

Initial Public Offering

PT Bank Pembangunan Daerah Jawa Timur Tbk.

June 2012

Joint Lead Underwriters



"Bersama kami, berkembang pasti"



Sebuah perubahan yang diawali dengan keinginan mendukung masa depan Anda.
Bersama pelayanan profesional dan kekuatan jaringan yang terpadu, bank jatim siap melayani dengan senang hati

Senior Management



HADI SUKRIANTO
President Director



DJOKO LESMONO
Director of Medium Business & Corporate



EKO ANTONO
Director of Operations



SUPARLAN
Director of Compliance



PARTONO
Director of Agrobusiness & Syariah Business

Agenda

1**Overview & Investment Highlights****2****Strengths****3****Prospects of Banking Industry****4****Financial Highlights****5****Indicative Structure & Timetable**

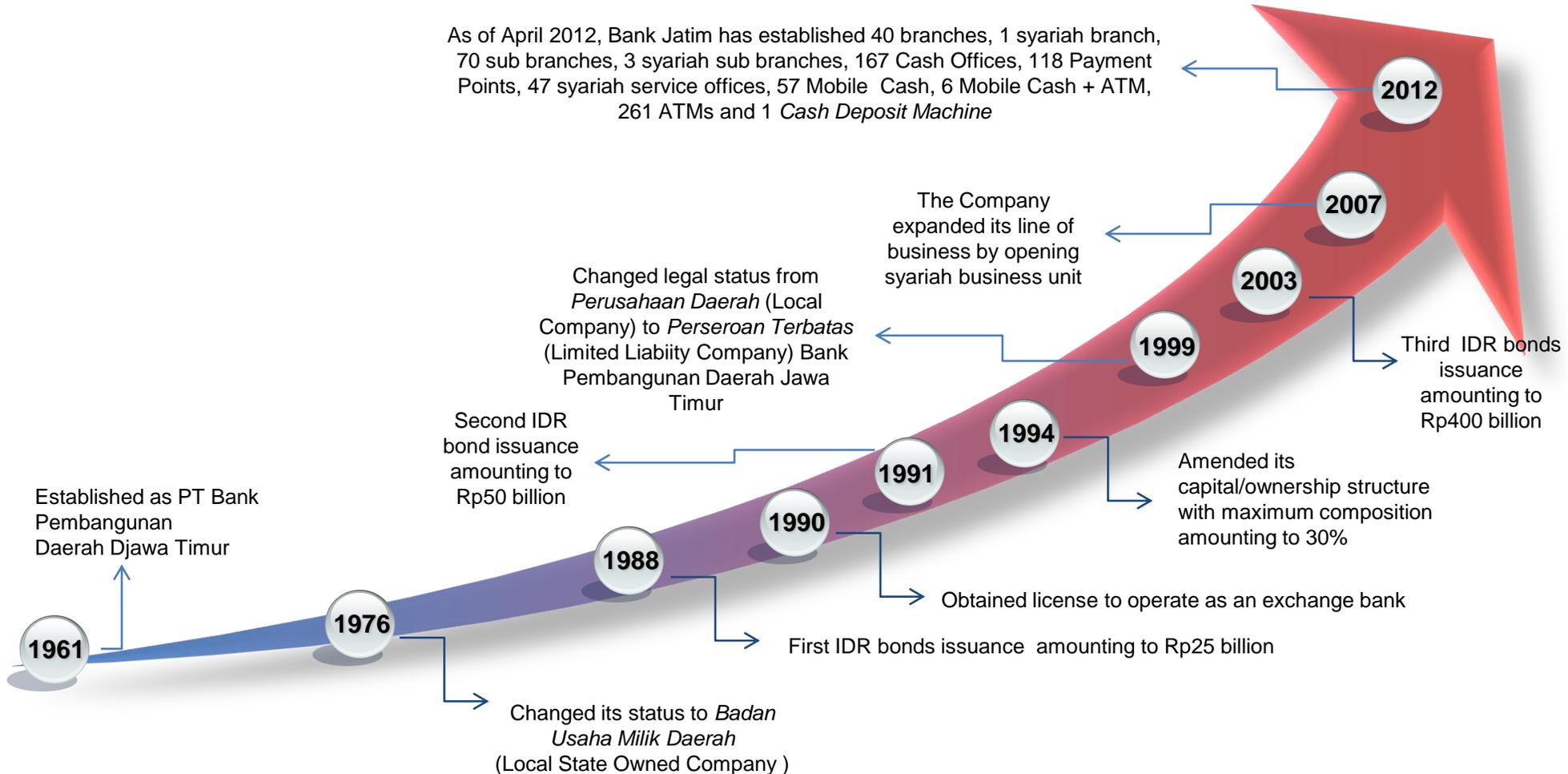
SECTION 1

OVERVIEW & INVESTMENT HIGHLIGHTS

50 Years of Experience with Excellent Implementation of GCG

Since its inception at 1961, Bank Jatim has been successfully stimulating and driving improvement on the local area, managing local government money, and subsequently becoming one source of local revenue.

As of April 2012, Bank Jatim has established 40 branches, 1 syariah branch, 70 sub branches, 3 syariah sub branches, 167 Cash Offices, 118 Payment Points, 47 syariah service offices, 57 Mobile Cash, 6 Mobile Cash + ATM, 261 ATMs and 1 *Cash Deposit Machine*



Vision and Primary Mission

In running and developing the business, Bank Jatim always seek to obtain optimal results by conducting its business pursuant to the rules and regulations, along with the principles of good corporate governance.

VISION

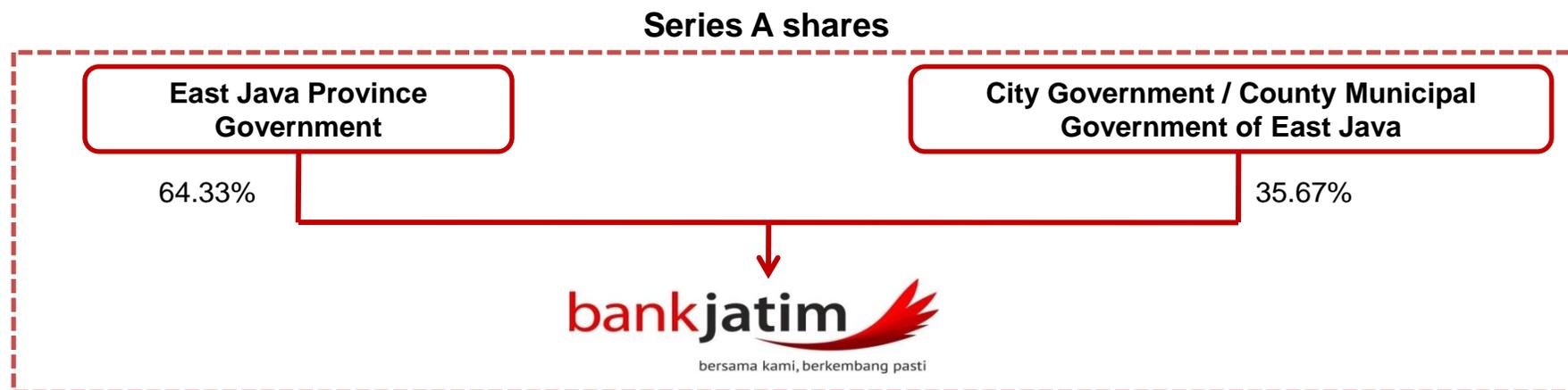
To be a sound and growing bank
with professional management and human resources.



PRIMARY MISSION

Encouraging regional economic growth and participating
in Small and Middle Business development and
obtaining the optimal profit.

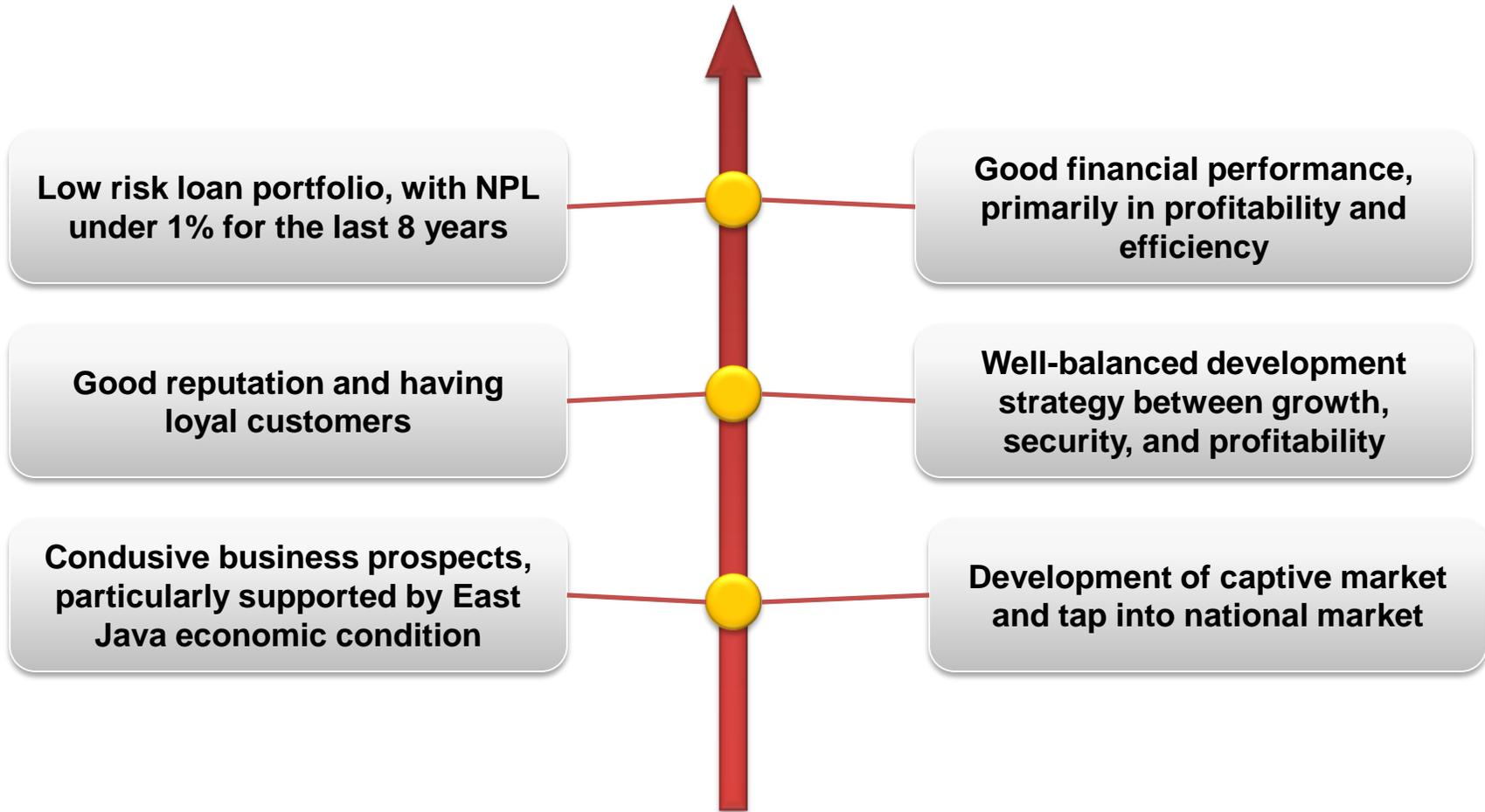
Bank Jatim Ownership Structure



The following is the current Bank Jatim ownership and shareholders structure :

Remark	Nominal value Rp250 per share		
	Amount of Shares	Total Nominal Value (Rp)	(%)
Share capital			
- Series A	24,000,000,000	6,000,000,000,000	
- Series B	12,000,000,000	3,000,000,000,000	
Total Share Capital	36,000,000,000	9,000,000,000,000	
Issued and fully paid capital			
Series A			
- East Java Province Government	7,676,913,648	1,919,228,412,000	64.33
- City Government / County Municipal Government of East Java	4,257,234,334	1,064,308,583,500	35.67
Total issued and fully paid capital	11,934,147,982	2,983,536,995,500	100.00
Shares in Portfolio			
- Series A	12,065,852,018	3,016,463,004,500	
- Series B	12,000,000,000	3,000,000,000,000	
Total Shares in Portfolio	24,065,852,018	6,016,463,004,500	

Investment Highlights



Bank Jatim Provides Various Products and Comprehensive Services - Conventional

Bank Jatim provides various products and comprehensive services with high quality to cater all of the customers needs.

