



INTERNAL CONTROL SYSTEM

month. The results of the reconciliation are documented in an orderly manner.

2. Information

- a. The Bank has an Information System that can produce reports or provide sufficient and comprehensive data/information regarding business activities, financial condition, application of risk management, compliance with prevailing laws and regulations, market information or external conditions and necessary conditions in order to make appropriate decisions.
- b. The internal control system at least includes the provision of a reliable/adequate information system regarding all functional activities of the Bank, particularly functional activities that are significant and have a high potential for risk. Such information systems, including electronic data storage and use systems, must be guaranteed its security, monitored by independent parties (internal auditors) and supported by adequate contingency programs.

- c. The Bank ensures that information security is carried out effectively hence able to maintain the confidentiality, integrity and availability of information.

3. Communication

- a. The Bank has a communication system that is able to provide information to all stakeholders (interested parties) both internal and external, such as the Banking Supervisory Authority, external auditors, shareholders and customers of the Bank.
- b. The Internal Control System ensures that there is an effective communication channel hence the Management and Employees understand and comply with applicable policies and procedures in carrying out their duties and responsibilities.
- c. Management organizes effective communication channels/lines hence the necessary information is affordable to interested parties. This requirement applies to any information, both regarding established policies and procedures, risk exposure and actual transactions, as well as on the Bank's operational performance.

Monitoring Activities and Correcting Deficiencies

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

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

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