Elephants Crossing the Water

by Tang Kok Soo
Mixed media
121 x 160 cm

Mr Tang Kok Soo's *Elephants Crossing the Water* is the inspiration for the design of this year's Annual Report. The abstract painting of a herd of elephants crossing a river received the Gold Award for the Established Artist Category in the 2016 UOB Painting of the Year (Singapore) Competition.

With each step forward, the steady and strong-willed elephants make their journey as one, advancing with purpose and determination whatever the terrain. Elephants Crossing the Water symbolises strength in unity and celebrates the focus and wherewithal needed to stay the course.

The UOB Painting of the Year Competition, in its 35th year in 2016, promotes awareness and appreciation of art, and challenges Southeast Asian artists to produce works that inspire.

UOB

PT Bank UOB Indonesia at a Glance

PT Bank UOB Indonesia (UOB Indonesia) was founded on 31 August 1956 as PT Bank Buana Indonesia and in May 2011, changed its name to PT Bank UOB Indonesia. We offer a wide range of products and services, from personal financial services and investment management to treasury and cash management. The Bank's service network comprises 41 branch offices, 137 sub-branch offices and 160 ATMs across 30 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are also available through internet banking services for retail customers and corporate clients, as well as the ATM Prima, ATM Bersama, and Visa Networks.

UOB Indonesia is rated AAA (Idn) by the independent rating agency Fitch Ratings.

At UOB Indonesia, we aim to create sustainable value for our stakeholders through our comprehensive suite of products and services, robust information technology systems, sound capital structure, and highly qualified employees.

We also give back to the community through our corporate social responsibility programme which is focused on art, children, and education. As part of this programme, we organise the annual UOB Painting of the Year Competition, and since 2011, have donated more than IDR1 billion through our annual fundraising activity, UOB Heartbeat Run/Walk.

For more information about PT Bank UOB Indonesia, please visit www.uob.co.id

Vision

A significant bank in Indonesia, a key part of the UOB Group, valued by our customers, staff, shareholders and regulator, and admired by the public, as a long term banking institution they can trust.

Mission

To create sustainable economic value for all our stakeholders through a team of loyal, dedicated and professional bankers, committed to meeting and exceeding the needs and expectations of our stakeholders; with the highest quality products and services for our desired customer segments in retail and wholesale banking and superior financial and prudential outcomes for our staff, shareholders and regulators.

Our Values

Honourable	We act prudently to fuel our customers' success and maintain the highest standards in all we do.
Enterprising	We possess a forward-looking mindset and provide deep insight, taking the initiative to find solutions.
United	We reach our corporate and individual goals through cooperation, mutual respect, and loyalty.
Committed	We hold ourselves accountable for ensuring that UOB remains a source of stability, security, and strength.

PT Bank UOB Indonesia
Financial and Operational Highlights

(in billion Rupiah)

Statement of Financial Position

Description	31st December				
	2016	2015	2014*	2013*	2012*
Assets					
Cash	536	516	591	662	418
Current accounts with Bank Indonesia	5,724	5,454	5,328	4,760	4,047
Current accounts with other banks	1,098	704	1,242	1,161	897
Placements with Bank Indonesia and other banks	3,321	2,856	5,238	3,120	2,750
Trading securities and financial investments - net	12,918	11,936	7,028	6,224	3,964
Receivables on securities purchased with agreements to resell	1,902	-	-	-	-
Derivatives receivable	202	142	239	350	113
Loans - net	64,699	60,573	55,833	51,871	44,476
Acceptances receivable- net	1,749	2,613	3,133	1,843	1,407
Deferred tax assets - net	36	-	-	-	-
Fixed assets - net book value	1,093	1,135	989	984	882
Other assets - net	816	718	429	407	419
Total Assets	94,094	86,647	80,050	71,382	59,373
Liabilities and Equity					
Current liabilities	101	62	68	68	218
Demand deposits	9,488	6,887	7,247	5,336	4,987
Savings deposits	16,144	12,624	9,834	9,289	8,165
Time deposits	47,373	44,946	46,154	42,654	33,387
Deposits from other banks	3,642	5,507	1,000	1,598	1,682
Taxes payable	145	211	120	131	85
Derivatives payable	194	143	256	354	116
Liabilities on securities sold under repurchase agreements	339	-	-	-	-
Interests payable	211	243	218	196	151
Acceptances payable	1,771	2,644	3,136	1,845	1,390
Borrowings	-	-	328	-	-
Deferred tax liability - net	-	26	102	22	32
Liabilities for employee's benefits	209	186	208	147	103
Other liabilities	471	412	401	525	500
Debt securities issued - net	3,185	2,488	994	-	-
Total Liabilities	83,273	76,379	70,066	62,165	50,816
Total Equity	10,821	10,268	9,984	9,217	8,557
Total Liabilities and Equity	94,094	86,647	80,050	71,382	59,373

* After the restatement adjustments for adopting PSAK No. 24 (Revised in 2013)

(in billion Rupiah)

Statements of Profit or Loss and Other Comprehensive Income

Description	For the year ended 31st December				
	2016	2015	2014*	2013*	2012*
Interest income	7,404	7,193	6,835	5,430	4,866
Interest expense	(3,867)	(4,116)	(3,819)	(2,584)	(2,061)
Interest Income – Net	3,537	3,077	3,016	2,846	2,805
Other operating income - Net	792	681	542	559	474
(Provision for) reversal of impairment losses on financial assets	(959)	(657)	(474)	73	(68)
(Provision for) reversal of impairment losses on foreclosed assets	-	1	5	9	(7)
Other operating expenses	(2,712)	(2,471)	(2,182)	(1,994)	(1,787)
Operating Income	658	631	907	1,493	1,417
Non operating income – Net	11	7	26	49	72
Income Before Tax Expense	669	638	933	1,542	1,489
Tax expense	(190)	(175)	(249)	(394)	(377)
Income for the year	479	463	684	1,148	1,112
Other Comprehensive Income for the year	74	(43)	83	(241)	16
Total Comprehensive Income for the year	553	420	767	907	1,128
Net profit attributable to:					
Owner entity	479	463	684	1,148	1,112
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the year attributable to:					
Owner entity	553	420	767	907	1,128
Non-controlling interests	-	-	-	-	-
Net income per share	50	48	72	120	116

* After the restatement adjustments for adopting PSAK No. 24 (Revised in 2013)

Financial Ratios

(in billion Rupiah unless otherwise stated)

Description	31st December				
	2016	2015	2014	2013	2012
Financial Ratios					
Capital					
Capital Adequacy Ratio (CAR)	16.44%	16.20%	15.72%	14.94%	16.77%
CAR Tier I	14.30%	13.92%	13.24%	13.90%	15.72%
CAR Tier II	2.14%	2.28%	2.47%	1.04%	1.05%
Gross Fixed Assets to Capital	16.47%	16.44%	15.92%	18.70%	18.31%
Gross Fixed Assets	2,049	1,943	1,676	1,642	1,484
Capital	12,440	11,816	10,528	8,781	8,101
Capital Adequacy Ratio (CAR) for Credit Risk*	18.23%	18.03%	17.31%	16.48%	18.61%
Capital Adequacy Ratio (CAR) for Credit Risk and Market Risk*	18.07%	17.78%	17.25%	16.42%	18.59%
Capital Adequacy Ratio (CAR) for Credit Risk, Market Risk and Operational Risk*	16.44%	16.20%	15.72%	14.94%	16.77%
Assets Quality					
Non-Performing Earning Assets and Non Earning Assets to Total Earning Assets	1.63%	1.49%	2.17%	1.02%	1.41%
Non-Performing Earning Assets	2.50%	2.13%	3.10%	1.34%	1.56%
Allowance for Impairment Losses for Financial Assets to Earning Assets	1.34%	1.06%	0.97%	0.55%	0.97%
Non-Performing Loans - Gross	3.24%	2.68%	3.72%	1.63%	1.81%
Non-Performing Loans - Net	2.61%	2.17%	2.85%	1.15%	1.13%

* Calculated in accordance with Bank Indonesia/OJK Regulations

PT Bank UOB Indonesia
Financial and Operational Highlights

Description	31st December				
	2016	2015	2014*	2013*	2012*
Earnings					
Return on Assets (ROA)	0.77%	0.77%	1.24%	2,39%	2,60%
Return on Equity (ROE)	4.49%	4.82%	7.57%	14,31%	14,97%
Net interest Margin (NIM)	4.31%	3.97%	4.21%	4,55%	5,07%
Operating Expense to Operating Income (BOPO)	95.90%	96.46%	90.53%	77,66%	74,60%
Liquidity					
Loans to Deposit Ratio (LDR)	90.11%	95.17%	89.27%	91,15%	96,64%
Low Cost Fund (CASA) Ratio	35.11%	30.27%	27.01%	25,53%	28,26%
Compliance					
Violation of Legal Lending Limit	-	-	-	-	-
Lending in excess of the Legal Lending Limit	-	-	-	-	-
Minimum Reserve Requirement (GWM) - IDR					
Primary	6.84%	7.59%	8.10%	8,12%	8,10%
Secondary	14.79%	15.45%	9.62%	9,06%	7,75%
Minimum Reserve Requirement (GWM) - Foreign Currency	8.85%	8.10%	8.10%	8,22%	8,10%
Net Open Positions (NOP)	0.62%	0.63%	1.79%	1,75%	0,26%
Growth Ratios					
Net Interest Income	14.95%	2.02%	5.97%	1,46%	19,97%
Operating Income	4.28%	-30.43%	-39.25%	5,36%	33,93%
Net Income	3.46%	-32.31%	-40.42%	3,24%	39,70%
Total Assets	8.59%	8.24%	12.14%	20,23%	7,46%
Total Liabilities	9.03%	9.01%	12.71%	22,33%	6,33%
Total Equity	5.39%	2.84%	8.32%	7,71%	14,72%
Others					
Debt to Equity	769.55%	743.85%	701.78%	674,46%	593,85%
Debt to Assets	88.50%	88.15%	87.53%	87,09%	85,59%
Total issued and fully paid shares capital (full amount)	9,553,885,804	9,553,885,804	9,553,885,804	9,553,885,804	9,553,885,804

* After the restatement adjustments for adopting PSAK No. 24 (Revised in 2013)

Deposits	IDR73,005 billion	▲ 13.3%
Loans - Net	IDR64,699 billion	▲ 6.8%
LDR	90.11%	▼ -5.1%

Total Equity	IDR10,821 billion	▲ 5.4%

Total Assets	IDR94,094 billion	▲ 8.6%

Capital Adequacy Ratio (CAR)	16.44%	▲ 0.24%

Shareholders Structure

About United Overseas Bank Limited

Who We Are

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 branches and offices in 19 countries and territories in Asia Pacific, Europe, and North America. In Asia, we operate through our head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, and Thailand, as well as branches and offices across the region.

In 1935, amid the economic uncertainties following the Great Depression, UOB opened its doors to offer banking services for the merchant community in Singapore.

Since then, UOB has grown organically and through a series of strategic acquisitions. Today, UOB is rated among the world's top banks: 'Aa1' by Moody's and 'AA-' by Standard & Poor's and Fitch Ratings.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

At UOB, we believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children, and education.

What We Do

UOB provides a wide range of financial services globally through our three core business segments – Group Retail, Group Wholesale Banking and Global Markets. Our offering includes personal financial services, private banking, business banking, commercial and corporate banking, transaction banking, investment banking, corporate finance, capital market activities, treasury services, brokerage and clearing services. Through our subsidiaries, we also provide asset management, venture capital management and insurance services.

Where We Operate

>500 branches and offices

in Asia Pacific, Europe, and North America

United Overseas Bank Limited
Financial Highlights

Five-Year Group Financial Summary

	2016	2015	2014	2013	2012
Selected Income Statement Items (SGD million)					
Operating Profit	4,365	4,451	4,311	3,822	3,748
Net profit after tax [1]	3,096	3,209	3,249	3,008	2,803
Selected Balance Sheet Items (SGD million)					
Net customer loans	221,734	203,611	195,903	178,857	152,930
Customer deposits [4]	255,314	240,524	233,750	214,548	182,029
Total assets	340,028	316,011	306,736	284,229	252,900
Shareholders' equity [1]	32,873	30,768	29,569	26,388	25,080
Financial Indicators (%)					
Expense/Income ratio	45.9	44.7	42.2	43.1	42.3
Non-performing loans ratio	1.5	1.4	1.2	1.1	1.5
Return on average total assets	0.95	1.03	1.10	1.12	1.18
Return on average ordinary shareholders' equity	10.2	11.0	12.3	12.3	12.4
Capital adequacy ratios [2]					
Common Equity Tier 1	13.0	13.0	13.9	13.2	14.7
Tier 1	13.1	13.0	13.9	13.2	14.7
Total	16.2	15.6	16.9	16.6	19.1
Per ordinary share					
Basic earnings ($)	1.86	1.94	1.98	1.84	1.72
Net asset value ($)	18.82	17.84	17.09	15.36	14.56
Net dividend (cents) [3]	70	90	75	75	70
Dividend cover (times) [3]	2.73	2.22	2.70	2.54	2.54

1 Relate to amount attributable to equity holders of the Bank.

2 With effect from January 2013, the Group adopted the Basel III framework for its capital adequacy ratio computation in accordance with the revised MAS Notice 637 and Common Equity Tier 1 is mandated under MAS Notice 637.

3 Included special dividend of 10 cents in 2012 and 5 cents in 2013 and 2014 respectively. 2015 included UOB's 80th Anniversary dividend of 20 cents.

4 From 2013, customer deposits include deposits from financial institutions relating to fund management and operating accounts. Previously, these deposits were classified as "Deposits and balances of banks".

Highlights in 2016

07 January

UOB Indonesia organised an Open House for all Jakarta-based employees.

14 January

Launch of the PRVI Miles credit card specially designed for people who like to travel.

01 February

UOB Indonesia's Commercial Banking organised a Corporate Social Responsibility event with the theme of "Cook with Love and Share the Happiness" for the benefit of orphans from Istaqim orphanage foundation.

15 February

Celebration of the Lunar New Year with a Lion dance performance at UOB Plaza, Jakarta.

23 February

UOB Indonesia and School of Business and Management Institut Teknologi Bandung (SBM ITB) signed a Memorandum of Agreement for the SME Banker's Executive Certification Programme.

14 March

An activity during the UOB Indonesia financial literacy programme at Universitas Indonesia to better prepare students to enter the workforce.

15 March

Launch of UOB Business Internet Banking Plus (BIB Plus), UOB Indonesia's Internet banking platform for business customers.

21 April

In commemoration of Kartini Day, UOB Indonesia organised an event with the theme of "Inspiring Indonesia's Women to Build the Nation," as an appreciation of women emancipation in Indonesia.

20 May

Inauguration of the first UOB Indonesia-SBM ITB Small Medium Enterprise (SME) Centre in Bandung.

Highlights in 2016

24 May

UOB Indonesia Annual General Meeting of Shareholders at UOB Plaza.

26 May

Foreign Direct Investment forum with government's representatives and investors from Singapore in support of business development in Indonesia and particularly in East Java.

14 June

UOB Indonesia hosted UOB Painting of the Year 2016, Southeast Asia's most prestigious art competition.

19 July

UOB Indonesia organised a *Halal bihalal* at UOB Plaza, Jakarta, in the celebration of Eid al-Fitr.

24 July

With a theme of "Run for Arts", UOB Indonesia organised the UOB Heartbeat Run/Walk at Prambanan Temple, Yogyakarta, to raise funds for the benefit of the arts and children with special needs.

19 August

The Graduation Ceremony of the UOB Indonesia-SBM ITB SME Banker's Executive Certification programme.

20 August

A series of sport and art competitions were held in celebration of UOB Indonesia 60th anniversary.

25 August

An exhibition of the best paintings from UOB Painting of the Year 2011 - 2016 was held at Bazaar Art, with a talk show on "Appreciating Art Collection and UOB Painting of the Year".

03 September

The highlight of UOB Indonesia 60th anniversary celebration was the presentation of 10, 15, and 25-year long service employee awards.

08 September

UOB Indonesia participated in the 2016 Canada – ASEAN Business Forum.

14 September

The launch of the Personal Internet Banking (PIB) service platform for customer's convenience in transactions.

19 October

UOB Indonesia organised a Public Expose on the issuance of Bank UOB Indonesia Bonds.

24 October

The award presentation night of UOB Painting of the Year 2016 competition continued to mark our footprint in the art scene.

16 November

The UOB Indonesia 2017 Economic Outlook seminar in Jakarta themed "Post Indonesia Economic Reform & US Election: What's Next for Indonesia?"

13 December

The inauguration of UOB Indonesia - SBM ITB SME Centre in Jakarta to support our commitment in taking part in the SME market development.

15 December

Christmas celebration for UOB Indonesia employees, themed "To Color Our Diversity in Unity."

Awards

Foreign Exchange Poll 2016
Asiamoney Magazine
- Ranked 1st in Best Overall FX Services
- Ranked 1st in Best FX Products and Services
- Ranked 1st in Best FX Options
- Ranked 2nd in Best FX Research and Market Coverage

The Asset Asian Awards 2016
The Asset Triple A
Best Trade Finance Solution, Indonesia

Indonesia Best Banking Brand Award 2016
Warta Ekonomi Magazine
The Winner of Best Banking Brand 2016 for Best Service Title for Private Banks category

2016 Banking Service Excellence
Infobank Magazine and Marketing Research Indonesia
1st Best ATM for Commercial Bank Category with Excellent performance

Contact Center Service Excellence Awards 2016
Carre Centre for Customer Satisfaction Loyalty and Service Excellence Magazine
- Exceptional Service Performance for Regular Banking Category
- Exceptional Service Performance for Regular Credit Card Category

Milestones

1950

1956 Establishment and commercial operations of the Bank under the name PT Bank Buana Indonesia

1970

1972 Acquisition of PT Bank Pembinaan Nasional, Bandung
1974 Acquisition of PT Bank Kesejahteraan Masyarakat, Semarang
1975 Acquisition of PT Bank Aman Makmur, Jakarta
1976 Obtained a license as a Foreign Exchange Bank

1990

1998 Ranked as "A" category bank by Bank Indonesia

2000

2000 Initial Public Offering and share listing at the Jakarta Stock Exchange and the Surabaya Stock Exchange
2003 The entry of International Finance Corporation (IFC) as the first overseas shareholder through the Rights Issue II
2004
- The UOB International Investment Private Limited (UOBII) became the second largest shareholder after PT Sari Dasa Karsa
- Issuance of Subordinated Bonds I

2005
- IFC divested its entire shareholding in the Bank
- UOBII became the majority shareholder with 61.11 per cent shareholding

2007
- Change of name from PT Bank Buana Indonesia Tbk menjadi PT Bank UOB Buana Tbk
- United Overseas Bank Limited (UOB), though UOBII, became the majority shareholder of the Bank

2008
- The Extraordinary General Meeting of Shareholders approves the change of status into a privately-held entity
- The shareownership of UOBII rose to 98,997 per cent following a tender offer for the publicly-held shares
- Delisting of the Bank's shares from the Indonesia Stock Exchange

2009 Call option for the debt principal of Subordinated Bonds I
2010 The former PT Bank UOB Indonesia was merged into PT Bank UOB Buana
2011 Change of name to PT Bank UOB Indonesia
2012 The Bank, along with the UOB Group, introduced a new regional-wide uniform for front-liners that convey an impression of professionalism, confidence and outlook of UOB Group
2013 Implementation of the Core Banking Standardization project from the development of infrastructure systems towards improved services by the Bank
2014 Issuance of Bank UOB Indonesia Subordinated Bonds I Year 2014
2015 Issuance of Bank UOB Indonesia Bonds I Year 2015

2016

2016
- Issuance of Shelf Registration Senior Bonds I and Subordinated Bonds I Bank UOB Indonesia Phase I Year 2016
- Launch of the Business Internet Banking (BIB) and Personal Internet Banking (PIB) service platforms to improve the Bank's competitiveness and the quality of services to customers

Report of the Board of Commissioners

Amid the global economic uncertainty, the Indonesian economy was relatively stable in 2016. Confidence in the country's economy was aided by the government's strong commitment in policy reforms.

Amid the global economic uncertainty, the Indonesian economy was relatively stable in 2016, with Gross Domestic Product increasing slightly from 4.88 per cent in 2015 to 5.02 per cent, while inflation remained flat at 3.02 per cent. Confidence in the country's economy was aided by the government's strong commitment to policy reforms and investment particularly in the area of infrastructure.

Supported by the stability in the domestic economy, PT Bank UOB Indonesia (UOB Indonesia) achieved balanced growth in 2016 as we maintained our prudent and disciplined approach to running our business. UOB Indonesia posted a 3.5 per cent increase in profit to IDR479 billion in 2016. Our lending business continued to grow, up 7.2 per cent from 2015 and our Capital Adequacy Ratio stood at 16.44 per cent as at 31 December 2016. We maintained a strong capital position. Our deposits base grew by 13.3 per cent from 2015. The net non-performing loans ratio was 2.61 per cent, well below the regulatory limit of 5 per cent. In addition to our financial performance, UOB Indonesia also maintained a solid funding base with the shelf-registration issuances of senior and subordinated bonds in November 2016.

Throughout the year, the Board of Commissioners (BoC) and Board of Directors (BoD) worked hand-in-hand to support the Bank's development and growth in alignment with the Bank's 2016 strategy.

Strengthening Our Business

In 2016, the investments made to upgrade the Bank's technology platforms enabled us to introduce business and personal internet banking platforms, helping to make banking simpler and more convenient for our customers.

We assessed opportunities and undertook new business initiatives, while prudently managing risks. Through our established regional network, we helped Indonesian businesses expand across Asia, supported the growth of local small-and medium-sized enterprises, and deepened our relationships with retail customers particularly through new transaction capabilities.

For our staff, we continued to invest in training and development programmes to enhance their skills and capabilities and to prepare them to meet our customers' evolving needs.

In the area of Corporate Social Responsibility, the Bank continued to demonstrate its commitment to the community through various initiatives in the areas of art, children, and education.

In performing its duties, the BoC was assisted by the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee, each chaired by an Independent Commissioner. Throughout the year, the Committees held regular meetings and provided valuable contributions to our business. The BoC and BoD maintained a close working relationship in accordance with the Good Corporate Governance principles set out by the regulator. In addition to regular BoC meetings, there were four joint BoC-BoD meetings which served as important forums for the BoC to carry out its oversight and advisory responsibilities.

Throughout the year, the BoC continued to encourage the BoD to implement Good Corporate Governance and risk management practices, and to strengthen internal controls, to ensure that the Bank meets all compliance requirements as defined by the regulator. The BoC will maintain its close monitoring and provision of advice in support of the Bank's strategic objectives and performance.

During 2016, there were no changes in the composition of the BoC.

With the support of the BoC, the BoD embarked on a strategic review to set the stage for continued success in 2017 and beyond. The BoC is satisfied that the Bank's business plan can support the growth of the Bank, despite the global economic uncertainties in the years ahead. The BoD has laid out a challenging but prudent course to expand both the business and organisational capabilities of UOB Indonesia, with a sharpened focus on risk management. We support the BoD's objectives to continue to participate in Indonesia's economic growth and to remain vigilant given the uncertainties in the global environment.

On behalf of the Board of Commissioners, I would like to thank UOB Indonesia's loyal customers for their continued confidence in the Bank and the regulators for their continued support. I would also like to thank the Board of Directors, the management and our employees for their contributions and for upholding UOB's values.

Wee Cho Yaw
President Commissioner
April 2017

Report of the Board of Directors

The improved economic conditions created more opportunities for UOB Indonesia to help businesses here grow and expand.

On behalf of the Board of Directors, I am pleased to provide the operational and financial performance of PT Bank UOB Indonesia (UOB Indonesia) in 2016. UOB Indonesia's strong performance is a result of the commitment of our colleagues and the loyal support of our customers, and a good note on which to celebrate the Bank's 60th anniversary.

In 2016, the Indonesian economy displayed both stability and resilience against global volatility. With Rupiah exchange rates stabilising and inflation remaining low, Bank Indonesia lowered its benchmark interest rate on multiple occasions to accommodate growth. These efforts contributed to Gross Domestic Product growth of more than five per cent. The government-initiated Tax Amnesty programme implemented in the second half of 2016 also helped to improve the business and investment climate.

Building on Our Strengths and Staying Focused on the Future

The improved economic conditions created more opportunities for UOB Indonesia to help businesses here grow and expand. The Bank leveraged the regional strengths of the UOB Group as a lynchpin connecting ASEAN countries and Greater China, and helped our clients to take advantage of the increased trade and investment flows resulting from initiatives such as the One Belt and One Road (OBOR), and the ASEAN Economic Community.

We created more opportunities by sharpening our focus on our customers' needs while steadily building both our wholesale and retail banking businesses. There was much progress made on the digital front in 2016 with UOB Indonesia launching Business Internet Banking and Personal Internet Banking. We also improved our transaction banking capabilities for our business and corporate banking clients, thereby enhancing the convenience for our customers.

We were pleased to report that our AAA-rated Senior Debt issuance was oversubscribed, signaling market confidence and support for our plans to meet customers' expectations as a prudent and well managed bank.

Financial Performance

In 2016, total profit rose 3.5 per cent to IDR479 billion year on year, led by a 2.9 per cent increase in net interest income to IDR7,404 billion, which was in turn driven by improved net interest margin and an expanded loan base. Loans grew by 7.2 per cent year-on-year to IDR65,789 billion, while net interest margin increased 0.34 basis points to 4.31 per cent.

Our funding position remained healthy with the Current Account Saving Account balance for the year increasing by 31.4 per cent or IDR6,121 billion. Deposits overall grew by 13.3 per cent in 2016 to IDR73,005 billion. We remained prudent as we balanced loan and deposit growth. By doing so, we lowered our loan-to-deposit ratio to 90.11 per cent in 2016, from 95.17 per cent in 2015.

In 2016, we also maintained a strong Capital Adequacy Ratio (CAR) of 16.44 per cent, supported by our issuance of Senior Debt of IDR1 trillion and Subordinated Debt of IDR100 billion during the year.

During the year, Wholesale Banking disbursed loans of IDR23,732 billion to Commercial Banking clients, IDR16,030 billion to Corporate Banking clients and IDR1,576 billion to Financial Institution clients. We strengthened our client base as we supported more companies in the fast-moving consumer goods, contract financing and pharmaceutical sectors, and by deepening our relationships with Financial Institution clients. We also widened our range of product and service offerings by cross-selling the products of our Global Markets team.

We continued to grow our Retail business with focus on serving our customer better. For our personal banking customers, we launched new products and promotions to help them gain greater yields on their savings and to benefit from credit card rewards. In wealth management, we remained focused on providing quality and thoughtful advice and solutions that are aligned with our customers' financial goals, investment objectives and risk appetites. In 2016, our Business Banking team also worked with the School of Business and Management Institut Teknologi Bandung (SBM ITB) to launch in Bandung, Semarang, and Jakarta specialised centres that offer business and financial advisory for small- and medium-sized enterprises (SMEs).

Engaging Our People

To equip our people with the right skills set and to ensure we develop our talent to their fullest potential, we run training programmes. We continued to invest in strengthening the quality of our advisory services. For example, our Business Banking team partnered with School of Business and Management Institut Teknologi Bandung (SBM ITB) to introduce the finance industry's first tertiary education programme for small business bankers. This programme aims to help our bankers gain a deeper understanding of business trends, the needs of small-and medium-sized enterprises (SMEs) and the financial solutions they require to manage their businesses.

Achievement Awards

In 2016, we were honoured to receive industry recognition and awards, namely:

1. Contact Center Service Excellence Awards 2016 in the categories of Exceptional Service Performance for Regular Banking and Exceptional Service Performance for Regular Credit Cards from the Carre Centre for Customer Satisfaction Loyalty and Service Excellence Magazine;
2. The Asset Asian Awards 2016 for category The Best Trade Finance Solution from The Asset Triple A;
3. Banking Service Excellence Awards 2016 for the Best ATM in the Commercial Bank with Excellent Performance category from InfoBank Magazine and Marketing Research Indonesia;
4. Best for Overall Foreign Exchange (FX) Services, including Best for FX Products and Services, and FX Options, and second in Best for Research and Market Coverage at the Asiamoney FX Poll; and
5. Indonesia Best Banking Brand Awards 2016 for Best Services in the Private Bank category from Warta Ekonomi Magazine.

Good Corporate Governance

The Board of Directors is committed to Good Corporate Governance (GCG). GCG self-assessments conducted in 2016 resulted in a "good" rating.

However, our aim is to improve upon this. Regular and systematic engagement with regulators have confirmed the findings of our self assessments of the areas that need improvement, whereby actions and initiatives toward improvements are underway.

To keep raising the quality of our GCG standards, we continue to invest in information technology systems to improve our risk management, prudential policy setting and performance management processes. This will enable the robust collection, processing and provision of information to the relevant parties in the Board of Directors and business departments.

Changes in Board Membership

A few changes in the Board membership were accepted at the Extraordinary General Meeting of Shareholders (EGM) held on 2 November 2015. They were the resignation of Mr Armand B. Arief and Mr Ajeep Rassidi bin Othman from 1 January 2016, my appointment as the new President Director effective in May 2016, and that of Mr Pardi Kendy as Director from March 2016. The terms came into effect after approval was given by the Financial Services Authority (*Otoritas Jasa Keuangan*–OJK).

Another EGM held on 7 February 2017 accepted the resignation of Mr Tan Chin Poh as Deputy President Director and the appointment of Mr Henky Sulistyo as Director. The latter's term will be effective upon approval from the OJK.

We extend our deepest appreciation to Mr Armand B. Arief, Mr Ajeep Rassidi bin Othman and Mr Tan Chin Poh for their dedication and significant contributions to the Bank.

Performance of Committees under the Board of Directors

The Board of Directors is assisted by the following committees: Executive Committee, Assets and Liabilities Committee, Risk Management Committee, Credit Policy Committee, Human Resources Committee, Business Continuity Management Committee, Credit Committee, Information Technology Committee, Anti-Money Laundering Committee, and Operational Risk Management Committee. The Board of Directors is also assisted by Working Groups, namely the Credit Management Working Group, Service Excellence Council and Brand Implementation Working Group.

During the year, the Committees and Working Groups have effectively discharged their respective duties and responsibilities, guiding and ensuring the successful implementation of various internal policies and initiatives. On behalf of the Board of Directors, I would like to thank the Committees and Working Groups for providing constructive input and making strong recommendations to the Board of Directors.

Report of the Board of Directors

Outlook 2017

UOB Indonesia's management and leadership have charted a balanced, sound and measured course to achieving our goal to be among the top 10 leading banks in the country. Despite the global economic uncertainty that is expected to continue through 2017, we are confident that our customer-focused businesses well in place to harness the positive momentum of Indonesia's economy.