CONVENTIONAL

FUND COLLECTION

- ▶ Demand Deposit
- ▶ Time Deposit
- ▶ Simpeda Saving Deposit
- ▶ Siklus Saving Deposit
- ▶ TabunganKu (My Saving)
- ▶ Tabungan Haji (Haji Saving Deposit)



FOREIGN EXCHANGESERVICES

- ▶ Saving & Time Deposit
- ▶ Bank Guarantee
- ▶ Remittance
- ▶ Letter of Credit
- ▶ Export/Import Tax Payment



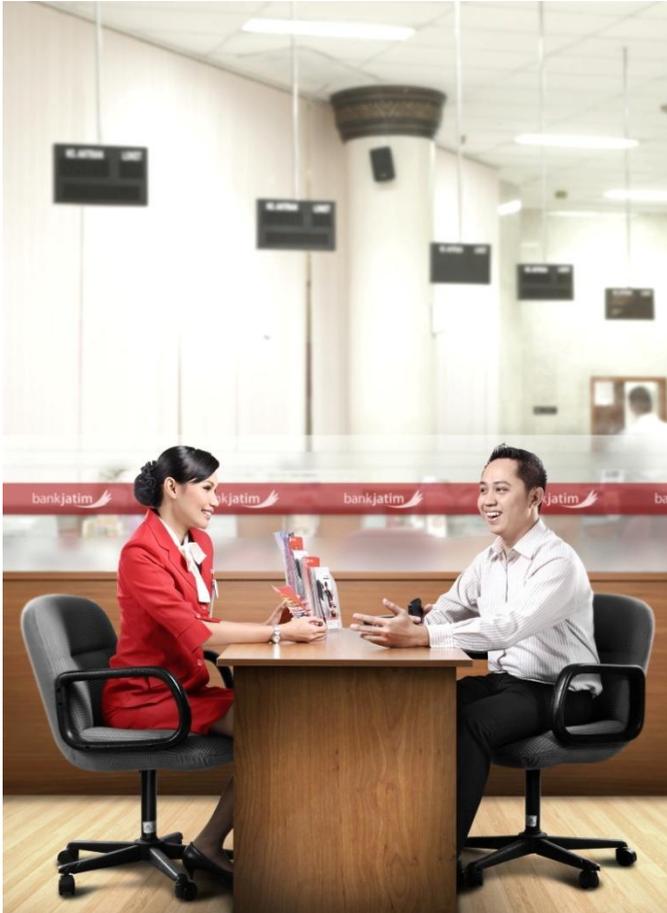
OTHER SERVICES

- ▶ Bank Reference / Bank Guarantee
- ▶ Western Union
- ▶ Safe Deposit Box
- ▶ National Clearing System
- ▶ RTGS
- ▶ Inkaso Rupiah & Forex
- ▶ SMS Banking
- ▶ Phone Banking / Call Center
- ▶ Pick up service



Bank Jatim Provides Various Products and Comprehensive Services - Conventional

Bank Jatim provides various products and comprehensive services with high quality to cater all of the customers needs.



LENDING

WORKING CAPITAL CREDIT

- ▶ Credit Linkage Program
- ▶ Keppres Working Capital Loan
- ▶ Standby Loan Working Capital Loan
- ▶ Local Government Credit
- ▶ Others

INVESTMENT CREDIT

- ▶ Investment Credit

OTHER CREDIT

- ▶ Bank Guarantee
- ▶ Others

CONSUMER CREDIT

- ▶ Multipurpose Credit
- ▶ Mortgage
- ▶ Others

MICRO AND SMALL CREDIT

- ▶ KUR
- ▶ Pundi Kencana
- ▶ Laguna
- ▶ Others

Provides Various Products and Comprehensive Services - Syariah

Bank Jatim provides various products and comprehensive services with high quality to cater all of the customers needs.

SYARIAH

FUND PRODUCTS

- ▶ Amanah Current Account
- ▶ Amanah Haji Saving
- ▶ Barokah Saving
- ▶ TabunganKu iB
- ▶ Barokah Deposit

SERVICES PRODUCTS

- ▶ National Clearing System, Western Union
- ▶ RTGS
- ▶ Bank Reference / Bank Guarantee
- ▶ Bank Supporting Letter
- ▶ ATM and SMS Banking



FINANCING PRODUCTS

PRODUCTIVE WORKING CAPITAL

- ▶ Al-Musyarakah
- ▶ Al-Murabahah
- ▶ Al-Mudharabah
- ▶ Keppres Syariah
- ▶ Others

INVESTMENT

- ▶ Al-Murabahah
- ▶ Others

CONSUMER

- ▶ Mortgage iB Griya Barokah
- ▶ Syariah Multipurpose

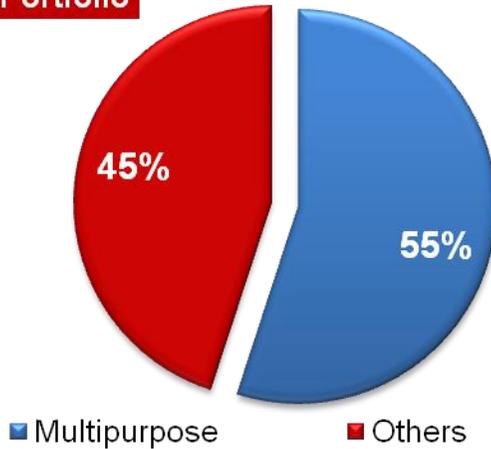
OTHER CREDITS

- ▶ Kafalah Products

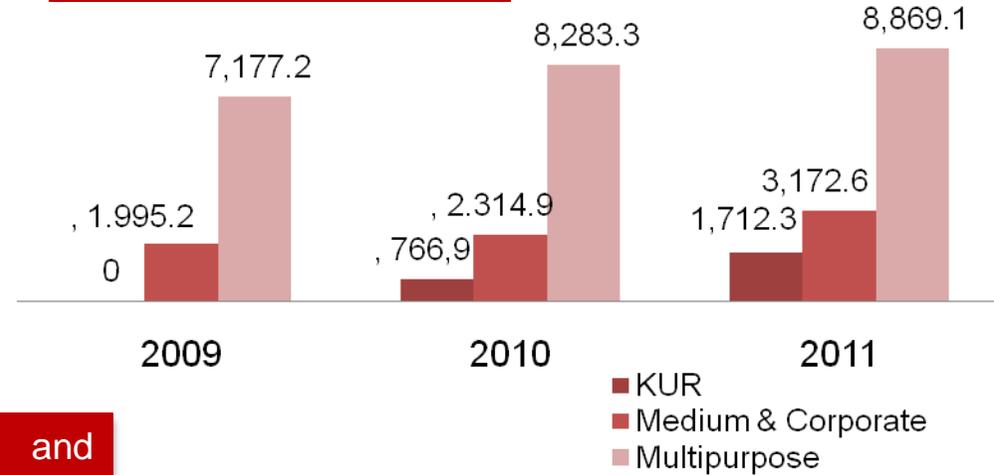
Loan and Customer Deposit Portfolio

Bank Jatim has a high-yielding loan portfolio supported by low cost of deposits.

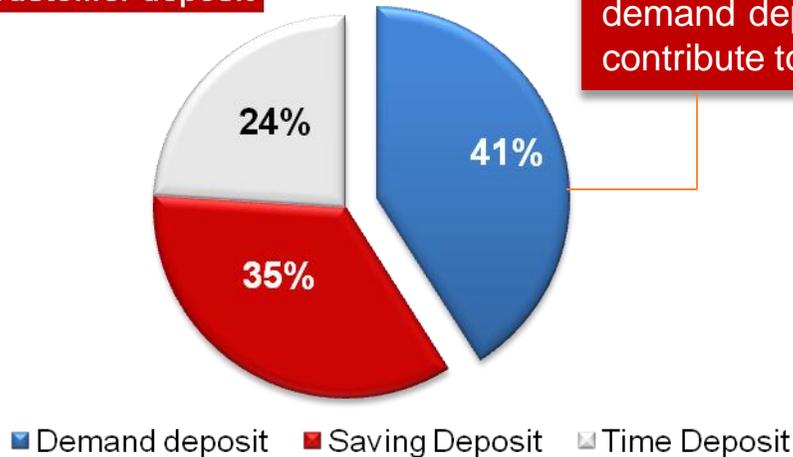
Loan Portfolio



Loan Value (Rp trillion)



Customer deposit



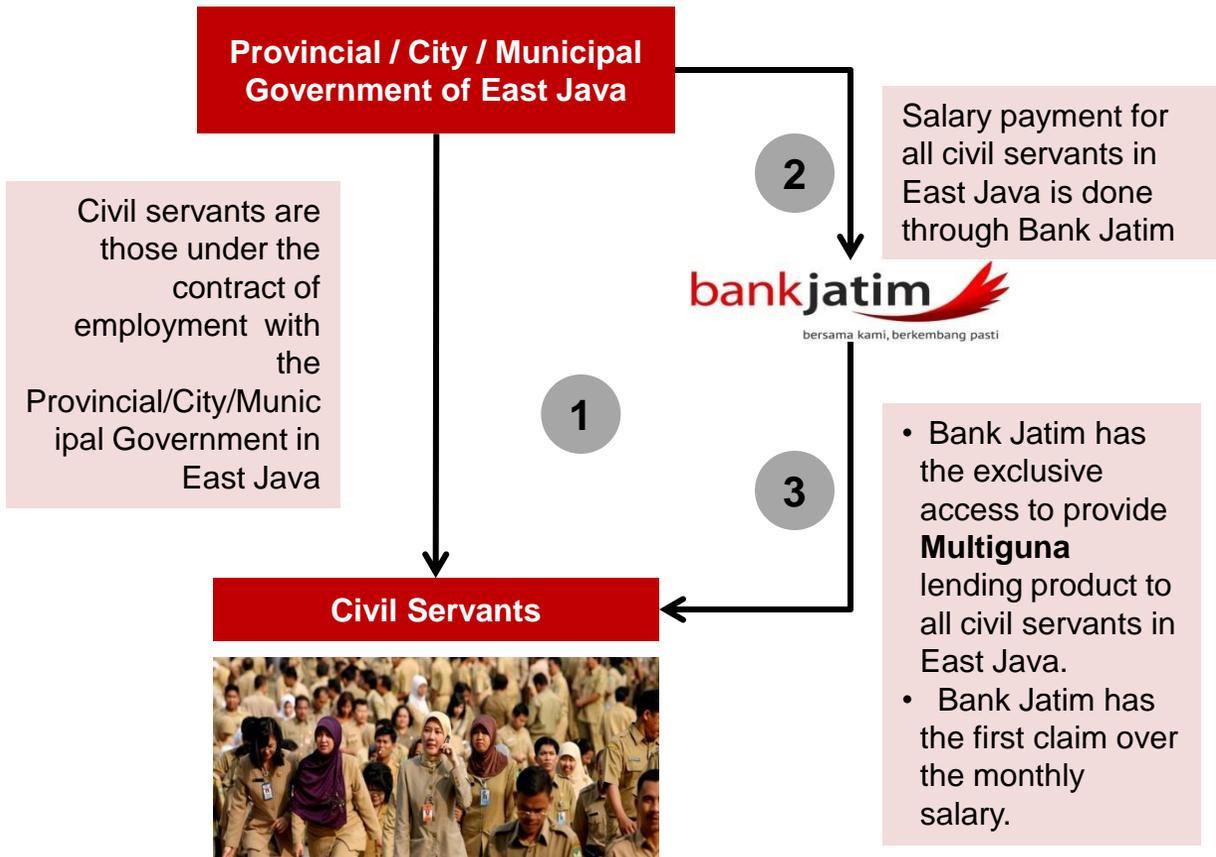
Multipurpose loan and demand deposit significantly contribute to our business.

