31 December 2022		
		Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation	Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation
6	Collateralized Commercial Property Loans	190,064	190,064	190,064	245,949	245,949	245,949
7	Loans to Employees/Pensioners	254,391	127,195	127,195	234,276	117,138	117,138
8	Claims against MSMEs and Retail Portfolio	305,158	228,868	145,163	190,393	141,796	92,750
9	Claims against Corporations	8,004,278	7,041,482	6,655,757	7,262,405	6,423,230	6,049,981
10	Mature Claims	-	-	-	50,063	50,063	50,063
11	Other Assets	365,907	-	323,096	410,488	-	341,267
<b>Total</b>		<b>14,573,267</b>	<b>7,993,379</b>	<b>7,847,045</b>	<b>13,018,625</b>	<b>7,289,625</b>	<b>7,207,332</b>

#### Other Off-Balance Sheet Exposure

In million Rupiah

No	Portfolio Category	31 December 2023			31 December 2022		
		Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation	Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation
1	Claims against Government	-	-	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-
4	Claims against Banks	-	-	-	-	-	-
5	Collateralized Housing Loans	200	40	40	1	0	0
6	Collateralized Commercial Property Loans	-	-	-	-	-	-
7	Loans to Employees/Pensioners	-	-	-	-	-	-
8	Claims against MSMEs and Retail Portfolio	1,865	1,399	1,399	1,331	998	998
9	Claims against Corporations	180,649	180,649	180,649	159,918	159,918	159,918
10	Mature Claims	-	-	-	-	-	-
<b>Total</b>		<b>182,714</b>	<b>182,088</b>	<b>182,088</b>	<b>161,250</b>	<b>160,916</b>	<b>160,916</b>

## Counterparty Credit Risk Exposure

No	Portfolio Category	31 December 2023			31 December 2022		
		Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation	Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation
1	Claims against Government	-	-	-	-	-	-
2	Claims against Public Sector Entities	-	-	-	-	-	-
3	Claims against Multilateral Development Banks and International Organizations	-	-	-	-	-	-
4	Claims against Banks	-	-	-	-	-	-
5	Collateralized Housing Loans	-	-	-	-	-	-
6	Collateralized Commercial Property Loans	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-

## Settlement Risk Exposure

No	Portfolio Category	31 December 2023			31 December 2022		
		Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation	Net Claims	Risk-weighted Assets Before Credit Risk Mitigation	Risk-weighted Assets After Credit Risk Mitigation
1	Delivery versus payment	-	-	-	-	-	-
	a. Capital expenses 8% (5-15 days)	-	-	-	-	-	-
	b. Capital expenses 50% (16-30 days)	-	-	-	-	-	-
	c. Capital expenses of 75% (31-45 days)	-	-	-	-	-	-
	d. 100% capital expense (more than 45 days)	-	-	-	-	-	-
2	Non – Delivery versus payment	-	-	-	-	-	-

## Securitization Exposure

No	Type of Transaction	31 December 2023		31 December 2022	
		Capital Reduction Factor	Risk-weighted Assets After Credit Risk Mitigation	Capital Reduction Factor	Risk-weighted Assets After Credit Risk Mitigation
1	Supporting Financing Facilities that meet the requirements	-	-	-	-
2	Supporting Financing Facilities that do not meet the requirements	-	-	-	-
3	Financing facilities that meet the requirements	-	-	-	-
4	Financing facilities that do not meet the requirements	-	-	-	-
5	Purchase of Asset-Backed Securities that meet the requirements	-	-	-	-
6	Purchase of Asset-Backed Securities that do not meet the requirements	-	-	-	-
7	Securitization exposure not covered by the Financial Services Authority Regulations on the principle of prudence in asset securitization activities for commercial banks	-	-	-	-
<b>Total</b>		-	-	-	-

## Credit Risk Measurement Total

In million Rupiah

No	Description	31 December 2023	31 December 2022
1	Total Credit Risk for Risk-weighted Assets	8,029,133	6,337,115
2	Total Capital Reduction Factor	-	-