The Board of Directors has reaffirmed alignment of UOB Indonesia's interests with those of its key stakeholders and outlined a five-part strategic plan for 2017 that includes:

- To develop a 'best in class' risk management system;
- To continue to sharpen our financial management process;
- To sustain service excellence for a superior customer experience;
- To build a loyal, dedicated and talented pool of bankers; and
- To leapfrog to success through the use of technology, marketing and branding.

In the area of financial performance for 2017, we will seek to continue our growth and to maintain healthy key indicator ratios such as CAR and return on equity. We will also seek to lower the operational cost to revenue ratio. Maintaining our credit quality is also important and we target to keep our non-performing loans ratio to below 3.50 per cent, which is lower than the level required by the regulator.

Corporate Social Responsibility

In running our business, we never lose sight of the importance of being involved with, and committed to, the communities in which we operate. Art, children and education remain our areas of focus in giving back to society and our community programmes are designed to support this aspiration.

The annual UOB Painting of the Year competition is a regional stage on which the winning entries of established and emerging Indonesian artists are showcased. The artists and their works are also promoted through our art programmes. We are pleased that the participating Indonesian artists have won the regional Painting of the Year prize four times at the Southeast Asia Award, out of the six competitions conducted since 2011.

In the area of education, we have been actively engaged in supporting community development through financial literacy programmes for students conducted by UOB Indonesia as well as in cooperation with the Indonesian Financial Services Authority (Otoritas Jasa Keuangan – OJK). We also encourage an employee volunteer programme where we share our knowledge of financial planning, entrepreneurship and career preparation with the students. In 2016, through our regular fund raising programme, the UOB Heartbeat Run/Walk, we donated IDR250 million to help children with special needs through the Daya Pelita Kasih Foundation and for the development of art and culture through Yogyakarta Biennale Foundation.

Appreciation

On behalf of the Board of Directors, I would like to thank our customers for their loyalty and the regulators for helping to secure a vibrant and healthy banking industry and economy. I am grateful to the Board of Commissioners and shareholders for their continued support. I extend my appreciation to all UOB Indonesia colleagues for upholding our values in their relationships with each other and in service of our customers.

Lam Sai Yoke
President Director
April 2017

Board of Directors of UOB Indonesia

Board of Directors and Senior Executive Officers of UOB Indonesia

PT Bank UOB Indonesia

31 December 2016

Management Discussion and Analysis

25 2016 Macroeconomic Overview
25 Indonesia's Economic Performance in 2016
25 2016 Banking Performance Overview
25 Indonesia's Economic Outlook for 2017
26 Development Strategy
26 Marketing Aspects
26 Operational Review
32 Distribution Channels
32 Building Relationships with Customers through Better Service Quality
32 Human Resources
37 Information Technology and Operations
38 Financial Review

Management Discussion and Analysis

2016 Macroeconomic Overview

2016 was a year of uncertainty and volatility in global markets, influenced by events such as the Brexit vote, the Presidential election in the United States of America and the deceleration of economic growth in China. Global economic growth slowed from the projected 3.1 per cent to 2.6 per cent.

The boost in certain commodity prices, namely coal, crude palm oil, tin, rubber and steel and the rebound of the Baltic Dry Index provided good news. An OPEC agreement on petroleum production lifted prospects for the oil and gas sector. We witnessed a stabilising exchange rate of the Rupiah against the US Dollar, where the Rupiah strengthened slightly from IDR13,795 per US Dollar at year-end 2015 to IDR13,436 per US Dollar at year-end 2016.

Indonesia's Economic Performance in 2016

Despite the global turmoil, Indonesia's economy improved in 2016, with Gross Domestic Product (GDP) growth increasing from 4.88 per cent in 2015 to 5.02 per cent in 2016, in fact, as among the highest in the world.

The Current Account deficit moved from -2.03 per cent of GDP in 2015 to -1.75 per cent in 2016. Indonesia's reserve assets at the end of 2016 were equivalent to 8.4 months of imports and official government debt servicing was well above the international standards for reserves adequacy. Throughout 2016, we saw steady and broad based growth in all sectors of Indonesia's economy which contributed to a positive trade balance and the diversification of trading partners. Indonesia's total external debt rose moderately with private external debt falling slightly, and government debt rising in order to finance infrastructure development.

Direct investment continued at near the levels of 2015, with equity participation continuing to outpace debt participation, with 85 per cent of Indonesia's foreign investment coming from Asia. Roughly half of this came from ASEAN, in particular from Singapore. Indonesia, like other emerging markets, is subject to sudden capital outflows due to global financial instability, though we expect that the strong equity participation and positive economic growth prospects have tended to lessen the extent of any such swings.

Trading volumes at the Indonesia Stock Exchange were slow until the last quarter of 2016 when they reached double the levels of the first and second quarters of the previous year and the Jakarta Composite Index (JCI) increased 15 per cent to 5,296 from 4,593 at year-end 2015.

We also saw another year of low and stable inflation with Indonesia's inflation rates for 2016 at 3.02 per cent, with the eight composite consumer price indexes all showing stable and marginal increases.

2016 Banking Performance Overview

Throughout 2016, Bank Indonesia lowered its benchmark interest rate six times:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
7D reverse repo (percentage)	5.95	5.70	5.50	5.50	5.50	5.25	5.25	5.25	5.00	4.75	4.75	4.75

Bank Indonesia also took measured steps to ensure stable growth via slight adjustments in financial mechanisms. Among such changes was the setting of the seven-day Reverse Repo Rate as the new policy rate from August, gaining more effective monetary policy transmission. As well, Bank Indonesia lowered the primary Rupiah reserve requirement from 7.5 per cent to 6.5 per cent in March. To ensure sustainable competition, Bank Indonesia introduced rate caps on time deposits in March, while relaxing the loan-to-value ratio for first to third home mortgages, among other changes to lending regulations.

Other macro-prudential policies took effect later in the year, with close attention being paid by Bank Indonesia to managing deposit and lending rates so as to encourage balanced lending activity. By the end of the year, Bank Indonesia released new regulations on digital branches and clarifyied procedures.

The Indonesian banking industry ended 2016 in a healthy position with industry lending up 7.9 per cent from 2015, NIM was stable at 5.6 per cent, and NPLs increasing to 2.93 per cent from 2015's 2.49 per cent. Total lending was up 7.9 per cent and the increase in third party funds was 9.6 per cent from last year. The industry's Loans to Financing stood at 90.70 per cent (using LDR), and the Capital Adequacy Ratio (CAR) was at 22.93 per cent from 2015's 21.39 per cent, and well above the regulatory minimum ratio of 8 per cent.

Indonesia's Economic Outlook for 2017

Indonesia continues to show good growth potential in 2017. UOB Indonesia predicts that Indonesian economy will grow around 5.2 per cent in 2017, supported by private consumption and investment and a recovery in global export demand. The optimism in outlook is also underpinned by the government's commitment to maintaining the economic growth momentum through its economic reform packages that aim to increase investment in Indonesia.

However, we anticipate continued volatility in commodity prices, especially those of coal, and oil and gas, as well as in Indonesia's major exports of crude palm oil and tin, which could affect the country's GDP growth. Uncertainty about the direction of China's economy will continue to put downward pressure on global trade and investment patterns, while the economic policy and direction of the President Donald Trump administration needs time to be evaluated, especially with regards to any change in interest rate policy by the US Federal Reserve.

Management Discussion and Analysis

Major elections within the European Union could introduce more volatility in the global economy in 2017, with Indonesian exports and imports subject in large part to events outside of Indonesia's control.

In short, within Indonesia, we remain cautiously optimistic as there are opportunities in many sectors for expansion and the government's continued push to accelerate infrastructure investment is creating jobs and boosting household consumption. Overall, we see positive sentiment for foreign and domestic investment in Indonesia, in part due to the government's economic policy packages that aim to encourage the Indonesian economy, including maintaining the relatively low interest rate environment and stable currency exchange rate.

Development Strategy

In 2016, the Indonesian government launched a series of economic reform packages to boost the country's investment climate. Nationwide infrastructure and economic policy packages initiated by the government brought about more equitable distribution of wealth and income growth throughout the country. These developments created employment opportunities, thus contributing to increased household consumption and a 5.02 per cent growth in Indonesia's gross domestic product in 2016. The Indonesian government will continue to build on the momentum of its economic reforms to improve the country's investment climate, despite the volatility in global economy.

Looking ahead, UOB aims to become one of the top 10 leading banks in Indonesia, and a significant player in the financial industry this is valued as a trusted partner by our customers, employees, shareholders and regulators. To achieve this, we will continue to manage our business with prudence and discipline, and to stay focused on delivering quality growth. We will keep abreast of the competition, and continue on the path of pursuing long-term and sustainable growth.

As we continue to focus on meeting our customers' needs and doing what is right for them, we have set five strategic priorities in place for 2017 to ensure that we achieve our targets. They are:

- Develop a 'best in class' risk management platform;
- Continue to sharpen our financial management process;
- Sustain service excellence for a superior customer experience;
- Build a loyal, dedicated and talented pool of bankers;
- Leapfrog to success through the use of technology, marketing and branding.

Marketing Aspects

In 2016, UOB Indonesia expanded its marketing campaigns targeted at individual customers and corporate clients. Our campaigns were focused on raising awareness of the UOB brand, generating interest in our products and in growing our customer base.

We invested in a wide range of print and electronic advertising, forums and exhibitions tobuild awareness of our products, services and solutions.

Our main campaigns focused on the following areas:

- UOB PRVI Miles Card: a credit card designed to meet the needs of Indonesian traveller.
- Personal Internet Banking: internet banking for individual customers, providing them safe and secure banking services.
- Business Internet Banking Plus (BIB Plus): internet banking for our institutional clients providing a fast, accurate and secure banking and payments platform.
- Giro88: a current account product with competitive interest rates and transactional fee-free feature based on the amount of the account.
- Tabungan Bisnis88: a saving programme for corporate clients.
- UOB High Yield Account: a deposit product with premium features such as higher interest rates based on the funds within an individual's saving account, current account and time deposit.
- U-Save: a saving programme with competitive interest rates.
- UOB Plus Saving: a saving programme with progressive interest rates accordingly to the amount saved.
- UOB – SBM ITB SME Centres and Certification Programmes:
  - UOB – SBM ITB SME Centre to provide continuous guidance to SMEs, including how to be bankable and to penetrate export markets.
  - UOB – SBM ITB SME Certification programme: to help SME Bankers with practical experience to ensure that they advise SMEs appropriately
- Year-end travel promotions for UOB credit cardholders.

Operational Review

Business Segments

UOB Indonesia offers a wide range of products and services to customers. The following Management Discussion and Analysis describes the way we do business through seven different segments, namely Personal Financial Services, Business Banking, Commercial Banking, Corporate Banking, Financial Institution, Transaction Banking, and Global Markets.

Personal Financial Services (PFS)

Our PFS business serves our individual customers' needs with products and services developed by our Deposits, Investments and Insurance (DII), Mortgage and Secured Loan (MSL), and Credit Cards and Payment Instruments (Credit Cards and Payments) teams. For our affluent customers, we offer wealth management services through UOB Privilege Banking.

In 2016, we continued to strengthen our business in the areas of wealth management, loans and credit cards. Our objectives included growing our deposit base, and client funds managed by the Bank, to increase fee-based income and generate low cost funding, and expand home loans, targeting first-time home

buyers, as well as cross-selling. In the Cards and Payments area, we developed a better value proposition for our One Card and Platinum Card customers and enhanced usage programs to a generate higher active rate.

To maintain our high quality of service, the Bank conducted regular product training sessions for sales officers and performed mystery shopping exercises to ensure our products and services met the needs of our customers. We also increased the size of our team with new Personal Bankers and Client Advisors so we are better able to serve our growing base of customers.

In 2016, PFS recorded an income of IDR1,269 billion, deposits of IDR28,345 billion and lending of IDR8,662 billion.

Deposits Investments Insurance (DII)

We offer a wide range of deposit products in Rupiah and multiple foreign currencies, as well as Mutual Funds, Bonds, Treasury products and Bancassurance. Through targeted cross-selling of the most suitable financial solutions for our customers, we generate both fee-based income and interest income for the business. Our knowledgeable Client Advisors in Privilege Banking and our Personal Bankers, provide customers with invaluable insights on saving and investing for their future. Our savings, investment, insurance and treasury products provide our customers with options that fit their individual needs.

As part of our commitment to providing enhanced customer services to our clients, in 2016 UOB Privilege Banking conducted åseries of Tax Amnesty seminars in 5 big cities: Jakarta, Surabaya, Medan, Semarang and Bandung. This was in addition to the regular market update events held by our Wealth Management advisors. Our Wealth Management advisors are well-equipped with Personal Financial Planning knowledge and tools to comprehensively advise our Privilege Banking customers on financial planning and investment products.

In the area of Personal Banking, the Bank conducted 170 events in strategic locations such as residential areas, offices and commercial areas, aimed at promoting the UOB brand and drawing new customers to the Bank. We also held financial literacy roadshows at schools and in the community areas near our branches. Personal Banking strengthened its distribution in 5 big cities by growing the number of our Personal Bankers. These numbers were generated not only from professional hiring, but also from fresh graduates starting their careers as Personal Bankers.

In 2016, Personal Banking has increased the number of Bancassurance policies issued by 300 per cent compared with the previous year. Personal Bankers have been equipped with training on Personal Financial Planning so they are able to knowledgably advise our customers. A number of seminars and events were conducted to education our customers on Wealth Management products and financial market trends.

The 2017 business development strategy for our DII business is as follows:

- Focus on growing our customer base to produce a stable funding platform.
- Extend relationships with customers by expanding the Member Gets Member (MGM) programmes to enlarge customer circles.
- Enhance Personal Internet Banking services to facilitate convenient customer transactions.
- Provide best-in-class service and advisory to fit customers' investments needs in Privilege Banking.
- Increase the Bank's brand awareness and strengthen our positioning to gain customer's trust and loyalty.
- Increase our front-line staffs' knowledge of products and services to elevate the quality of customer service.

Mortgage and Secured Loans (MSL)

We provide loan facilities for residential properties, homes, offices, apartments and for renovation and construction, as well as overdrafts and multi-purpose loans with property as collateral.

In 2016, we continued to improve the Banking experience of our customers by developing our products and service innovations to support the growth of MSL. We launched the Approval In-Principal process to expedite the application process, and added credit card instalment features to cover credit administration fees. As a result, in 2016, MSL recorded a 48 per cent increase in new mortgage loans from the previous year. Our new mortgage lending from property agencies increased by 120 per cent from 2015. Loan grew by 9.2 per cent, well above the market average (private and foreign banks loans grew by 2.5 per cent). Fee income grew by 22 per cent and sales productivity increased by 52 per cent.

The business development strategy for MSL in 2017:

- Provide the best customer experience possible in terms of ease of service, and speed and efficiency of the credit process.
- Develop and maintain strong relationships with customers through proactive top-up programmes.
- Expand relationships to new projects and new tie-ups with reputable developers in the market.
- Increase sales productivity through the development of human resources and implementation of effective sales management.

Credit Cards and Payments

The Credit Cards and Payments division offers a variety of targeted credit cards, and is responsible for ensuring our customers enjoy ease of payment and transaction benefits.

In January 2016, we launched the UOB PRVI Miles Card to reward customers who enjoy travelling as well as shopping overseas with a competitive airline miles programme.

We enhanced our One Card and Preferred Platinum Card in October 2016, offering more attractive features and benefits to our customers.

During the year-end festive season, we strengthened our card proposition with the "Spend and Go World Program" which offers customers the opportunity to win travel packages to seven favourite world destinations. In addition, cardmembers could participate in the "Spend, Scratch and Sure Win" contest which was a regional campaign open to customers across Singapore, Malaysia and Thailand.

By building a partnership programme with more than 400 merchants at over 2,000 outlets, in areas ranging from food & beverage, health and beauty, and electronics, we aim to significantly acquire more customers and grow usage.

The business development strategy for Credit Cards and Payments in 2017:

- Strengthen four major products to improve business performance. UOB PRVI Miles Card, Preferred Platinum, Lady's Card and One Card.
- Improve performance, credit processes, policies and procedures to maintain portfolio quality.
- Develop sustainable marketing programmes to provide a variety of benefits for cardholders, increasing card activation, transactions and customer loyalty.
- Establish appealing partnership platform product value propositions to increase customers' use of credit card products.

Privilege Banking

Our Privilege Banking services are designed for our affluent customers with assets under management of over IDR1 billion. We support them in achieving their financial goals through an array of investment and premium savings products such as the UOB High Yield savings account.

A Wealth Management Advisory team comprised of Product Specialists and a Research Unit has been established to provide the latest market updates and in-depth research. In addition, we have introduced a Wealth Planning Calculator to help customers plan for retirement and education.

Privilege Banking customers enjoy a UOB Privilege Banking ATM/ Debit card and UOB PRVI Miles Card featuring special offers from various merchants.

The business development strategy for Privilege Banking in 2017 is as follows:

- Focus on increasing the number of customers by optimising the Member Gets Member (MGM) programme and special programmes for new customers, and by taking advantage of partnerships and events.
- Maximise portfolio quality and cross-sell banking products in line with the needs of customers and the level of customer risk.
- Optimise the Wealth Management Advisory Team as a value-added proposition of UOB Privilege Banking.
- Improve the quality of customer service at every touch point while identifying the development needs of customers.

Business Banking

Business Banking offers commercial loan facilities with a limit of up to IDR20 billion, as well as a wide range of deposit, cash management, foreign exchange and trade financing products and services.

Throughout the year, Business Banking continued to improve the following core areas of our business:

- Business Property Loans in the form of long-term investment financing.
- Business Solutions catering to a variety of short-term working capital needs, medium-term and long-term investments, trade financing and foreign currency hedging.
- Business Express, a credit facility with cash collateral equal to 100 per cent of the credit facilities granted.
- Transaction Service, in the form of foreign currency transactions, cash management, trade services, bancassurance and other services and products.
- Internet Banking to provide ease of transacting for customers.

In 2016, Business Banking recorded a net profit before tax of IDR211 billion. Deposits grew by 12.9 per cent from the previous year amounted IDR12,389 billion or 17 per cent to the Bank's total deposits. Outstanding loans also increased by 5.6 per cent with the portfolio standing at IDR15,789 billion.

In 2016, UOB Indonesia Business Banking began its transformation into one of the top Small and Medium-Sized Enterprise (SME) banks in Indonesia. As the SME market continues to grow, more advisory expertise would be expected from our bankers, across multiple products ranging from trade financing, cash management to foreign exchange hedging. To respond to these needs, UOB Indonesia has partnered with the School of Business and Management Institut Teknologi Bandung (SBM ITB) to launch UOBI – SBM ITB SME Banker's Executive Certificate programme. It is the Indonesian finance industry's first tertiary education programme designed especially for SME bankers in Indonesia, to enhance the specialist skills and knowledge necessary for bankers to meet the expansion and trading demands of SMEs. This programme has been established to build practical experience for our UOB SME Bankers to ensure that they can successfully connect with the SME market across Indonesia.

Our partnership with ITB in 2016 also included the launch of SME centres (Sentra UKM) in Bandung, Semarang and Jakarta, located in the respective branches. These centres provide opportunities for SMEs to meet with industry experts while gaining knowledge and experience sharing.

Furthermore, these SME centres provide business consultancy services for SMEs to obtain the right information and know-how that will support their business growth.

Business Banking has also launched the Good to Great (G2) programme to improve customer satisfaction in the lending business. Credit turnaround time has been successfully reduced from 31 days down to 10 days. For third party funding, Business Banking focused on CASA growth, achieving over 34 per cent of the target, contributed by loyalty and acquisition campaigns which promoted our deposit account packages.

The SME sector in Indonesia continues to play a crucial role in the Indonesian government's economic growth plans. SMEs form the backbone of Indonesia's economy, contributing to more than 50 percent of the country's GDP. They often face business challenges such as international trade risks and complex and fast-changing business regulations. Therefore, it is critical for UOB Indonesia to remain competitive and to be able to provide the required banking consultancy and services to support SME owners at every stage of their businesses cycle. In 2017 we will strengthen these objectives through:

- Improving collaboration model with other segments through Cross Segment Referral Plan for funding and lending products
- Building our sales personnel's skills and knowledge through the Business Banking Training Academy
- Increasing process efficiency through the use of Business Credit Application Summary (BCAS) Loan Origination and Qualitative Credit Assessment (QCA).
- Offering the right tools and support to assist SMEs to enter the digital era through partnerships with digital solutions providers.

Commercial Banking

The Commercial banking customers are served by our Enterprise Banking, Industry Group and Commercial Wealth Management teams. Enterprise Banking serves medium-size commercial customers a with loan value between IDR18 billion and IDR70 billion, while the Industry Group sub-segment serves larger commercial banking customers with a loan value beyond IDR50 billion and that is not categorised as Corporate Banking or Financial Institution customers. Other than loans for the industrial sector, the Bank also offers a non-bank deposit facility under our Commercial Wealth Management which focuses on deposit acquisition to support credit growth.

Our Commercial Banking services are available in major cities across Indonesia. We aim to be a prominent player in trade financing with a focus on serving clients in Jakarta and Surabaya.

In 2016, Commercial Banking focused on growing Current Account Savings Account (CASA) deposits through products such as Giro 88, CASA Blocked and CASA Special Rate across various industry groups, including fast moving consumer goods, manufacturing, property and infrastructure.

To better serve customers' needs, the Bank has structured the type of financing it provides into categories such as Invoice Financing, Heavy Equipment Financing, Commercial Vehicle Financing, Construction Financing and Commercial Property Financing.

Invoice Financing is a short term working capital loan facility for a company's accounts receivables.

Heavy Equipment Financing is an investment loan facility to finance the purchase of heavy equipment, falling under the category of capital/investment goods of which the repayment will be made by periodic instalments over a certain period of time.

Commercial Vehicle Financing is a credit facility to finance the purchase of commercial vehicles such as car rental fleets, trucks, or buses, of which the repayment will be made in instalments over a certain period of time.

Construction Financing is an investment loan facility for property activities ranging from financing new commercial property development, to rehabilitation, modernisation, expansion and relocation of developments, based on mutually agreed disbursement and repayment schedules.

Commercial Property Financing is provided for the purchase of readily available commercial property based upon agreed schedules of loans drawdowns and repayments.

In 2016, Commercial Banking deposits grew by 19 per cent to IDR12,898 billion due to growth in Current Account and Saving Accounts. Outstanding loans portfolio of IDR23,732 billion or 36 per cent of the total loans of UOB Indonesia.

Commercial Banking has three outlined strategies and plans to grow its business in 2017:

- Strategic penetration of cities with a focus to bring more business opportunities. First tier cities are Jakarta and Surabaya, where we will leverage on highly qualified personnel to create an efficient and effective work environment, and to maximise market potential. Second tier cities are Medan, Bandung, Semarang, Solo, Balikpapan, Banjarmasin, Samarinda, and Makassar where we will aim at maintaining market share and pursue growth in selective areas. Third tier cities are Palembang, Batam, and Pontianak, where we will leverage further on our branch network to capture business opportunities for lending and CASA.
- Maximize the growth of third party funding through cash management. We will continue to focus on industrial sectors that are stable in growth and are resilient to fluctuations such as fast moving consumer goods and on projects linked to the government's infrastructure improvement plan.
- Leverage foreign investment inflows into Indonesia brought in through our Foreign Direct Investment (FDI) Advisory unit, to cross-selling products and services, to increase our fee-based income and to maximise our collaborative income from cash management, treasury products and loans from trade finance.

Management Discussion and Analysis

Corporate Banking

UOB Indonesia Corporate Banking customers serves the needs of corporate clients including publicly listed companies, private companies and state owned enterprises. We have a strong presence in Indonesia and offer specialised expertise and value-added services designed for four industry groups:

a. Diversified: technology, media, telecommunications and infrastructure
b. Food & Beverages: agribusiness and fast moving consumer goods
c. Resources: oil & gas, mining and chemicals
d. Property, logistics, and transportation

Corporate Banking provides comprehensive financial solutions including cash management solutions; short-term financing and trade solutions to support our customers' domestic and international trade; long term financing to support their capital expenditure; and comprehensive hedging solutions to protect our customers and mitigate any risks arising from foreign exchange and interest rate volatilities. Supported by UOB Group's extensive network and experience across region, we are able to offer comprehensive Corporate Banking services to our clients.

Corporate Banking served over 600 corporate clients in 2016, with IDR16,030 billion in loans and IDR15,213 billion in deposits, generating a healthy CASA mix. We managed to perform well in 2016 despite challenges in various industries resulting from volatility in local and global markets.

Our expertise and commitment to delivering best in class solutions has been recognised by the industry. In 2016, UOB Indonesia Corporate Banking together with our Transaction Banking team was honoured by The Asset Triple A Awards, in the category of 'Best Trade Finance Solutions' for our innovative trade solutions.

In 2017, the Corporate Banking segment will continue to focus on maintaining a CASA healthy mix and increasing targets on longer term third party funds. We will focus on selected industries, emphasise the use of hedging solutions to help our clients mitigate risk and continue to offer them comprehensive solutions. We will remain prudent in growing our business and continue to strengthen our expertise as we stay relevant to market needs, and create added value for Indonesia's strategic industries.

Financial Institution

Financial Institution provides a broad spectrum of specialised banking services to onshore and offshore financial institutions, institutions categorised as banks, as well as securities firms, finance and leasing companies, insurance companies, funds and investment management firms, and public sector institutions. Financial Institution also supports UOB Indonesia through generating stronger reciprocal – based solutions to meet the needs of the respective sectors. We provide balance sheet solution services in investments, short-term working capital, and long-term financing. These solutions are paired with our services in Transactional Banking and Global Markets to serve clients' cash management, trade, FX and hedging requirements.

In 2016, the main focus of Financial Institution involved selective and prudent loan growth and diversification. We aimed to tie the provision of credit in our priority sectors with a risk based loan growth approach. Our non-interest income increased through collaboration with the Global Markets and Transaction Banking as we delivered foreign exchange transaction services, hedging, trading securities and bank guarantee facilities to our clients.

Financial Institution focused on its strategic objective of maintaining funding stability through diversification - notably in insurance, asset management, and pension funds – and through the promotion of credit facility services such as a series of Current Account and Savings Account (CASA) products, virtual services accounts, e-tax services, and Business Internet Banking services (BIB). We also offered our services as an Initial Public Offer (IPO) receiving bank.

In 2016, Financial Institution recorded a net profit before tax of IDR82 billion. This performance was supported by a 185 per cent increase in the volume of loans and 91 per cent increase in revenue from Global Markets products totalling IDR11 billion. The positive economic outlook for Indonesia in 2017 will boost working capital lending, and the stable benchmark interest rates will steady margins. In 2017, Financial Institution will continue to target balanced growth in loans and funding by building customer relationships through stronger engagement and solid products.

Our efforts in diversifying our customer base and boost funding will be supported by the value-added service of Internet Banking. We will use new digital services to boost CASA balances and fee-based revenue, ultimately decreasing the overall cost of funds. We will also continue investing in the training of Financial Institution employees to ensure quality customer service for both our individual and corporate clients.

Going forward, in addition to our established domestic network, we will leverage the strength of UOB Group's regional network to capture inbound and outbound business flows.

Transaction Banking

Transaction Banking is an integral part of UOB Indonesia's Wholesale Banking suite of products and services.

Our clients are primarily large-scale corporate businesses to which we offer services such as cash management and trade finance, account receivables, account payables, cross border trade transactions, and liquidity management.

Cash Management

Our cash management service is designed to meet the specific needs of each customer segment and provide convenience to our corporate clients in managing the operational cash flows, such as settlement and payment, receipt or collection, and in managing cash liquidity.

These products and services make daily transaction more convenient and secure, and help clients save costs and times.

Trade Finance and Services

Transaction Banking offers expertise in Trade Finance and Services with the support of an experienced team. We provide innovative and seamless solutions to corporate clients, help facilitate trade transactions while managing risk, and share insight and understanding on international and domestic trade to help our customers manage their businesses.

In 2016, Transaction Banking revenue recorded a growth of 8 per cent. On the funding side, total deposits reached IDR44,941 billion by year-end, with CASA balance growth of 47 per cent compared with the previous year. Financing from Trade Finance and Services grew by 19 per cent from last year's levels. Financing activities cover all trade assets, including trade bills. The achievements of 2016 earned us The Asset Asian Award in the Best Trade Finance Solution category for the fifth time since 2012. This recognition reflects the Bank's commitment in providing the best solutions for our clients.

Strategic achievements in 2016:

a. Business Internet Banking Plus (BIBPlus)
   BIBPlus is an internet banking service provided by the Bank for institutional customers. It enables customers to execute their financial transactions through a fast, accurate and secure platform.
b. Virtual Account Service
   Launched in the first quarter of 2016, the Virtual Account is a collection service for institutional clients to get unique identification numbers that will help with better reconciliation. At the end of the second quarter of 2016, Virtual Account was further developed to accommodate online Virtual Account transfers through the ATM network, thus affording more convenience for customers.
c. E-Tax Service
   In accordance with UOB Indonesia's status as a Bank that provides electronic tax payment and collection services, UOB Indonesia launched the e-Tax service in the third quarter of 2016. By utilising BIBPlus, customers can now use the e-Tax channel to make their tax payments.

In 2017, Transaction Banking will continue to focus on developing cash management products and delivering more cash services through enhanced internal systems as well as collaboration with third parties. Bank internal system development includes adding new features in Global Business Internet Banking Plus (BIB Plus) and in our Host-to-Host services and Global Liquidity Management Solution (LMS). We will embark on initiatives with third parties such Financial Technology (FinTech) companiest o build cashless a society and to provide better digital solutions to the customers.

Global Markets

Global Markets plays a critical role in managing the Bank's liquidity and portfolio placement to achieve optimum profitability while managing risks effectively.

Global Markets provides products and services in areas of foreign exchange transactions, derivatives and structured products, investment securities and money market transactions.

Throughout 2016, Global Markets successfully booked 147 per cent of our target income, closing at IDR229 billion, and net profit before tax at IDR138 billion. This achievement was made possible by the collaboration between Global Markets and business segments in increasing the client base for executing FX, securities and derivatives transactions.

To maintain and increase its market profile, Global Markets works with other divisions to attract existing and new customers through its expertise and wide product selection. Global Markets continues to boost its sales numbers and strengthen its competitiveness in the market by providing quality services and the best possible customer experiences. It is essential that Global Markets continue to improve its range of products and services, as well as channels of communication, through collaboration with other divisions and business partners.