Credit classification

Credit classification	Amount
Small	< Rp500 million
Medium to High	Rp500 million – Rp5 billion
Corporate	> Rp5 billion

Exclusive Access of Multiguna

Bank Jatim, as the payment bank of the East Java Province, has the sole and exclusive access to extend Multiguna, the consumer loan product, to civil servants in East Java.

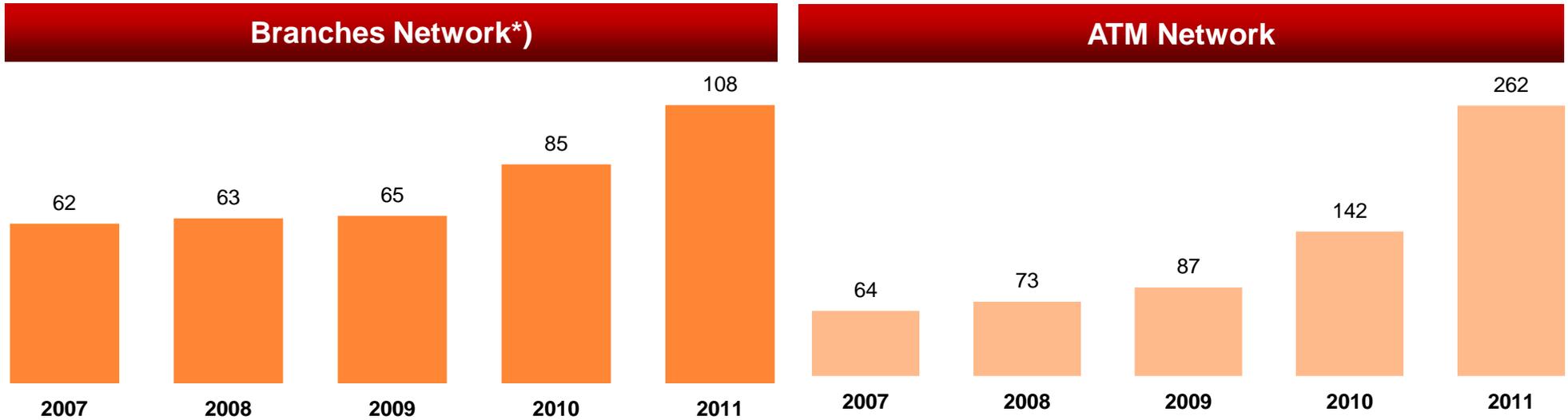


Multiguna is a very high yielding loan product with very low credit risk.

Feature	Details
Pricing	16%-17%
Maximum Tenor	8 Years (Extendable; subject to duration of employment)
Maximum Loan Limit	<ul style="list-style-type: none"> • Maximum 60% of monthly salary can be used for monthly loan repayment • Loan limit upgrade is possible after bi-annual national salary adjustment
Insurance	<ul style="list-style-type: none"> • Termination of Employment • Accident / Death
NPL	0,07% as of Dec 31, 2011

Supported by Extensive Distribution Network (Branches and ATM)

To anticipate increased competition amongst banks and improve service quality to its customers, Bank Jatim continues to develop and expand its network of services.



*) Branches Network includes all syariah, supporting conventional and supporting syariah branches.



Human Resources Development Program

With the support of professional human resources, Bank Jatim is committed to provide excellent service to its customers.

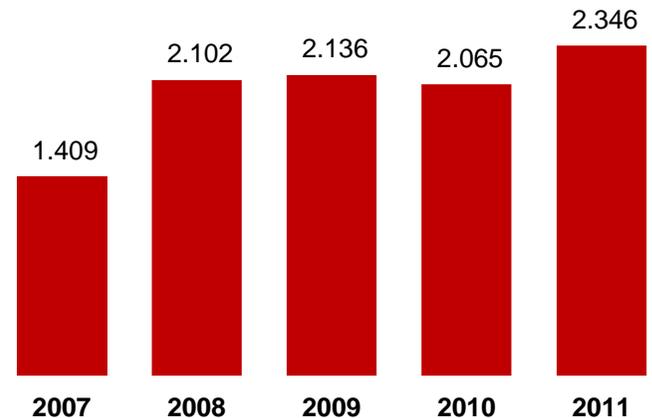


HR Development and Quality Improvement

Competencies based education and training program in accordance with organizational needs based on training needs analysis.



Number of Employees (2007-2011)



Continuous Development of Information Technology

Transformation of Information Technology (IT) system to anticipate business development and intensifying competition.

IT Development Strategy

Bank Jatim approaches its IT development strategy based on the customers needs by implementing some steps, including:

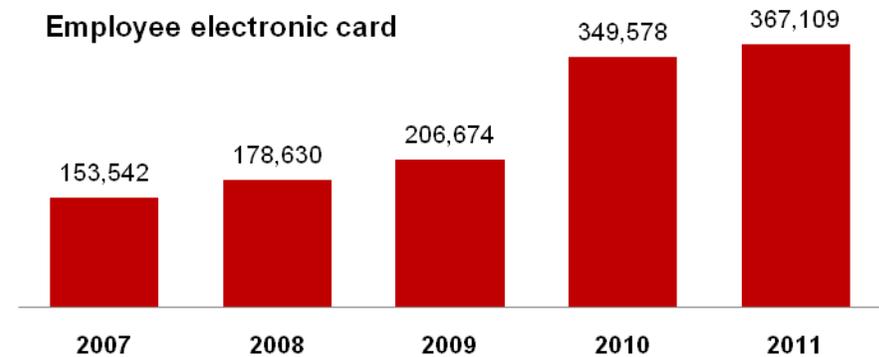
- Preparing FOS (Financing Operating System) implementation
- Preparing Virtual Account program creation
- Create MIS Dashboard to evaluate Syariah business performance
- SPP Batch System development to accommodate tuition fee on school and universities

Good IT Governance

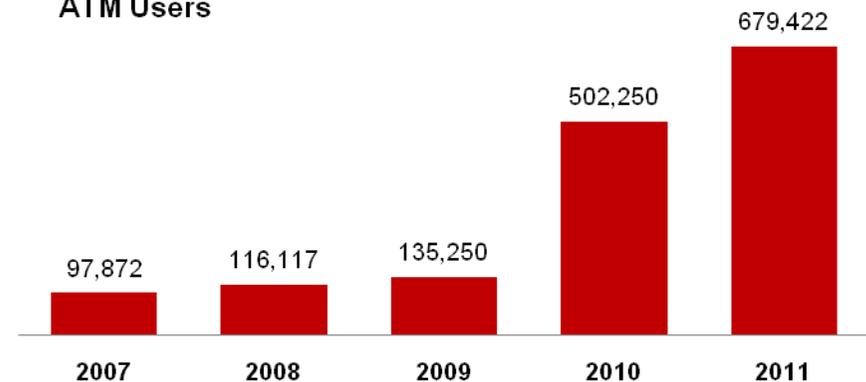
- Information technology principles
- Information technology architecture
- Information technology infrastructure
- Business application
- Prioritization and investment decision

Bank Jatim IT Transformation

Employee electronic card



ATM Users



Company Transformation To Fulfill Our Vision

As the East Java industrial climate improves, the competition in the banking industry intensifies since many competitors oversee the potential to do market penetration in the banking industry.

SHORT TERM

2012 Company Focus

↑ Third Party Fund grow by 16.95%;

↑ Total credit grow by 24% with SME : corporation = 80% : 20%

↑ LDR grow to 93.86%;

↔ Retain BOPO < 70%

MEDIUM TERM

2014 Company Main Focus

↑ Third Party Fund grow by 18.62%;

↑ Total credit grow by 24.94% with SME : corporation = 80% : 20%

↔ Retain NPL < 2%;

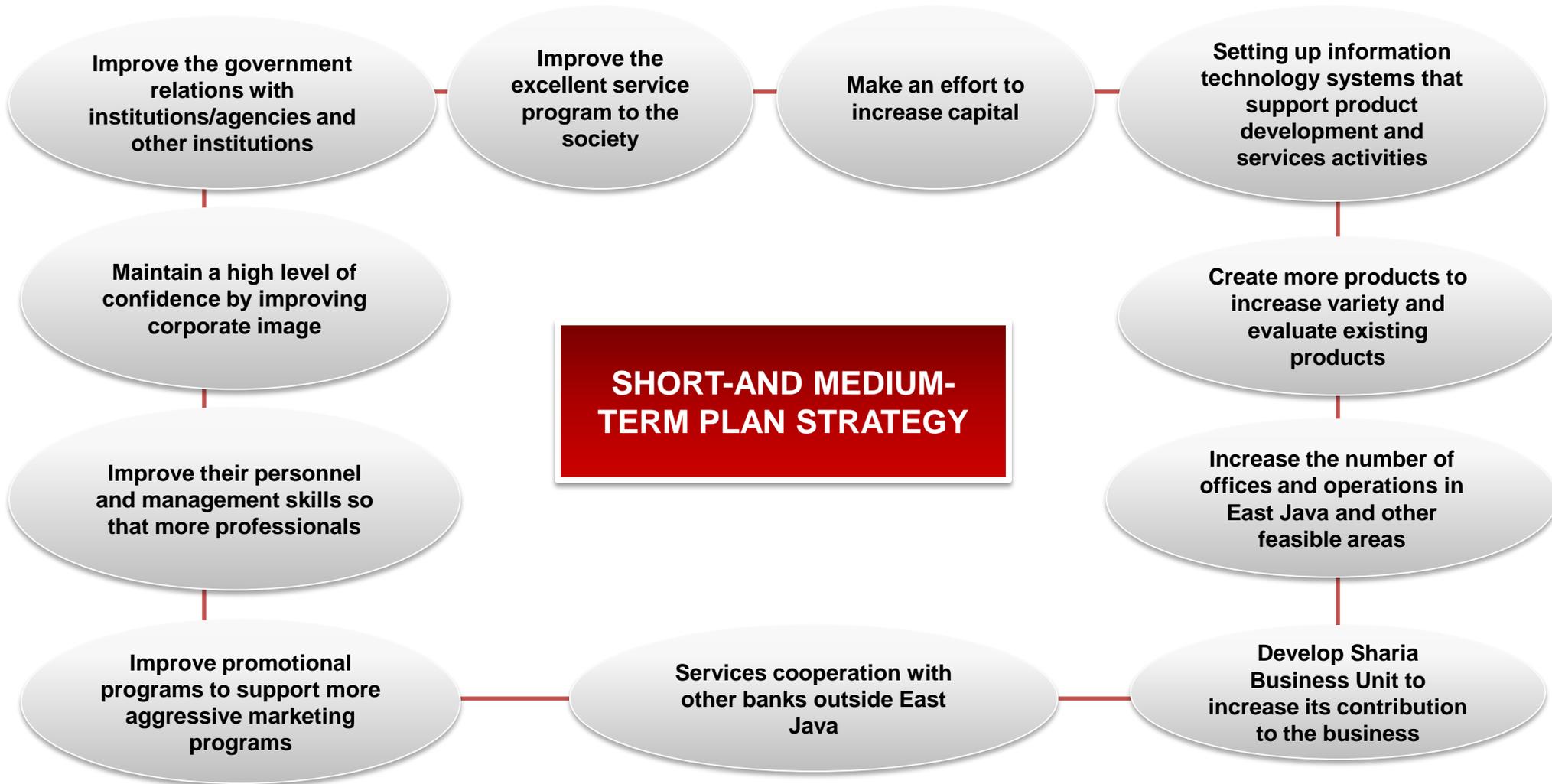
↔ Retain BOPO < 70%

BPD REGIONAL CHAMPION (BRC)

- Become BPD Regional Champion (BRC);
- Improve both financial and non-financial performance;
- Service network expansion to strengthen our competitiveness and continuously serve East Java community.