## Market Risk

### Market Risk Disclosure Using the Standard Approach

No	Types of Risk	31 December 2023				31 December 2022			
		Bank		Consolidation		Bank		Consolidation	
		Capital Expense	Risk-weighted Assets	Capital Expense	Risk-weighted Assets	Capital Expense	Risk-weighted Assets	Capital Expense	Risk-weighted Assets
1	Interest Rate Benchmark Risk	-	-	-	-	-	-	-	-
	a. Specific Risk	-	-	-	-	-	-	-	-
	b. General Risk	-	-	-	-	-	-	-	-
2	Exchange Rate Risk	-	-	-	-	-	-	-	-
3	Equity Risk *)	-	-	-	-	-	-	-	-
4	Commodity Risk *)	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-



## Liquidity Risk

### Profile Disclosure of Rupiah and Foreign Currency Maturity

#### Rupiah Maturity Profile

In Million Rupiah

No	Account	31 December 2023						
		Balance	Maturity *)					
			≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months	
BALANCE SHEET								
A	Asset	14,471,734	2,782,159	716,042	1,764,590	1,623,751	7,585,192	
1	Cash	42,811	42,811	-	-	-	-	
2	Placements with Bank Indonesia	1,093,935	1,093,935	-	-	-	-	
3	Placements with Other Banks	28,762	28,762	-	-	-	-	
4	Marketable Securities	4,288,943	1,410,434	231,523	212,508	353,885	2,080,593	
5	Murabahah Receivables (gross)	1,654,583	909	3,755	13,042	45,599	1,591,278	
6	Salam Receivables	-	-	-	-	-	-	
7	Istishna' receivables	-	-	-	-	-	-	
8	Qardh receivables	13,486	8,465	2,366	90	485	2,080	
9	Mudharabah Financing	760,307	151	20,010	31,131	162,979	546,036	
10	Musarakah Financing	5,988,631	196,178	453,189	1,500,797	1,044,610	2,793,857	
11	Ijarah	596,546	27	5,167	4,847	16,018	570,487	
12	Other Assets	3,730	487	32	2,175	175	861	
B	Liabilities	14,471,734	10,241,002	448,100	153,369	335,058	3,294,205	
1	Third-Party Funds	10,949,450	9,984,595	448,100	153,369	335,058	28,328	
	a. Wadiah Demand Deposits	2,076,138	2,076,138	-	-	-	-	
	b. Mudharabah Time Deposits	6,776,761	5,840,974	448,030	153,369	334,388	-	
	c. Wadiah Savings	1,159,440	1,159,440	-	-	-	-	
	d. Mudharabah Savings	937,111	908,043	70	-	670	28,328	
	e. Other	-	-	-	-	-	-	
2	Liabilities to Bank Indonesia	-	-	-	-	-	-	
3	Liabilities to Other Banks	66,407	66,407	-	-	-	-	
4	Securities Issued	190,000	190,000	-	-	-	-	
5	Received Financing	-	-	-	-	-	-	
6	Other Liabilities	3,265,877	-	-	-	-	3,265,877	

31 December 2022						
	Balance	Maturity *)				
		≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months
	<b>12,671,669</b>	<b>3,474,518</b>	<b>479,916</b>	<b>1,290,367</b>	<b>1,534,557</b>	<b>5,892,311</b>
	69,221	69,221	-	-	-	-
	946,012	946,012	-	-	-	-
	14,396	14,396	-	-	-	-
	4,110,855	2,105,911	-	100,311	88,264	1,816,369
	1,348,575	473	2,952	9,136	41,397	1,294,617
	-	-	-	-	-	-
	-	-	-	-	-	-
	30,846	1,326	15,711	12,715	241	853
	508,124	1,325	48,088	6,030	40,997	401,684
	5,297,352	335,666	413,134	1,148,640	1,363,333	2,036,579
	391,921	151	24	3,333	248	388,164
	(45,633)	36	7	202	77	(45,955)
	<b>12,671,669</b>	<b>8,964,066</b>	<b>348,368</b>	<b>58,945</b>	<b>106,059</b>	<b>3,194,231</b>
	9,481,633	8,958,178	348,368	58,945	106,059	10,083
	2,103,955	2,103,955	-	-	-	-
	5,821,627	5,319,184	345,364	55,169	101,910	-
	760,343	760,343	-	-	-	-
	795,708	774,696	3,004	3,776	4,149	10,083
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,888	5,888	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,184,148	-	-	-	-	3,184,148