Global Markets is also actively supporting the growth of Indonesia's financial industry through its membership in The ACI Financial Market Association – Indonesia and Bond Traders Association [*Perhimpunan Pedagang Surat Utang]* (HIMDASUN). On 16 November 2016, Global Markets successfully held the "UOB Indonesia Economic Outlook 2017: Post Indonesia Economic Reform & US Election: What's Next for Indonesia?" forum in Jakarta. A number of prominent speakers attended the event including The Ambassador of The Republic of Singapore to The Republic of Indonesia, representatives from the Indonesian Chamber of Commerce, members of UOB Group Economist team and in-country Indonesian economists. More 300 clients from across our customer segments attended the event.

The high quality of Global Markets' products and services has been recognised by the industry through a number of awards from Asiamoney in 2016 in these categories - Best Foreign FX Providers Award, Best for Overall FX Services, Best for FX Options and FX Products and Services and Best FX Research and Market Coverage.

In 2017, Global Markets will pursue the Bank's strategy of building the Rupiah Currency Centre of Excellence. To realise this, Global Markets will utilise UOB Group's strength in the region for cross-border network transactions, build long term customer relationships, increase transaction flow and build greater trust through pricing transparency.

Management Discussion and Analysis

Other areas of focus include:
1. Improving market positioning
2. Harnessing e-connectivity
3. Focusing on customers
4. Enhancing product capabilities

Distribution Channels

UOB Indonesia's branches are central to the Bank's distribution system, forming a physical network of 41 branches and 137 sub-branch offices across 30 cities and 18 provinces. These are supported by a network of 160 UOB ATMs and connected to the ATM Bersama, ATM Prima and VISA networks, thereby providing our customers the ability to access their accounts nationwide as well as overseas.

In 2016, we focused on extending our products and services beyond the 'bricks and mortar' channels by leveraging UOB Group's digital capabilities and offering our customers new services such as Personal Internet Banking and Business Internet Banking Plus (BIBPlus) Mobile. We also introduced the Business Credit Application Summary (BCAS) Credit Underwriting Engine.

In 2017, we will continue to broaden our distribution channels to improve our connectivity with customers by assessing trends in digital banking and financial technology, while relocating our branch network to more strategic proximities for our targeted customer segments' greater convenience. We will also continue to upgrade our existing branches and enhance service quality to fulfil our customers' financial needs.

Building Relationships with Customers through Better Service Quality

UOB Indonesia is committed to consistently providing quality service to our customers. As part of our efforts, the Bank has used the Net Promoter Score (NPS) to measure both internal and external customer satisfaction.

In 2016, we continued to enhance our service quality in the branches through the introduction of a standardised Branch Service Quality Assurance measurement and review. The Bank ensured that process improvements were always in place to ensure workflow is responsive and meets customer expectations, with a discussion of the achievements of service indicators occurring each month. To encourage staff to demonstrate our UOB customer commitments, we held the Customer Commitments Award programme which held up role models for others to emulate.

To ensure that we respond promptly to customer complaints and suggestions, we implemented a customer complaint handling and resolution policy. Every complaint is resolved according to our internal Service Level Agreement (SLA) standards which are aligned to those of the regulator.

In 2017, we plan to continue to elevate the quality of our service through a long term service journey involving all lines of channels, business and supporting functions. The Customer Commitments Award programme will continue to be expanded to motivate front-liners and head-office supporting units to work towards building a better customer experience. In addition, we will continue to promote NPS across functions such as Call Centre, Personal Financial Services, and Business Banking.

Human Resources

In 2016, we implemented a number of employee development initiatives and programmes through the Human Resources (HR) Unit to support the achievement of UOB Indonesia's business objectives and to prepare our people to meet our customers' evolving needs. We continued to focus on initiatives to recruit and develop the best quality talents, and to build better organisational alignment between the headquarters and branch offices to serve the Bank's productivity. HR also developed integrated system of Right Rewards, Service Quality and Performance Culture, all toward a digitised outlook that will create wide ranging improvements and strengthen the Bank's strategic framework on an on-going basis.

HR Development Strategy

In 2016, we undertook a review of our organisation spanning control and organisational layers, people capacity and workloads. Upon completion of the review, we began implementing changes to improve network optimisation, consolidated business units, centralised work and transferred non-core tasks to third parties. We also clarified the division of duties, responsibilities and authority between branches and our head office through the implementation of Single Captain model.

Such efforts resulted in a five per cent increase in our sales-to-non-sales staff ratio. We also recorded a two per cent decrease in our employee cost-to-income ratio. We will continue to assess productivity improvements in an effort to raise the overall efficiency of the Bank.

Employee cost-to-income ratio

	2014	2015	2016
Total Income	3,952,712	4,492,908	4,858,086
Staff Cost	1,267,628	1,470,225	1,491,199
Staff Cost Income Ratio	32%	33%	31%

Income per headcount

	2014	2015	2016
Total Income	3,952,712	4,492,908	4,858,086
Headcount	4,918	4,650	4,349
Income/Headcount	804	966	1,117

Sales to non-sales ratio

	2014	2015	2016
Sales	26%	30%	35%
Non Sales	74%	70%	65%

Improving Our People's Competencies

The Bank's management is committed to developing our people capacity through structured training programmes. In 2016, 4,129 Bank employees participated in training programmes including mandatory and skill development programmes. Total training days during 2016 amounted to 28,146 days, with training costs reaching 5.27 per cent of the total labour budget.

Living Our Values (Reinforcement Activities)

We reinforced our Living Our Values (LOV) programme through the Meeting Etiquette campaign. To measure the success of our Meeting Etiquette campaign, we conducted several surveys for employees. We also introduced Skip Level Meetings, where supervisors and their team members develop LOV action plans to create a better understanding within the team.

At the end of 2016, we added a values-based component to our performance assessments. Leaders at the VP level and above started to socialise and disseminate the assessment methods. The socialisation involved a one-on-one discussion with senior management, and continued with 12 training sessions with the teams.

Employee Engagement Activities

In 2016, we held several Employee Engagement programs including: Open House 2016 (January), Lunar New Year Celebration (February), Kartini Day Celebration (April), Halal Bihalal (July), UOB 60th Anniversary (August-September), and Christmas (December).

Open House 2016

Kartini Day Celebration

Management Discussion and Analysis

UOB Halal bihalal

UOB Indonesia 60th Anniversary

UOB Indonesia 60th Anniversary

CEO Events

Town Halls

In 2016, our President Director conducted several town halls where he shared the Bank's strategy, business performance, and achievements.

CEO Quarterly Updates

CEO Quarterly Updates were held to provide employees with updates on the Bank's financial performance for the quarter.

CEO Quarterly Update

UOB Indonesia Strategic Workshop

The management team used the Blue Ocean Strategy framework to guide the development of UOB Indonesia's 2017 strategy. This activity was held in Bandung and was attended by 90 senior executives.

UOB Strategic Workshop

Start of the Year 2017 Strategy Development Workshop

The annual 2017 plan for each function was shared with 200 key leaders at a workshop held in Surabaya in December 2016.

Training and Employee Development Programmes

Extraordinary Sales Leadership (ESL) Programme

ESL is a leadership programme for the sales teams run by the Cohen Brown Management Group Inc. In 2016, employees from various departments including Channels, Personal Financial Services, Business Banking, Commercial Banking and Financial Institution attended the programme.

Extraordinary Sales Leadership Programme

Coaching Power Tools (CPT) Programme

To help our employees acquire coaching knowledge and techniques, we held the Coaching Power Tools programme to guide managers on how to coach their team members more effectively.

Coaching Power Tools (CPT) Programme

Anti-Money Laundering & Funding of Terrorism Programme

In 2016, we conducted training sessions with 150 senior leaders on the steps involved in implementing Enhanced Customer Due Diligence and Due Diligence.

Anti-Money Laundering & Funding of Terrorism Programme

Risk-Based Based Rating (RBBR) and Good Corporate Governance (GCG) Training

The RBBR and GCG training which covered topics such as business risks and processes, and regulator rating provisions was attended by 60 senior managers.

Personal Internet Banking (PIB)

In 2016, we introduced UOB Personal Internet Banking (PIB) to meet the needs of our customers internet-based customer transactions. In line with this initiative, 364 employees in 25 cities were trained on how to use the system and how to explain it to the customers along with the Bank's new products available in the system. This training was conducted in 51 batches.

Management Associate Programme (MAP)

Three employees were selected to participate in our Management Associate Programme (MAP) which includes classroom and practical on-the-job training. The Management Associates also had the opportunity to interact with senior leaders who shared their banking knowledge and insights on managing regional initiatives.

Our Indonesian Management Associates, together with their MAP colleagues from UOB Singapore, Malaysia, China and Hong Kong, participated in a "Digitalisation Workshop & Business Plan Competition" together with students from the School of Business and Management Institut Teknologi Bandung and six SME clients. In addition to educating students and clients about financial literacy, this event also strengthened ties between UOB, our customers and the community.

Management Information System

To support our growing business needs, we developed a new HR information system which was approved by the Indonesian Financial Services Authority (Otoritas Jasa Keuangan - OJK) towards the end of 2016. The development process involved a preparatory workshop, user requirement designs, System Integration Testing and User Acceptance Test. The development of the new HR system demonstrates our efforts to maximize technological support to

automate administrative process solutions, making them more reliable and efficient with the following modules: organizational management, personnel administration, learning and employee development, performance assessment, and Employee Self Service and Manager Self Service.

The new system also provides the ability for UOB Indonesia to connect with outsourced administrative processes such as payroll outsourcing.

Industrial Relations Management

We understand the importance of maintaining good working relationships and cooperation between management, employees and labour unions. Our focus in 2016 was on refining our rules and regulations to enhance the management of human resources as well as conducting meetings and mediation with leaders, employees and unions where necessary to maintain cooperative industrial relations.

To overcome the challenges in 2016, UOB Indonesia strived to boost further business growth in all segments and improving operational and HR management efficiency as well as one of which is by reviewing and evaluating branch offices performance. These efforts were undertaken in a transparent manner, and in cooperation with trade unions and employees as stakeholders.

HR Profile

UOB Indonesia is supported by the board of directors, management and employees who work at the Head Office, Branch Offices and Supporting Branch Offices. The number of the Bank's employees at the end of 2016 was at 4,349, with the majority of employees are in the productive age. The Bank continues to empower qualified people to achieve optimal productivity.

The following are a breakdown of our employee profile based on rank, education, age, length of service, work area, employment type and gender:

Employee Composition Based on Rank

Description	2016	2015	2014
Senior Management	121	113	99
Middle Management	273	262	230
Junior Management	1,756	1,747	1,768
Staff	2,198	2,332	2,592
Non Staff*	1	196	229
Total	**4,349**	**4,650**	**4,918**

*Non staff defined as supporting staff such as service employees (securities, office helpers)

Employee Composition Based on Education

Description	2016	2015	2014
Master and Doctorate	277	248	216
Bachelor	3,117	3,117	3,279
Diploma	463	519	556
Others	492	766	867
Total	**4,349**	**4,650**	**4,918**

Employee Composition Based on Age

Description	2016	2015	2014
< 25 years	171	184	115
25 – 29 years	784	735	746
30 – 34 years	1,006	1,102	1,208
35 – 39 years	986	1,007	1,085
40 – 45 years	738	699	763
> 45 years	664	923	1,001
Total	4,349	4,650	4,918

Employee Composition Based on Length of Service

Description	2016	2015	2014
< 1 years	523	391	758
1 - 4 years	1,664	1,740	1,710
5 - 9 years	816	917	770
10 - 14 years	456	494	598
15 - 19 years	349	395	337
>20 years	541	713	745
Total	**4,349**	**4,650**	**4,918**

Employee Composition Based on Work Area

Description	2016	2015	2014
Channels	1,409	1,697	2,051
Corporate Support	357	365	381
Global Markets	55	55	57
Retail Segment	1,692	1,639	1,446
Technology and Operations	564	592	679
Wholesale Segment	272	302	304
Total	4,349	4,650	4,918

Employee Composition Based on Employment Type

Description	2016	2015	2014
Permanent	4,026	4,352	4,649
Contract	323	298	269
Total	4,349	4,650	4,918

Employee Composition Based on Gender

Description	2016	2015	2014
Female	2,306	2,345	2,474
Male	2,043	2,305	2,444
Total	4,349	4,650	4,918

HR Development Plan for 2017

The role of HR in recent years has transformed from an administrative and monitoring one, to that of creating partnerships with business functions and supporting units. In line with the Bank's strategy, a number of HR initiatives will be implemented in 2017 including:

a. Improving productivity and effective labour cost management by increasing the ratio of sales-to-non-sales staff and labour cost per total revenue.

b. Strengthening UOB Indonesia's brand through internal and external employee initiatives and financial literacy programmes, as well as working with universities to attract top graduates with an interest in the banking sector.

c. Preparing employees for digital disruption and technology changes via internal and external training sessions, thereby increasing the Bank's competitiveness.

d. Increasing employee competence, engagement, and productivity by continuing to conduct our employee engagement activities and regular organisational reviews.

e. Improving process automation via the SAP employee portal, allowing employees to apply for leave and overtime, submit expense claims, request for training, complete their performance appraisals, and view their salary slips.

By focusing on the five areas, we will continue to attract people with the right skill-set and mind-set for UOB Indonesia to create a culture and working environment in support of our values of being honourable, enterprising, united, and committed.

Information Technology and Operations

Information Technology

UOB Indonesia recognises that technology is a key strategic differentiator to support the Bank's business growth and to provide excellent customer service.

As competition within the banking industry is taking a different approach due to the advancement of technology, we must continue to invest in our technology to stay relevant. Towards this end, we have strategically planned a series of technology roll out via our Information Technology (IT) Roadmap. The roadmap supports the growth of our business and our promise of providing excellent customer service.

Going forward, we will continue to build robust and secure IT platforms as well as to automate business processes to serve the continuously growing business and customer base. We also have developed products and services using the latest and most reliable technology to deepen relationships with customers.

Information Technology achievements in 2016:

Personal Internet Banking

The Personal Internet Banking (PIB) platform makes it convenient for customers to perform their banking transactions anytime, everywhere, and hence improve individual customer experience and loyalty. With a broad and growing range of features including on-line fraud detection, PIB provides efficiency in performing both financial and non-financial banking transactions, and is a convenient way for customers to access, monitor and manage their portfolio.

Business Internet Banking Plus Mobile and Business Internet Banking Plus Phase 2

Business Internet Banking Plus (BIBPlus) Mobile provides further convenience to our corporate customers to perform internet banking transactions through mobile devices for financial transactions (Transfer – Internal Fund Transfer among UOB Indonesia Account, National Clearing System, Real Time Gross Settlement, Telegraphic Transfer) and non-financial (Account Balance, Transaction History) transactions. With such facilities, customers may conduct their banking transaction on their mobile devices anytime and anywhere. This feature helps them to save time and helps them achieve greater efficiencies in running their businesses.

We continue to keep focusing on the useful features such as Bulk Payments (National Clearing System, Real Time Gross Settlement, and Telegraphic Transfer), e-Tax payment, Real Time Online Transfers via Artajasa and Prima Network to provide even more convenience for our corporate customers.

Business Credit Application Summary (BCAS) Credit Underwriting Engine

The BCAS Credit Underwriting Engine was implemented to improve efficiencies for the Bank including reducing the credit process turnaround time. This allows customers to benefit from a faster decision making process on their loan applications.

Implementation of New Fund System (NFS – S-Invest)

This new system allows customers to perform mutual fund transactions which comply with the new system and flow from PT Kustodian Sentral Efek Indonesia (KSEI) and the Financial Services Authority (Otoritas Jasa Keuangan – OJK).

Virtual Account Payment (VAN)

In 2016, we implemented the VAN Payment through ATMs as another channel for customers and non-customers to pay VAN bills from UOB Indonesia ATMs or through the ATM Bersama and Prima Network. Through this channel, customers and non-customers have more options to choose from and an make their bill payments at their convenience.

Human Resources System
We have leveraged UOB Group capabilities in using a Human Resources Information System with more sophisticated features and functionalities such as Talent Management, Succession Planning, Employee Resignation Analysis, Vacant Position Monitoring, and Graphical Organization Structure. The new system would facilitate UOB Indonesia manages its administrative aspect of capital more efficiently and effectively.

Information Security Applications
We will continue to partner with business units and support units and provide solutions via our Business Technology and Operations Team so that our IT applications can support the Bank's strategy.

From the operations front, we will continue to improve our service quality, internal controls, and productivity levels.

Operations
In the operations area, we have successfully made further enhancement in terms of process improvements and automation.

We centralise the reporting, User Acceptance Testing (UAT) and system parameter setting by setting up Retail Operation Readiness Centre.

We also automated Security Identifier (SID) extraction, validation and outsourcing of cheque book printing resulting in control improvements.

In the area of service excellence, we are pleased to announce that our Call Centre service was named one of the top 5 companies in Regular Banking and Regular Credit Card call centres from the Contact Centre Service Excellence Awards held by Carre Centre for Customer and Loyalty, in collaboration with Service Excellence magazine.

Looking Ahead in 2017
The above IT roadmap does not end in 2016 as we will continue to invest in the latest technology annually focusing on increasing convenience and simplifying transactions through Digital Banking. Investing in technology must also commensurate with the quality of our people. Towards this end, we continue to hire the right people who can run and support our IT systems effectively.

In 2017, Technology and Operations Division will continue to support business growth through 3 strategic pillars; enhance bench strength of our human resources (HR), provide standardisation of system applications as reliable and robust technology that would meet the needs of business development.

The role of Business Technology and Operations would be further elevated to act as a partner with Business Units/Support Units.

Financial Review

Comprehensive Analysis of Financial Performance
This financial performance review is prepared based on the Financial Statements of PT Bank UOB Indonesia which has been prepared and presented in accordance with Indonesian Financial Accounting Standards. The entire information in the financial statements has been presented completely and accurately.

The Financial Statements of PT Bank UOB Indonesia has been audited by an independent auditor of Public Accounting Firm Purwantono, Sungkoro & Surja (member of Ernst & Young Global Limited), with audit opinion unmodified, which stated that the financial statements present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of 31 December 2016 and 2015, and its financial performance and cash flows for the years then ended, in accordance with Indonesian Financial Accounting Standards.

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income (in million Rupiah)	For the Year Ended 31 December 2016	2015
Operating Income and Expenses		
Interest Income and Expenses		
Interest income	7,404,292	7,192,872
Interest expenses	(3,867,144)	(4,116,397)
Interest Income - net	**3,537,148**	**3,076,475**
Other Operating Income		
Administration fees and commissions - net	218,478	205,600
Realised and unrealised gain on securities sold and from changes in fair value of trading securities - net	191,718	96,679
Gain from foreign currency transactions	179,696	226,485
Others - net	202,171	152,551
Total Other Operating Income - net	792,063	681,315
(Provision for) Reversal of Impairment Losses:		
Financial assets	(958,431)	(656,892)
Foreclosed assets	(238)	513
Total Provision for Impairment Losses	(958,669)	(656,379)
Other Operating Expenses		
Salaries and employees' benefits	(1,572,475)	(1,470,225)
General and administratives expenses	(1,139,992)	(1,000,637)
Total Other Operating Expenses	(2,712,467)	(2,470,862)
Operating Income	**658,075**	**630,549**
Non-operating Income		
Gain on sale of fixed assets, abandoned property and foreclosed assets - net	11,449	7,733
Others - net	213	90
Total Non-operating Income	**11,662**	**7,823**
Income Before Tax Expense	**669,737**	**638,372**
Tax expense	(190,464)	(175,296)
Income for The Year	**479,273**	**463,076**

Interest Income

Interest income of the Bank was derived from loans, financial investments and placements with Bank Indonesia, current accounts with Bank Indonesia and other banks, and placements with other banks.

Interest Income (in million Rupiah)	For the Year Ended 31 December 2016	2015
Loans	6,566,049	6,581,647
Financial investments and placements with Bank Indonesia	753,608	528,154
Current accounts with Bank Indonesia and other banks	52,256	47,930
Placements with other banks	32,379	35,141
Total	**7,404,292**	**7,192,872**

Interest income of the Bank in 2016 was IDR7,404 billion, increased by 2.9 per cent or IDR211 billion compared to IDR7,193 billion in 2015. Interest income from loans was the major contributor with a portion of 88.7 per cent of total interest income, and decreased by 2.8 per cent compared with previous year. This decline was due to a decrease in annual average contractual interest rate for loans. In Rupiah, annual average contractual interest rate in 2016 was 11.68 per cent and in 2015 was 12.14 per cent. In foreign currency, annual average contractual interest rate in 2016 was 4.42 per cent and in 2015 was 5.23 per cent.

Interest Expense

Interest expense of the Bank was derived from time deposits, demand deposits, savings deposits, debt securities issued, premium on government guarantee, deposits from other banks and others.

Interest Expense (in million Rupiah)	For the Year Ended 31 December 2016	2015
Time deposits	2,916,425	3,326,065
Demand deposits	272,566	197,326
Savings deposits	264,948	197,449
Debt securities issued	242,367	224,237
Premium on government guarantee	124,594	134,918
Deposits from other banks	41,908	36,222
Others	4,336	180
Total	**3,867,144**	**4,116,397**

Interest expense of the Bank in 2016 was IDR3,867 billion, decreased by 6.1 per cent or IDR249 billion compared to IDR4,116 billion in 2015.

This decline was mainly due to a decrease in interest expense from time deposits. The decline in interest expenses from time deposits was due to a decrease in annual average interest rate in Rupiah, from 8.84 per cent in 2015 to 7.66 per cent in 2016.

Other Operating Income

Other Operating Income (in million Rupiah)	For the Year Ended 31 December 2016	2015
Other Operating Income		
Administration fees and commissions - net	218,478	205,600
Realised and unrealised gain on securities sold and from changes in fair value of trading securities - net	191,718	96,679
Gain from foreign currency transactions	179,696	226,485
Others - net	202,171	152,551
Total Other Operating Income - net	**792,063**	**681,315**

Other operating income in 2016 was IDR792 billion, increased by 16.3 per cent or to IDR111 billion compared to IDR681 billion in 2015.

This increase was mainly due to an increase of realised and unrealised gain on securities sold and from changes in fair value of trading securities–net by 98.3 per cent or IDR95 billion, from IDR97 billion in 2015 to become IDR192 billion in 2016.

Operating Expense

Operating expense derived from the provision for impairment losses, salaries and employee benefits and general and administrative expenses.

Operating Expense (in million Rupiah)	For the Year Ended 31 December 2016	2015
(Provision for) Reversal of		
Impairment Losses:		
Financial assets	(958,431)	(656,892)
Foreclosed assets	(238)	513
Total Provision for Impairment Losses	**(958,669)**	**(656,379)**
Other Operating Expenses		
Salaries and employees' benefits	(1,572,475)	(1,470,225)
General and administratives expenses	(1,139,992)	(1,000,637)
Total Other Operating Expenses	**(2,712,467)**	**(2,470,862)**
Total	**(3,671,136)**	**(3,127,241)**

Operating expense in 2016 was IDR3,671 billion, increased by 17.4 per cent or IDR544 billion compared to IDR3,127 billion in 2015.

This increase was mainly due to an increase in provision for impairment losses amounted by 46.1 per cent or IDR302 billion, from IDR656 billion in 2015 to IDR959 billion in 2016. This increase was in accordance with the application of the prudential principle of the Bank to anticipate and mitigate the risk of default on loans portfolio.

In addition, there was an increase in other operating expenses consisting of salaries and employees' benefits and general and administrative expenses. Salaries and employee benefits were increased by 7.0 per cent or IDR102 billion, from IDR1,470 billion in 2015 to IDR1,572 billion in 2016. General and administrative expenses were increased by 13.9 per cent or IDR139 billion, from IDR1,001 billion in 2015 to IDR1,140 billion in 2016.

Increase in salaries and employees' benefits was mainly due to an increase in salaries, wages and Lebaran bonus by 11.5 per cent, or IDR117 billion. This increase was due to annual increase in salaries and wages of employees.

Increase in general and administrative expenses was mainly due to an increase in depreciation of fixed assets expense by 24.7 per cent, or IDR33 billion from IDR133 billion in 2016 to IDR166 billion. This increase was due to additional of fixed assets in 2016.

Management Discussion and Analysis

Profit Before Tax Expense

Profit before tax expense increased by 4.9 per cent, or IDR31 billion from IDR638 billion in 2015 to IDR670 billion in 2016.

Tax Expenses

The tax expense increased by 8.7 per cent, or IDRp15 billion from IDR175 billion in 2015 to IDR190 billion in 2016. This increase was in line with an increase in profit before tax in 2016.

Comprehensive Income for the Year

Comprehensive income for the year 2016 increased by 31.6 per cent or IDR133 billion, from IDR420 billion in 2015 to IDR553 billion in 2016.

Statement of Financial Position

ASSET (in million Rupiah)	2016	2015
Cash	535,517	516,244
Current accounts with Bank Indonesia	5,724,310	5,454,283
Current accounts with other banks	1,098,294	703,809
Placements with Bank Indonesia and other banks	3,321,154	2,855,655
Trading securities	945,104	1,556,498
Financial investments - net	11,972,771	10,379,216
Derivatives receivables	202,112	141,727
Loans - net	64,698,998	60,573,523
Receivables on securities purchased with agreements to resell	1,902,219	-
Acceptances receivables - net	1,748,937	2,613,112
Deferred tax assets - net	35,906	-
Fixed assets	1,093,316	1,135,316
Other assets - net	815,210	717,942
Total Assets	**94,093,848**	**86,647,325**

Total assets of the Bank increased by 8.6 per cent or IDR7,447 billion, from IDR86,647 billion in 2015 to IDR94,094 billion in 2016. This increase was mainly due to an increase of in loans - net by 6.8 per cent or IDR4.125 billion, receivables on securities purchased with agreements to resell by 100 per cent or IDR1,902 billion, and financial investments - net by 15.4 per cent or IDR1,594 billion.

Current Assets

Current Assets include cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia, other banks and financial institutions, traded securities and financial investment, derivative receivables, loans, receivables on securities purchased with agreements to resell, and acceptances receivables. The Bank's current assets amounted by IDR92,149 billion in 2016, increased by 8.7 per cent from IDR84.794 billion in the previous year. This increase was mainly due to an increase in loans by 6.8 per cent to IDR64,699 billion in 2016 from IDR60.574 billion in 2015. Financial investments increased by 15.4 per cent to IDR11,973 billion in 2016 from IDR10,379 billion in 2015.

Non-Current Assets

Non-current assets consist of fixed assets and other assets. The Bank's non-current assets amounted by IDR 1,944 billion in 2016, increased by 4.9 per cent from IDR 1,853 billion in 2015. This increase was due to an increase in other assets by 13.6 per cent.

Loans

Loans in 2016 increased by 7.2 per cent, or IDR4,434 billion from IDR61,356 billion in 2015 to IDR65,789 billion in 2016. The portfolio of loans has the largest contribution on total assets by 68.8 per cent of the Bank's total assets. The biggest exposure was in working capital loan with proportion 51.2 per cent from total loans.

The following is the portfolio of loans based on type of loan:

Type of Loan (in million Rupiah)	2016	2015
Working Capital	33,700,044	30,446,638
Investment	13,399,419	14,100,999
Housing	4,816,176	4,588,260
Credit Card	1,494,835	1,400,782
Multi Purposes	2,100,870	1,822,771
Motor Vehicles	25,630	25,601
Others	10,252,090	8,970,500
Total Loans	**65,789,064**	**61,355,551**

The following is the portfolio of loans based on loans segmentation:

Segment (in million Rupiah)	2016	2015
Commercial Banking	23,731,824	24,445,447
Corporate Banking	16,029,664	13,399,550
Financial Institution	1,576,296	552,971
Personal Financial Services	8,661,955	8,012,106
Business Banking	15,789,325	14,945,477
Total Distributed Loans	**65,789,064**	**61,355,551**

Based on segmentation, increase on loans was primarily driven by an increased in loan portfolio of Corporate Banking by 19.6 per cent or IDR2,630 billion, from IDR13,400 billion in 2015 to IDR16,030 billion in 2016. In addition, the Financial Institution segment also increased by 185.1 per cent, or IDR1,023 billion, from IDR553 billion in 2015 to IDR1,576 billion in 2016. On the contrary, Commercial Banking segment decreased by 2.9 per cent or to IDR714 billion.

Receivables on securities purchased with agreements to resell

In 2016, the Bank had receivables on securities purchased with agreements to resell transaction amounted to IDR1,902 billion. This transaction was intended as a way to channel the excess liquidity of the Bank.

Financial investments - net

Financial investments - net in 2016 increased by 15.4 per cent or IDR1,594 billion, from IDR10,379 billion in 2015 to IDR11,973 billion in 2016. Placement on financial investments was a temporary placement to channel the excess liquidity of the Bank.

Liabilities

Liabilities (in million Rupiah)	2016	2015
Current liabilities	101,348	61,920
Deposits	73,004,901	64,457,293
Demand deposits	9,488,201	6,887,350
Savings accounts	16,143,894	12,623,578
Time deposits	47,372,806	44,946,365
Deposits from other banks	3,641,664	5,506,520
Interest payable	211,247	243,086
Taxes payable	145,351	211,401
Derivatives payable	194,328	143,218
Acceptance payable	1,770,688	2,643,573
Liabilities on securities sold under repurchase agreements	339,412	-
Deferred tax liability - net	-	26,219
Liability for employees' benefits	209,164	186,262
Other liabilities	469,547	411,668
Debt securities issued - net	3,185,128	2,487,873
Total Liabilities	**83,272,778**	**76,379,033**

The total liabilities of the Bank increased by 9.0 per cent, or IDR6,894 billion, from IDR76,379 billion in 2015 to IDR83,273 billion in 2016. The increase primarily came from an increase of deposits by 13.3 per cent or IDR8,548 billion. In addition, there was an increase in debt securities issued amounted by 28.0 per cent or to IDR697 billion.

Deposits

Deposits increased by 13.3 per cent or IDR8,548 billion, from IDR64,457 billion in 2015 to IDR73,005 billion in 2016.

Demand deposits increased by 37.8 per cent or IDR2,601 billion, from IDR6,887 billion in 2015 to IDR9,488 billion in 2016. Savings deposits increased by 27.9 per cent or IDR3,520 billion, from IDR12,624 billion in 2015 to IDR16,144 billion in 2016. Time deposits increased by 5.4 per cent or ID2,426, from IDR44,946 billion in 2015 to IDR47,373 billion in 2016.

These increases were in line with the Bank's strategy to increase competitive funds through demand deposits and savings deposits and lessen expensive funds through time deposits. It can be seen from the increase in demand deposits and saving deposits which have significant amount than increase in time deposits.