Short-and Medium-Term Plan Strategy



Awards & Achievements



Annual Report Award 2010 Committee – State-owned Company with Bapepam, Ditjen Pajak, Bursa Efek Indonesia, Ikatan Akuntansi Indonesia and Corporate Governance National Committee)
1st ranked Company Category SOE/ROE Financial Non Listed

Infobank Award 2011
“Excellent” Predicated on Bank category with asset 1 Trillion to 10 Trillion for 10 consecutive years

Bisnis Indonesia Daily Newspaper
BPD Jatim Special Recognition for CEO In Developing Corporate Culture
PT BPD Jatim Special Recognition for CEO In Developing Corporate Culture

Bisnis Indonesia Daily Newspaper
The Best Of 5th BUMD of The Year
ROE Performance Achievement.

Persatuan Wartawan Indonesia East Java Branch
Trophy and Charter Award from Persatuan Wartawan Indonesia of East Java Branch to Bank Jatim of Financial Performance Achievement.

Investor Magazine 2011 & 2012
Best Regional Champion Bank with asset above Rp10 trillion

MRI & Info Bank
5th Best Performance Overall Regional Bank

SECTION 3

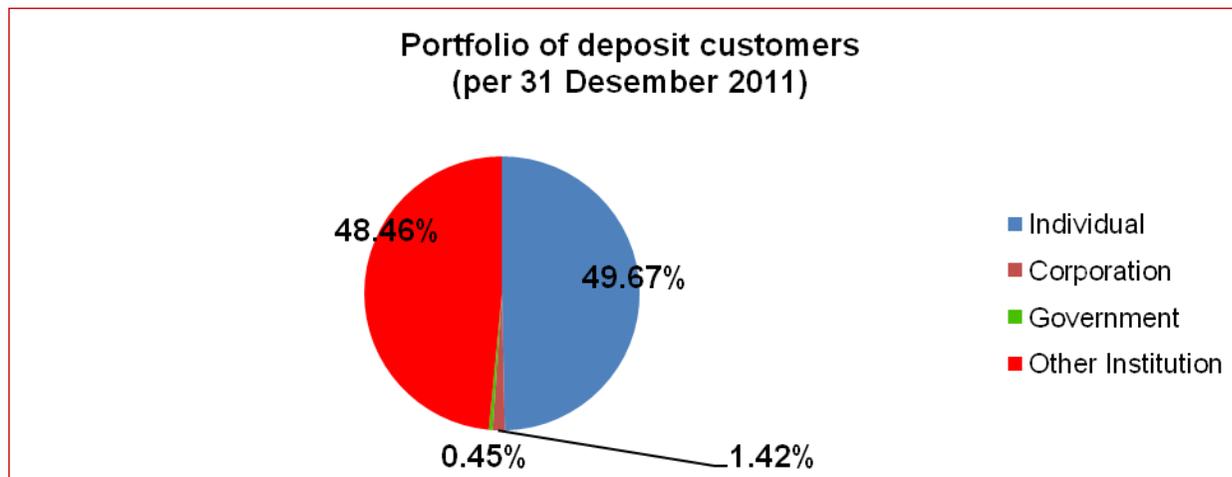
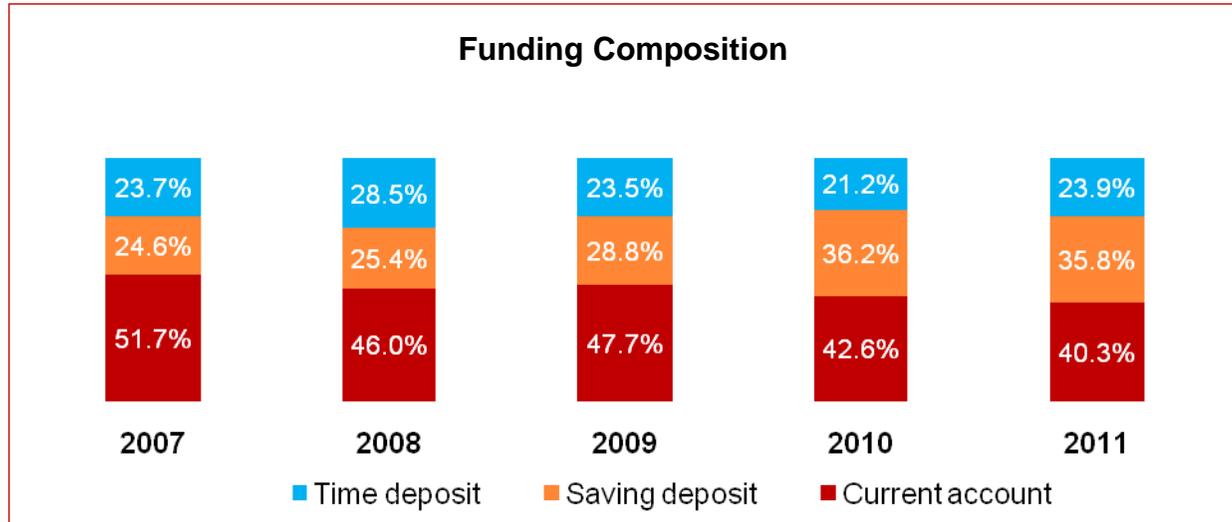
STRENGTHS

Overview of Company's Strengths



1 Competitive Funding Composition

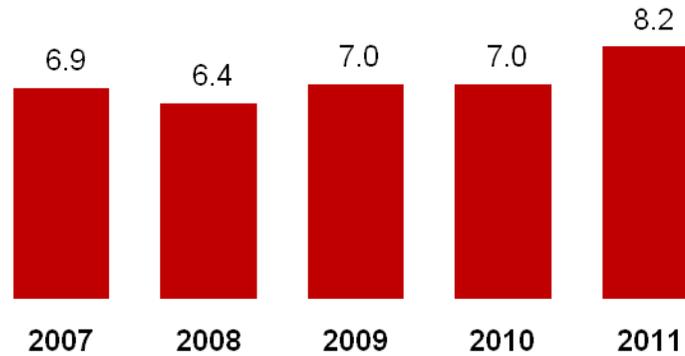
Bank Jatim has maintained low cost funding composition above 70% for the past 5 years.



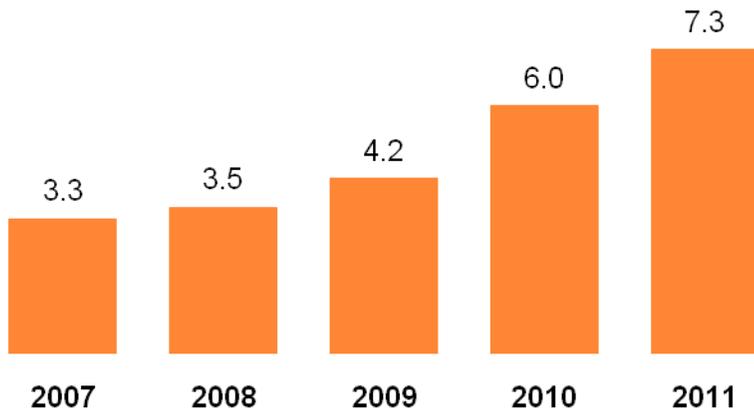
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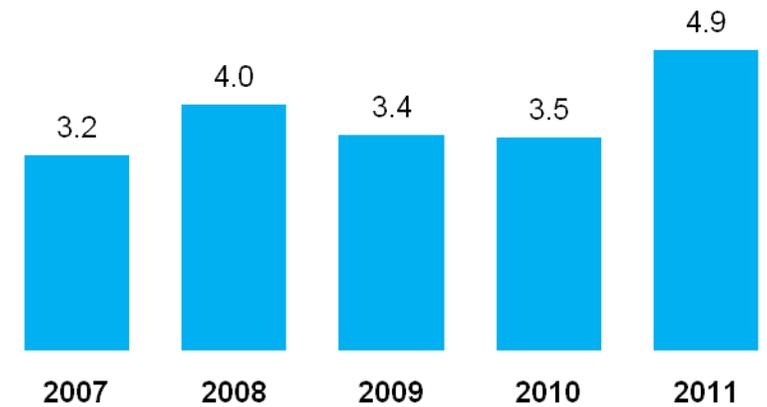
Current account (in Rp trillion)



Total saving deposit (in Rp trillion)



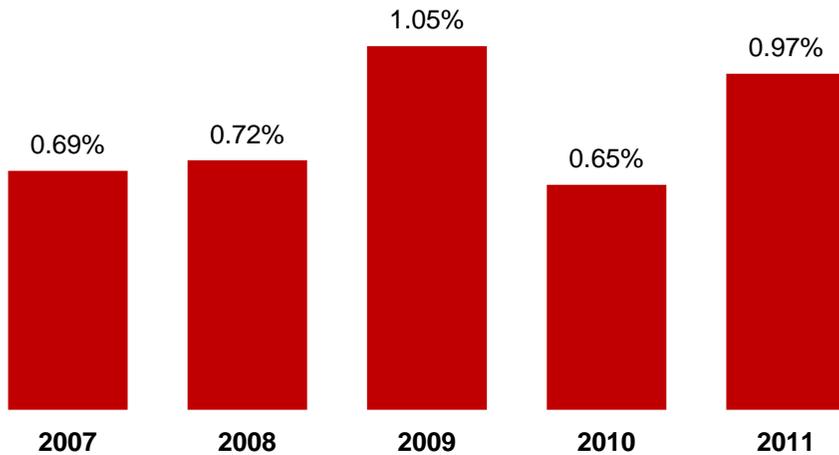
Total time deposit (in Rp trillion)



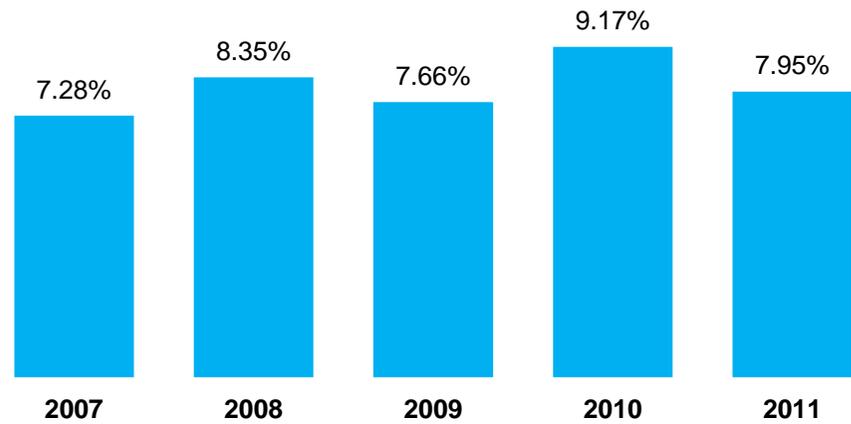
2 Quality Assets

Bank Jatim managed its quality assets by maintaining our NPL, NIM, and allowance for impairment losses.