No	Account	31 December 2023					
		Balance	Maturity *)				
			≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months
<b>C</b>	<b>Commitment and Contingency Statements</b>	<b>76,033</b>	<b>17,513</b>	<b>27,304</b>	<b>15,728</b>	<b>14,488</b>	<b>1,000</b>
1	Commitment obligations						
2	Contingency obligations	76,033	17,513	27,304	15,728	14,488	1,000
<b>D</b>	<b>Difference (A-B)</b>	<b>-</b>	<b>(7,458,843)</b>	<b>267,942</b>	<b>1,611,221</b>	<b>1,288,693</b>	<b>4,290,987</b>

## Foreign Currency Maturity Profile

No	Account	31 December 2023					
		Balance	Maturity *)				
			≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	
BALANCE SHEET							
A	Asset	-	-	-	-	-	-
1	Cash	-	-	-	-	-	-
2	Placements with Bank Indonesia	-	-	-	-	-	-
3	Placements with Other Banks	-	-	-	-	-	-
4	Marketable Securities	-	-	-	-	-	-
5	<i>Murabahah</i> Receivables (gross)	-	-	-	-	-	-
6	Salam Receivables	-	-	-	-	-	-
7	<i>Istishna'</i> receivables	-	-	-	-	-	-
8	<i>Qardh</i> receivables	-	-	-	-	-	-
9	<i>Mudharabah</i> Financing	-	-	-	-	-	-
10	<i>Musarakah</i> Financing	-	-	-	-	-	-
11	<i>Ijarah</i>	-	-	-	-	-	-
12	Other Assets	-	-	-	-	-	-
B	Liabilities	-	-	-	-	-	-
1	Third-Party Funds	-	-	-	-	-	-
	<i>a. Wadiah</i> Demand Deposits	-	-	-	-	-	-
	<i>b. Mudharabah</i> Time Deposits	-	-	-	-	-	-
	<i>c. Wadiah</i> Savings	-	-	-	-	-	-
	<i>d. Mudharabah</i> Savings	-	-	-	-	-	-
	e. Other	-	-	-	-	-	-
2	Liabilities to Bank Indonesia	-	-	-	-	-	-

	31 December 2022					
	Balance	Maturity *)				
		≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months
	46,849	23,615	4,758	11,605	6,871	-
	46,849	23,615	4,758	11,605	6,871	-
	-	(5,489,548)	131,548	1,231,422	1,428,498	2,698,080

[illegible]



No	Account	31 December 2023					
		Balance	Maturity *)				
			≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months
3	Liabilities to Other Banks	-	-	-	-	-	-
4	Securities Issued	-	-	-	-	-	-
5	Received Financing	-	-	-	-	-	-
6	Other Liabilities	-	-	-	-	-	-
<b>C</b>	<b>Commitment and Contingency Statements</b>	-	-	-	-	-	-
1	Commitment obligations	-	-	-	-	-	-
2	Contingency obligations	-	-	-	-	-	-
<b>D</b>	<b>Difference (A-B)</b>	-	-	-	-	-	-

## Operational Risks

In Million Rupiah

No	Approach Used	31 December 2023		
		Gross Income (Average in the last three years)	Capital Expense	Risk-weighted Assets
1	Standard indicator approach	506,359	75,954	949,422
<b>Total</b>		<b>506,359</b>	<b>75,954</b>	<b>949,422</b>

31 December 2022						
	Balance	Maturity *)				
		≤ 1 month	> 1 month to 3 months	> 3 months to 6 months	6 months to 12 months	> 12 months
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