Debt Securities Issued

Debt securities issued increased by 28.0 per cent or IDR697 billion from IDR2,488 billion in 2015 to IDR3,185 billion in 2016.

The increase is the result of public offering of Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I and Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I with amount of IDR1 trillion and IDR100 billion respectively, which was completed on 25 November 2016.

Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 with total amount of IDR1 trillion consists of Bonds Series A amounting to IDR300 billion, Series B amounting to IDR600 billion and Series C amounting to IDR100 billion with fix interest rate of 7.20 per cent, 8.00 per cent, and 8.25 per cent, respectively, which are payable every three months and are maturing on 5 December 2017, 25 November 2019, and 25 November 2021, respectively.

Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 has fixed interest rate of 9.40 per cent per annum which is payable every three months and seven-year term maturing on 25 November 2023.

In addition, the Bank had paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A with a nominal value IDR400 billion matured on 11 April 2016.

Equity

Total equity of the Bank increased by 5.4 per cent or IDR553 billion from IDR10,268 billion in 2015 to IDR10,821 billion in 2016. In 2016, there was no increase in capital and dividend payment. Increase in equity was primarily derived from current year profit amounting to IDR479 billion.

Equity (in million Rupiah)	2016	2015
Share capital	2,388,471	2,388,471
Additional paid-in capital - net	2,102,242	2,102,242
Other comprehensive income	(119,525)	(193,030)
Retained earnings		
Appropriated	106,631	102,000
Unappropriated	6,343,251	5,868,609
Total Equity	**10,821,070**	**10,268,292**

Cash Flow Report

This cash flow report is based on cash from (used for) operational, investment and funding activities.

Cash Flow (in million Rupiah)	2016	2015
Net cash provided by operating activities	3,696,109	14,940
Net cash used in investing activities	(1,777,087)	(3,897,044)
Net cash provided by financing activities	1,029,736	1,029,015
Net increase (decrease) in Cash and Cash Equivalents	**2,948,758**	**(2,853,089)**

Net cash provided by operating activities

Net cash provided by operating activities increased by 24639.7 per cent or IDR3,681 billion from IDR15 billion in 2015 to IDR3,696 billion in 2016. This increase was mainly due to incoming funds from customer deposits.

Net cash used in investing activities

Net cash used in investing activities decreased 54.4 per cent, or IDR2,120 billion from IDR3,897 billion in 2015 to IDR1,777 billion in 2016. This was due to an increase sales of financial investments in 2016.

Net cash provided by financing activities

Net cash provided by financing activities increased by 0.1 per cent, or IDR721 million from IDR1,029 billion in 2015 to become IDR1,030 billion in 2016.

Financial Ratios

Financial Ratios	2016	2015
Capital Adequacy Ratio	16.44%	16.20%
NPL - gross	3.24%	2.68%
NPL - net	2.61%	2.17%
Loan to Deposit Ratio (LDR)	90.11%	95.17%
Net Interest Margin (NIM)	4.31%	3.97%
Operational expenses to operational income (BOPO)	95.90%	96.46%
Return on Asset (ROA)	0.77%	0.77%
Return on Equity (ROE)	4.49%	4.82%

Management Discussion and Analysis

Solvability and Collectability

Ratio of Capital Adequacy

In 2016, the Capital Adequacy Ratio (CAR) increased by 0.24 per cent, from 16.20 per cent in 2015 to 16.44 per cent in 2016. This indicates an increase of the capital structure of the Bank.

Non-Performing Loans (NPL)

In 2016, NPL-Gross increased by 0.6 per cent from 2.7 per cent in 2015 to 3.2 per cent in 2016. Likewise, NPL - net increased by 0.44per cent, from 2.2 per cent in 2015 to 2.6 per cent in 2016. The NPL ratio showed a good performance since it was still below the maximum limit of 5 per cent required by Bank of Indonesia. This also reflects the commitment of the Bank to manage credit risk by continuing to implement the prudential principle of banking.

Rentability

There was no increase or decrease on Return on Assets (ROA) ratio in 2016. While Return on Equity (ROE) ratio decreased by 0.33 per cent, from 4.82 per cent in 2015 to 4.49 per cent in 2016.

Net Interest Margin (NIM)

Net interest margins in 2016 and 2015 were 4.31 per cent and 3.97 per cent, respectively. Increased in net interest margins in 2016 was primarily due to decrease in cost of funds. Decrease on cost of funds was due to significant increase on cheap funds (derived from CASA) compared to increase in expensive funds (derived from TD).

Ratio of Operational expenses to operational income (BOPO)

BOPO ratio decreased to 95.90 per cent in 2016 compared with previous year by 96.46 per cent. This decline was due to the Bank's strategy to do cost efficiency.

Liquidity

Loan to Deposit Ratio (LDR) decreased to 90.11 per cent in 2016 from 95.17 per cent in 2015. This decline derived from an increase of total third party funds amounting to 13.26 per cent, higher than the increase of loans by 7.23 per cent. The Bank continues to maintain its liquidity position and balanced of its credit growth.

Material Commitment on Investment in Capital Goods

Total capital expenditure decreased by 4.3 per cent or IDR12 billion from IDR287 billion in 2015 to IDR275 billion in 2016. The decrease was due to a decline in construction in progress assets by 37.1 per cent or IDR39 billion. Office equipment, however, increased 14.8 per cent or IDR26 billion.

Investment and Associated Materials on Capital Goods Investment on capital goods used for developing information technology infrastructure, additional office equiptment for Bank operational needs.

Capital Expenditure

Capital Expenditure (in million Rupiah)	2016	2015
Infrastructure	9,532	8,103
Office Equipments	198,740	173,185
Construction in progress	66,519	105,770
Total Capital Expenditure	**274,791**	**287,058**

Capital Structure and Policy on Capital Structure Management

Capital Structure

Bank has a policy to maintain its capital structure and CAR at a level sufficient to anticipate all the major risks that can arise in the management of the Bank's business. The main risks that are meant to include are credit risk, market risk and operational risk and other risks. At the end of 2016, the capital adequacy ratio (Capital Adequacy Ratio - CAR) stood at 16.44 per cent which is above the minimum CAR standard based risk profile set by Bank of Indonesia, which amounted to 9 per cent - <10 per cent.

The Bank manages its capital structure and makes adjustments as economic conditions change. The Bank may adjust the dividend payment to shareholders, issue new shares or seek financing through loans. There were no changes to the objectives, policies and processes for the year ended December 31, 2016.

The Bank's policy is to maintain a healthy capital structure to secure access to finance at a reasonable cost.

Target Achievement of 2016

Comparison of target in 2016 with its realisation in 2016:

- Net of interest income in 2016 was recorded at IDR3,537 billion, or reaching 113.2 per cent of the target that was IDR3,126 billion.
- Realisation of other operational expenses in 2016 were recorded at IDR2,712 billion or reaching 93.5 per cent from the target of IDR2,901 billion.
- Per 31 December 2016, the total realisation of loans distributed by the Bank reached 98.7 per cent from the target, whereas the realisation of funds was 104.2 per cent of target.
- The CAR of the Bank per 31 December 2016 was 16,44 per cent compared to CAR target of 16.60 per cent.

Financial Projection 2017

Along with economic development and banking in Indonesia, the Bank has been assessing the achievement of performance as well as projection sets in the preparation of the budget and medium-term business plan.

In 2017, the Bank expects to achieve its loan growth target in 2017 of 8.5 per cent and deposit growth by 2.9 per cent.

Dividend Policy

The dividend distribution is performed subject to the resolutions adopted in the Annual General Meeting of Shareholders, by taking into account the financial condition and capital requirements of the Bank which are related to business development, especially credit growth, and in consideration of other factors relevant to the shareholders.

Subject to the Annual General Meeting of Shareholders held on 28 April 2015, the shareholders approved the determination of net income of 2014 to be distributed in the form of a dividend in the amount of IDR136 billion or IDR14 per share, which was distributed on 30 April 2015. The dividend payout ratio at the level of 20 per cent of 2014 net profit were paid in cash to the shareholders.

As approved by the Annual General Meeting of Shareholders held on 24 May 2016, the Bank did not distribute dividends, and the profit obtained was recorded as retained earnings to finance the business activities of the Bank.

Information of Utilization of Public Offering Proceeds

In 2016, the Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 and Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 with amount of IDR1 trillion, and IDR100 billion respectively. The funds were used to improve the productive assets in the context of the Bank's business development and to strengthen bank's capital structure.

Material Information on Investment, Expansion, Divestment and Acquisition

Throughout 2016, the Bank did not perform any transition or material activities related to investment, expansion, divestment as well as acquisition.

Financial Effect of Extraordinary Events

The Bank did not experience any extraordinary events in 2016 or 2015 which would materially impact the Bank's financial performance.

Material Information on Transactions that Contain Conflict of Interest and/or Material Transaction from Related Parties

During 2016, there were no transactions within the Bank that can be classified as conflict of interest transactions.

In 2016, in carrying out its business activities, the Bank entered into several transactions with related parties, which include loans and deposits from customers, wherein the details of the number and type of transaction and the nature of relationships with related parties can be found in Note No. 35, Notes to the Audited Financial Statements.

Impact of Change of Laws on Bank Performance

The change of laws did not give any significant impact to the Bank.

Impact of Changes in Interest Rates on Bank Performance

Bank of Indonesia's interest rate and the Fed are the reference interest rates for the Indonesian banking industry, which directly or indirectly affect the movement of interest rates on the Bank's loans and deposits.

Throughout 2016, Bank of Indonesia has change the policy rate, from 7.50 per cent in Dec 2015 to 6.50 per cent in Jun 2016 and change the benchmark rate for policy rate to use 7 days reverse repo. During September – October 2016 the 7 days reverse repo has decrease by 50bps to 4.75 per cent.

To mitigate the risk of changes in interest rates during 2016, the Bank has adjusted Bank's interest rate to market interest rates. In addition, consistently, the Bank has made synchronization position of assets and liabilities that were sensitive to interest rate according to the potential movement of market interest rates to the level of risk that is acceptable to the Bank. Systems, policies and limits for interest rate risk monitoring has been set up and monitored closely, as well as the reviews were done periodically.

Accounting Standards Issued but not yet Effective

Accounting standards that have been issued but not yet effective and relevant to the Bank are as follows:

a. Amendment to PSAK 1: Presentation of Financial Statements on Disclosures Initiative.
b. Amendment to PSAK 2: Statement of Cash Flows on the Disclosure Initiative.
c. Amendment to PSAK 46: Income Taxes the Recognition of Deferred Tax Assets for Unrealised Losses.
d. PSAK 3 (2016 Improvement): Interim Financial Reporting.
e. PSAK 24 (2016 Improvement): Employee Benefits.
f. PSAK 60 (2016 Improvement): Financial Instruments: Disclosures.

PT Bank UOB Indonesia

31 December 2016

Good Corporate Governance

49 General Meeting of Shareholders
54 Board of Commissioners
59 Board of Directors
66 Board of Commissioners Committees
70 Board of Directors Committee
93 Corporate Secretary
94 Press Release
94 The Implementation of Compliance, Internal Audit, and External Audit Functions
98 The Implementation of Risk Management Including Internal Control System
98 Related Party Funding and Large Exposure
99 The Bank's Strategic Plan
99 Transparency of Bank's Financial and Non Financial Condition Not Yet Disclosed in Other Reports
100 Shares Ownership of Board of Commissioners and Board of Directors
101 Financial and Family Relationships of Members of the Board of Commissioners and Directors with other Members of the Board of Commissioners, Directors and/or the Controlling Shareholders of the Bank
102 Disclose of Remuneration Policy
103 Remuneration Package/Policy and Other Benefits for Board of Commissioners and Board of Directors
104 Number of Internal Fraud Cases and Bank's Effort to Settle the Cases
104 Number of Legal Cases and Bank's Effort to Settle the Cases
105 Donation for Social and Political Activities During the Period of 2016
107 Code of Conduct
108 Corporate Culture
108 Whistleblowing
108 Internal Communications
109 Corporate Social Responsibility
109 Customer Protection
110 General Conclusion of The Result of Self-Assessment of the Implementation of Good Corporate Governance at PT Bank UOB Indonesia

Good Corporate Governance

PT Bank UOB Indonesia (the Bank) believes that Good Corporate Governance (GCG) is fundamental to safeguarding the interests of stakeholders, protecting and enhancing the value of the Bank and achieving sustainable growth. The Bank implements GCG according to the principles of Transparency, Accountability, Responsibility, Independence and Fairness, and monitors the execution of GCG practices according to prevailing rules and regulations.

I. Good Corporate Governance Structure

A. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) holds the highest authority in the Bank. At the GMS, shareholders are authorised to evaluate the performance of the Board of Commissioners and the Board of Directors; approve the annual report; appoint and release the member of the Board of Commissioners and Directors; determine the amount and type of compensation/remuneration and other perquisities for members of the Board of Commissioners and the Board of Directors; and appoint an Independent Auditor. The Annual General Meeting of Shareholders (AGM) is held once a year. The Bank may also convene an Extraordinary General Meeting of Shareholders (EGM) when required.

General Meeting of Shareholders 2016

Throughout 2016, the Bank has convened 1 (one) AGM and did not convened EGM.

AGM 2016

The AGM 2016 was held on 24 May 2016 in UOB Plaza, at Jl. M.H. Thamrin No. 10, Central Jakarta 10230. The AGM was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.999% of 9,553,885,804 shares with voting rights issued by the Bank.

Resolution and Realisation of AGM 2016

	Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
1.	Approval on Company's Annual Report for fiscal year ending 31 December 2015 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners.	Approved the Company's Annual Report for fiscal year ending 31 December 2015 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners, as well as ratifying the Company's Financial Statements for fiscal year ending 31 December 2015 audited by Public Accounting Firm Purwantono, Sungkoro and Surja pursuant to report Number: RPC-244/PSS/2016 dated 28 January 2016 with an Unqualified Opinion, hence granting full release and discharge of liabilities (acquit et decharge) to members of the Board of Directors for their management actions and to members of the Board of Commissioners of the Company for their supervisory actions completed throughout fiscal year of 2015, insofar as the actions are reflected in the Annual Report and Financial Statements for fiscal year 2015.	100%	-	Realised.

Resolution and Realisation of AGM 2016				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
2. Determination on the appropriation of net profits for fiscal year ending 31 December 2015.	Approved the appropriation of net profits for fiscal year ending 31 December 2015 in the amount of Rp463,075,478,330.- (four hundred and sixty three billion seventy five million four hundred and seventy eight thousand three hundred and thirty Rupiah) as follows: 1. A total of Rp4,630,754,783.- (four billion six hundred thirty million seven hundred fifty-four thousand seven hundred and eighty-three Rupiah) booked as reserves in order to meet the requirements of Article 70 of the Company Law and Article 20 of the Articles of Association of the Company. 2. Booked the entire net profit earned in 2015 after mandatory reserves as Retained Earnings in the amount of Rp458,444,723,547.- (four hundred fifty-eight billion four hundred and forty-four million seven hundred twenty-three thousand five hundred and forty-seven Rupiah).	100%	-	Realised.
3. The appointment of Public Accounting Firm to audit the Financial Statements of the Company for fiscal year 2016 and granting authority to the Board of Directors of the Company to determine the audit service fees and other requirements in relation to the appointment.	Approved the granting of authority to the Board of Commissioners of the Company to appoint a Public Accounting Firm registered with the Financial Services Authority (OJK) to audit the Financial Statements of the Company for fiscal year 2016 in view of the recommendations of the Audit Committee and granting the authority to the Board of Directors of the Company to sign a cooperation agreement and determine the audit service fees and other requirements in relation to the appointment.	100%	-	Realised.
4. Determination on the amount of salary and benefits in fiscal year 2016 for all members of the Board of Commissioners and Board of Directors of the Company	1. Approved the action of UOB International Investment Private Limited (UOBII) as majority shareholder based on the authority granted in the AGM held on 28 April 2015 to determine the amount of salaries and benefits in fiscal year 2015 for all members of the Board of Commissioners of the Company. 2. Approved the granting of authority to the majority shareholder of the Company, namely UOBII to determine the amount of salary and benefits in fiscal year 2016 for all members of the Board of Commissioners of the Company. 3. Approved the granting of authority to the Board of Commissioners of the Company to determine the amount of salary, remuneration and benefits in fiscal year 2016 for all members of the Board of Directors of the Company.	100%	-	Realised.

Resolution and Realisation of AGM 2016				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
5. Report on realisation of appropriated proceeds of Bonds I of PT Bank UOB Indonesia Year 2015.	Given that the Agenda was a report, there was no resolution decided on this Agenda.	There was no questioner on the fifth agenda of the meeting.	-	As the fifth agenda, the Company submitted to AGM the report on realisation of appropriated proceeds of Bonds I of PT Bank UOB Indonesia Year 2015.

General Meeting of Shareholders 2015

Throughout 2015, the Bank convened 1 (one) AGM and 1 (one) EGM

AGM 2015

The AGM 2015 was held on 28 April 2015 in UOB Plaza, at Jl. M.H. Thamrin No. 10, Central Jakarta 10230. The AGM was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.999% of 9,553,885,804 shares with voting rights issued by the Bank.

Resolution and Realisation of AGM 2015				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
1. Approval on Company's Annual Report for fiscal year ending 31 December 2014 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners.	Approved the Company's Annual Report for fiscal year ending 31 December 2014 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners, as well as ratifying the Company's Financial Statements for fiscal year ending 31 December 2014 audited by Public Accounting Firm Purwantono, Suherman and Surja pursuant to report Number: RPC-7012/PSS/2015 dated 24 March 2015 with an Unqualified Opinion, hence granting full release and discharge of liabilities (acquit et decharge) to members of the Board of Directors for their management actions and to members of the Board of Commissioners of the Company for their supervisory actions completed throughout fiscal year of 2014, insofar as the actions are reflected in the Annual Report and Financial Statements for fiscal year 2014.	100%	-	Realised.

Resolution and Realisation of AGM 2015				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
2. Determination on the appropriation of net profits for fiscal year ending 31 December 2014.	Approved the appropriation of net profits for fiscal year ending 31 December 2014 to the amount of Rp679,833,773,751 (six hundred and seventy nine billion eight hundred and thirty three million seven hundred and seventy three thousand seven hundred and fifty one Rupiah) as follows: 1. A total of Rp7,000,000,000.- (seven billion Rupiah) booked as reserves in order to meet the requirements of Article 70 of the Company Law and Article 20 of the Articles of Association of the Company. 2. A total of Rp135,951,794,991 (one hundred and thirty five billion nine hundred and fifty one million seven hundred and ninety four thousand nine hundred and ninety one Rupiah) or 20% of net profit for fiscal year 2014 as cash dividend for fiscal year 2014 which will be shared with the shareholders on 28 April 2015 at 4 pm Western Indonesia Time and the payments will be transferred no later than 30 April 2015. 3. Remaining profit at the amount of Rp 536,881,978,760,- (five hundred and thirty six billion eight hundred and eighty one million nine hundred and seventy eight thousand seven hundred and sixty Rupiah) is kept as retained earnings.	100%	-	Realised.
3. The appointment of Public Accounting Firm to audit the Financial Statements of the Company for fiscal year 2015 and granting authority to the Board of Directors of the Company to determine the audit service fees and other requirements in relation to the appointment.	Approved the granting of authority to the Board of Commissioners of the Company to appoint a Public Accounting Firm registered with the Financial Services Authority (OJK) to audit the Financial Statements of the Company for fiscal year 2015 and granting the authority to the Board of Directors of the Company to sign a cooperation agreement and determine the audit service fees and other requirements in relation to the appointment.	100%	-	Realised.

Resolution and Realisation of AGM 2015				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
4. Changes in the composition of Board of Commissioners and Board of Directors of the Company.	Approved the re-appointment of Messrs. Wee Cho Yaw, Wee Ee Cheong, Lee Chin Yong Francis, Rusdy Daryono, Wayan Alit Antara and Aswin Wirjadi as members of the Board of Commissioners and approved the appointment of Muljono Tjandra as Director replacing Safrullah Hadi Saleh, thereby altering the composition of the Company's Board of Commissioners and Board of Directors to the followings: **Board of Commissioners** President Commissioner : Wee Cho Yaw Deputy President Commissioner : Wee Ee Cheong Commissioner : Lee Chin Yong Francis Independent Commissioner : Rusdy Daryono Independent Commissioner : Wayan Alit Antara Independent Commissioner : Aswin Wirjadi **Board of Directors** President Director : Armand Bachtiar Arief Deputy President Director : Iwan Satawidinata Deputy President Director : Tan Chin Poh Director : Muljono Tjandra*) Director : Ajeep Rassidi bin Othman Compliance Director : Soehadie Tansol *) Effective upon approval by the Financial Services Authority.	100%	-	Realised.
5. Determination on the amount of salary and benefits in fiscal year 2015 for all members of the Board of Commissioners and determination on the amount of salary, remuneration, and benefits in fiscal year 2015 for all Board of Directors of the Company.	1. Approved the action of UOB International Investment Private Limited (UOBII) as majority shareholder by virtue of the authority granted in the AGM convened on 13 June 2014 to determine the amount of salaries and allowances for 2014 of all members of the Board of Commissioners of the Company; 2. Granted the authority to the majority shareholders of the Company, namely UOBII to determine the amount of salaries and allowances for 2015 of all members of the Board of Commissioners of the Company; 3. Granted authority to the Board of Commissioners to determine the amount of salaries, remuneration and allowances for 2015 of all members of Board of Directors of the Company.	100%	-	Realised.

Resolution and Realisation of AGM 2015				
Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
6. Report on Realisation of appropriated proceeds of Bond and Subordinated Bond Bank UOB Indonesia for 2014 to the AGM.	Given that the Agenda is a report, there was no resolution decided on this Agenda.	There was no questioner on the Sixth Agenda of the Meeting.	-	Within the sixth agenda, the Company submitted the report on the realisation of appropriated proceeds of Bonds I and Subordinated Bonds I Bank UOB Indonesia for 2014 to the AGM.

EGM 2015

On 2 November 2015, at UOB Plaza, Jl. M.H. Thamrin No.10, Jakarta Pusat 10230, the Bank convened an EGM which was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.99% of 9,553,885,804 shares with voting rights issued by the Bank, which essentially decided the following:

1. Accepted the resignation of Armand Bachtiar Arief as President Director effective on 1 January 2016;
2. Accepted the resignation of Ajeep Rassidi bin Othman as Director effective on 1 January 2016.
3. Appointed Lam Sai Yoke as President Director effective from 1 January 2016 up to and including adjournment of AGM of the Company to be convened in 2017. This appointment is effective upon approval from the Financial Services Authority.
4. Appointed Pardi Kendy as Director effective on 1 January 2016 up to and including adjournment of AGM of the Company convened in 2017. This appointment is effective upon approval from the Financial Services Authority.

Hence, the composition of the Board of Directors of the Company shall be as follows:

President Director	: Lam Sai Yoke*)
Deputy President Director	: Iwan Satawidinata
Deputy President Director	: Tan Chin Poh
Director	: Muljono Tjandra
Director	: Pardi Kendy*)
Compliance Director	: Soehadie Tansol

*) Effective upon approval by the Financial Services Authority.

5. Granted power of attorney with substitution right to the Board of Directors of the Company to announce changes to members of the Board of Directors of the Company in a separate deed before a Notary and prepare for notification to the Ministry of Law and Human Rights of the Republic of Indonesia.

B. Board of Commissioners

1. **Duties and Responsibilities of the Board of Commissioners**
   Pursuant to the Articles of Association, the Board of Commissioners must perform supervision of management policies, general conduct of the management, both concerning the Company as well as the Company's businesses, and advise the Board of Directors.

   In performing their duties and responsibilities, each member of the Board of Commissioners refers to Work Guidelines and Regulations of the Board of Commissioners which are in accordance with Bank of Indonesia/ Financial Services Authority regulations. The said Work Guidelines and Regulations of the Board of Commissioners are reviewed periodically. The last review was performed in 2016, resulting in the Decree of The Board Of Commissioners PT Bank UOB Indonesia No. 16/COM/0005 dated 15 March 2016 concerning Work Guidelines and Regulations of Board of Commissioners of PT Bank UOB Indonesia.

   In addition, every member of the Board of Commissioners cannot act on his own, only by virtue of a decision of the Board of Commissioners.

   Generally, the Board of Commissioners assumes the following responsibilities pursuant to the Board of Commissioners' Work Guidelines and Regulations:
   a. Supervise the implementation of duties, responsibilities and policies conducted by the Board of Directors as well as advising the Board of Directors.

b. Direct, supervise and evaluate the implementation of the Bank's strategic policies conducted by the Board of Directors. It is not involved in any decision making on the Bank's operational activities, unless otherwise required under applicable regulations.
c. Examine and approve the Bank's business plan.
d. Provide directions to the Board of Directors with regard to Corporate Governance and ensure that Corporate Governance has been implemented in all business activities of the Bank at all levels of the organisation.
e. Provide directions and recommendations for the Bank's strategic development plan as well as evaluate the implementation of the Bank's strategic policies.
f. Ensure that the Board of Directors has followed-up audit findings and recommendations provided by internal auditor and external auditor, and results of supervision by regulators and other authorised institutions.
g. Analyse and approve the Bank's risk management framework.
h. Inform the appropriate regulator no later than 7 (seven) work days following any finding of:
   - Violation of any laws in the financial and banking industry; and
   - Situation or presumed situation which may jeopardise the business continuity of the Bank.
i. The Board of Commissioners must establish at least:
   - The Audit Committee
   - The Risk Monitoring Committee
   - The Remuneration and Nomination Committee and ensure that the established Committees perform their duties effectively.
j. Convene Meetings of the Board of Commissioners on a regular basis, at least once in 2 (two) months, at which all members of the Board of Commissioners must be physically present at least 2 (twice) a year.
k. Convene Joint Meetings with the Board of Directors at least once in 4 (four) months.

Execution of Duties and Responsibilities of the Board of Commissioners

In order to ensure the effectiveness of the execution of its duties and responsibilities, the Board of Commissioners is assisted by the Audit Committee, the Remuneration and Nomination Committee and the Risk Monitoring Committee, each chaired by 1 (one) Independent Commissioner.

Generally, the Board of Commissioners assumes the following responsibilities pursuant to the Board of Commissioners' Work Guidelines and Regulation are to supervise the implementation of duties, responsibilities, and policies conducted by the Board of Directors as well as advising the Board of Directors.

The supervision abovementioned performed through Board of Commissioners' meetings and Board of Commissioners' meeting with Board of Directors to discuss report of business, operational, human resources, and other aspects presented by the Board of Directors.

Throughout 2016, the Board of Commissioners gave various recommendations and/or inputs to the Board of Directors, among other things:

a. Recommendations related to Internal Policy:
   - Approved Annual Update of Asset Classification Policy version 3.0;
   - Approved Annual Update of Credit Risk Mitigation Policy version 2.0;
   - Approved Annual Update of Credit Risk Concentration Policy version 2.0;
   - Approved General Credit Policy version 5.0;
   - Approved Consumer Credit Policy version 5.0.
b. Recommendations related to amendment to Internal provision:
   - Approved the Work Guidelines and Regulations of the Board of Commissioners.
c. Recommendations related to business:
   - Approved Supervisory Report of Bank Business Plan for 2nd Half of 2015;
   - Approved Supervisory Report of Bank Business Plan for 1st Half of 2016.
d. Miscellaneous:
   - Approved the action of Board of Directors to file Bank UOB Indonesia Senior Bonds I and Subordinated Bonds I 2016.
   - Approved the appointment of Independent Commissioners to sign and approve the Senior Bonds I and Subordinated Bonds I 2016.
   - Approved the proposal of the Board of Directors for the schedule and agenda for the AGM in 2017.

The Board of Commissioners was also authorised by the AGM to execute the Shareholders' decisions including:

a. Appointment of Public Accountant Firm registered with the Financial Services Authority to audit Financial Statements of the Company for fiscal year 2016 in observance of the recommendations of the Audit Committee.
b. Determination of salary, remuneration and other allowances for all members of the Board of Directors for fiscal year 2016.

2. **Composition, Criteria and Independency of the Board of Commissioners**
Following are members of the Board of Commissioners of the Bank as of 31 December 2016:

Name	Position	Effective Date		Re-Appointment	Expiry of Tenure
		BI Approval	GMS		
Wee Cho Yaw	President Commissioner	26 December 2005	14 October 2005	28 April 2015	2017
Wee Ee Cheong	Deputy President Commissioner	31 August 2007	22 June 2007	28 April 2015	2017
Lee Chin Yong Francis	Commissioner	19 December 2005	14 October 2005	28 April 2015	2017
Rusdy Daryono	Independent Commissioner	12 June 2006	22 May 2006	28 April 2015	2017
Wayan Alit Antara	Independent Commissioner	8 January 2009	20 June 2008	28 April 2015	2017
Aswin Wirjadi	Independent Commissioner	29 June 2009	12 June 2009	28 April 2015	2017

The composition of the Bank's Commissioners as outlined in the table above complies with the provision of OJK Regulation No.55/POJK.03/2016 concerning Implementation of Good Corporate Governance for Commercial Banks, where 50% (fifty per cent) of members of the Bank's Board of Commissioners are Independent Commissioners.

Independency of the Board of Commissioners
Article 2 paragraph (18) of the Work Guidelines and Regulations of the Bank's Board of Commissioners states that "a majority of members of the Board of Commissioners are prohibited from having second-degree family relationship with fellow members of the Board of Commissioners and/or members of the Board of Directors". All members of the Board of Commissioners do not have second-degree family relationship with fellow members of the Board of Commissioners and/or members of the Board of Directors except for Wee Cho Yaw, the President Commissioner, and Wee Ee Cheong, the Deputy President Commissioner.

None of the Independent Commissioners of the Bank has financial, management, shareholding, and/or second-degree family relationship with fellow members of the Board of Commissioners, members of the Board of Directors and/or majority shareholders that may affect his ability to act independently.

In accordance with Financial Services Authority Regulation No.55/POJK.03/ 2016 concerning Implementation of Good Corporate Governance for Commercial Banks, members of the Board of Commissioners are prohibited from holding concurrent positions as Commissioner, Director or Executive Officer in any bank/non-bank financial institution or non-financial institution/company and in more than 1 (one) non-financial institution/company either domiciled domestically or overseas.

This excludes concurrent positions held by (a) a member of the Board of Commissioners as a director, commissioner or executive officer performing supervision in 1 (one) non-bank subsidiary controlled by the Bank; (b) a Non-Independent Commissioner performing his functional duties assigned by the Bank's shareholders for a legal entity in the Bank's business group; and/or (c) a member of the Board of Commissioners in a non-profit organisation or institution.