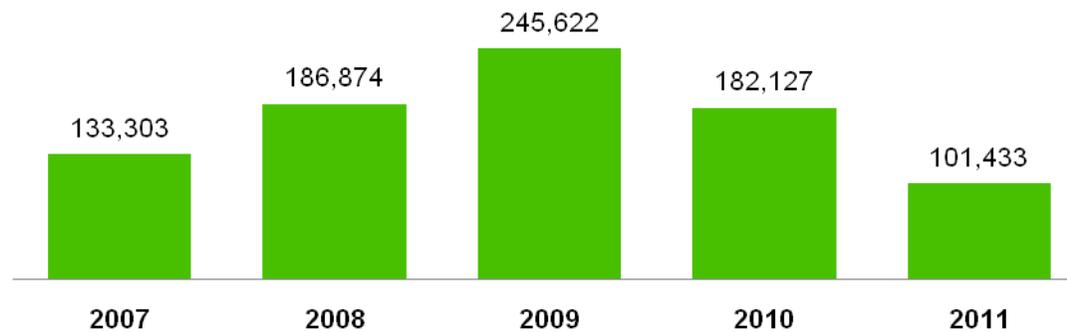
Gross NPL



NIM



Allowance for impairment losses (in Rp million)



3 Wide Network of Service Points

Branch network and electronic channels are among Bank Jatim's competitive advantages.



Our expansion for the past few years, such as opening conventional supporting branches, payment point, and ATMs, has given our customer with easier access to our services.

Network	2009	2010	2011	2012 ^{*)}
Head Office	1	1	1	1
Conventional branch	38	40	40	40
Syariah branch	1	1	1	1
Conventional sub branch	26	41	64	70
Syariah sub branch	-	3	3	3
Cash office	151	154	164	170
Syariah service office	37	37	47	47
Payment Point	78	88	115	118
Mobile cash	45	49	57	57
Mobile ATM	-	4	4	6
CDM	1	1	1	1
ATM	87	142	262	261
Total network	465	561	759	775

*) Per April 2012

4

Experienced Management

Bank Jatim is led by an experienced management team with deep knowledge on Indonesia's banking sector.

HADI SUKRIANTO, *President Director*



- 55 years old, obtained his Master Degree from Universitas 17 Agustus 1945 Surabaya in 2003.
- Has joined Bank Jatim since 1983. He has been the President Director of Bank Jatim since 2011 and prior to that, he worked as the Compliance Director (2007 – 2011).

DJOKO LESMONO, *Director of Medium Business & Corporate*



- 59 years old, obtained his Master Degree from Universitas Jember in 2003.
- Has joined Bank Jatim since 1980. He has been the Medium Business and Corporate Director of Bank Jatim since 2011 and prior to that, he worked as General Director (2007 – 2011).

EKO ANTONO, *Director of Operations*



- 56 years old, obtained his Master Degree from Universitas 17 Agustus 1945 Surabaya in 2002.
- Has joined Bank Jatim since 1983. He has been the Operational Director of Bank Jatim since 2011 and prior to that, he worked as Head of Human Resources Division (2006-2011).

SUPARLAN, *Director of Compliance*



- 55 years old, obtained his Master Degree from Universitas 17 Agustus 1945 Surabaya in 2000.
- Has joined Bank Jatim since 1983. He has been the Compliance Director since 2011 and prior to that, he worked as Head of Risk Management (2008-2011).

PARTONO, *Director of Agrobusiness & Syariah Business*



- 54 years old, obtained his Master Degree from STIE Artha Bodhi Iswara Surabaya in 2001.
- Has joined Bank Jatim since 1980. He has been the Agrobusiness & Syariah Business Director since 2011 and prior to that, he worked in Retail Credit Division (2009 -2011)/.

4 Experienced Management

Bank Jatim is led by an experienced management team with deep knowledge on Indonesia's banking sector.

MULJANTO, *President Commissioner*



- 59 years old, obtained his Master Degree from UPN Veteran Surabaya in 2005.
- He has been the President Commissioner since 2011. He has joined Bank Jatim since 1977, and prior to being President Commissioner, he was the President Director (2007 – 2011).

ISNANTO, *Independent Commissioner*



- 51 years old, obtained his Master Degree from Institut Teknologi Sepuluh Nopember, Surabaya in 2004.
- He has been an Independent Commissioner since 2007. He has joined Bank Jatim since 1998 and prior to being an Independent Commissioner, he was a member of the Audit Committee (2004 – 2007).

CHAERUL DJAELANI, *Commissioner*



- 60 years old, obtained his Bachelor Degree from Institut Teknologi Sepuluh Nopember, Surabaya in 1979.
- He has been a Commissioner since 2011. Prior to that he worked in various companies such as Bina Marga, the local government, and he served as the President Commissioner (2009 – 2011).

WIBISONO, *Independent Commissioner*

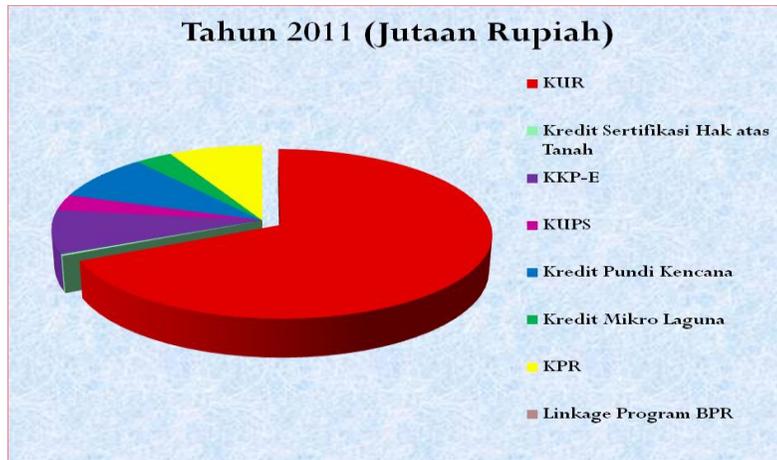


- 58 years old, obtain his Master Degree from Williams College, Massachusetts, USA.
- He has been an Independent Commissioner since 2011. Prior to that, he established his career at Bank of Indonesia, of which his last position as Deputy Head of Bank of Indonesia Surabaya (2007 – 2011).

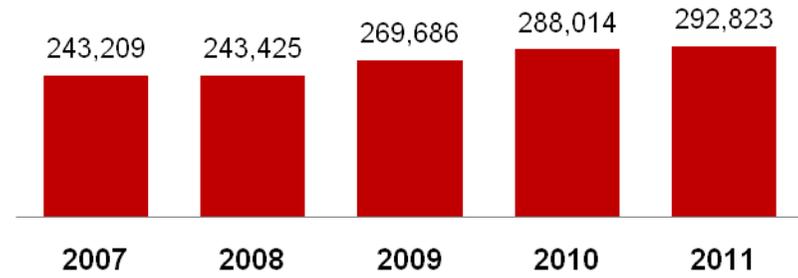
5 Potential for Small & Medium Enterprise Growth

In line with Bank Jatim's mission to stimulate local economic growth and develop small and medium business, the focus of its business is to finance Micro Small Medium Enterprise (MSME) and Cooperative.

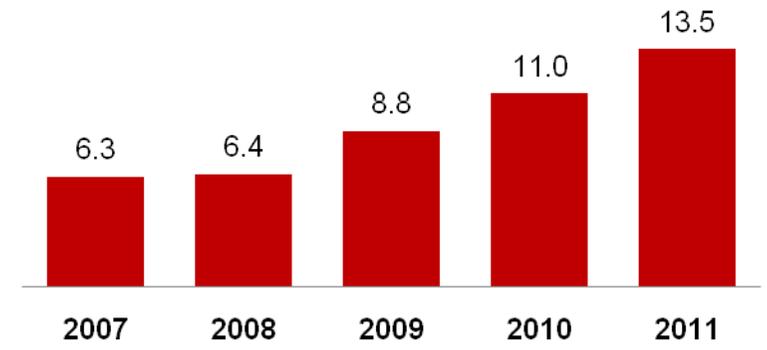
MSME loan scheme reflects a variety of businesses and as of 2011, the amount of MSME loan scheme has grown steadily



Total MSME Customer



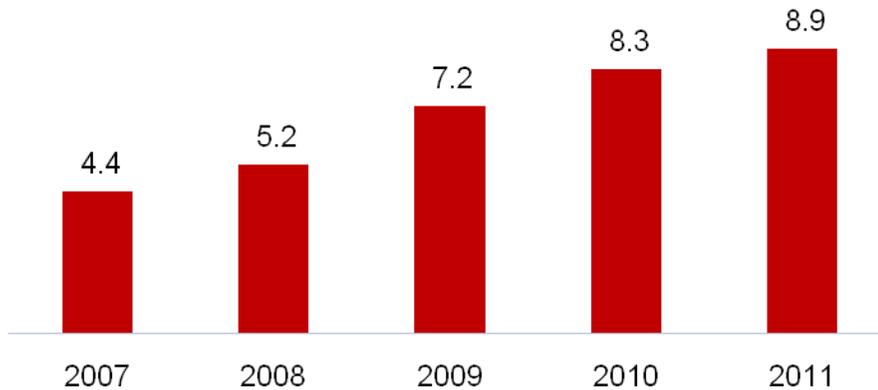
MSME Loan Realization (in Rp trillion)



6 Loyal Consumer-sector Clients

Bank Jatim is one of the biggest creditors on East Java’s consumer sector with a market share of 14.73%

Multipurpose Credit (in Rp trillion)



- Out of 450,000 civil servants in East Java, around 55 % has been served by Bank Jatim.
- East Java civil servants are increasing at 14% p.a.
- Loan size per borrower increases over time, in line with the increase in salary.
- Borrowers are civil servant whose salary is paid via their payroll Bank Jatim account.

Consumer Sector Clients Profile

Type of Customers	Total Customers	Percentage
- Multi-purpose	244,828	95.36%
- Employee loan	1,925	0.75%
- AI Mabur Plan	7,673	2.99%
- Mortgage	2,314	0.90%



Bank Jatim aims to tap retired civil servants and payroll account from private companies in East Java.

7

Parent of Community Consumer Bank (Bank Perkreditan Rakyat/BPR)

bankjatim
bersama kami, berkembang pasti

Apex Banking



Of all the 332 BPRs located in East Java, Bank Jatim is the Parent of 274 BPRs, also known as The Apex.

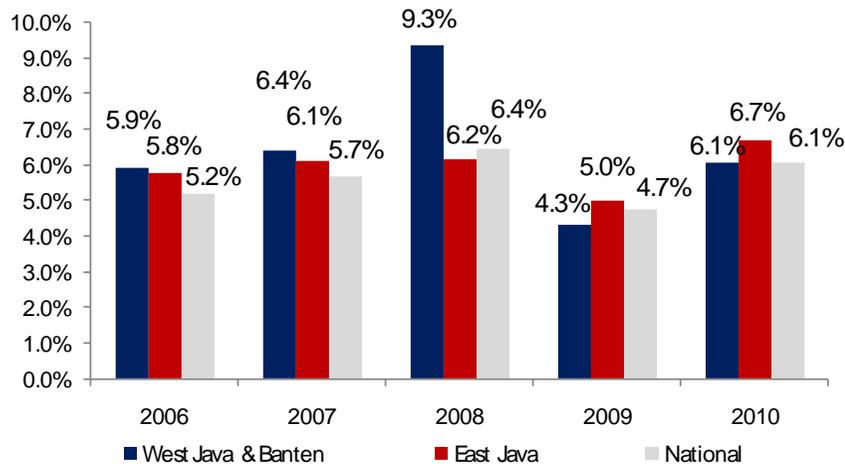
- Obtains cheap funding from Apex members.
- Increases the intermediary function of Bank Jatim, therefore increasing Bank Jatim's funding portion towards MSMEs in East Java.
- Better management over credit concentration risk.

SECTION 4

PROSPECTS OF BANKING INDUSTRY

The Economic Potential of East Java Towards Bank Jatim

We have strong macroeconomic backdrop in East Java that provides us economic opportunity to grow our bank in size and quality.