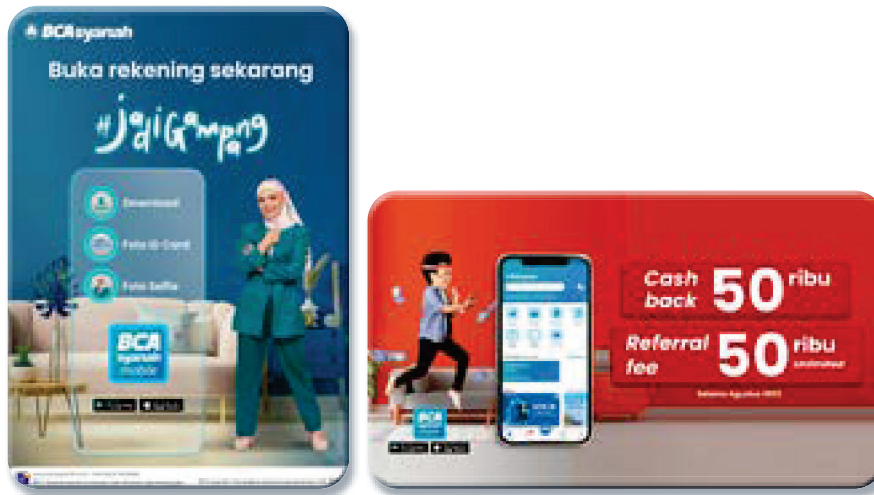
31 December 2022		
Gross Income (Average in the last three years)	Capital Expense	Risk-weighted Assets
414,880	62,232	777,900
<b>414,880</b>	<b>62,232</b>	<b>777,900</b>

# Marketing Aspect and Market Share

## Marketing Aspect

Marketing has become a critical success factor in today's increasingly competitive environment. In 2023, BCAS pursued a hybrid marketing strategy that involved a combination of digital platforms and direct customer interaction to promote its products and services. By leveraging digital and social media, BCAS was able to educate and engage with its customers more effectively, providing them with faster and more comprehensive information and solutions to their needs.

In 2023, we introduced an online account opening feature that we had added to our BCA Syariah Mobile app. Various acquisition and loyalty programs were implemented throughout the year to attract new customers. These programs were aimed at providing an attractive experience to existing customers by offering transaction programs at our partner merchants.



Although digital marketing has grown rapidly, offline marketing still has a significant impact. Below-the-line marketing is a type of offline marketing. In 2023, BCAS actively participated in various below-the-line events organized by the BCA Group and events initiated by all BCAS branches in collaboration with agencies or communities in the areas where the branches were located.



We are committed to responsible marketing practices. To make it easy for our customers to use BCAS's products and services, we always provide comprehensive and easy-to-understand information about them. Our officers manage the information on products and services, and we distribute it through brochures, our website, and social media channels. We are constantly improving our corporate website, which you can access at [www.bcasyariah.co.id](http://www.bcasyariah.co.id), to ensure that it remains a primary source of information for our products, services, and corporate activities.