Hence, all members of the Board of Commissioners have fulfilled the aforementioned regulations.

3. **Fit and Proper Test Information Disclosure**
Members of the Board of Commissioners were all appointed by the General Meeting of Shareholders as outlined in the table above by considering the main criteria, i.e. integrity, competency, professionalism, and financial reputation, according to the fit & proper test requirements prescribed by regulators.

4. **Frequency of the Board of Commissioners Meetings**
Pursuant to Bank Indonesia regulation on the implementation of Good Corporate Governance for Commercial Banks and Articles of Association of the Bank, the following guidelines for the Board of Commissioners meeting procedures and executions have been developed with reference to the Work Guidelines and Regulations of the Board of Commissioners:
   a. Meetings are held at least once in 2 (two) months or when deemed necessary by a member of the Board of Commissioners or upon written request from the Board of Directors or upon the request of 1 (one) or

more shareholders holding 1/10 (one tenth) of the total number of shares issued by the Company with valid voting rights.

b. Board of Commissioners Meetings may be held via teleconference, even so, meetings are to be physically attended by all the members of Board of Commissioners at least 2 (twice) in a year.
c. The Board of Commissioners schedules joint meetings with the Board of Directors on a periodic basis, at least once in 4 (four) months.
d. The Board of Commissioners schedules Board of Commissioners meetings for the subsequent year before the fiscal year ends.
e. Meetings of the Board of Commissioners are chaired by the President Commissioner. In the event that the President Commissioner is absent or unavailable, for which no evidence to any third party is required, the meeting of the Board of Commissioners is chaired by the Deputy President Commissioner and if he is unavailable, the meeting will be chaired by a member of the Board of Commissioners elected by members of the Board of Commissioners who are present.
f. The meeting of the Board of Commissioners is only valid and may adopt binding decisions if more than ½ (half) of the total number of the Board of Commissioners are present or represented at the meeting.
g. The decisions of the Board of Commissioners meetings must be adopted by way of deliberations to reach a consensus. In the event that no consensus is reached, decisions are adopted when the number of affirmative votes is more than half of the total votes validly cast at such meetings.
h. In the event of an equality of votes, the Chairman of the Board of Commissioners Meeting shall cast the deciding vote.
i. The results of the Board of Commissioners Meetings must be recorded in the minutes of meetings and properly documented.

During 2016, the Board of Commissioners convened a routine meeting once every 2 (two) months, during which the Board of Commissioners sought explanation from the Directors regarding his duties and responsibilities in the previous 2 (two) months, as well as discussing the Bank's performance in general.

During 2016, the Board of Commissioners convened 10 (ten) meetings held via video conference and physically attended, of which 6 (six) were Board of Commissioners Meetings and 4 (four) were Joint Meetings with Board of Directors. Out of the total number of Board of Commissioners meeting, two of which were physically attended by all members of the Board of Commissioners.

Meeting results, including dissenting opinions (if any), were well documented in minutes of meetings which were properly administrated by the Corporate Secretary.

Based on the aforementioned matters, the Bank has fulfilled the prevailing regulations on the execution of the Board of Commissioners Meetings.

The following is the attendance of the Board of Commissioners for meetings held in 2016:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Wee Cho Yaw	President Commissioner	6	5	83%
Wee Ee Cheong	Deputy President Commissioner	6	6	100%
Lee Chin Yong Francis	Commissioner	6	6	100%
Rusdy Daryono	Independent Commissioner	6	6	100%
Wayan Alit Antara	Independent Commissioner	6	6	100%
Aswin Wirjadi	Independent Commissioner	6	6	100%

The table below sets out the frequency and list attendance of Board of Commissioners Joint Meeting with Board of Directors in 2016:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Wee Cho Yaw	President Commissioner	4	3	75%
Wee Ee Cheong	Deputy President Commissioner	4	4	100%
Lee Chin Yong Francis	Commissioner	4	4	100%
Rusdy Daryono	Independent Commissioner	4	4	100%
Wayan Alit Antara	Independent Commissioner	4	4	100%
Aswin Wirjadi	Independent Commissioner	4	4	100%
Lam Sai Yoke	President Director	4	3	75%
Tan Chin Poh	Deputy President Director	4	4	100%
Iwan Satawidinata	Deputy President Director	4	3	75%
Muljono Tjandra	Director	4	4	100%
Pardi Kendy	Director	4	3	75%
Soehadie Tansol	Compliance Director	4	4	100%

5. **Performance Evaluation for the Commissioners**
   The Bank has prepared the policy regarding Commissioner Evaluation and Director Performance Guideline which will be established on 2017 to provide technical guidance to Commissioner in conducting the performance management process and to provide standardisation of provisions to be applied to Commissioner, among other things are as follow :

   Performance Evaluation
   Performance evaluation of members of the Board of Commissioners will be conducted 1 (once) a year with a self-assessment method.

   Performance Criteria
   Criteria of performance evaluation of members of the Board of Commissioners are a follow :
   1. Independency of the Board of Commissioners;
   2. Fit and proper which comprise honesty, integrity, reputation, competency and financial soundness; and
   3. Performance of the Commissioner.

   Evaluation Result
   Result of self-assessment conducted by the Commissioner will be reported to the Remuneration and Nomination Committee.

6. **Recommendations of the Board of Commissioners for Funding and Authority to Incur Expenditure on Goods and Services**
   a. Approved the lease extension of Pondok Indah Branch building;
   b. Aproved the budget of Limit & Exposure System (LES) and Customer Grouping System (GRP) Project;
   c. Approved to create Privilege Lounge in Pantai Indah Kapuk;
   d. Approved to create Privilege Center in Medan Uniplaza;
   e. Approved to sell 11 (eleven) abandoned property assets;
   f. Approved the budget for Business Banking Credit Application Fraud Detection System (Instinct) Project;
   g. Approved the budget for Personal Internet Banking Project;
   h. Approved the relocation of Asemka Branch to Gajah Mada, West Jakarta;
   i. Approved to dispose 3 (three) property assets;

j. Approved the Human Resources Information System Replacement Project;
k. Approved the Omega Project Budget;
l. Approved the Implementation of UOB Group PWEB (Public Website) Project;
m. Approved the Governance, Risk, and Compliance Project;
n. Approved the UOBI One Account Budget.

C. Board of Directors

1. Duties and Responsibilities of the Board of Directors

The Board of Directors is the organ of the Company with the authority and full responsibility for carrying out his duties in the interests of the Bank in achieving the Bank's intent and purposes and to represent the Bank both inside and outside of court. Each member of the Board of Directors shall carry out his duties in good faith and responsibly in accordance with prevailing laws and regulations and Articles of Association of the Bank.

The principle duties of the Board of Directors include, among other things to:

a. Manage the Bank pursuant to his authority and responsibilities as stated in the Articles of Association and prevailing laws and regulations;
b. Take full responsibility of the Bank's management;
c. Represent the Bank legally and directly both inside and outside of court according to the following provisions:
   - The President Director and Deputy President Director are justified and authorised to act for and on behalf of the Board of Directors and the Bank.
   - In the event that the President Director and Deputy President Director are unavailable due to any cause whatsoever, for which third-party evidence is not required, then 2 (two) members of the Board of Directors are justified and authorised to act for and on behalf of the Board of Directors and the Bank.
d. Implement business strategies recommended by the Board of Commissioners;
e. Establish the following work functions:
   - Internal Audit Function;
   - Risk Management Function and Risk Management Committee; and
   - Compliance Function.
f. Folllow up audit findings and recommendations from the Internal Auditor and External Auditor, and results of assessments by Bank Indonesia and/or other authorities/ regulators as well as other authorised institutions;
g. Implement principles of Good Corporate Governance in every business activity of the Bank at all levels of organisation;
h. Provide complete, accurate, relevant and timely data and information to the Board of Commissioners;
i. Monitor and manage risk encountered by the Bank;
j. Maintain a favorable work condition so as to improve productivity and professionalism;
k. Manage and develop employees and maintain organisational sustainability;
l. Disclose strategic employment policies of the Bank to employees. The disclosure must be done through appropriate means which are known to or which are easily accessible to employees; and
m. Report the implementation of his duties to shareholders in the General Meeting of Shareholders.

Furthermore, in carrying out his duties and responsibilities, each member of the Board of Directors shall refer to the distribution of work, responsibility and authority which is based on the Board of Directors Decision No.16/SKDIR/0044 on the Duties and Authorities of members of the Board of Directors, with the following details:

President Director
- Justified and authorised to act on behalf of the Board of Directors and to represent the Bank;
- Coordinate the Bank's management;
- Determine the Bank's strategy;
- Ensure the implementation of the compliance function, and the implementation of the principles of good corporate governance as well as prudent banking practices;
- The scope of responsibility includes direct oversight of Human Resources, Middle Market Credit, Corporate Credit, Special Asset Management, Retail Credit, Compliance, Channels, Risk Management, Legal, Internal Audit, Strategic Communications and Customer Advocacy, Brand, and CEO Office, as well as indirect oversight of Finance & Corporate Services and Technology & Operations through Deputy President Director – Administrations & Operations, as well as indirect oversight of Business Function Units of the Bank through Deputy President Director – Business.

Deputy President Director of Administration & Operations
- Assists President Director in directing the Bank's policies and strategies, in accordance with the scope of coordinated area;
- Provides directions and guidance to ensure a smooth implementation of duties in the field of operations and supporting functions of the Bank;
- The scope of responsibility includes supervision on the functions of Finance and Corporate Services, and Technology and Operations.

Deputy President Director of Business
- Assists the President Director in directing the Bank's policies and strategies, in accordance with the scope of coordinated area;
- Provides direction and guidance for the Bank's business development;

- Scope of responsibility includes oversight of the business units such as Corporate Banking, Commercial Banking, Business Banking, Personal Financial Services, Global Markets, Transaction Banking, Financial Institution, Wholesale Portfolio Management, Wholesale Business Finance, Bancassurance Business, Portfolio & Regulatory Management, Demand Management and Retail Business Finance.

Finance & Corporate Services Director
- Responsible for the Bank's financial statements;
- Provides financial analysis on the Bank's performance in order to support the decision making process by the Bank's management;
- Leads, directs and monitors the implementation of corporate actions taken by the Bank;
- The scope of responsibility includes supervision of Division of Finance, Property and General Services and Corporate Services.

Channels Director
- Responsible for formulating and implementing Channels strategy, including to formulate the overall Branch network development strategy and plan the overall development of Branch network, including location and human resource planning;
- Responsible for improving efficiency and effectiveness as well as conducting risk and procedures management in Branches in order to ensure the target achievement of Branch Offices;
- Responsible for the quality of services to customers in Branches and coordinating with business segments to align business interests with Branch services and operations;
- To develop a profitability model of Branch network and manage business strategy for electronic banking including internet banking, mobile banking and self-service banking (ATM);
- Responsible for the achievements of Branch sales, referral, cross sales and monitor Branch performance in achieving the targets of sales and services delivered by Branch Offices; and
- Scope of responsibility includes oversight of Regional Channels, Channels People Development, MIS & Planning, Branch Operation Control & Development and Digital Banking.

Compliance Director
- Formulates strategies in order to build a culture of compliance in the Bank;
- Proposes compliance policies or principles for approval by the Board of Directors;
- Implements compliance system and procedures to be used to prepare internal provisions and guidelines of the Bank;
- Ensures that all policies, guidelines, systems, and procedures as well as business activities conducted by the Bank comply with the requirements of regulators and applicable provisions of laws and regulations;
- Responsible for managing the compliance risk of the Bank.
- Takes preventive measures in order to ensure that the policies and decisions taken by the Board of Directors of the Bank are in line with the requirements of regulators and prevailing laws and regulations;
- Submits reports to the Financial Services Authority on the implementation of his/her duties;
- Performs other duties related to the compliance function, such as monitoring and ensuring Bank's compliance to commitments made by the Bank to regulators.

2. Composition, Criteria and Independence of the Board of Directors
Members of the Board of Directors of the Bank as of 31 December 2016 are:

Name	Position	Effective As Members		Re-Appointment	Expiry of Tenure
		Regulator Approval	GMS		
Lam Sai Yoke	President Director	2 May 2016	2 November 2015	-	2017
Tan Chin Poh*)	Deputy President Director	24 July 2013	26 April 2013	-	2017
Iwan Satawidinata	Deputy President Director	10 June 2010	15 April 2010	26 April 2013	2017
Muljono Tjandra	Director	12 May 2015	28 April 2015	-	2017
Pardi Kendy	Director	21 March 2016	2 November 2015	-	2017
Soehadie Tansol	Compliance Director	31 December 2002	25 November 2002	26 April 2013	2017

*) Resigned from his position as of 7 February 2017

On 7 February 2017, Bank held Extraordinary General Meeting of Shareholders ("EGM") which the only meeting agenda is Change in the Composition of the Board of Directors of the Company. The meeting by way of deliberation to reach a consensus has approved the resignation request of Tan Chin Poh from his position as Deputy President Director of the Bank and appoint Henky Sulistyo as Director of the Bank.

Upon the resignation of Tan Chin Poh which became effective on 7 February 2017, with reference to the resolution of the Extraordinary General Meeting of Shareholders on 7 February 2017, following is the current composition of the Bank's Board of Directors:

Name	Position
Lam Sai Yoke	President Director
Iwan Satawidinata	Deputy President Director
Muljono Tjandra	Director
Pardi Kendy	Director
Soehadie Tansol	Compliance Director
Henky Sulistyo*)	Director

*) Effective upon approval by Financial Services Authority

Term of office for the Bank's Board of Directors as above mentioned is up to the closing of the Annual General Meeting of Shareholders of the Bank to be held in 2017 except for Henky Sulistyo until the closing of fourth Annual General Meeting of Shareholders after his appointment, which is effective upon approval by the Financial Services Authority.

Independency of the Board of Directors

a. None of the members of the Board of Directors of the Bank have mutual financial and second-degree family relationships with fellow members of the Board of Directors and/or members of the Board of Commissioners and majority shareholder.
b. None of the members of the Board of Directors, either individually or collectively, own shares amounting to more than 25% of the issued share capital at the Bank or any other company.
c. None of the members of the Board of Directors hold a concurrent position as a Commissioner, Director or an Executive Officer at any other bank, company and/or institution.
d. The President Director of the Bank is a independent party of the majority shareholder of the Bank and does not have any financial, management, shareholding and/or family relationship with the majority shareholder of the Bank.

3. Fit and Proper Test Information Disclosure
   The appointment of members of the Board of Directors by the GMS as outlined in the table above followed criteria that was approved by the Board of Commissioners i.e integrity, competence, professionalism and financial reputation, in accordance with the requirements of the "fit & proper" test prescribed by the Regulator.

4. Frequency of Board of Directors Meetings
   Pursuant to the provision of the Articles of Association and Work Guidelines and Regulations of the Board of Directors, the following guidelines for the Board of Directors meetings have been formulated:
   a. Meetings are to be held at least once a month, and when deemed necessary by one of the members of the Board of Directors, or upon written request from one or more members of the Board of Commissioners, or upon written request from one or more of the shareholders representing 1/10 (one tenth) of the total shares allocated by the Company with valid voting rights.
   b. The Board of Directors holds a joint meeting with the Board of Commissioners on a periodic basis at least once in 4 (four) months.
   c. The Board of Directors schedules the meeting of the subsequent year prior to the conclusion of the fiscal year.
   d. The Board of Directors' meeting is valid and authorised to make binding decisions if more than ½ (half) of the total number of members of the Board of Directors are present at the meeting.
   e. The decisions at the Board of Directors' meetings should be based on deliberation to reach consensus. If a decision could not be reached through deliberation, the decision will be made through voting based on supporting votes of more than ½ (half) of the total valid votes of members of the Board of Directors present at the meeting.
   f. In the event of equality of votes, the Chairman of the Board of Directors meeting has the deciding vote.
   g. The results of the Board of Directors meeting are recorded in minutes of meeting and properly documented.

   During 2016, Board of Directors held 17 (seventeen) meetings, of which 13 (thirteen) were Board of Directors meetings and 4 (four) were Joint Meetings with Board of Commissioners.

   The results of the meetings including dissenting opinions (if any) were well documented in minutes of meeting which were properly administrated by the Corporate Secretary.

   Based on the matters above mentioned, the Bank has met the prevailing regulations on the execution of Board of Directors meetings.

The following is the attendance of Board of Directors Meetings held in 2016:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Lam Sai Yoke*)	President Director	13	9	69%
Tan Chin Poh	Deputy President Director	13	12	92%
Iwan Satawidinata	Deputy President Director	13	11	85%
Muljono Tjandra	Director	13	13	100%
Pardi Kendy**)	Director	13	10	77%
Soehadie Tansol	Compliance Director	13	13	100%

*) Lam Sai Yoke became effective serving as President Director upon regulator approval on 2 May 2016
**) Pardi Kendy became effective serving as Director upon regulator approval on 21 March 2016

The table below sets out the frequency and list attendance of Board of Directors Joint Meeting with Board of Commissioners in 2016:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Lam Sai Yoke*)	President Director	4	3	75%
Tan Chin Poh	Deputy President Director	4	4	100%
Iwan Satawidinata	Deputy President Director	4	3	75%
Muljono Tjandra	Director	4	4	100%
Pardi Kendy**)	Director	4	3	75%
Soehadie Tansol	Compliance Director	4	4	100%
Wee Cho Yaw	President Commissioner	4	3	75%
Wee Ee Cheong	Deputy President Commissioner	4	4	100%
Lee Chin Yong Francis	Commissioner	4	4	100%
Rusdy Daryono	Independent Commissioner	4	4	100%
Wayan Alit Antara	Independent Commissioner	4	4	100%
Aswin Wirjadi	Independent Commissioner	4	4	100%

*) Lam Sai Yoke became effective serving as President Director upon regulator approval on 2 May 2016
**) Pardi Kendy became effective serving as Director upon regulator approval on 21 March 2016

5. Performance Appraisal for the Directors

The Bank has prepared the policy regarding Commissioner Evaluation and Director Performance Guideline which will be established on 2017 to provide technical guidance to Directors in conducting the performance management process and to provide standardisation of provisions to be applied to Directors, among other things are as follow:

Performance Appraisal

Performance evaluation of members of the Board of Directors will be conducted 1 (once) a year with a self-assessment method.

Performance Criteria

Criteria of performance evaluation of members of the Board of Commissioners are a follow :

1. Performance Target & Achievement Process;
2. Competency of Strategic, Engage, Execute & Develop (SEED); and
3. Corporate Values namely Honourable, Enterprising, United dan Committed.

Appraisal Result

Result of self-assessment conducted by the Directors will be submitted to the Supervisor which will be reported to the Board of Commissioners with recommendation from the Remuneration and Nomination Committee. Afterwards the final result of the appraisal will be delivered to each Director.

6. Data of Workshop/ Training/ Dissemination Attended by the Board of Directors

Name	Workshop/ Training/ Dissemination	Venue
Lam Sai Yoke	Asian Financial Leaders Programme	Switzerland
	CASA Digital Workshop	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	PFS Kick Off Workshop 2017 - PFS GO! Break My Limit	Bogor
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	Workshop for Senior Management - AML / CFT Update	Jakarta
Tan Chin Poh	BSC Alignment Strategic Workshop	Jakarta
	HR Strategic Workshop 2016	Jakarta
	Strategic Workshop Collaboration TNO FCS	Bogor
	Training 360 Degree Multirater Follow Up Plan	Jakarta
	Workshop ABS Seminar on Responsible Financing	Singapore
	Workshop Business Banking Budget Kick Off 2016	Bogor
	Workshop SID Launch of the Board Risk Committee guide & ASEAN Corporate Governance	Singapore
	CASA Digital Workshop	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	Workshop for Senior Management - AML / CFT Update	Jakarta

Good Corporate Governance

Name	Workshop/ Training/ Dissemination	Venue
Iwan Satawidinata	BSC Alignment Strategic Workshop	Jakarta
	Corporate Banking Workshop	Bandung
	HR Strategic Workshop 2016	Jakarta
	Workshop Operation 2016-Regional 4	Surabaya
	Workshop Regional 3	Yogyakarta
	Workshop Scorecard Alignment	Jakarta
	CASA Digital Workshop	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	Workshop DII SND 2016	Jakarta
	Global Market Mid Year Review 2016	Yogyakarta
	Kick Off Business Banking 2017	Yogyakarta
	PFS Kick Off Workshop 2017 - PFS GO! Break My Limit	Bogor
	Workshop Sales Lending MSL 2016	Jakarta
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	UOBI Commercial Banking Kickoff 2017	Bandung
	Workshop for Senior Management - AML / CFT Update	Jakarta
Muljono Tjandra	BSC Alignment Strategic Workshop	Jakarta
	HR Strategic Workshop 2016	Jakarta
	Strategic Workshop Collaboration TNO FCS	Bogor
	Training 360 Degree Multirater Follow Up Plan	Jakarta
	Workshop Operation 2016-Regional 4	Surabaya
	Workshop Regional 3	Yogyakarta
	Workshop Scorecard Alignment	Jakarta
	Awareness Session of IFRS 9	Jakarta
	Blue Ocean Strategy	Jakarta
	Blue Ocean Strategy Batch 2	Jakarta
	CASA Digital Workshop	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	Workshop for Senior Management - AML / CFT Update	Jakarta

Name	Workshop/ Training/ Dissemination	Venue
Pardi Kendy	BSC Alignment Strategic Workshop	Jakarta
	Strategic Workshop Regional 1 – 2016	Jakarta
	Strategic Workshop Regional 2 – 2016	Batam
	Training 360 Degree Multirater Follow Up Plan	Jakarta
	Workshop Operation 2016-Regional 4	Surabaya
	Workshop Regional 3	Yogyakarta
	Workshop Scorecard Alignment	Jakarta
	Blue Ocean Strategy	Jakarta
	Blue Ocean Strategy Batch 2	Jakarta
	CASA Digital Workshop	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	Workshop DII SND 2016	Jakarta
	Kick Off Business Banking 2017	Yogyakarta
	Workshop Komite PEAK 2016	Jakarta
	Midyear Workshop Regional 4 & Regional 5	Surabaya
	PFS Kick Off Workshop 2017 - PFS GO! Break My Limit	Bogor
	Workshop Sales Lending MSL 2016	Jakarta
	Sosialisasi Ketentuan Pemegang Saham di Indonesia	Jakarta
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	Workshop for Senior Management - AML / CFT Update	Jakarta
Soehadie Tansol	Training 360 Degree Multirater Follow Up Plan	Jakarta
	Workshop Scorecard Aligment	Jakarta
	Yuk Kita Sharing (YKS)	Jakarta
	CASA Workshop	Jakarta
	CEO Quarterly Update - Q2 (Semester 1)	Jakarta
	Workshop Sales Lending MSL 2016	Jakarta
	Strategic Direction Start of The Year 2017	Surabaya
	UOB Strategic Workshop	Bandung
	Workshop Compliance	Lombok
	Workshop for Senior Management - AML / CFT Update	Jakarta
	Yuk Kita Sharing (YKS) - Budget Staff Cost	Jakarta

II. Completeness and Implementation of Committees' Duties

A. Board of Commissioners Committees

1. **Remuneration and Nomination Committee**
   Based on Board of Directors' Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee, following is the composition of the Remuneration and Nomination Committee:

Remuneration and Nomination Committee Members as of 31 December 2016	
Rusdy Daryono	Chairman (Independent Commissioner)
Lee Chin Yong Francis	Member (Commissioner)
Roy Fahrizal Permana	Member (Executive Officer responsible for Human Resources)

Nationality, age, educational background, and work experience of Remuneration and Nomination Committee members can be found under Profile section on page 343 of this Annual Report.

Term of Office
The term of office of Remuneration and Nomination Committee members is 2 (two) years and will expire on 2017. Remuneration and Nomination Committee members whose term of office has expired may be re-appointed.

Independency of Remuneration and Nomination Committee Members
All members of the Remuneration and Nomination Committee have high integrity and good moral character, in keeping with the requirements of Remuneration and Nomination Committee members as stated in Board of Directors' Decision No.16/SKDIR/0002 on Policies and Procedures for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Directors, Senior Executive Officers, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by the Regulator.

Duties and Responsibilities
The Remuneration and Nomination Committee performs its duties, responsibilities and authorities based on the Work Guidelines and Regulations of the Remuneration and Nomination Committee including:

a. On Remuneration Policy:
   - Perform evaluation of remuneration policy; and
   - Provide recommendations to the Board of Commissioners for:
     i. Remuneration policy for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders;
     ii. Structure and range of remuneration for members the Board of Commissioners and Board of Directors
     iii. Structure and range of remuneration for Senior Executive Officers.
   - Assist the Board of Commissioners in assessing the performance according to the remuneration received by each member of the Board of Commissioners and/or Board of Directors.

b. On Nomination Policy
   - Formulate and provide recommendation for the system and procedure for selection and/or replacement of the Board of Commissioners and Directors to the Board of Commissioners for submission to the GMS.
   - Analyze and provide recommendation to the Board of Commissioners concerning candidate of the Board of Commissioners and/or the Board of Directors to be submitted to the AGM.
   - To provide recommendation on nomination for members of the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee, to the Board of Commissioners
   - Provide recommendation to the Board of Commissioners on:
     - Composition of the Board of Commissioners and/or Directors member.
     - Policies and criteria needed in nominating process of the Board of Commissioners and/or Directors member, members of Commissioner's committee, and Senior Executive Officers.
     - Policies and performance evaluation to the Board of Commissioners and/or Directors member.
   - Support the Board of Commissioners in assessing the performance of the Board of Commissioners and/or Directors member based on the stipulated criteria as a evaluation materials.
   - Provide recommendation to the Board of Commissioners concerning competence development program of the Board of Commissioners and/or Directors member.
   - Provide recommendation regarding system and procedure on nomination and/or substitution of Senior Executive Officers, the nomination including the term of office extension for Senior Executive Officers whose age has passed the pension age limit to be delivered to Commissioners.

Frequency of Meetings
Meetings of the Remuneration and Nomination Committee were held according to the needs of the Bank. During 2016, the Remuneration and Nomination Committee held 6 (six) meetings, including via teleconference, and were attended by more than 51 per cent of the members including one Independent Commissioners and executive officer overseeing Human Resources.

The decisions in the meetings were made through deliberations to reach consensus or by simple majority of votes in case of dissenting opinions. All decisions of the meetings were recorded in minutes of meeting signed by all members of the Committee present and were properly documented.

The results of the Remuneration and Nomination Committee meetings are recommendations which can be used by the Board of Commissioners.

The Work Program of the Remuneration and Nomination Committee and its realisation in 2016 included but was not limited to:

No	Work Programme	Realisation
1.	Nomination and Recommendation of Candidate Members of Board of Commissioner, Board of Directors, Senior Executive Officers, Commissioner's committee member.	Meeting was held on 24 August 2016, 28 September 2016, and 27 November 2016 to discuss and provide recommendation on nomination and renewal of term of office for several members of Senior Executive Officers.
2.	Recommendations on the renewal of term of office of members of the Senior Executive Officer which enter pension.	Meeting was held on 24 August 2016 to discuss and provide recommendation on renewal of term of office for a member of Senior Executive Officer which entered pension on July 2016.
3.	Formulation of a policy on remuneration for members of the Board of Directors and members of the Board of Commissioners.	Meeting was held on 18 February 2016, 23 June 2016, 24 August 2016 and 28 September 2016 to discuss formulation of the Bank's remuneration policies and structure in order to align with OJK Regulation No.45/POJK.03/2015. The remuneration policy and structure adjusted to the OJK Regulation has been delivered to Board of Commissioners as of 28 September 2016.
4.	Recommendation to the Board of Commissioners on the range of remuneration for members of the Board of Commissioners, the Board of Directors and Senior Executive Officers.	Meeting was held on 29 March 2016 to discuss the range of bonus for 2015 and salary increase for 2016 for members of the Board of Commissioners, Board of Directors and Senior Executive Officers.

2. **Audit Committee**
Based on Board of Directors' Decision No.15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee, the Audit Committee consists of 3 (three) members, namely:

Audit Committee Members as of 31 December 2016	
Name	**Composition**
Wayan Alit Antara	Chairman (Independent Commissioner)
Winny Widya	Member (Independent Party)
Thomas Abdon	Member (Independent Party)

Nationality, age, educational background, and work experience of Audit Committee members can be found under Profile section on page 344 of this Annual Report.

Double Position
Thomas Abdon holds a position as a member of the Audit Committee and also as a member of the Risk Monitoring Committee.

His competence and experience in the field of finance, accounting and banking of more than 50 years lend a great support to the implementation of supervisory duties of both the Audit Committee and the Risk Monitoring Committee.

As a member of the Audit Committee and the Risk Monitoring Committee, he is able to perform his duties and responsibilities properly and to support the supervisory function of the Board of Commissioners

Term of Office
The term of office of the Audit Committee members must not exceed the term of office of the Board of Commissioners as regulated in the Articles of Association of the Bank and such members may be reappointed only for one other subsequent period.

Independent Commissioners serving as Audit Committee members may only be reappointed into the Audit Committee for 1 (one) other term of office of the Audit Committee.Term of office of the Audit Committee will expire on 2017.

Independency of Audit Committee Members
All committee members have met the prevailing regulations on the independence requirements of integrity, morals, and ethics of each member of the Audit Committee.

To maintain independence and objectivity, members of the Audit Committee are Independent Commissioners and Independent Parties. Board of Directors members may not sit on the Audit Committee.

All members of the Audit Committee have high integrity and good moral character, in keeping with the requirements of Audit Committee members as stated in Board of Directors' Decision No.16/SKDIR/0002 on Policies and Procedures for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Directors, Senior Executive Officers, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by the Regulator.

Duties and Responsibilities
The Audit Committee performs the duties, responsibilities and authorities based on the Audit Committee Charter, which include:

a. Analyse the financial information to be issued by the Bank to the public and/or other authorities, financial statements, financial projections and other reports related to the financial information of the Bank;
b. Analyze compliance with laws and regulations which concern the Bank's activities;
c. Provide recommendations to the Board of Commissioners for the appointment of Public Accountant based on independency, scope of assignment and fee;
d. Provide independent opinion in case of disagreement between Management and the Public Accountant on the services they render;
e. Performing monitoring and evaluation of audit planning and implementation as well as following up on internal audit results in order to assess the adequacy of internal control, including the financial reporting process;
f. In order to perform its duties as stated above, the Audit Committee must monitor and evaluate the following:
   - Duties implementation of Internal audit function
   - Appropriatenes of audit realisation by Public Accountant Firm according to the prevailing accounting standard
   - Appropriatenes of financial report according to the prevailing accounting standard
   - Follow up action by the Board of Directors concerning audit findings from the Internal Audit function, Public Accountant and supervisory result from the Regulator as a recommendation to the Board of Commissioners.
g. Providing recommendations for the appointment, resignation or dismissal of Internal Audit Head and providing input on annual assessment of his/her performance and remuneration;
h. Preparing annual work programmes and conducting annual review of the scope of functions of the Audit Committee and its effectiveness as well as providing recommendations for any necessary amendments to the Board of Commissioners;
i. Analysing complaints received by the Audit Committee related to the accounting process and financial reports of the Bank, and follow up such complaints;
j. Analysing and providing suggestions to the Board of Commissioners related to potential conflicts of interest of the Bank;
k. Maintaining the confidentiality of documents, data and information of the Bank.