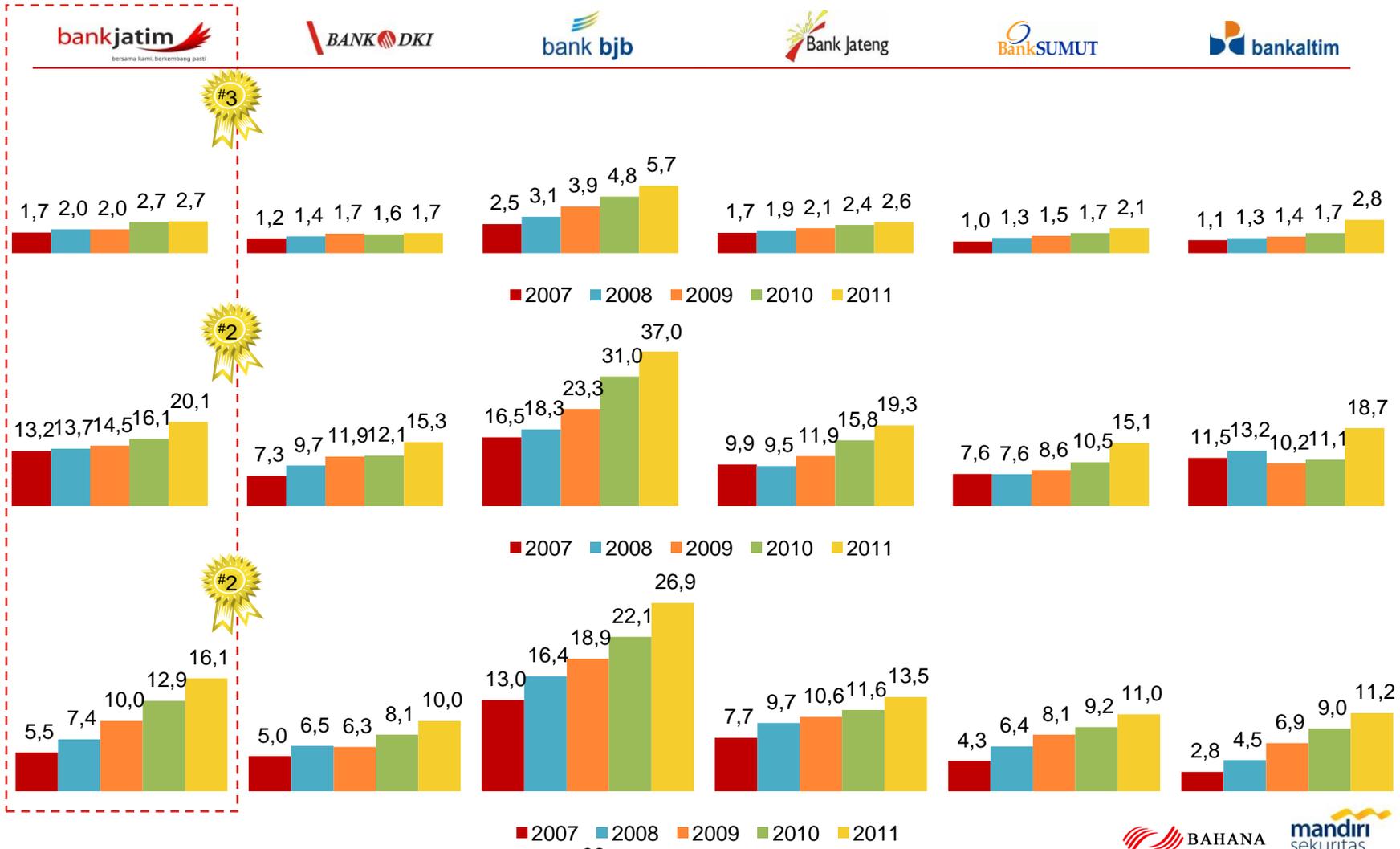


- ✓ Second-largest contributor towards Indonesian economy. Approximately 15% of the national GDP comes from East Java;
- ✓ In 2011, East Java's economy grew at 7.2%, faster than national economic growth at 6.5%;
- ✓ As of 4th quarter 2011, placed as second largest GDP in Java Island, accounting for 14.7% of Java island's economy;
- ✓ The relatively high loans-to-deposits ratio, and low levels of non-performing loans.



Performance Growth of Bank Jatim Compared to Other Regional Banks

In the competitive sector of Regional Banking, Bank Jatim is optimistic it could handle competition from other banks.

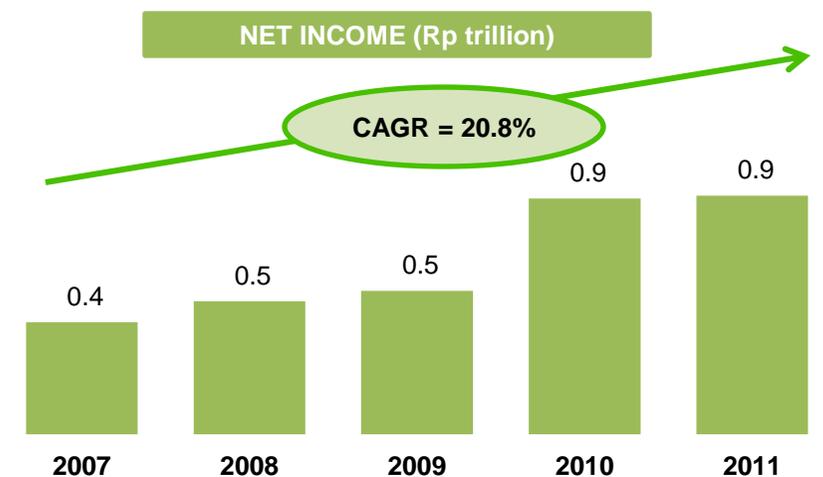
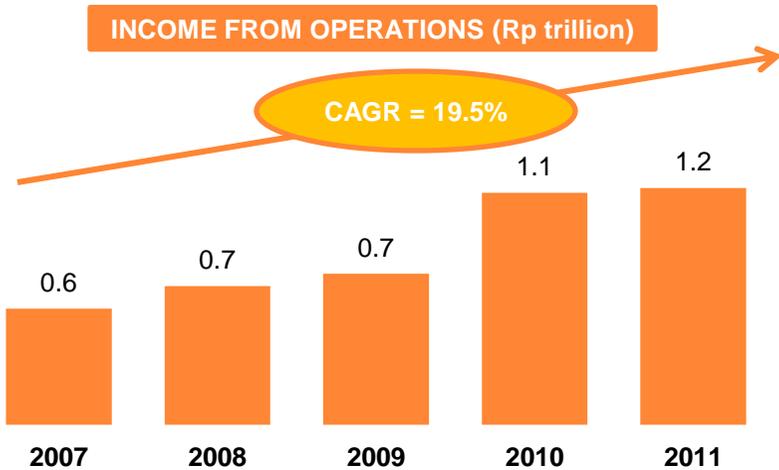
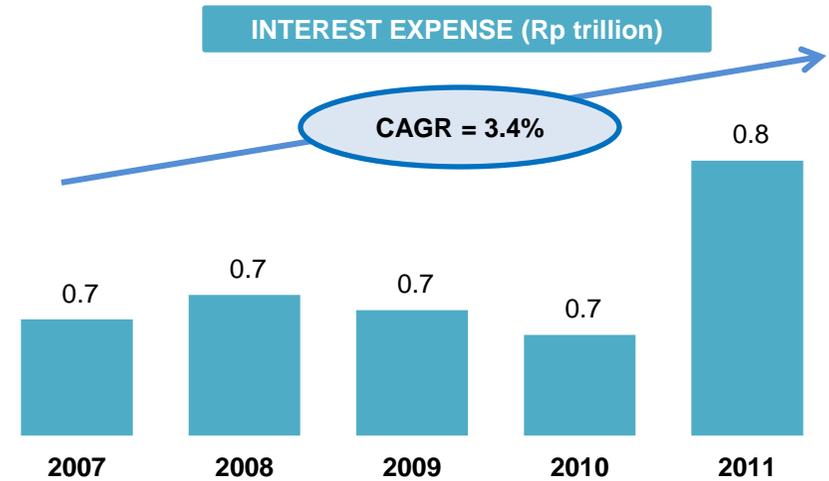
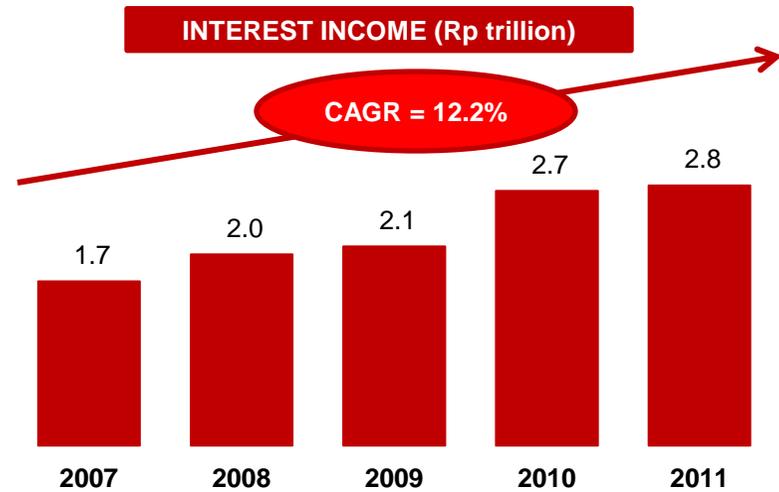


SECTION 5

FINANCIAL HIGHLIGHTS

Trends on Income, Operating Income, and Net Income

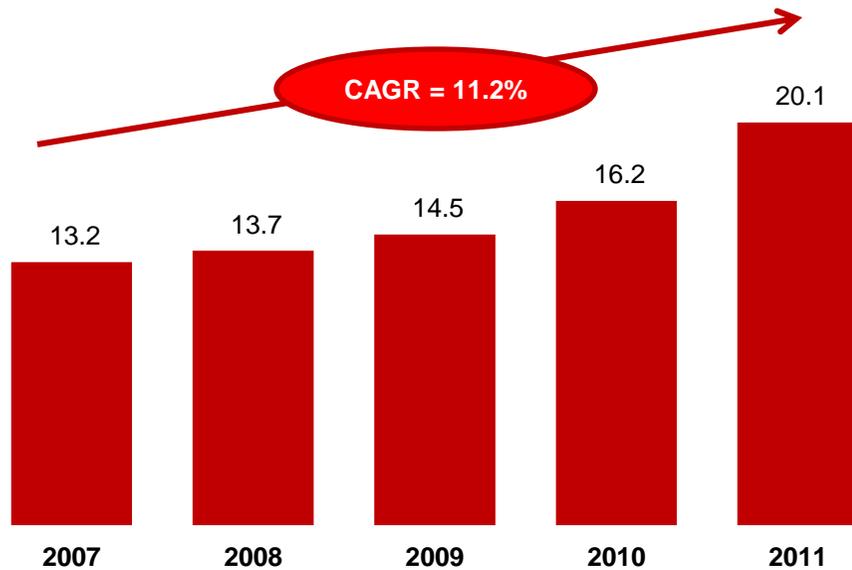
Bank Jatim's income has increased steadily over the years, indicating a strong financial performance.