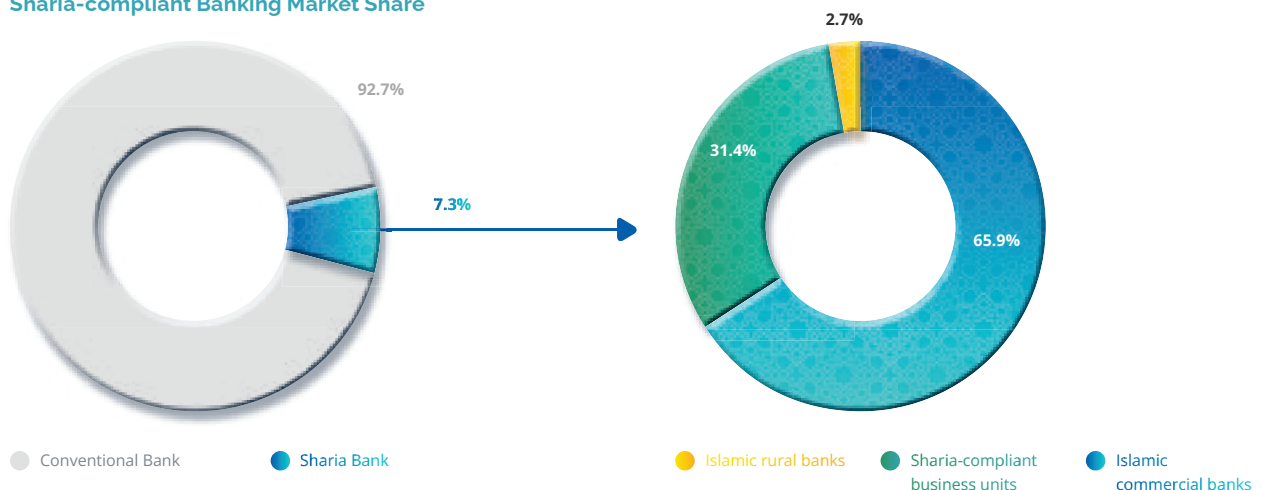
Cybersecurity issues are becoming increasingly common due to the rise in digital communication and transactions. As a result, we are dedicated to providing information and education to the public on this matter. We regularly use social media, websites and webinars to educate people on personal data security and transaction security. Our goal is to help people make wiser decisions when using digital solutions and understand the importance of maintaining personal data security. This will allow them to use our digital transaction solutions optimally, safely, and comfortably.



## Market Share

As of 30 November 2023, Islamic banking accounted for 7.3% of the national banking market, indicating growth from the end of 2022, which was recorded at 6.8%. Islamic commercial banks contributed 65.9% to the total Islamic banking assets.

### Sharia-compliant Banking Market Share



### Market Share by Assets

By the end of 2023, BCAS had total assets of Rp14,471.7 billion, with a market share of 2.6% of the total assets of Islamic commercial banks\*.

### Market Share by Third-Party Funds

BCAS secured Rp10,949.5 billion in third-party funds in 2023, with a 2.5% market share among Islamic commercial banks.\*



### Market Share by Financing

By the end of 2023, BCAS had recorded Rp9,013.6 billion in financing, representing a 2.5% market share of the total financing distributed by Islamic commercial banks\*.

### BCAS's Position in the Islamic Banking Industry

BCAS performed relatively well compared to other national Islamic banks, particularly Islamic commercial banks. A comparison of BCAS's performance with other Islamic commercial banks is shown in the table below.

Description	BCAS	Other Islamic Commercial Banks*
Asset growth	14.2%	10.1%
Financing growth	18.8%	13.8%
Third-party fund growth	15.5%	5.6%
CAR	34.8%	25.6%
ROA	1.5%	2.0%
BOPO	78.6%	77.1%
FDR	82.3%	83.2%
NPF Gross	1.04%	2.20%
NPF Net	0.00%	0.72%

\* Islamic commercial banks' data as of 30 November 2023

## Business Outlook for 2024

According to the October 2023 outlook report by the International Monetary Fund (IMF), the global banking sector faces increased risks due to higher and longer interest rates. The report highlights that the initial signs of rising interest rates have exposed vulnerabilities in some banks, while a prolonged period of tight monetary policy will negatively impact many others. Inflation remains high in several countries, and thus, central banks are expected to keep interest rates higher for an extended period to control it.

Over the last two years, and possibly continuing until 2024, the global banking sector, including Indonesian banking, is expected to face several risks. These risks may include an increase in benchmark interest rates, geopolitical tensions, oil price spikes, cost of living crises, and fragmentation or divergence of the global economy. The combination of these factors could lead to an economic downturn that affects the financial sector, including banking. In addition, non-performing loan (NPL) ratios are likely to increase as businesses face liquidity and profitability difficulties. It is crucial for banking players to be disciplined and periodically improve their stress test tools to prepare for the impact of these risks, especially the risk of rising benchmark interest rates and the risk of economic stagflation.

Moreover, in 2024, Indonesia will hold general elections, which may significantly impact the economy going forward. As such, a political agenda needs to be taken into account when formulating business prospects. The outcome of the presidential election may change the dynamics of the economy, and it is vital to consider this factor while making business decisions.