Frequency of Meetings
The meetings of the Audit Committee were based on the needs of the Bank. In 2016, the Audit Committee held 24 (twenty-four) meetings, all of which were attended by more than 51 per cent of all members of the Audit Committee.

Meeting resolutions were made by way of deliberations to reach consensus or by simple majority of votes in case of dissenting opinions. All decisions of the meetings, including dissenting opinions (if any), were recorded in minutes of meeting signed by all members of the Committee present and were properly documented,

The results of Audit Committee meetings are recommendations which can be used by the Board of Commissioners.

Audit Committee's work programme and realisations in fiscal year 2016 included but were not limited to:

No	Work Programme	Realisation
1.	Monitoring and evaluation on planning and implementation of audits as well as monitoring on the follow-ups to audit findings in order to assess the adequacy of internal control.	There were 5 (five) meetings with Internal Audit as invitee throughout 2016.
2.	Evaluation on the implementation of the duties of Internal Audit.	The meeting was attended by Internal Audit as invitee to discuss: • The results of case investigations carried out by Internal Audit.
3.	Evaluation on appropriateness of financial report compared to prevailing accounting standards.	• The meeting was held to review the draft audit report with the Finance Division and External Auditor of the Bank as invitees. • The meeting was held to discuss the monthly and quarterly publications of financial report with the Finance Division as invitee.
4.	Monitoring on the implementation of audit plan by external auditor.	The meeting was held to discuss interim audit progress by External Auditor with the Finance Division and External Auditor of the Bank as invitees.
5.	Evaluation on follow-up by the Board of Directors to findings of Internal Audit, external auditor and supervision result of the Financial Services Authority (OJK).	The meeting was held to discuss report on the implementation of the Bank's Compliance Function with Compliance Division as invitee.
6.	Monitoring and evaluation on audit plan and implementation as well as monitoring on follow-ups to audit findings in order to assess the adequacy of internal control.	• The meeting was held with Internal Audit Division as invitee • to discuss revisions to the Internal Audit Charter.
7.	Recommendation on the appointment of Public Accountant and Public Accounting Firm pursuant to prevailing provisions.	The meeting was held with the Finance Division as invitee to discuss the recommendation on the appointment of Public Accounting Firm to perform audit for fiscal year ending 2016 by taking into consideration: • Independency of Public Accounting Firm in performing audit; • Scope of work; and • Audit fee proposed by the Public Accounting Firm.
8..	Evaluation on audit implementation conducted by Public Accounting Firm in accordance with prevailing audit standards.	The meeting was held to discuss interim audit and general audit progress with the Finance Division and External Auditor as invitees.

3. Risk Monitoring Committee

Based on Board of Directors' Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee, the Risk Monitoring Committee consists of 3 (three) members, namely:

Risk Monitoring Committee Members as of 31 December 2016	
Aswin Wirjadi	Chairman (Independent Commissioner)
Hendry Patria Rosa	Member (Independent Party)
Thomas Abdon	Member (Independent Party)

Nationality, age, educational background, and work experience of Risk Monitoring Committee members can be found under Profile section on page 345 of this Annual Report.

Term of Office
The term of office of Risk Monitoring Committee members is 2 (two) years and will expire in 2017. Risk Monitoring Committee members whose term of office has expired may be reappointed.

All members of the Risk Monitoring Committee have high integrity and good moral character, in keeping with the requirements of Risk Monitoring Committee members as stated in Board of Directors' Decision No.16/SKDIR/0002 on Policies and Procedures for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Directors, Senior Executive Officers, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by the Regulator.

Duties and Responsibilities
The Risk Monitoring Committee performs its duties, responsibilities and authorities based on the Work Guideline and Regulations of the Risk Monitoring Committee, which cover:

a. Evaluating the consistency of risk management policies with their implementation;
b. Monitoring and evaluating the implementation of duties and responsibilities of the Risk Management Committee and Risk Management work unit.

Frequency of Meetings
The meetings of the Risk Monitoring Committee were held based on the needs of the Bank and were attended by all members of the Committee and Risk Management Work Unit as invitees (if necessary). During 2016, the Risk Monitoring Committee held 12 (twelve) meetings, which were attended by more than 51 per cent of members of the Risk Monitoring Committee.

The decisions of the meetings were made through deliberations to reach consensus. All decisions of the meetings, including any dissenting opinions, were recorded in the minutes of meeting and properly documented.

The Work Programme of the Risk Monitoring Committee and its realisation in 2016 included but was not limited to:

No	Work Programme	Realisation
1.	Evaluating the Bank's risk profile.	Meeting was convened to discuss the Bank's risk profile for the period of 2nd and 3rd Quarter of 2016.
2.	Evaluating the risk management policies and implementation.	Meeting was convened with Risk Management Function as invitee to evaluate the updated risk management policies.

Performance Appraisal for Committees under the Board of Commissioners
Throughout 2016, Board of Commissioners' Committees have implemented their respective duties and responsibilities in accordance with their respective Work Guidelines and Regulations. Board of Commissioners' Committees have effectively contributed by evaluating and providing constructive recommendations on the implementation of various internal policies and initiatives of the Bank. The realisation of Board of Commissioners' Committees work program during 2016 can be found in the table of work program and realisation on respective Board of Commissioners' Committees.

B. Board of Directors Committee

1. **Executive Committee (EXCO)**
   Pursuant to Board of Directors' Decision No. 14/SKDIR/0037 dated 25 June 2014 regarding Executive Committee (EXCO), the composition as well as the duties and responsibilities of the EXCO are as follows:
   a. Strategic Policies
      i. Submitting proposals and recommendations to the Board of Commissioners regarding medium- and long- term objectives, strategic directions, goals and priorities of the Bank;
      ii. Formulating and reviewing policy matters, with a view towards the overall planning and development of strategies to achieve medium- and long-term objectives of the Bank.

   b. Expense for Properties Purchase/ Other Capital Expense
      Analysing and deciding or approving proposals or requests concerning:
      i. Purchase or sale of the Bank's Fixed Assets.
      ii. Purchase or sale of the Bank's inventory, including computer hardware and software.
      iii. Procurement of other goods and services conforming to applicable regulations.

      EXCO approval is provided according to the applicable authority limits.

   c. Treasury & Investment Activities
      Determining relevant policies and guidelines for all dealers, officers and relevant committees involved in the Treasury & Investment activities of the Bank.

d. Others
   i. Deciding on urgent and important business of a confidential nature or requiring immediate and/or prudent decision, but this delegation to the EXCO requires the attention and decision of the Board of Directors.
   ii. Deciding on business matters which are of unusual or extraordinary nature or which have strategic or significant impact (financial or otherwise) on the Bank.
   iii. Performing such other functions as may be delegated to it from time to time by the Board of Directors.

The EXCO is required to report to the Board of Directors and Senior Executive Officers on meetings where major decisions were made.

Executive Committee Members as of 31 December 2016	
Chairman and acting Permanent Member	President Director
Permanent Members	• Deputy President Director – Business • Deputy President Director – Admin & Operations • Finance & Corporate Services Director as permanent member for all non-credit issues • Head of related Credit Approval as permanent member for all credit issues
Secretary	Corporate Services Head

EXCO meetings are held as necessary, depending on the volume and urgency of issues to be followed-up. EXCO meetings may be attended in person by EXCO members or via telephone/video conference. The quorum needs to cover at least the majority of EXCO members (>50 per cent), including the EXCO Chairman or EXCO Interim Chairman if the Committee's Chairman is unavailable.

Decisions made at EXCO meetings were deliberated upon to achieve a consensus. In the event that a consensus cannot be reached, the Chairman of the Committee or Interim Chairman has the final casting vote. EXCO decisions may also be made by circulation, provided that EXCO members have been notified in writing of the proposal submitted. Decisions made in such manner shall have the same force as decisions validly made in any EXCO meeting.

All decisions of meetings are stated in the minutes of meeting signed by attending Committee members and properly documented, including any dissenting opinions.

The Work Program of EXCO and its realisation in 2016 includes but is not limited to:

No	Work Programme	Realisation
1.	Formulating and reviewing the issue on policies by taking into consideration all planning and implementation of strategy to achieve the Bank's medium and long term goals.	Evaluated and granted approval the following policies: Asset Classification Policy version 3.0, Risk Mitigation Policy version 2.0, Credit Risk Concertration Policy version 2.0, Work Guidelines and Regulation of Board of Commissioners, General Credit Policy version 5.0, Consumer Credit Policy version 5.0, Report on the Supervision of Bank Business Plan for Second Half 2015, Report on the Supervision of Bank Business Plan for First Half 2016.
2.	Analysing and making decisions for proposals or requests on the purchase or sales of the Bank's fixed assets, Bank's inventories, goods and services procurement, to be in line with the prevailing regulation.	Evaluate and granted approval for several strategic projects of the Bank, such as Lease Extension for Pondok Indah Branch, Budget for Limit & Exposure System (LES) and Customer Grouping System (GRP) Project, Proposal for Sale 11 (eleven) Property Assets, Budget for Business Banking Credit Application Fraud Detection System (Instinct) Project, Privilege Lounge in Pantai Indah Kapuk and Medan Uniplaza, Budget for Personal Internet Banking Project, HRIS Replacement Project, Omega Project Budget, Implementation of UOB Group PWEB (Public Website) Project, UOBI One Account Budget, Self Registration Senior Bond I 2016, and Self Registration Subordinated Bond I 2016.

2. **Assets and Liabilities Committee (ALCO)**
   Based on Board of Directors' Decision No. 16/SKDIR/0052 dated 15 September 2016, the composition of Asset & Liability Management Committee is as follows:

Assets and Liabilities Committee Members as of 31 December 2016	
Chairman	President Director
Deputy Chairman	Deputy President Director – Business
Secretary	Market & Balance Sheet Risk Management Head
Permanent Members	• Deputy President Director – Admin & Operational • Finance & Corporate Services Director • Head of Risk Management • Head of Global Markets & Investment Management • Head of Personal Financial Services • Head of Business Banking • Head of Commercial Banking • Head of Corporate Banking • Head of Transaction Banking • Head of Financial Institutions
Invitees	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting.

The ALCO meeting shall be held according to necessity of the Bank, at least 12 (twelve) times a year.

Duties and responsibilities of the ALCO are as follows:

a. Grant approval for the following:
   - Asset & Liability Management Policy, Market Risk Management Policy, Interest Rate Risk Management Policy, and Liquidity Risk Management Policy as well as related methodologies and assumptions used in asset and liabilities management;
   - Delegation of risk appetite limit, risk control limit and other risk limits concerning market risk, banking book interest rate risk and liquidity risk;
   - Ratification of limit excesses by businesses;
   - Granting of temporary limits based on businesses;
   - Limits review at least once a year;
   - Pricing, FTP, and Prime Lending Rate;
   - Funding strategies (Target Balance Sheet Mix).

b. Provide endorsement for the following:
   - Framework related to Market & Balance Sheet Risk;
   - Review and recommend Internal Model related initiatives (when ready) used in regulatory reporting.

c. Monitoring and Reporting:
   - Monitor and highlight limit excesses from risk appetite limits, risk control limits and other risk limits related to market risk, banking book interest rate risk and liquidity risk, for escalation to the Risk Management Committee, and the Board of Directors;
   - Monitor, assess and review critical market, profile and exposure of banking book interest rate and liquidity risk, vulnerabilities, profit/loss, material issues and major transactions;
   - Monitor earnings spread, asset/liabilitiy distributions and maturity, liquidity and market risk, and capital allocations for market risk;
   - Provide a forum for discussion and decisions related to all aspects of market, banking book interest rate and liquidity risks;
   - Ensure compliance with regulatory requirements relevant with market and liquidity risk management;
   - Review the current and possible liquidity positions and monitor alternative funding sources;
   - Monitor and ensure sufficient liquidity is available for unanticipated contingencies.

The Work Program of ALCO and its realisation in 2016 includes but not limited to:

Work Programme	Realisation
To conduct ALCO meeting at least 12 (twelve) times a year (once a month), or as necessary due to changes in national economic conditions, or the Bank's condition and risk profile, particularly market and liquidity risk.	During 2016, ALCO held 15 (fifteen) meetings and has approved 4 (four) proposals through circulation.

3. Risk Management Committee

Based on Board of Directors' Decision No. 16/SKDIR/0053 dated 16 September 2016, the composition of Risk Management Committee (RMC) is as follows:

Risk Management Committee Members as of 31 December 2016	
Chairman	President Director
Deputy Chairman	Head of Risk Management
Secretary	Basel & Enterprise Risk Management Head
Permanent Members	• Deputy President Director - Business • Deputy President Director - Admin & Operations • Compliance Director • Finance & Corporate Services Director • Channels Director • Head of Retail Credit • Head of Technology & Operations • Head of Human Resources • Head of Internal Audit • Head of Legal
Invitees	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting.

RMC meeting shall be held once a month, with minimum of 10 (ten) meetings a year.

The duties, authorities and responsibilities of the RMC are as follows:

a. Recommend or approve Bank-wide risk management strategies, models and methodologies, policies, frameworks and guidelines.
b. Endorse/approve improvement and development plans of Bank's risk management.
c. Provide a forum for discussion and decision on issues, matters and regulatory changes impacting the risk and capital of the Bank
d. Evaluate and approve the result of self-assessment on the Bank soundness rating (Risk Based Bank Rating).
e. Assess and evaluate the Bank's internal capital adequacy, to ensure the Bank has an adequate capital based on its risk profile.
f. Recommend and approve Risk Appetite and tolerable risk thresholds/limits, as well as monitor and manage Bank's risk portfolio to be within the prescribed risk limit.
g. Ensure an effective risk management implementation through proper risk measurement methodologies
h. Review and endorse Bank-wide stress test scenarios, assumptions, parameters, results, and impacts on the Bank's capital, as well as the reasonableness of actions and contingency plans, if needed.
i. Develop Bank-wide risk awareness culture, strengthen code of conduct, and foster commitment in managing risk, including enforcement of consequence management through the performance appraisal and sanction, if needed.

The Work Program of RMC and its realisation in 2016 includes but is not limited to:

No	Work Programme	Realisation
1.	Conduct RMC meeting once a month, with minimum of 10 (ten) meetings a year.	During 2016, RMC meetings were conducted 12 (twelve) times.
2.	Review of the Bank's Risk Profile	Review of the Bank risk profile was conducted in the quarterly RMC meetings.

4. **Credit Policy Committee**

Based on Board of Directors' Decision No. 16/SKDIR/0011 dated 15 February 2016 the composition of Credit Policy Committee (CPC) is as follows:

Credit Policy Committee Members as of 31 December 2016	
Chairman	Head of Risk Management
Deputy Chairman	Head of Retail Credit
Secretary	Credit Risk Management Head
Permanent Members	- Head of Related Credit Approval (according to CPC topic) - Function Head of related business (according to CPC topic)
Invitees	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

CPC meeting shall be held based on the necessity of the Bank.

Duties and responsibilities of the CPC are:

- **Duties**
  a. Provide recommendation and initial approval of Credit Policy that will be approved and enforced by Board of Directors.
  b. Oversee so that the Bank's Credit Policy can be applied and executed properly .
  c. Formulate solutions for barriers/obstacles in the implementation of Credit Policy.
  d. Conduct regular review of the Bank's Credit Policy and provide suggestions to the Board of Directors if adjustments and improvements are needed.
  e. Monitor and evaluate the development and quality of the credit portfolio as a whole (including rating grade distribution, migration and exposure reports).
  f. Monitor and evaluate adherence to the prevailing Credit Policy, laws and other rules in the implementation of funds provision.
  g. Monitor and evaluate effectiveness of credit risk management structure.
  h. Monitor and evaluate appropriateness of credit discretionary limit implementation.
  i. Provide recommendation to Board of Directors in determining a credit discretionary limit for the Bank officials.
  j. Monitor and evaluate appropriateness of process, development, and quality of lending to the Bank's related parties and certain large debtors.
  k. Monitor and evaluate appropriateness of implementation of Legal Lending Limit (LLL) regulation.
  l. Monitor and evaluate solutions to non-performing loans in accordance with Credit Policy.
  m. Monitor and evaluate the Bank's efforts in meeting the adequacy of Allowance for Earning Assets.
  n. Monitor and evaluate the adequacy of the Bank's credit infrastructure.
  o. Approve, monitor and evaluate the implementation and execution of Internal Rating Based (IRB) Credit Risk parameters, models and scorecard.
- **Responsibilities**
  a. Submit written report on a regular basis to the Board of Directors with a copy to the Board of Commissioners, concerning:
     - supervision report of Credit Policy implementation and execution;
     - result of monitoring and evaluation on items stated in Duties of CPC.
  b. Provide recommendation to the Board of Directors on corrective actions with a copy to the Board of Commissioners related to items on part (a) above.

The Work Program of CPC and its realisation in 2016 includes but is not limited to:

No	Work Programme	Realisation
1.	Monitoring and evaluation on credit portfolio quality, stress testing and other significant issues related to credit business.	CPC periodically monitor Bank's portfolio. One of the session of this Committee was discussing the largest Exposure of Single Obligor in the Bank due to a surpassing of the trigger limit. CPC also reviewed the model rating process. The Credit Risk Management Division also submitted several updates on matters related to credit risk to the CPC, such as review of stress test result and Credit policy revision.
2.	Review and provide recommendations on credit policy.	During 2016, CPC held 13 (thirteen) meetings. The realisations are : 1. Endorsement on General Credit Policy that governs credit for Corporate, Commercial, Bank (including Non-Bank Financial Institutions) and Sovereign. 2. Endorsement on Consumer Credit Policy which governs credit for Retail Banking; 3. Approval for 3 (three) customers who have outstanding more than IDR 1 Trillion; 4. Approval on credit stress test in 2016; 5. Client Fullfillment Service (CFS) / Middle office update; 6. Approval of Environmental Social and Governance Policy; 7. Implementation on Bankruptcy Checking; 8. Improve on Credit Process; 9. Approval on Global Markets Product; 10. Update on Notary Panel; 11. Concurrence on IPRE Stress Test.

5. Human Resources Committee

Based on Board of Directors' Decision No. 15/SKDIR/0051 dated 3 December 2015 concerning Human Resources Committee for Head Office, the composition of Human Resources Committee (HR Committee) is as follows:

Human Resources Committee Members as of 31 December 2016	
Chairman	President Director
Members	• Deputy President Director - Business • Deputy President Director – Admin and Operations • Head of Human Resources
Secretary	Learning Development & Business HR.
Invitees	Directors, Function Heads, and/or Other parties which have relevace to the subject of the meeting

HR Committee meetings are conducted at least once every 3 (three) months or adjusted to the Bank needs.

The duties and authorities of HR Committee are:

a. Duties
- Ensure the availability of HR strategy to support the Company's strategy and objectives;
- Ensure the alignment between HR strategy and policy with Company's strategy which covers:
  - Organisation Development
  - Recruitment and assessment
  - Learning and development
  - Employee Performance Management
  - Talent Management
  - Reward and recognition
  - Corporate values
  - Industrial Relations
- Ensure the execution of HR strategy and HR policies;
- Provide guidance and make decisions regarding organisational issues, employee morale, productivity, culture and industrial relations;
- Approve and ensure risk mitigation related to Human Resources based on issue escalation or internal audit findings;
- Assess, discuss, review and recommend follow-up actions for ethical violation cases or disciplinary cases with indication of/is a fraud committed by an employee including the determination of sanctions.

b. Authorities
- Discuss and decide any material policies related to HR;
- Determine programs to be performed related to HR policies;
- Decide on matters related to the implementation of HR policies and programs that are routine or specific;
- Provide guidance and decide standard remuneration, performance bonus distribution, employee promotion, and talent nomination both at the Bank level and regional level;
- Assess and evaluate overall performance, HR development and related policies;
- Review talent management process including succession planning and its development and other related HR initiatives;
- Recommend to Remuneration and Nomination Committee regarding appointment or replacement of Senior Executive Officers based on competencies, capability and experience, including but not limited to remuneration package which will be given;
- Assess, discuss, review and recommend follow-up action including to determine sanctions for ethical case or disciplinary cases with indication of/is a fraud and corporate values violation.

HR Committee is responsible to implement duties and authorities as set out in this Board of Directors' Decision.

The Work Program of HR Committee and its realisation in 2016 includes but is not limited to:

No	Work Programme	Realisation
1.	Conduct meetings at least once every 3 (three) months or adjusted as the Bank deems necessary.	During 2016, Human Resources Committee has conducted 10 (ten) meetings.
2.	Review Organisation Effectiveness (OE) & increase productivity	Based on the organisation effectiveness mechanism, the Bank has implemented OE Initiative in Channels , Property General Services & PFS Organisation
3.	Strengthen Performance Management System and promote high performance culture through performance based reward system	• Update on New Performance Management System with embed Values into Performance Appraisal • Evaluate performance rating distribution Bankwide and for each Function • Highest Panel discussion for employees Performance Appraisal • Review of promotion recommendation • Review & Decide Bonus Pool for Bankwide, Functions Senior Level Management & Staff
4.	Organisation and People Review (OPR)	• Update OPR Mechanism in 2016 • Identification of Corporate Talent and Local Talent • Update on Development have been done and Next Development Plan for each Talent
5.	Implementation of job evaluation regularly aligned with updated organisation structure	Updated job size to support promotion in performance evaluation 2016
6.	UOB Value Reinforcement Program for Internalisation for Employees	• Define Programs for Value Reinforcement for Employees • Reminder Implementation of Meeting Ettiquete, Story & Quiz, Skip Level Meeting.

No	Work Programme	Realisation
7.	Develop Learning Framework for the Bank & Training Budget to support organisation capability development	• Learning Development Framework & Training Roadmap for the Bank • Training Budget & Plan for 2016
8.	Leadership Capacity Improvement for Line Managers & Program Management Trainee untuk Fresh Graduated.	• Leadership Development Framework in UOBI, consist of 3 level (Junior, Middle & Senior) • Implementation of 5 batches Leadership Development Program in UOBI for Junior Level • General Officer Developmental Framework • Training Budget for Leadership Development and General Officer Development Program
9.	GEMS (Global Employees Management System) to support Digitalisation in HR and to increase service level to employees	• GEMS SAP Project Kick Off & Project Member • Develop Local Business Blue Print for all GEMS Module • User Acceptance Test for New System • Data Verification Test & Data Migration • Project Approved by OJK • Go Live Preparation for GEMS Implementation January 2017
10.	Promote Staff Activity to increase engagement level, team work and support employee productivity	Define Staff Engagment Program & Implementation of Lunar New Year, UOB Heartbeat & UOB 60th Anniversary in 2016
11.	Review & Revamp Remuneration & Benefit Policy in order to maintain competitiveness level with market as well as retention effort for employees and to comply with regulatory requirement	• Remuneration Policy & Structure • International Assignment Policy • Teller Allowances Conversion for Head Teller • Health Insurance Renewal

6. **Business Continuity Management (BCM) Committee**

Based on Board of Directors' Decision No. 15/SKDIR/0045 dated 11 November 2015 the composition of Business Continuity Management (BCM) Committee is as follows:

Business Continuity Management Committee Members as of 31 December 2016	
Chairman (Recovery Director)	Head of Technology & Operations
Deputy Chairman (Alternate Recovery Director)	Head of Risk Management
Secretary	Operational Risk Management Head
Permanent Members	• Head of Human Resources • Head of Global Markets & Investment Management • Head of Channels • Operational Risk Management Head
Invitees	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting.

BCM Committee Meeting is held as necessary, at least once a year.

The duties and responsibilities of BCM Committee are:
a. Drive BCM implementation within the Bank.
b. Ensure effectiveness of BCM capability within the Bank.
c. Support the policy, guidelines and strategy of BCM.
d. Approve list of critical functions.
e. Manage BCM particularly as related to risk management matters.
f. Review regular reports related to BCM program status within the Bank.
g. Review annual BCM Assessment within the Bank.

The Work Program of BCM Committee and its realisation in 2016 includes but is not limited to:

Work Programme	Realisation
Business Continuity Management Committee Meetings are held as necessary. All decisions are taken in the meetings or in writing by circulation.	During 2016, BCM Committee conducted 1 (once) meeting.

7. Credit Committee

Based on Board of Directors' Decision No. 15/SKDIR/0059 dated 17 December 2015 concerning Credit Committee and Joint Signing Authority (JSA), the composition of the Credit Committee (CC) is as follows:

Credit Committee Members as of 31 December 2016
I. Credit Committee (CC) Wholesale Credit a. Deputy President Director – Admin & Operations b. Deputy President Director – Business c. Head of Related Credit Approval d. Wholesale Credit & SAM Director II. Credit Committee (CC) Retail Credit a. Deputy President Director – Admin & Operations b. Deputy President Director – Business c. Head of Retail Credit III. Joint Signing Authority ("JSA") Wholesale Credit This authority is suspended temporarily until further notice IV. Joint Signing Authority ("JSA") Retail Credit This authority is suspended temporarily until further notice V. Invitees CC and JSA may invite other Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting

CC meetings are held as necessary.

Authority of CC is to approve credit decisions in accordance with its credit discretionary limit.

In 2016, 567 credit proposals were submitted to the Credit Committee, consisting of 152 proposals from Corporate Banking segment, 393 proposals from the Commercial Banking segment, and 22 proposals from the Retail Credit segment.

8. Information Technology Committee

Based on Board of Directors' Decision No.16/SKDIR/0051 dated 15 September 2016 concerning the Bank Information Technology Committee, the composition of Information Technology Committee (IT Committee) is as follows:

Information Technology Committee Members as of 31 December 2016	
Chairman	Deputy President Director – Admin & Operations
Deputy Chairman	Head of Technology & Operations
Secretary I Secretary II	• Business Technology Services Head • Shared Infrastructure Services Head
Members	• Channels Director • Finance & Corporate Services Director • Head of Risk Management • CEO Office Head
Invitees	The IT Committee may invite other Directors, Function Heads, and/or other parties that have relevance to the subject of the meeting.

IT Committee meeting shall be held on regular basis, at least 4 (four) times a year.

Duties, authorities and responsibilities of IT Committee are as follows:

a. Duties and Responsibilities
   - Assist the Bank in deciding and supervising the Bank's investment in the field of IT and be responsible for developing infrastructure and strategic plans for information technology, while ensuring that everything is in line with the business strategy of the Bank;
   - Discuss specifically about plans on information technology development, either currently applied by the Bank or new technology;
   - Discuss a policy format in relation to the utilisation of information technology that is fundamental such as utilisation of software, hardware, and professional service to be engaged;
   - Assist the Bank in directing, overseeing and managing information technology security risk in accordance with technology security policies;
   - Review the progress of IT key activities periodically.
   - Responsible for duties and authorities which have been delegated as established in Board of Directors' Decision No.16/SKDIR/0051.

b. Authorities
   - Approve information technology development plans, either currently applied by the Bank or new technology;
     Note:
     Cost expense will still referring to SOP for Requisition, Procurement and Payment through Procurement and Expense Management System (PEMS).
   - Approve policies in relation to strategy or utilisation of information technology such as utilisation of software, hardware, and professional services to be engaged;
   - Set priorities for IT developments which are strategic, compliance, business or customer service in nature;
   - Approve any high-risk deviation from standard policy in utilisation of technology as a result of security risk assessment report.

The Work Program of IT Committee and its realisation in 2016 includes but is not limited to:

Work Programme	Realisation
Conducted routine meetings to review and approve IT investment (for purchase of equipment and IT projects implementation), monitoring of IT strategic projects, and approve strategic IT policy.	IT Committee conducted 7 (seven) meetings to review and approve IT investments, with details of schedule & agenda of discussion as follows: 1. - Approval request for implementation of e-Tax Payment Services; - Approval request for implementation of UOBI Virtual Account Payment Through ATM; - Approval request for implementation of Business Banking SME Credit Excellence: McKinsey; - Approval request for implementation of Fraud Detection System (Instinct) for Business Banking Credit Application System (bCAS); - Approval request for implementation of UOBI Governance, Risk, & Compliance (GRC) System. 2. - Approval request for implementation of UOBI PIB Project using In-Country Infrastructure, namely by sharing infrastructure with Global Electronic Banking (BIBPlus) System; - Approval request for implementation of Fraud Detection System (Instinct) for Business Banking Credit Application System (BCAS); 3. - Approval request for implementation of Technology Refresh for Existing Hubbing System IBM MERVA SWIFT Gateway to Alliance Messaging Hub (AMH); 4. - Approval request for implementation of BIBPlus Mobile (GEB Mobile); - Request for approval implementation of HRIS-SAP (GEMS); - Approval request for implementation of UOBI Governance, Risk & Compliance (GRC) System. 5. - Approval request for implementation of UOBI Public Website; - Approval request for implementation of UOB Indonesia Branch Centralisation Cheque Clearing; - Endorsement request for IT Steering Committee Member; - Endorsement request for Information Security Risk Assessment (ISRA) with Medium/High Risk Rating; - Endorsement request for Revision of IT Security Management Policy; - Approval request for appointment of Independent Audit for UOBI HRIS & GRC Project. 6. - Update on the newest IT Committee Member; - Update on Personal Internet Banking (PIB) & Global Electronic Banking (GEB) DR Exercise; - Approval request for implementation of Omega Project with scope of Cardlink, PLCE; - Approval request for implementation of Project on UOBI Senior Debt & Sub Debt to be booked in Wallstreet (Treasury System); - Approval request for implementation of UOBI HRIS -SAP Project Vendor Evaluation; - Update on Post Implementation Review - Rating Master; - Approval request for implementation of New UOBI eMail System; - Approval request for implementation of Bluecoat Proxy Hardware Refresh. 7. - Approval request for implementation of UOB One Account; - Approval request for Deployment and UOB Agents Mobile Application usage for market in Indonesia

9. Anti Money Laundering Committee

Based on Board of Directors' Decision No. No.15/SKDIR/0047 dated 18 November 2015 concerning Anti Money Laundering Committee, the composition of Anti Money Laundering Committee (AMLC) is as follows:

Anti Money Laundering Committee Members as of 31 December 2016	
Chairman (also act as member)	Compliance Director
Deputy Chairman	Head of Commercial Banking
Member	• Head of Technology & Operations • Head of Personal Financial Services • Head of Business Banking • Head of Corporate Banking • Financial Institution Head • Operational Risk Management Head
Secretary	AML/CFT & Sanctions Head
Invitees	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting to provide input

AMLC shall meet on monthly basis and may be conducted more often when a decision in line with its duty, authority and responsibility is required. In this case, the AML Committee secretary will initiate a meeting/request for approval via circulation.