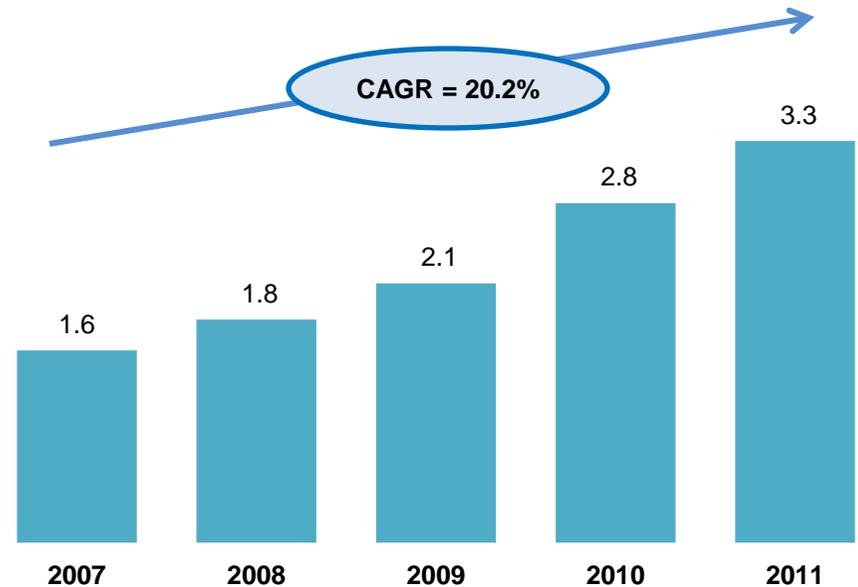
Statements of Financial Position – Liabilities & Equity

Third-party funds and equity has increased over the years, indicating an increase in customer confidence and a solid capital position.

THIRD PARTY FUNDS (Rp trillion)



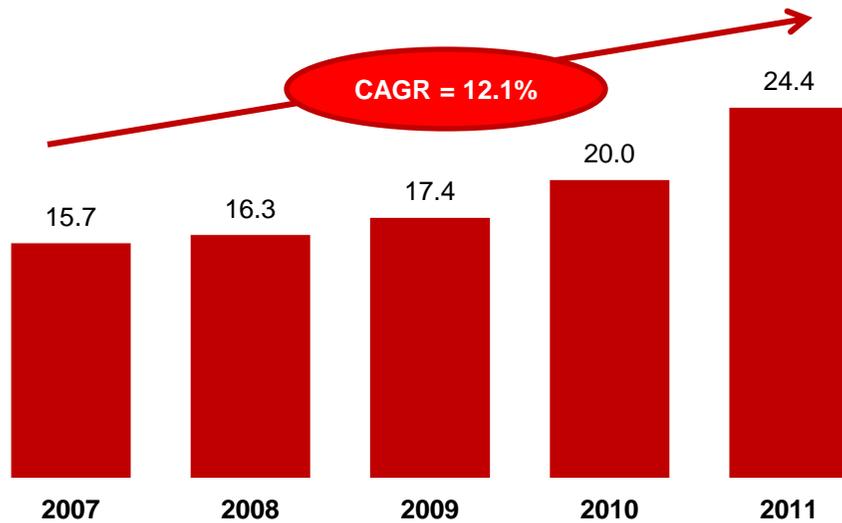
TOTAL EQUITY (Rp trillion)



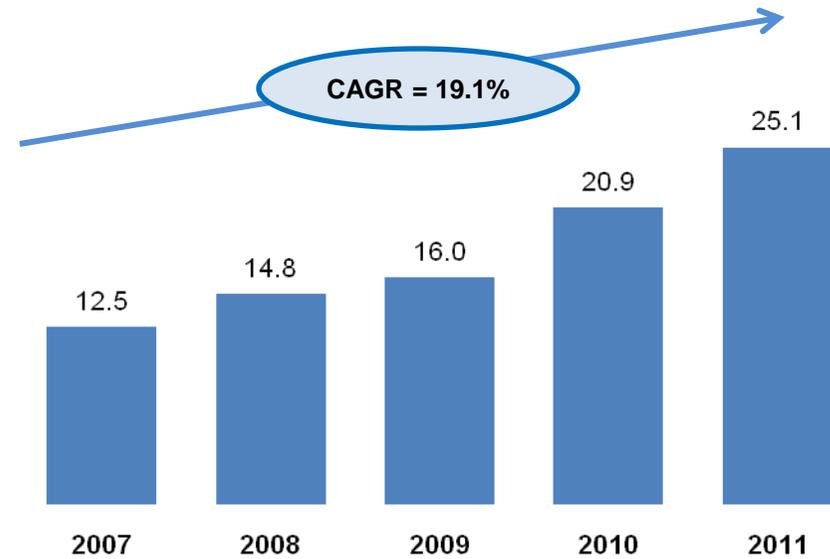
Statements of Financial Position - Assets

Bank Jatim's assets has increased over the years, growing 24% yoy as of 31 December 2011.

TOTAL ASSETS (Rp trillion)



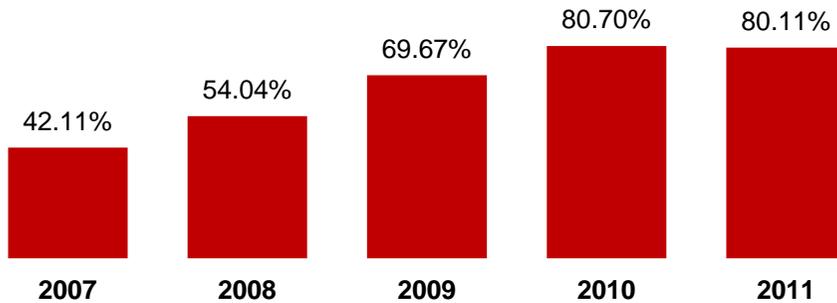
PRODUCTIVE ASSETS (Rp trillion)



Highlights of Financial Ratios

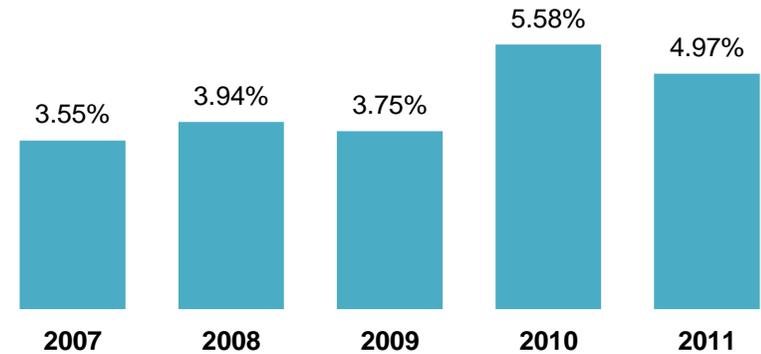
Bank Jatim has attained financial ratios well above the benchmark of the banking industry.

LDR



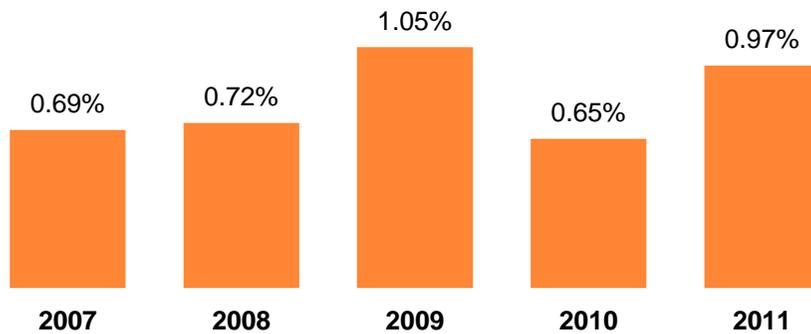
Industry benchmark : 78% < LDR < 94%

ROA



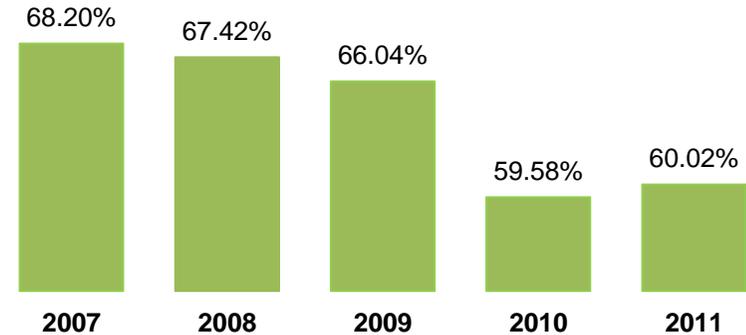
Industry benchmark : ROA >1,25%

GROSS NPL



Industry benchmark : NPL Gross < 5%

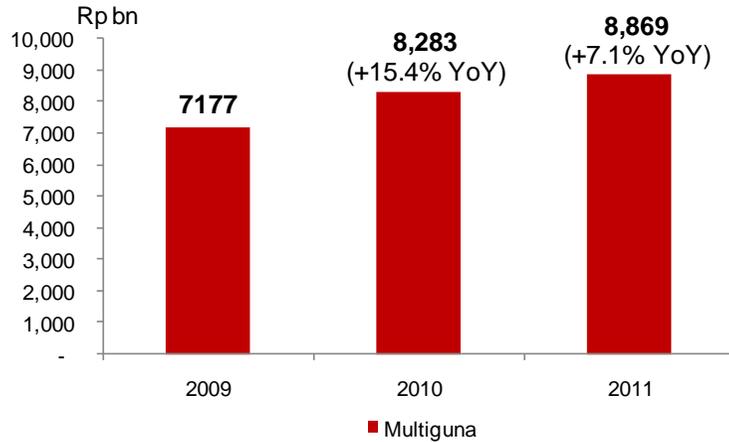
Operating Cost to Operating Income Ratio (BOPO)