Indonesia's banking sector remains solid despite the persistently high global interest rates, which are expected to continue. This strength is supported by a high capital adequacy ratio (CAR) of 27.41%, well above the average CAR of other countries, which is generally below 20%. This high CAR reflects the implementation of conservative prudential policies that have significantly helped overcome uncertainties in the still-volatile global situation. The national banking industry has shown resilience and the ability to cope with various potential risks amidst the dynamics of the global economy. However, banking industry players should remain cautious to ensure that the Indonesian banking industry continues to run smoothly. BCAS is optimistic about the long-term prospects of the Indonesian economy and the national banking system.

Islamic banking still faces the challenge of low Islamic banking literacy. However, we believe that challenges always bring opportunities. Our optimism is supported by the growth trend in Islamic banking market share. Factors such as Indonesia's demographics, which has the world's largest Muslim population, the potential growth of the halal industry globally and locally, the government's commitment to making Indonesia the centre of the world's halal market, and the significant role of MSMEs in the Indonesian economy are opportunities for the business world and the Islamic banking sector in Indonesia.

Islamic banking has unique services and products that distinguish it from conventional banking. If supported by technology adoption, these services and products can be a strength for Islamic banking to grow and meet customers' increasingly complex and specific needs. Product development for both funds and financing and maximizing the development of digital infrastructure will make it easier for the public to access Sharia-compliant services and products.



These conditions further strengthen our optimism that the future prospects for Islamic banking business are very open.

BCAS aims to maintain its growth momentum and achieve quality and sustainable performance. To this end, BCAS has

formulated a 2024 strategy and will implement it consistently. Our strategy will generally focus on four key development areas: solid performance and sustainable growth, operational excellence, human capital development, and good corporate governance implementation.

## Business Continuity Information

BCAS maintains its business continuity by following a corporate plan, which is mandated by regulatory requirements. This plan serves as a guide for BCAS to operate according to its long-term strategic direction. The corporate plan is translated into a business plan and short-term strategies that guide all organizational lines to work together to achieve the desired performance. The business strategy is continuously adjusted to economic and banking sector developments, taking into account the prevailing policies and regulations and the strategic direction of BCA as the parent company. In addition, BCAS has a substantial capital and liquidity position, which provides the foundation for its long-term business continuity.

We place a high priority on ensuring the reliability of our banking systems. This includes ensuring adequate IT capacity and capability, as well as IT-related human resources. The use of information technology in BCAS's business activities and operations is an ongoing focus for management. This enables BCAS to be more responsive in providing products and services to customers while running operational processes more efficiently. However, the rapid development of technology also brings threats, especially related to information security. Therefore, BCAS constantly evaluates and updates its security systems to anticipate cybercrime and ensure customers can transact safely. We also strive to continuously improve our IT systems and align them with global standards, including obtaining an ISO certificate for our Information Security Management System (ISMS).

We have also implemented a business continuity plan designed to anticipate disruptions that may affect our banking

operations. This plan is supported by high-quality infrastructure and human resources. To ensure the reliability of our hardware, software, network infrastructure, and supporting facilities, regularly evaluated by BCAS. We also continuously review and update our guidelines and procedures for dealing with emergencies to ensure that our core business functions can continue to operate. Additionally, BCAS conducts training and simulations periodically to prepare for disasters, such as earthquakes and fires, and other potential events that could disrupt our business activities.

We consider the following factors:

- The vast potential of the national halal market;
- The strengthening and resilient national economy and banking industry despite global economic uncertainty
- The Islamic banking industry's increasing market share compared to the national banking industry
- BCAS's position in the Islamic banking industry, especially among Islamic commercial banks;
- BCAS's healthy financial condition and continuous financial performance improvement every year;
- BCAS's health;
- The adequacy of BCAS's business continuity plan.

Our assessment suggests that BCAS is capable of sustaining its business in the future, and no issues could substantially affect the continuity of BCAS's business. BCAS will remain cautious and vigilant while conducting its business operations and continue closely monitoring global and national economic developments. We are optimistic that BCAS will continue to exhibit quality and sustainable growth.