For urgent AML/CFT & Sanctions cases that require immediate attention, ad-hoc meeting will be called. In condition where meetings cannot be convened, such cases will be circulated to the AMLC members via e-mail or teleconference.

Duties, authorities and responsibilities of AMLC are to:

a. Review and endorse changes to core tenets of, and deviations from, the Bank's Policy on the Anti Money Laundering and Countering of Terorism Financing and Sanctions (AML/CFT & Sanctions);
b. Review and endorse Sanction Directives, in line with the applicable AML/CFT & Sanctions framework;
c. Approve the on-boarding of prospective or the continuation of an existing relationship with specific customers deemed to pose higher reputation and ethical risks to the Bank;
d. Manage, arbitrate and decide on conflicts arising from differing views between Business Work Function and Compliance Function on customer acceptance of specific new customers, and the retention of existing customer;
e. Approve account closure arising from the associated AML/CFT & Sanctions compliance risk exposure associated with specific existing customers;
f. Approve any significant AML/CFT & Sanctions related matters that increase money laundering or terrorist financing risk exposure to the Bank;
g. Approve any AML/CFT & Sanctions controls implementation that pose high AML/CFT risks and approve the compensating AML/CFT controls for implementation;
h. Provide a forum for the Board of Directors discussion and decision on any reputational and regulatory compliance issues relating to money laundering, terrorist financing and sanctions.
i. Review and provide guidance on significant weakness in process and inspection/audit issues noted in the Bank.

During 2016, AMLC held 6 (six) meetings and granted approval via circulation 6 (six) times, and there were no AML/CFT & Sanctions cases escalated to AMLC.

10. **Operational Risk Management Committee**

Based on Board of Directors' Decision No. 15/SKDIR/0043 dated 11 November 2015 concerning Operational Risk Management Committee, the composition of the Operational Risk Management Committee (ORMC) is as follows:

Operational Risk Management Committee Members as of 31 December 2016	
Chairman	Head of Risk Management
Deputy Chairman	Head of Technology & Operations
Secretary	Operational Risk Management Head
Members	• Compliance Director • Finance & Corporate Services Director • Head of Channels • Head of Human Resources • Operational Risk Management Head
Invitees	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting.

ORMC meetings are held as necessary, and at least twice a year.

Duties and responsibilities of ORMC are to:

a. Approve and periodically review the Bank Operational Risk Management Framework, ensure the implementation of operational risk management through the determination of risk tolerance, policies, procedures and guidelines and limits, including risk management strategies to prevent financial loss.
b. Make decisions on methods to be applied in identification, measurement/ assessment, monitoring and controlling/ mitigating operational risk management at the Bank.
c. Conduct periodic meetings to discuss significant operational risk issues.
d. Provide recommendations or decisions to resolve operational risk issues.
e. Develop organisational culture that is aware of the Operational Risk and foster commitment in managing operational risk.
f. Ensure that the remuneration policy of the Bank is in accordance with the Bank's risk management strategy.
g. Create a culture of objective operational risk disclosures in all elements of the organisation so that operational risk can be identified quickly and appropriately mitigated.
h. Establish an effective policy of reward and punishment integrated in the performance appraisal system.
i. Ensure that the Bank has a code of ethics that apply to all employees at every level of the organisation.
j. Consistently apply sanctions to employees who are convicted of committing breaches or violations.

The Work Program of ORMC and its realisation in 2016 includes but is not limited to:

Work Programme	Realisation
ORMC Meetings will be held as necessary, and at least twice a year.	During 2016, Operational Risk Management Committee held 3 (three) meetings to discuss significant operational risk issues and provide recommendations or decisions to resolve operational risk issues.

On 16 September 2016, ORMC was merged into RMC, as stated in board of Directors' Decision No.16/SKDIR/0053 concerning Risk Management Committee.

Pursuant to the regulation as stipulated in OJK Circular Letter No.30/SEOJK.04/2016 dated 3 August 2016 regarding Annual Report Form and Content of the Issuer or Public Company, the followings are information of the Directors Committees as of 31 December 2016.

No	Position	Name	Nationality	Age	Education Background	Work Experiences
1.	• President Director • Chairman of EXCO • Chairman of ALCO • Chairman of RMC • Chairman of HR Committee	Lam Sai Yoke	Singapore	48	1989 - 1992, Bachelor of Business Administration, National University of Singapore	• 1992 – 1999, Citibank Singapore as Sales Development Director • 1999 – 2001, Ebiz Solution as Regional Sales Manager • 2001 – 2003, Citibank Singapore as Sales Director, Personal Banking • 2004 – 2005, Standard Chartered Singapore as Head of Customer Experience • 2005 – 2010, UOB Ltd Singapore as Managing Director, Head of Sales & Distribution, PFS • 2011 – 2013, UOB Malaysia as Managing Director dan Country Head of Personal Financial Services • 2013 – 2016, Deputy CEO UOB Malaysia, responsible for UOBM Head of Wholesale Bank, and supervise Technology and Operations (T&O), Special Asset Management (SAM), Customer Service Quality (CASQ) and Brand and Corporate Communications (BPCC) • 2016 – present, UOB Indonesia as Presiden Director Has more than 24 years of experience in banking.
2.	• Deputy President Director - Admin & Ops • Member of EXCO • Member of ALCO • Member of RMC • Member of HR Committee • Member of Credit Committee • Chairman of IT Committee	Tan Chin Poh	Singapore	59	1981, Bachelor of Accounting, National University of Singapore	• 1983 – 1998, Chase Manhattan Bank N.A. Singapore, as Vice President Asia Pacific Private Bank and Individual Banking Singapore • 1998 – 2003, Salomon Smith Barney International Merchant Bank Limited as Chief Administrative Officer • 2003 – 2010, Citibank N.A. Thailand, Hongkong & Singapore as Chief Financial Officer • 2010 – 2013, UOB, Ltd, Singapore as Managing Director Head of Finance • 2013 – present, UOB Indonesia as Deputy President Director Has more than 33 years of experience in banking

No	Position	Name	Nationality	Age	Education Background	Work Experiences
3.	• Deputy President Director - Business • Member of EXCO • Deputy Chairman of ALCO • Member of RMC • Member of HR Committee • Member of Credit Committee	Iwan Satawidinata	Indonesia	48	1990, Bachelor of Science in Business Administration, University of Southern California, USA	• 1990 – 1991, Assistant Regional Manager for Southern California Banking Group pada United Savings Bank FSB, USA • 1991 – present, UOB Indonesia as Deputy President Director Has more than 26 years of experience in banking
4.	• Finance & Corp Servives Director • Member of EXCO • Member of ALCO • Member of RMC • Member of IT Committee • Member of ORMC	Muljono Tjandra	Indonesia	51	• 1984 - 1989, Bachelor of Economics, Trisakti University • CPA Indonesia from Indonesian Institute of Accountants	• 1990 – 1998, Public Accountant Firm KPMG Hanadi, Sudjendro & Rekan as Senior Manager concentrating in banking industry • 1998 – 2003, Public Accountant Firm Pricewaterhose Coopers as Senior Manager concentrating in banking industry • 2003 – 2012, PT Bank Danamon Indonesia, Tbk as Executive Vice President • 2012 – 2015, PT Asuransi Adira Dinamika as Chief Financial Officer • 2015 – present, UOB Indonesia as Finance & Corporate Services Director Has more tyan 26 years of experience in finance & accounting and banking
5.	• Compliance Director • Member of RMC • Chairman of AMLC • Member of ORMC	Soehadie Tansol	Indonesia	57	• 1993, MBA from Institute Management John Luther • Pacific Rims Banker, University of Washington, USA	• 1980 – present, UOB Indonesia as Compliance Director Has more than 36 years of experience in banking

No	Position	Name	Nationality	Age	Education Background	Work Experiences
6.	• Channels Director • Member of RMC • Member of BCM Committee • Member of IT Committee • Member of ORMC	Pardi Kendy	Indonesia	58	Certified as Wealth Manager from University of Greenwich Business School	• 1977 – 1986, HSBC Jakarta as Treasury Director, TNO, Electronic Banking and Consumer Credit • 1987 – 1988, Bangkok Bank Limited Jakarta as Chief Treasury Dealer • 1993 – 1996, Bank Mitsubishi Buana Treasury as General Manager • 1996 – 2006, UOB Indonesia as Treasury Director, TNO, Electronic Banking and Consumer Credit • 2006 – 2012, UOB Indonesia as Human Resources Director • 2012 – 2015, UOB Indonesia as Head of Human Resources • 2016 – present, UOB Indonesia as Channels Director Has more than 39 years of experience in banking
7.	• Head of Risk Management • Member of ALCO • Deputy Chairman of RMC • Chairman of CPC • Deputy Chairman of BCM Committee • Chairman of ORMC	Vacant	-	-	-	-
8.	• Head of Global Markets • Member of ALCO • Member of BCM Committee	Frederikus Weoseke	Indonesia	53	• 1981 - 1986, Bachelor Degree, Goldey Beacom College • 1986 - 1988, Master Degree, Wilmington College	• 1988 - 1993, PT Bank BII as Senior Trader • 1993 - 2004, ABN Amro Bank NV as Vice President Head Interbank FX and Money Market • 2004 - 2009, PT Bank BII as Division Head FM Trading Acting Treasure • 2009 - 2009, PT ICB Bumiputera, Treasure • 2009 - 2010, PT Bank UOB Indonesia as Global Markets & Investment Management Group Head • 2010 - 2015, PT Bank UOB Indonesia as Head of Global Markets & Investment Management • 2015 - present, PT Bank UOB Indonesia as Head of Global Markets

No	Position	Name	Nationality	Age	Education Background	Work Experiences
9.	• Head of Personal Financial Services • Member of ALCO • Member of AMLC	Lynn Ramli	Indonesia	43	1993 - 1994, Master Degree, University of San Fransisco	• 1994 - 1998, Citibank, PM • 1998 - 2000, LSK International, FM • 2000 - 2002, Providian Financial, PM • 2002 - 2003, Citibank, AVP • 2003 - 2006, Standard Chartered, VP • 2006 - 2008, Danamon, SVP • 2008 - 2014, PT Adira Quantum Multifinance, President Director • 2014 - present, UOB Indonesia as Head of Personal Financial Services
10.	• Head of Business Banking • Member of ALCO • Member of AMLC	Denny Setiawan Hanubrata	Indonesia	44	11991 - 1996, Bachelor Degree, Parahyangan Catholic University	• 1992 - 1996, Natalia Cosmetics as Sales Manager • 1996 - 2002, Bank Bali as Senior Account Officer Commercial Banking • 2003 - 2003, Chinatrust as RM Corporate Banking • 2003 - 2007, Bank Permata as Head of Small and Medium Enterprise • 2007 - 2016, Bank DBS Indonesia as Head of IBG 4 • 2016 - present, UOB Indonesia as Head of Business Banking 2
11.	• Head of Commercial Banking • Member of ALCO • Deputy Chairman of AMLC	Tonny Timor Basry	Indonesia	41	1997, Bachelor Degree, Indiana State University	• 1997 - 2004, OCBC Bank Ltd Singapore as Assistant Vice President • 2004 - 2006, Standard Chartered Bank China as Head of Sales • 2006 - 2009, Standard Chartered Bank Indonesia as General Manager for SME Banking • 2009 - 2011, UOB Singapore Commercial Banking - Industry Group 4 • 2012 - 2012, UOB Singapore Commercial Banking - Industry Group 3 • 2013 - 2013, UOB Singapore Commercial Banking - Enterprise Banking • 2013 - 2015, UOB Singapore as Industry Group Head 1 • 2016 - present, UOB Indonesia as Head of Commercial Banking

No	Position	Name	Nationality	Age	Education Background	Work Experiences
12.	• Head of Corporate Banking • Member of ALCO • Member of AMLC	Geoffry Nugraha	Indonesia	45	• 1994 - 1995, Bachelor Degree, Hawaii Pacific University • 1994 - 1999, Master Degree, Hawaii Pacific University	• 1996 - 1999, Bank Danamon as Relationship Manager • 1999 - 2000, Rabobank International as Risk Management Credit Analyst • 2003 - 2005, HSBC Indonesia as Vice President • 2007 - 2008, Standard Chartered Bank Country Head Transaction Banking • 2012 - 2013, Bank ANZ Indonesia as Head of Corporate & Institutional Banking • 2014 - present, UOB Indonesia as Head of Corporate Banking
13.	• Head of Transaction Banking • Member of ALCO	W. Kartyono	Indonesia	38	1995 - 1999, Bachelor Degree, University of Tarumanegara	• 1999 - 2005, Bank Central Asia, Trade & Payment Specialist at International Banking Divison • 2005 - 2010, Bank DBS Indonesia as Head of Trade Finance Sales • 2010 - 2010, ANZ Panin Bank as Head of Trade & Supply Chain Sales (SVP) • 2010 - 2012, UOB Indonesia as Trade Sales Head • 2013 - present, UOB Indonesia as Head of Transaction Banking
14.	• Head of Financial Institution • Member of ALCO • Member of AMLC	Marcio Apm Jatmiko	Indonesia	44	1991 - 1995, Master Degree, Business Studies/ Administration/ Management	• 1995 - 1998, Bank Dagang Nasional Indonesia as Regional Officer • 1998 - 2000, Indover Bank as Senior Credit Analyst • 2000 - 2001, Lippo Bank as Senior Product Management - FI • 2001 - 2005, HSBC Bank as Vice President - Institutional Banking • 2005 - 2006, HSBC Bank as Vice President - Commercial Banking • 2006 - 2010, Standard Chartered Bank as Director of Financial Institution • 2010 - 2015, Bank ANZ Indonesia as Head of Financial Institution Group • 2015 - present, UOB Indonesia as Head of Financial Institution

No	Position	Name	Nationality	Age	Education Background	Work Experiences
15.	• Head of Retail Credit • Member of RMC • Deputy Chairman of CPC • Member of Credit Committee	Rudy Widjaja	Indonesia	45	1990 - 1992, Bachelor Degree, Iowa State University	• 1992 - 1995, Seagate Technology Singapore as Industrial Engineer • 1995 - 1996, PT Indo Airo Sugih Indonesia as Business Development Manager • 1996 - 2001, Citibank Indonesia - Various Role in Credit Operations • 2001 - 2003, Citibank Indonesia as Credit Ops Strategy and Control Head • 2003 - 2006, Citibank Indonesia as Country Collections Head • 2006 - 2008, Citifinancial Japan, Collections Head • 2008 - 2014, Citibank Phillipines & Guam, Credit Operations Director • 2014 - 2016, Citibank Indonesia, Credit Operations Director • 2016 - present, UOB Indonesia as Head of Retail Credit
16.	• Head of Technology & Operations • Member of RMC • Chairman of BCM Committee • Deputy Chairman of IT Committee • Member of AMLC • Deputy Chairman of ORMC	Goh Seng Huat	Malaysia	55	1989, Bachelor Degree Associate Chartered Institute of Bankers UK	• 1981 - 1994, UOB (Malaysia) (THEN CHUNG KHIAW BANK Ltd. AND LEE WAH BANK Ltd. Various position • 1994 - 1995, Hong Leong Bank, Training Manager • 1995 - 2005, EON Bank, Head of Banking Operation • 2005 - 2008, United Overseas Bank Ltd, First Vice President, International • 2005 - 2010, UOB Indonesia as Technology & Operations Director • 2010 - present, UOB Indonesia as Head of Technology & Operations
17.	• Head of Human Resources • Member of RMC • Member of HR Committee • Member of BCM Committee • Member of ORMC	Ani Pangestu	Indonesia	51	• 1989 - 1990, Bachelor Degree, Kennedy Western University, Wyoming, USA • 1990 - 1991, Master Degree, Kennedy Western University (Distance Learning), Wyoming, USA	• 1991 - 2000, Asia Pulp & Paper, Senior Human Resources Manager • 2000 - 2002, HM Sampoerna, Head of Human Resources & Development Surabaya • 2002 - 2003, Bentoel Prima Indonesia, GM Human Resources Development • 2003 - 2008, Dexa Medica, Head of Human Resources • 2008 - 2010, Lippo Bank, Head of HR Strategy • 2010 - 2011, Bank Permata, HR Merger & Acquisition • 2011 - 2012, Bank Permata, HR, Legal & Compliance Director • 2012 - 2015, BII Maybank, Human Capital Director • 2015 - present, UOB Indonesia, Head of Human Resources

No	Position	Name	Nationality	Age	Education Background	Work Experiences
18.	• Head of Internal Audit • Member of RMC	Ridwan Moezwir	Indonesia	54	2003 - 2005, Master Degree, Gadjah Mada University	• 1987 - 1990, Dep of Finance as Tax Inspector • 1991 - 2003, Bank Niaga as Operations Div Head • 2003 - 2006, Bank Permata acting as Division Head • 2006 - 2007, Bank Agroniaga as Operation Audit Div Head • 2008 - present, UOB Indonesia as Internal Audit Head
19.	• Head of Legal • Member of RMC	Irvan Gunardwi	Indonesia	45	2003 - 2005, Master Degree, University of Indonesia	• 1994 - 1995, Shipping Line Company, Export Dep Officer • 1995 - 1998, Bank Bali, Legal Officer in Corp Legal Dept • 1999 - 2000, Bank Bali, Legal Manager in Corp Legal Dept • 2000 - 2000, Bank Bali, Coordinator in Corp Legal & Compliance Dept • 2000 - 2003, Bank Bali, Dept Head in Corp Legal & Compliance Dept • 2000 - 2003, Bank Permata, Secretary to Board of Directors • 2002 - 2003, Bank Permata, Member of Corporate Secretary • 2003 - 2003, Bank Permata, head of Advisory & Monitoring • 2003 - 2009, BII, Legal Division Head • 2009 - 2010, BII, General Legal Counsel & Corp Secretary Div Head • 2010 - 2014, Bank DBS, Head of Legal - CBG • 2014 - present, UOB Indonesia, Legal Head

No	Position	Name	Nationality	Age	Education Background	Work Experiences
20.	• Market & Balance Sheet Risk Management Head • Secretary of ALCO	Candra Putra	Indonesia	37	• 1997 - 2001, Bachelor Degree, Gadjah Mada University • 2007 - 2009, Master Degree, Gadjah Mada University	• 2001 - 2005, Bank Central Asia, Associate Officer in Risk Management Dept • 2005 - 2006, Bank Mizuho Indonesia, Officer in Credit Risk Management Dept • 2006 - 2006, Citibank NA, Assistant Manager in Credit Risk Management Head • 2006 - 2008, Bank DBS, Risk Management Unit Manager in Risk Management Unit Dept • 2008 - 2011, Bank Permata, head of Quality Assurance & Operational Risk Manager • 2011 - 2011, UOB Indonesia, Operational Risk Portfolio Management • 2011 - 2014, UOB Indonesia, Operations Risk Management Head • 2015 - 2016, UOB Indonesia acting as Head of Risk Management • 2014 - present, UOB Indonesia, Market & Balance Sheet Risk Management Head
21.	• Basel & Enterprise Risk Management Head • Secretary of RMC	Dwi Susiyanto	Indonesia	44	1990 - 1996, Bachelor Degree	• 1995 - 1996, LPK AKSMI, Teacher • 1997 - 2000, Bank Permata, Supervisor • 1997 - 1997, Pura Barutama, TDC, Management Trainee • 2000 - 2007, GE Finance, SM, Head • 2007 - 2013, BII Maybank, VP, Head • 2013 - 2014, UOB Indonesia, Risk Strategy & Analytics Head • 2014 - 2016, UOB Indonesia, Basel & Enterprise Risk Management Head
22.	• Credit Risk Management Head • Secretary of CPC	Foengky Santosa	Indonesia	44	1991 - 1996, Bachelor Degree, University of Pembangunan Nasional (Veteran)	• 1997 - 2003, Bank Bali, Operational Development • 2003 -2010, Bank Permata, Risk Analytic Head • 2010 - present, UOB Indonesia, Credit Risk Management Head

No	Position	Name	Nationality	Age	Education Background	Work Experiences
23.	• Operational Risk Management Head • Secretary of BCM Committee • Member of BCM Committee • Member of AMLC • Secretary of ORMC	Virna Medina	Indonesia	41	1998 - 2001, Master Degree, Bandung Institute of Technology	• 1997 - 2006, Bank Permata, Operational Risk Officer • 2006 - 2012, BII Maybank, Divisional OR & Policy Head • 2012 - 2014, OCBC NISP, Quality Assurance and Control Head - Retail Credit • 2014 - 2015, Standard Chartered Bank, Quality Assurance and Control Head - Retail Credit • 2015 - 2016, UOB Indonesia, Operational Risk Management Head • 2016 - present, UOB Indonesia, Operational Risk & Anti Fraud Management Head
24.	• Learning Dev & Business HR Head • Secretary of HR Committee	Widyarini Utami	Indonesia	45	• 1990 - 1996, Bachelor Degree, University of Indonesia • 2006 - 2008, Master Degree, Gadjah Mada University	• 1996 - 1999, Bank Danamon, Assessment Officer • 1999 - 2003, Indonesia Bank Restructuring Age ncy, HR Communication & Relation Head • 2003 - 2008, CIMB Niaga, Human Resources Rep for Corp & Business Banking • 2008 - 2009, UOB Buana, Staffing Dept Head • 2009 - 2010, UOB Buana, Human Resources Business Management Dept Head • 2010 - 2013, UOB Indonesia, Human Resources Business Partner Head • 2013 - 2016, UOB Indonesia, HR Business Partner & Organisation Dev Head • 2016 - 2016, UOB Indonesia, Learning Dev & Business HR Head
25.	• Business Tech Services Head • Secretary of IT Committee	Jieni	Indonesia	43	1992 - 1996, Bachelor Degree, STMIK BINA NUSANTARA	• 1992 - 1999, Bank Kharisma, Deputy in IT Div • 1999 - 2008, UOB Indonesia, Business System Dev 1 Subdiv Head • 2010 - 2011, UOB Indonesia, Business Technology Solutions 1 Head • 2013 - present, UOB Indonesia, Business Technology Services Head
26.	• Shared Infrastructure Services Head • Secretary of IT Committee	Sigit Arnanto	Indonesia	54	1981 - 1987, Bachelor Degree, University of Indonesia	• 1988 - 1990, Swadharma Duta Data, Technology Analyst • 1991 - 2011, CIMB Niaga, Regional Infrastructure • 2011 - 2013, UOB Indonesia, Technical Support Head • 2013 - present, UOB Indonesia, Shared Infrastructure Services Head

No	Position	Name	Nationality	Age	Education Background	Work Experiences
27.	• CEO Office Head • Member of IT Committee	Jenny Hadikusuma	Indonesia	42	1993 - 1997, Bachelor Degree, University of Surabaya	• 1992 - 1996, Colliers Jardine International, Marketing Executive • 1996 - 1997, Mal Galaxy, Marketing & PR Executive • 1997 - 1999, Jones Lang La Salle, Assistant Manager • 2000 - 2001, Hyatt Regency Surabaya, Manager • 2001 - 2005, PT Broadband Multimedia, Corp Sales & Customer Manager • 2008 - 2009, UOB Indonesia, Call Center & Mobile Banking Dept Head • 2009 - 2010, UOB Indonesia, Contact Center Dept Head • 2010 - 2011, UOB Indonesia, Call Center Head • 2011 - 2012, UOB Indonesia, IFS Business Finance Manager • 2012 - 2014, UOB Indonesia, IFS Portfolio Management Head • 2014 - 2015, Wholesale Portfolio Management Head • 2015 - present, UOB Indonesia, Corporate Strategy Head
28.	• AML/CFT & Sanctions Head • Secretary of AMLC	Laurentius E. Purwatmoko	Indonesia	49	1987 - 1995, Bachelor Degree, Sanata Dharma University	• 1996 - 2001, Notre Dame High School, Teacher • 2001 - 2010, UOB Indonesia, User System Support Dept Head • 2010 - 2011, UOB Indonesia, Centralised System Adm Head • 2011 - 2013, UOB Indonesia, Operations Control Review Head • 2013 - 2013, UOB Indonesia, Operations Control Analysis & Reporting Manager • 2013 - 2013, UOB Indonesia, Targeted Control Review Manager • 2013 - present, UOB Indonesia, AML/CFT & Sanctions Head

Note :
- EXCO : Executive Committee
- ALCO : Assets & Liabilities Committee
- RMC : Risk Management Committee
- CPC : Credit Policy Committee
- BCM : Business Continuity Management
- AMLC : Anti Money Laundering Committee
- ORMC : Operational Risk Management Committee

III. Corporate Secretary

The Corporate Secretary is the officer responsible to the Board of Directors, who is the liaison between the Bank and the Bank internal parties, authorised institutions affiliated with the Bank, Bank external parties and investors. The Bank appoints the Corporate Secretary to assist the Board of Commissioners and Board of Directors in carrying out the duties and responsibilities of each related to the implementation of GCG and to manage communications to interested parties (stakeholders), both internally and externally.

A. Appointment of Corporate Secretary

The Corporate Secretary is appointed by the Board of Director's decision. Currently, the office of the Corporate Secretary is held by Susilowati, who has officially served since the date of June 25, 2015 by virtue of Board of Directors' Decision No.15/DIR/0021. In the organizational structure of the Bank, the Corporate Secretary is responsible directly to the Director of Finance & Corporate Services.

Susilowati has a domicile in Jakarta and earned a Bachelor Degree in Management from Tarumanegara University Jakarta in 2003 and a Master Degree in Accounting from Trisakti University Jakarta in 2009. Susilowati started her career at PT Bank Victoria International Tbk since 2004 with her last position as Corporate Secretary.

B. Development of Competencies of Corporate Secretary

Ms Susilowati has participated competence development programs namely Risk Management Certification Level 1, 2, and 3 from Indonesia's Risk Management Certification Body.

In addition, various trainings/seminars/workshops that have been enrolled in order to increase the competency of Corporate Secretary throughout 2016 are as follows:

Workshop/Training/Dissemination	Venue
CEO Quarterly Update - Q2 (Semester 1)	Jakarta
Strategic Direction Start of The Year 2017	Surabaya
UOB Strategic Workshop	Bandung
Workshop for Senior Management - AML / CFT Update	Jakarta
Risk Base Rating Bank and Good Corporate Governance	Jakarta
Implementation on the Change of Statement of Financial Accounting Standards (PSAK), Annual Report Preparation in accordance with Financial Services Authority, Good Corporate Governance and ASEAN CG Scorecard	Jakarta
National Seminar regarding Merger and Acquisition Regulation in Business Competition Prespective and Global Economics Trend	Jakarta
Indonesia Sectors Prospects and Challenges – 2017	Jakarta

C. Duties and Responsibilities of Corporate Secretary

Corporate Secretary must at least have the function as referred to in Financial Services Authority Regulation No.35/POJK.04/2014 regarding Corporate Secretary of Issuing Companies or Public Companies and Functions of Corporate Secretary, as follows:

1. To stay abreast with the developments of Capital Market, particularly the laws and regulations applicable in the field of Capital Market;
2. To provide inputs to the Board of Directors and Board of Commissioners of the Issuing Company or Public Company in order to comply with the provisions of laws and regulations in the field of Capital Market;
3. To assist the Board of Directors and the Board of Commissioners in implementing good corporate governance, which includes:
   i. Information transparency to the public, including availability of information on the Website of the Issuing Company or Public Company;
   ii. Submission of reports to the Financial Services Authority in a timely manner;
   iii. Conduct and documentation of General Meeting of Shareholders;
   iv. Conduct and documentation of Board of Directors and/or Board of Commissioners meetings; and
   v. Implementation of corporate orientation program for the Board of Directors and the Board of Commissioners.
4. To act as a liaison between the Bank and the shareholders of the Issuing Company or Public Company, the Financial Services Authority and other stakeholders

D. Realisation of Duties and Responsibilities of Corporate Secretary

Activities carried out by the Corporate Secretary throughout 2016 in relation to her duties and responsibilities include:

1. Preparing and publishing the Annual Report for financial year 2015 which contains information on the Company's performance.
2. Convening the General Meeting of Shareholders on 24 May 2016.
3. Submitting the Annual Report for financial year 2015 and Financial Statements for financial year 2015 to related stakeholders.
4. Attending and preparing minutes of Board of Commissioners meeting, Board of Directors meeting, as well as meetings of Committees reporting to the Board of Commissioners.
5. Updating the Internal Regulation of the Company regarding Board of Commissioners and Board of Directors as well as Committees reporting to the Board of Commissioners in order to comply with the prevailing regulations.
6. Assisting the Board of Directors and the Board of Commissioners in implementing good corporate governance among others by ensuring smooth communication between the company and the stakeholders, ensuring the availability of information accessible to stakeholders as reasonably required by stakeholders as well as by conveying information about corporate action to the regulator concerned.
7. Coordinating with Compliance function in preparing data related to Self-Assessments on Good Corporate Governance for the Board of Directors, Board of Commissioners as well as Committees reporting to the Board of Commissioners.
8. Convening Due Dilligence Meeting and Public Expose in the context of Shelf Registration of Senior Bonds I of Bank UOB Indonesia Year 2016 and Shelf Registration of Subordinated Bonds I of Bank UOB Indonesia Year 2016.

IV. Press Release

The Bank understands the needs to engage with the public with the objectives to raise its profile and shared newsworthy information regarding to Bank's activities. These objectives met by the Bank by conducted several media engagement in the form of press conference, media gathering, and one-on-one interview.

In each media engagement, the bank issued a press release to accompany the activity. In 2016, the bank issued press releases ranging from the topic of bank's new products and services, corporate social responsibility, bank's performance, bank's contribution toward Indonesian small and medium enterprises, and bank's outlook on Indonesian economy.