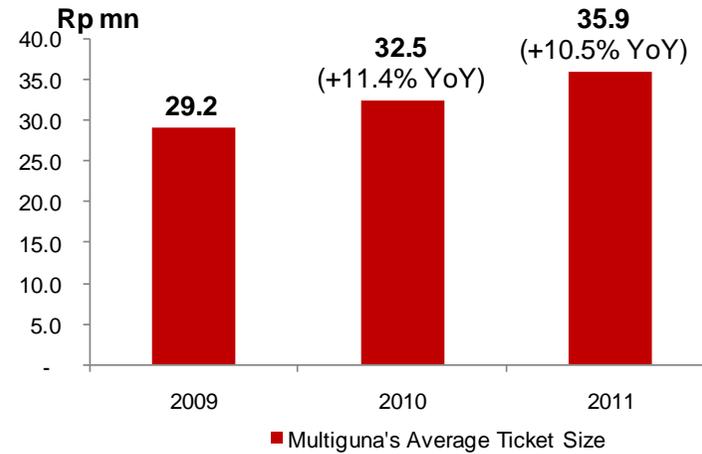
Industry benchmark : BOPO < 94%

Multiguna Trend

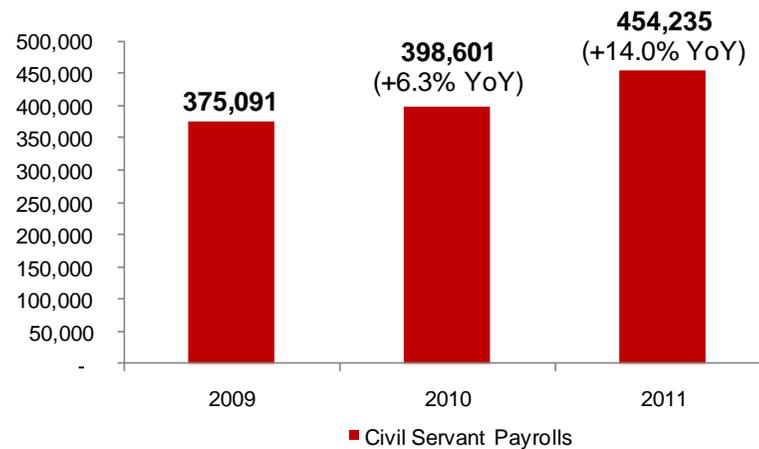
Multiguna Loan Balance



Multiguna Average Ticket Size



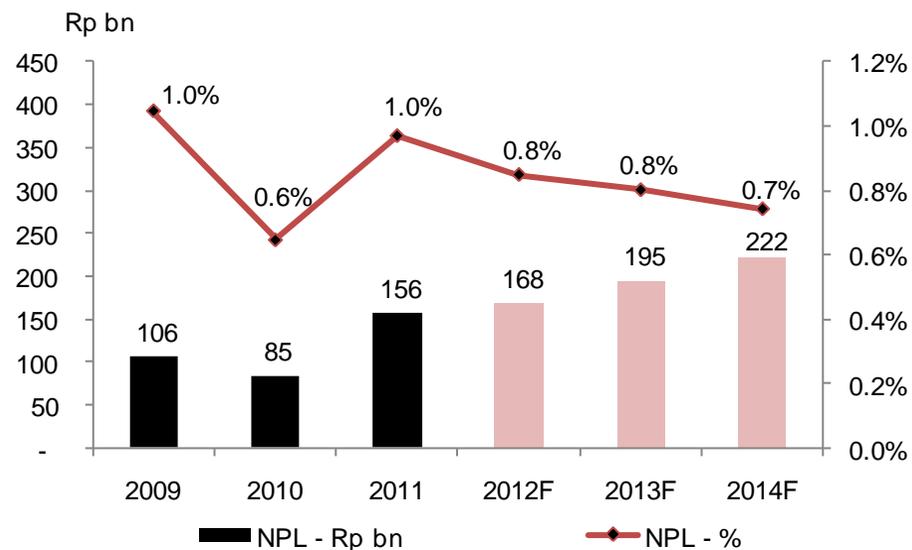
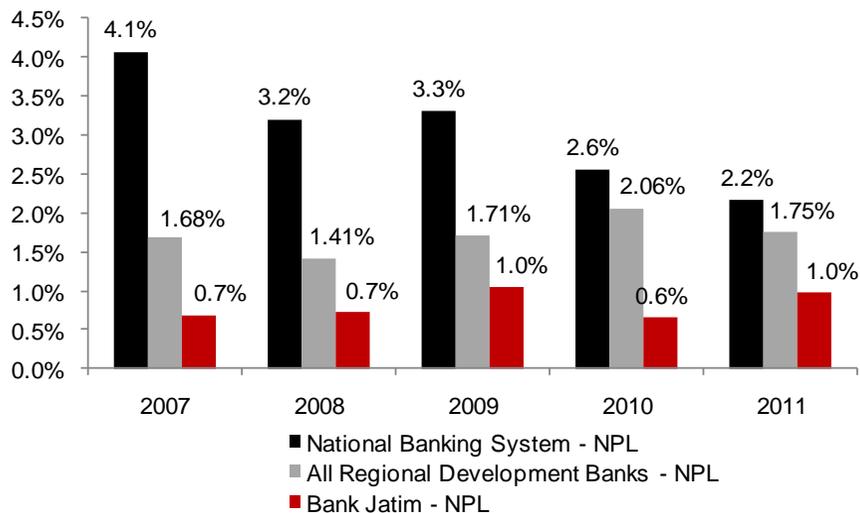
East Java Civil Servant Payrolls Under Management



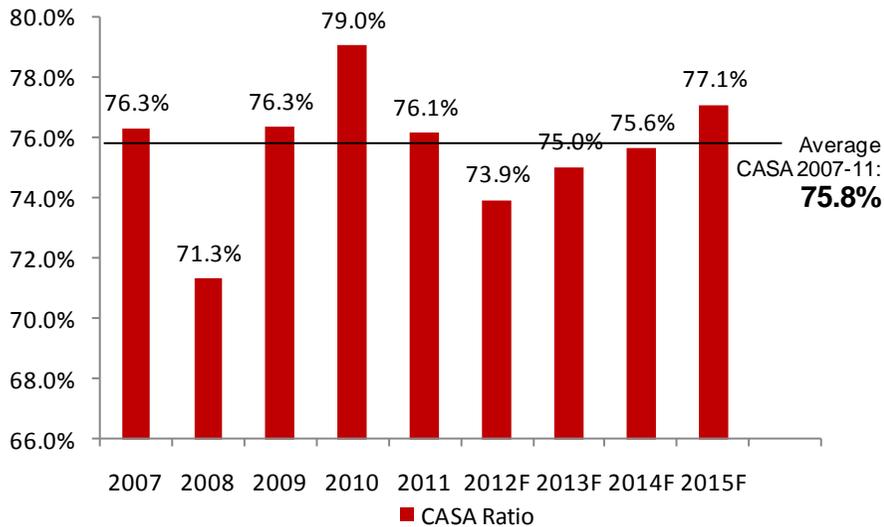
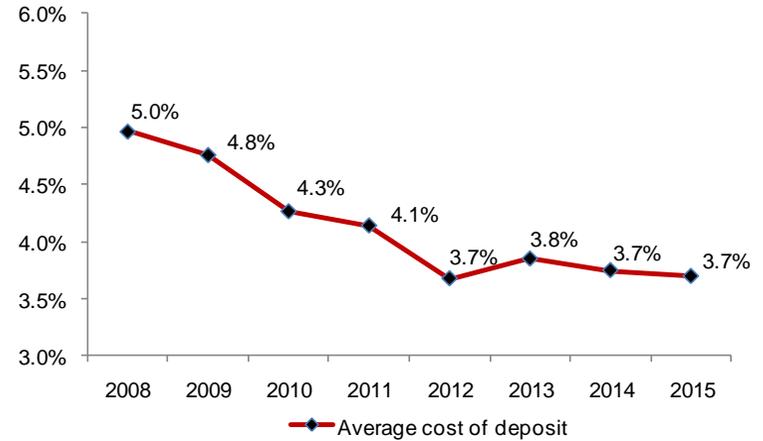
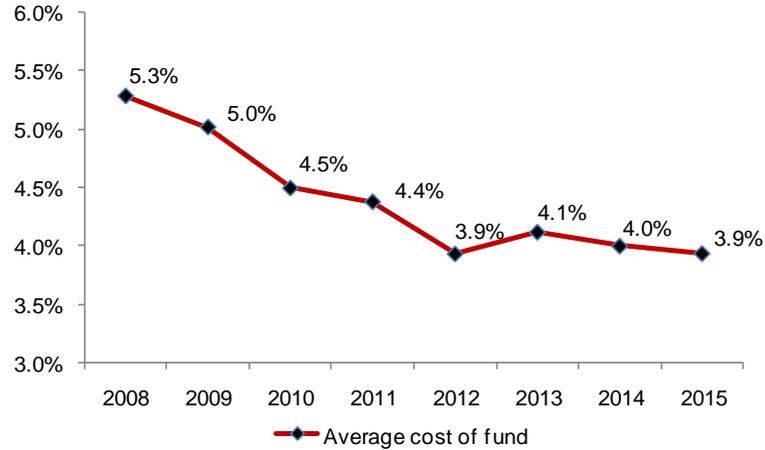
Lending Outlook

	2007	2008	2009	2010	2011	2012F	2013F	2014F
Interest Income from Loans	1,088	1,200	1,479	2,307	2,416	2,678	3,211	3,706
Total Loans	5,543	7,424	10,124	13,088	16,135	19,792	24,294	29,821
Average Loan Yield		18.5%	16.9%	19.9%	16.5%	14.9%	14.6%	13.7%

	2007	2008	2009	2010	2011	2012F	2013F	2014F
Total Interest Income	1,739	2,025	2,109	2,698	2,755	2,975	3,388	3,872
Total Earning Assets	11,939	13,944	14,758	16,668	20,517	23,267	28,115	33,278
Average Yield on Earning Assets		15.6%	14.7%	17.2%	14.8%	13.6%	13.2%	12.6%



Customer Deposit and Funding Trend



Average Cost of Deposit	2009	2010	2011
BTPN	10.6%	8.5%	7.9%
Bank BJB	7.2%	6.8%	6.2%
Danamon	7.2%	4.7%	5.4%
BTN	7.4%	5.1%	5.0%
Bukopin	6.8%	4.8%	4.9%
Bank Jatim	4.8%	4.3%	4.1%
Mandiri	4.7%	3.8%	3.8%
BRI	4.8%	3.4%	3.3%
BCA	3.3%	2.7%	2.3%

Customer Deposit Analysis

	2007	2008	2009	2010	2011	2012F	2013F	2014F
CASA Ratio	76.3%	71.3%	76.3%	79.0%	76.1%	73.9%	75.0%	75.6%

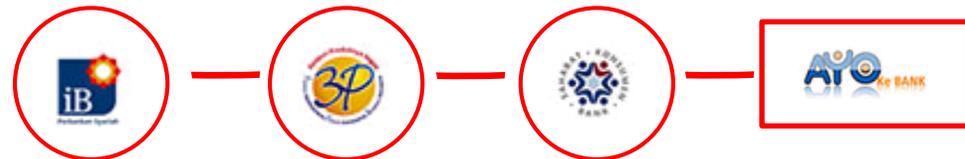
Total Customer Deposit (Rp bn)	2007	2008	2009	2010	2011	2012F	2013F	2014F
Demand Deposit	6,868	6,358	6,973	6,996	8,204	8,245	9,856	11,628
Saving Deposit	3,176	3,440	4,121	5,823	7,133	7,346	9,463	12,132
Term Deposit	3,117	3,938	3,437	3,399	4,806	5,496	6,431	7,650
Total	13,161	13,736	14,531	16,219	20,142	21,087	25,750	31,410

Interest Expense from Deposit (Rp bn)	2007	2008	2009	2010	2011	2012F	2013F	2014F
Demand Deposit	236	231	241	230	247	267	305	359
Saving Deposit	113	108	102	113	141	205	263	335
Term Deposit	291	329	330	312	364	285	333	375
Total	639	668	673	655	752	757	901	1,070

Average Cost of Deposit	2007	2008	2009	2010	2011	2012F	2013F	2014F
Demand Deposit		3.5%	3.6%	3.3%	3.2%	3.3%	3.4%	3.3%
Saving Deposit		3.3%	2.7%	2.3%	2.2%	2.8%	3.1%	3.1%
Term Deposit		9.3%	8.9%	9.1%	8.9%	5.5%	5.6%	5.3%
Total		5.0%	4.8%	4.3%	4.1%	3.7%	3.8%	3.7%

SECTION 6

INDICATIVE STRUCTURE & TIMETABLE



Indicative Structure

Issuer	PT Bank Pembangunan Daerah Jawa Timur Tbk. (“Bank Jatim”)
Stock Exchange	Indonesian Stock Exchange (“IDX”) – Main Board
Offering Structure	Up to 2,983,537,000 of new shares (Series B) (20% of Issued and Fully Paid Capital after the Initial Public Offering)
Program ESA & MESOP	ESA program up to 10% from offering size. Option right in MESOP program could be used to buy new shares up to 0,71% post IPO paid-in capital
Type of Offering	Domestic offering in accordance to Bapepam & LK regulations
Use of Proceeds	<ul style="list-style-type: none"> ▪ 80% to support the Company’s credit expansion ▪ 10% to expand the Company’s network of services ▪ 10% to develop the Company’s information technology systems
Joint Lead Underwriters	<ul style="list-style-type: none"> ▪ PT Bahana Securities ▪ PT Mandiri Sekuritas

Price Range

Rp [XXX]



Rp [XXX]

Indicative Timetable

Due Diligence Meeting & Public Expose	19 June 2012
Bookbuilding Period	18 – 25 June 2012
Pricing	26 June 2012
Effective Statement from Bapepam & LK	29 June 2012
Offering Period	3 – 5 July 2012
Allotment	9 July 2012
Refund	10 July 2012
Payment to Issuer / Distribution of Shares	10 July 2012
Listing on IDX	11 July 2012

Joint Lead Underwriters & Supporting Parties

Joint Lead Underwriters



CERTIFIED PUBLIC ACCOUNTANTS	KAP Purwantono, Suherman & Surja (Member of Ernst & Young)
LEGAL COUNSEL	Makes & Partners Law Firm
APPRAISER	KJPP Susan Widjojo & Rekan
NOTARY	Fathiah Helmi, S.H.
SHARE REGISTRAR	PT Datindo Entrycom

THANK YOU