The following are list of UOB Indonesia press releases

- "UOB Indonesia launches travel-focused PRVI Miles credit card to meet the needs of Indonesian travellers", issued on 14 January 2016.
- "UOB Indonesia launches finance industry's first tertiary education programme for SME bankers in Indonesia", issued on 23 February 2016.
- "Expanding Indonesian companies fuel UOB Indonesia cash management growth", issued on 15 March 2016.
- "UOB Indonesia invites emerging and established artists to draw on their artistic talents for the UOB Painting of the Year competition", issued on 14 June 2016.
- "UOB employees and customers across Asia raise more than Rp10.6 billion for children's and art charities at the annual UOB Heartbeat Run/Walk", issued on 24 July 2016.
- "UOB Indonesia to open five more business consultancy centres to provide advisory services to local enterprises", issued on 19 August 2016.
- "UOB Indonesia to offer Rp3 Trillion Shelf Registration bonds", issued on 20 October 2016.
- "Patriotism triumphs at the UOB Indonesia Painting of the Year Award 2016", issued on 24 October 2016.
- "UOB Indonesia maintains optimistic outlook on Indonesia's growth", issued on 16 November 2016.
- "UOB Indonesia opens SME Centre in Jakarta to deepen support for SMEs", issued on 13 December 2016.
- "UOB Indonesia offers travelling year end program for its credit card holders", issued on 14 December 2016.

The press releases were published by top tier Indonesia media in their print edition as well as online platform. This first tier media are Kompas, Bisnis Indonesia, The Jakarta Post, Investor Daily, and Kontan.

V. The Implementation of Compliance, Internal Audit, and External Audit Functions

A. Compliance Function

1. **The Role of Compliance Function**

   The implementation of the Bank's Compliance Function refers to Bank Indonesia Regulation No. 13/2/PBI/2011 and OJK Regulation No.18/POJK.03/2016.

   Following are the roles and responsibilities of the Compliance Function:

   a. Create steps in order to support the creation of a culture of compliance in the Bank's business activities at every organisational level;
   b. Conduct identification, measurement, monitoring, and control of compliance risk with reference to the regulation on the Implementation of Risk Management for Commercial Banks;
   c. Assess and evaluate in a strict manner and in collaboration with the Business/Support Sectors the effectiveness, adequacy, and conformity of policies, provisions, systems and procedures of the Bank with prevailing regulations;

d. Conduct reviews and/or recommend update and refinement of policies, regulations, systems and procedures of the Bank to ensure compliance with the regulations issued by regulators and prevailing legislation;
e. Make efforts to ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities are in compliance with the regulations issued by regulators and prevailing legislation;
f. Fulfill the anti-money laundering function by ensuring the system for customer transaction monitoring is in line with prevailing guidelines, policies and procedures to support a smooth implementation of the AML&CFT Programs and to protect the Bank against sanctions;
g. Identify, assess and document the compliance risks associated with the business activities of the Bank including new products, services, business practices and material changes to existing business and customer relationships,etc;
h. Provide regulatory advice and updated information related to the prevailing regulator's regulations and other regulation to all Business and Support Units including Board of Directors and Senior Executive Officers;
i. Together with Business Work Functions develop compliance manuals and guidelines related to the applicable regulations issued by regulators, other regulations and key business conduct for use by Executive Officers, Line Managers and staff of the Bank;
j. Identify and maintain an inventory of all prevailing regulations issued by regulators and other regulations with the support of internal/external legal counsel where needed;
k. Assist the Board of Directors and Senior Executive Officers in educating relevant staff on compliance issues;
l. Provide advice, guidance and continuous training for staff on the appropriate implementation of the compliance framework which includes policies, guidelines and procedures such as those contained in the Bank's compliance manuals, internal code of conduct and guidelines;
m. Advise the units/divisions in the Bank and/or Board of Directors and Senior Executive Officers on CLRS, the implications of regulatory changes, and provides guidance on the proper and prompt implementation of procedures to comply with the regulatory requirements;
n. Monitor, test and report compliance implementation according to Compliance Framework and internal policies or procedures to the Senior Executive Officers and Board of Directors/Board of Commissioners, if required, to regulators. However, the responsibility for ensuring day-to-day compliance remains within each respective work function;
o. Make enquiries into compliance incidents and complaints, and carry out further investigations as deemed appropriate;
p. Act as the key liaison body with relevant internal and external parties, including regulators, regarding the Bank's compliance issues;
q. Perform responsibilities according to compliance plans and procedures developed in accordance with its compliance framework including conducting compliance reviews using a risk-based approach.

2. Actions to Prevent Breaches of Prevailing Regulations
The Compliance Director through the Compliance Function always monitors and controls the Bank's business activities, so that they do not violate the prevailing regulations by ensuring the Bank's compliance to regulators provisions and prevailing legislation.

This is reflected in measures that have been put in place:
a. Support the creation of a compliance culture in all the Bank business activities at all levels of the organisation through the establishment of:
   - Compliance Charter;
   - Compliance Organisational Structure;
   - Compliance Guidance;
   - Compliance Standard Operational Procedures; and
   - Compliance Culture Campaign Posters.
b. Identify, measure and monitor Compliance Risk and implement control processes through:
   - Compliance Review Procedure;
   - Supervision of sanctions imposed by regulators.
c. Establish the Compliance Review & Testing Division to manage compliance risk through the Compliance Review Programme, so that Bank can ensure conformity and adequacy of policy, guidelines, systems and procedures of the Bank with prevailing legislation through:
   - Reports of Compliance Review Results;
   - Regulatory Risk Assessment Reports.
d. Provide Opinions on Compliance.
e. Monitor and report Follow-Ups to Regulator's Audit Inspection Results.
f. Socialise regulatory provisions and provide information on compliance related matters, either through face-to-face socialisation activities or through Compliance News.
g. Evaluate the Marketing Material and Checklist.

h. Monitor the follow-up of RBBR- GCG improvement by RBBR-GCG (Risk Based Bank Rating-Good Corporate Governance) Working Group.
i. Act as liaison officer for compliance related issues between the Bank and regulators or internal Bank units.

3. **The Implementation of Good Corporate Governance**
The provisions related to the Implementation of Good Corporate Governance for Commercial Banks refer to Financial Services Authority Regulation No.55/POJK.03/2016 dated 7 December 2016 and Bank Indonesia Circular Letter No.15/15/DPNP dated 29 April 2013.

The Bank consistently ensures that the GCG principles of transparency, accountability, responsibility, independence and fairness are implemented in every business aspect and at all levels of the Bank. The five GCG Principles should be applied to at least 11 (eleven) GCG Implementation Factors, and each factor's effectiveness should be measurable with respect to 3 (three) governance aspects as a continuous process.

The three governance aspects are:
a) Governance Structure, refers to the Bank's governance structure and infrastructure adequacy to ensure that the outcome of the implementation of the GCG principles meet the expectations of the Bank's stakeholders.
b) Governance Process, refers to the effective implementation of the GCG principles, supported by adequate governance structure and infrastructure of the Bank, in order to produce an outcome that meets the expectations of the Bank's stakeholders.
c) Governance Outcome, reflects the result of the implementation of the GCG principles that meets the expectations of the Bank's stakeholders with the support of adequate governance structure and infrastructure of the Bank.

The implementation of the GCG principles is evaluated periodically through GCG Self Assessment and the result is submitted to Regulator and the Bank's Management as a part of the Bank's Soundness Rating Report (Risk-Based Bank Rating).

As part of Bank's commitment to continuously improve the implementation of the GCG principles, the Bank has formed the RBBR (Risk-Based Bank Rating) Working Group which aims to monitor, maintain and/or improve the composite rating of Risk Based Bank Rating. This mechanism is stipulated in the Bank's policy, through Board of Directors' Decision No.13/SKDIR/0064 dated 17 September 2013 on PT Bank UOB Indonesia Soundness Rating System.

The Compliance Unit has also reviewed and revised the previous Compliance Guidance in order to provide guidance for all stakeholders to improve the effectiveness of the Compliance Function implementation, as stipulated in Board of Directors' Decision No. 16/SKDIR/0074 dated 21 December 2016 on Compliance Guidance of PT Bank UOB Indonesia.

Moreover, in line with the Financial Services Authority (OJK) regulation on the implementation of Integrated Corporate Governance for Financial Conglomerates as stipulated in OJK Regulation No.18/POJK.03/2014 and OJK Circular No. 15/SEOJK.03/2015, the Compliance Work Unit has issued the Integrated Compliance Charter for Entities in the Financial Conglomerates of UOB in Indonesia as the umbrella policy for the implementation of the integrated compliance function, as stipulated in Board of Directors' Decision No. 15/SKDIR/0062 dated 30 December 2015 on Integrated Compliance Charter for the Financial Conglomerates of UOB as updated through Circular Letter No. No.16/CMP/0007 dated 16 November 2016 concerning Amendment on Integrated Compliance Charter version 2.0

PT Bank UOB Indonesia as the Main Entity in the Financial Conglomerates has also issued an Integrated Corporate Governance Guidance as the principal guidelines for each entity in the Financial Conglomerates in implementing their duties and responsibilities as stipulated in Board of Directors' Decision No. 15/SKDIR/0063 dated 31 December 2015 on Integrated Corporate Governance Policy for the Financial Conglomerates of UOB.

B. The Implementation of Internal Audit Function

Pursuant to Bank Indonesia Regulation No.1/6/PBI/1999 dated 20 September 1999 on the Appointment of Compliance Director and the Establishment of Standards for the implementation of Bank's Internal Audit Function (SPFAIB), the Bank has implemented the internal audit function and issued the Internal Audit Charter and Internal Audit Guidelines.

Head of Internal Audit
Ridwam Moezwir, serving as Head of Internal Audit, 54 years old, domiciled in Indonesia, has joined with UOB Indonesia since 2008. His appointment as Head of Internal Audit is pursuant to Directors' Decree No.08/SKDIR/1326 dated 12 August 2008. He hold Bachelor Degree of Economic majoring in Accounting from Padjajaran University, Bandung, and Master Degree of Management from Gajah Mada University, Yogyakarta, and has experience more than 30 years as auditor financial industry.

Competency Improvement of Head of Internal Audit
During 2016, the Head of Internal Audit has joined Bank's Internal Auditor Association National Conference, Institute of Internal Auditor (IIA) National Conference, Risk Management Certification Level 5, and UOB Leadership Signature Level 3.

Structure of Internal Audit Function

Duties and Responsibilities of Internal Audit Function
Internal Audit is part of internal control. The internal audit function is implemented based on the Risk Based Approach, as the basis for auditors to analyse, test and consider issues related to the audit task.

The scope of Internal Audit work should cover audit and assessment and provide independent, objective, reliable, valued and timely services to give added value to the Bank's operating activities. Internal Audit helps the Bank to achieve its objectives through a systematic, well-directed approach to assess the adequacy of internal control, financial, operational and compliance as well as improving the effectiveness of the governance process, risk management, and internal control that mitigate both current and evolving risks.

The Internal Audit Head reports administratively to the President Director and functionally to the Audit Committee. To support the independence and guarantee smoothness of the audit process as well as the authority to monitor follow-ups, the Internal Audit Head can directly communicate with the Board of Commissioners on audit issues through the Audit Committee, which is conducted through periodic and ad-hoc meetings.

Internal Audit has an evaluation program on the quality performance of internal audits, comprising of Ongoing Performance Monitoring Reviews, Internal Quality Assessment and External Quality Assessment.

Internal Audit Professional Qualification/Certification
Bank's Internal Auditor holds internal audit professional qualification and certification , including:

1. Competency Certification as an Assessor (Manager Level on Internal Audit Division) from a National Professional Certification Agency (BNSP).
2. Competency Certification as an Assessor from BNSP

Disclosure of Internal Audit Practice in 2016
All internal audit findings have been addressed and rectification actions are on track to completion.

Internal Audit has established a follow-up process to monitor and ensure that rectification and risk mitigation has been completed effectively. Significant issues are highlighted to the Audit Committee through audit reports and Audit Committee meetings as well as to Board of Directors meetings.

Key Initiatives of Internal Audit in 2017
The Key Initiatives of Internal Audit in 2017 are prepared to increase value added, by always striving to meet the expanding expectations and needs of the stakeholders, by focusing on activities such as:

1. Learning and growth perspective through Internal Audit staff development.
2. Internal process perspective by sharpening the focus (on strategic matters & forward looking), timely annual business plan and 2-year audit cycle, Management Governance Oversight Rating (MGOR) and Governance Risk and Control (GRC) implementation.
3. Customer perspective to build impact and influence through guest auditor program.
4. Financial perspective through Computer Assisted Audit Techniques (CAAT) development to increase effectiveness and efficiency.

C. The Implementation of External Audit Function

Based on approval of AGM and recommendation from the Audit Committee through the Board of Commissioners, the Bank has appointed a Public Accountant Firm registered with Bank Indonesia, namely Purwantono, Sungkoro & Surja, in which has "BIG 4" qualification and experience in conducting audits of several major banks in Indonesia. In addition, the legality of its appointment and agreement, it has been complied with the applicable regulation.

Public Accountant Firm Purwantono, Sungkoro & Surjamet specified targets and performed the audit independently, and has also met the public accountant professional standards and audit scope as specified in prevailing regulations and as stated in the Engagement Letter between the Public Accountant Firm and the Bank.

Public Accountant Firm Purwantono, Suherman & Surja, according to Bank Indonesia Regulation No. 3/22/PBI/2001 on the Transparency of Bank Financial Condition, has engaged in communication with Bank Indonesia to request information on the condition of the Bank, as well as provide information on the audit process from beginning to end.

VI. The Implementation of Risk Management Including Internal Control System

Foe further information regarding the Implementation of Risk Management including Internal Control System can be found on page 114.

VII. Related Party Funding and Large Exposure

The Bank has policies on and procedures for Legal Lending Limits and allocation of funds to related parties and large exposures as part of its prudential principles.

The following are loans to related parties and large exposures as of 31 December 2016:

No	Funding	Total	
		Debtor	Nominal
1	To Related Parties	157	2,220,572
	To Core Debtors	25	17,833,744
	a) Individual	3	1,231,712
	b) Group	22	16,602,032

Notes:
1. Nominal is all related party outstanding (either included or excluded from LLL calculation, e.g: guaranteed by time deposit, lending to executive officer, with SBLC collateral, Prime Bank.
2. Funding to core debtor, based on explanation in form 10 of Periodic Report of Commercial Bank, which covers 25 debtors/groups (one obligor concept) excluding related party in relation to total assets of the Bank, pursuant to Bank Indonesia Regulation concerning Bank Soundness Rating System for Commercial Bank.

VIII. The Bank's Strategic Plan

In order to improve Good Corporate Governance and to comply with regulator provisions, the Bank has proposed a Business Plan detailing the Bank's business activities in the short term and medium term so that the direction of the Bank's policies and strategic objectives follow proper planning, are prudent and follow sound banking principles. The Business Plan took into consideration global and domestic economic development as well as the Bank's vision and values. The Bank has been fully supported by the majority shareholder and by the Bank's capital.

Strategic plans that will be taken by the Bank to achieve the Bank's vision, mission and objectives are:

- The Bank is planning to strengthen its capital structure through increasing the supplementary capital in which the issuance will be adjusted to market condition in order to support the business growth.
- Issues the Continuous Senior Obligation to diversify the funding resources and improve the funding structure of the Bank by taking into consideration the economic conditions, particularly in the interest rate growth to gain a maximum result for the Bank's financial performance.
- Direct the loan growth to the retail segment.
- Improve the distribution strategy by maximising the 178 branches located in the right place, also by improving the branch management through regional development from five to seven regions as well as a more structured area distribution.
- Improve the branches productivity, skills, and the role of sub branch managers into business managers by providing single captain training and opportunities for further carreer growth. Aside from that, the branch operational managers will keep monitoring the operational activities in the sub branches.
- Expand the target market and improve the business penetration for payment facilities to gain a market share of non-cash payment, move into the trend for a cashless society and digitalisation in the retail customer segment.
- Focus on the industries which have a bigger potential demand for cash management services.
- Long-term partnership with non-retail customers focusing on consumer staple industries: Agriculture, Fast Moving Consumer Goods (FMCG) Manufacutures and Retail, Telecommunications, Construction, and Real Estate including Hotel and Tourism.
- Marketing and branding strategy focusing on strong and consistent brand identity.
- Support the Government program as stated in Nawacita program which comprises 9 agenda items, especially related to the 7th program which is to realise economic independence by empowering the local strategic economy sectors such as micro, small and medium enterprise (UMKM), tourism, infrastructure, maritime and agriculture.
- Effective cost management.

With proper business strategies and good management practices along with the implementation of prudent principles and compliance with internal and external regulations, it is expected that the Bank's business willgrow and give benefits to all stakeholders.

IX. Transparency of Bank's Financial and Non Financial Condition Not Yet Disclosed in Other Reports

The Bank has fulfilled the transparency principle in providing financial and non-financial information to the public in a timely, complete, accurate, up to date and comprehensive manner.

Good Corporate Governance

X. Board of Directors and Board of Commissioners Share Ownership and Financial and Family Relationship between Board of Commissioners, Board of Directors, and Controlling Shareholders of the Bank

A. Shares Ownership of Board of Commissioners and Board of Directors

No	Name	Position in PT Bank UOB Indonesia	Company Name (domestic & overseas)	Ownership Percentage (%)
Commissioner				
1	Wee Cho Yaw	President Commissioner	C Y Wee & Company Pte Ltd	30.00
2	Wee Ee Cheong	Deputy President Commissioner	Kheng Leong Company Pte Ltd	23.67
			Eastern Century Limited	10.40
			KIP Industrial Holdings Ltd	13.00
			Phoebus Singapore Holdings Pte Ltd	26.67
			Portfolio Nominees Ltd	26.01
			Supreme Island Corporation	26.00
			UIP Holdings Ltd	10.00
			Wee Investments (Pte) Ltd	26.01
			Wee Venture (Overseas) Ltd	26.01
			E.C. Wee Pte Ltd	98.00
			C Y Wee & Company Pte Ltd	30.00
3	Lee Chin Yong Francis	Commissioner	Kemaris Development Sdn Bhd	50.00
			Kemaris Holdings Sdn Bhd	50.00
			Kemaris Industrial Sdn Bhd	50.00
			Kemaris Residences Sdn Bhd	50.00
			Kemaris Construction Sdn Bhd	50.00
4	Rusdy Daryono	Independent Commissioner	NIL	
5	Wayan Alit Antara	Independent Commissioner	PT Citra Indah Prayasa Lestari	5.00
6	Aswin Wirjadi	Independent Commissioner	NIL	

No	Name	Position in PT Bank UOB Indonesia	Company Name (domestic & overseas)	Ownership Percentage (%)
Director				
1	Lam Sai Yoke	President Director	NIL	
2	Tan Chin Poh	Deputy President Director	NIL	
3	Iwan Satawidinata	Deputy President Director	NIL	
4	Pardi Kendy	Director	NIL	
5	Muljono Tjandra	Director	NIL	
6	Soehadie Tansol	Director	NIL	

B. Financial and Family Relationship between Board of Commissioners, Board of Directors, and/or Controlling Shareholders of the Bank

Board of Commissioners & Board of Directors	Family Relation With						Financial Relation With						Remarks if any family and or financial relationship
	Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders		
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	
Wee Cho Yaw	√	-	-	√	√	-	√	-	-	√	√	-	Father of Wee Ee Cheong
Wee Ee Cheong	√	-	-	√	√	-	√	-	-	√	√	-	Son of Wee Cho Yaw
Lee Chin Yong Francis	-	√	-	√	-	√	-	√	-	√	√	-	Leading the Consumer and Small Business Division Retail in UOB Ltd. Singapore
Rusdy Daryono	-	√	-	√	-	√	-	√	-	√	-	√	None
Wayan Alit Antara	-	√	-	√	-	√	-	√	-	√	-	√	None
Aswin Wirjadi	-	√	-	√	-	√	-	√	-	√	-	√	None
Lam Sai Yoke	-	√	-	√	-	√	-	√	-	√	-	√	None
Tan Chin Poh	-	√	-	√	-	√	-	√	-	√	-	√	None
Iwan Satawidinata	-	√	-	√	-	√	-	√	-	√	-	√	None
Muljono Tjandra	-	√	-	√	-	√	-	√	-	√	-	√	None
Pardi Kendy	-	√	-	√	-	√	-	√	-	√	-	√	None
Soehadie Tansol	-	√	-	√	-	√	-	√	-	√	-	√	None

XI. Disclose of Remuneration Policy

The Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee (RNC) consist of 3 (three) members namely : 2 (two) Commissioners and 1 (one) Executive Officer in charge of Human Resources or staff representative. Associated with remuneration function, the RNC has duties and responsibilities among other things to evaluate and recommend policies, structure and remuneration amount for the Board of Commissioners, Board of Directors and Senior Executive Officers. In 2016, the RNC has convened 6 (six) meetings in accordance with the Bank's needs. In performing its duties, members of the RNC do not receive any special remuneration where the members of the RNC are appointed Commissioners and Executive Officer of the Bank, thus the granted remunerations were referring to their main positions and there were no additional remuneration for members of the committee.

Preparation Process of Remuneration Policy

With regards to Financial Services Authority Regulation No.45/POJK.03/2015 on Implementation of Governance in Granting Remuneration for Commercial Bank, the Bank has prepared Policies and Structure of Remuneration as approved by the Board of Commissioners and stated in Board of Directors' Decision No.16/SKDIR/0071 dated 16 December 2016 on Policies and Structure of Remuneration. Such policies and structure of remuneration was devised to support organisational capability development which taking into consideration the risk aspect and to provide competitive excellence for business as well as flexibility on responding the Bank's needs and dynamic external market.

Granting of Remuneration Associated with Performance and Risks

In determining the risks associated with variable remuneration, the Bank has considered the risks that have significant influence to business activities as the key risks with regards to Financial Services Authority Regulation concerning implementation of risk management for commercial bank. The key risks is the risks associated with business activities and have significant impact to the Bank's risk profile, which come from 8 (eight) risks in the Bank's business activities, i.e. credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, and compliance risk.

Parties who have duties and responsibilities that significantly impact to the Bank's risk profile, are determined as Materials Risk Taker (MRT). Considering the duties and responsibilities in decision making which significantly impact to the Bank's risk profile, it was decided that the Material Risk Taker (MRT) of the Bank is the Board of Directors.

The Bank has governed the granting of variable remuneration especially for Material Risk Taker position. The granting of remuneration may be deferred according to the prevailing regulations with taking into consideration the individual performance, business unit performance, and Bank's performance in general. The granting of variable remuneration is exercised to align the remuneration with the taken risk in a proper manner and cover the conformation that reflect : (i) financial and non-financial business performance measurement; (ii) risks associated with the business activities, if relevant; and (iii) necessary time to effectively estimate the business activities results. A weak or negative financial performance may leads to decrease or defer of performance-based variable remuneration, thus impact to the total of compensations. Specific for controlling unit officers, the performance assessment is carried out according to Key Performance Indicator (KPI) which has been stipulated based on their role and function and the granting of variable remuneration on such controlling unit officers are carried out by Human Resources Committee Panel with considering the objectivity and independency. The provision on Granting of Remuneration associated with Performance and Risks will be implemented starting from 2017.

The deferred variable remuneration is a variable remuneration which has not yet due in which the granting can be deferred partly or entirely, or deleted (malus). The Bank can also withdraw the performance-based variable remuneration which has been paid (claw back) to the material risk takers if there are cases such as material risk, error in financial statements, disgraceful actions, deviations or frauds.

Variable remuneration cannot be hedged, the total of deferred amount for Material Risk Taker is about 40% to 60% of total variable remuneration, with taking into consideration the defer time related to performance achievement. The defer time is at least 3 (three) years based on determined risk period and performance criteria, which going to be implemented in 2017.

In accordance with Policies and Structure of Remuneration that has been prepared, variable remuneration for the Board of Commissioners is a cash bonus while for the Board of Directors are cash bonus and/or deferred cash-based bonus in the form of shares as a long-term incentive. Considering that the provision on Granting of Remuneration associated with Performance and Risks is only implemented starting from 2017, hence the details on remuneration cannot be disclosed.

XII. Remuneration Package/Policy and Other Benefits for Board of Commissioners and Board of Directors

A. Type of Remuneration and Other Benefits for Board of Commissioners and Board of Directors

Type of Remuneration and Other Benefits	Total Received in 1 (one) Year			
	Board of Commissioners		Board of Directors	
	Person	Total	Person	Total
Remuneration (salary, bonus, routine allowance, tantiem, and other facilities in the form of cash)	6	2.649	6	32.980
Other benefits in kind (housing, transportation, health insurance, etc.) which *)	-	-	-	-
a. can be owned	-	-	-	-
b. cannot be owned	-	-	6	942

*) Counted in equivalent Rupiah

B. Description of Remuneration Package for Receiver Group

Total Remuneration Per Person In 1 (One) Year*)	Board of Commissioners	Board of Directors
Above Rp2 billion	-	6
Above Rp1 billion up to Rp2 billion	-	-
Above Rp500 million up to Rp1 billion	3	-
Under Rp500 million	3	-

*) Received in Cash

C. Highest and Lowest Salary Ratio

Description	Ratio
Ratio of the highest and lowest salary of the employees	1 : 89.20
Ratio of the highest and lowest salary of the Board of Directors	1 : 2.46
Ratio of the highest and lowest salary of the Board of Commissioners	1 : 8.30
Ratio of the highest salary of the Board of Directors and highest salary of the employee	1 : 1.79

D. Shares Option

During 2016, PT Bank UOB Indonesia did not grant Share Options to Commissioners, Directors or Employees.

XIII. Number of Internal Fraud Cases and Bank's Effort to Settle the Cases

The number of fraud cases in 2016 is shown in the table below.

Internal Fraud in 1 (One) Year	Total Cases Conducted By					
	Management		Permanent Employee		Non Permanent Employee	
	Previous year (2015)	Current year (2016)	Previous year (2015)	Current year (2016)	Previous year (2015)	Current year (2016)
Total number of fraud case	0	0	3	3	0	0
Has been settled	0	0	0	0	0	0
In settlement process in internal Bank	0	0	0	0	0	0
Settlement has not yet been attempted	0	0	0	0	0	0
Has been followed up through legal process	0	0	0	0	0	0

XIV. Number of Legal Cases and Bank's Effort to Settle the Cases

As of 31 December 2016, the Bank still has some legal cases detailed in the table below:

Legal Cases	Number of cases		
	Civil Law		Criminal Law
	Bank UOB Indonesia as plaintiff	Bank UOB Indonesia as defendant	
Settled (has permanent legal power)	0	8	0
In settlement process	2	25	0
Total	2	33	0

XV. Legal Cases Faced by the Board of Commissioners and Board of Directors

Throughout 2016 there were no important cases faced by the Bank involving members of the Board of Commissioners and/or Board of Directors.

XVI. Administrative Sanctions

During 2016, there were no significant administrative sanctions. Most of the administrative sanctions imposed were caused by error and lateness in transactional reports. The Bank has followed-up improvement action in reporting, as well as the risk mitigation such as by conducting training and improving systems and controls.

XVII. Transactions Involving Conflict of Interest

During 2016 there were no conflict of interest transactions that could potentially harm or reduce the Bank's profits.

XVIII. Bank's Share and Bond Buybacks

During 2016, the Bank did not perform any share or bond buyback.

XIX. Donation for Social and Political Activities During the Period of 2016

Bank UOB Indonesia believes in its ability to actively develop a better environment by participating in various activities to develop the community. Below are the Bank's activities in 2016:

Category	Type of Activity	Description	Total Fund (in Rupiah)
Social and Community Relations	UOB Love, Cook & Share	To help and support childrens' welfare in Indonesia especially in providing health foods as well as providing basic financial education.	30,000,000
	UOB Heartbeat	UOB Indonesia raised funds from its employees for Indonesian artist empowerment through Yogyakarta Bienalle Foundation	100,000,000
		UOB Indonesia raised funds from its employees to help children with special needs through Daya Pelita Kasih Foundation	150,000,000
Religious	Sacrificial Livestock Event	To celebrate Islamic Day of Sacrifice 1437 H, we made an offering of 9 (nine) cows for 1.400 people (staff and neighbours).	215,680,509
	Giving Staple Food Package	To celebrate Idul Fitri 1437 H, UOB Indonesia gave staple food packages to 1,245 UOB non staff members, in the form of shopping vouchers.	250,628,770
	UOB Christmas Celebration/	UOB Indonesia staff organized an annual event and raised funds to help Bhakti Asih Multiple Disabilities Orphanage and Rindang Asih Nursing Home.	23,000,000
Education	Scholarship for Employees' Children	Education donations for 131 employees' children with outstanding achievements.	123,650,000
	Scholarship for Employees	Education donations for 3 employees with outstanding achievements to seek higher education.	120,220,000
	Internship	Provided an opportunity for final-year students to have an experience in the work environment.	114,825,000
Financial Literacy	UOB Inspiration	Provided financial education through UOBI Inspiration "Digitalization Workshop & Business Plan Competition" for students of Bandung Institute of Technology	240,000,000
	UOB Career Day	Provided financial education through UOBI Inspiration " Financial Education & Career Workshop" for students of University of Indonesia and Indonesia Banking School	60,000,000

Category	Type of Activity	Description	Total Fund (in Rupiah)
Financial Litercy	HR Experts Gathering	Provided financial education to increase financial knowledge in cooperation with HR from various industries through "HR Professional Gathering"	6,000,000
	Financial Education and Workshop	Organized talkshow seminar entitled "Economic Outlook "Post Indonesia Economic Reform & US Election : What's Next for Indonesia ?" to focus in building relationship with customers and give information regarding Economic Outlook 2013 to UOBI's customers	500,000,000
	Financial Education and Workshop	Through "Wealth Management Advisory" event provided education in financial planning and solution available in the bank	20,098,308
	SME Business Center	Through SME Business Center event, provided financial education in investment, loans and cash management in general with entrepreneur and expert in culinary business, fashion, travel & SME financing, and digital marketing as speakers	40,000,000
	SME Bankers Certification Program	Provided education in investment, loans and cash management in general for university in Bandung through SME Bankers Certification	10,000,000
Art	Bazzar Art Jakarta	Organized "Bazzar Art Jakarta" comprising art from art collectors, gallery owner and Indonesian artists which was aimed to introduce art to children between age of 8-12 years through a painting competition	150,000,000
	Painting Competition	Organized the 6th UOB Painting of the Year competition in 2016 to promote local artist and to bring Indonesian arts into Regional level.	704,020,250
Total Expense			**2,858,122,837**

XX. Code of Conduct

A. Code of Conduct

The code of conduct is the basis of the Bank's corporate governance framework which reflects the Bank's commitment to act fairly, properly and does not break the law. The management and employees, without exception, are committed to continue and enhance the implementation of corporate governance practices that promote moral and ethical principles appropriate to Bank's code of conduct

B. Coverage of Code of Conduct Implementation

All parties including the Board of Directors, Board of Commissioners and employees without exception, must understand, comply with and implement the Code..

C. Main Points of the Code of Conduct

The Bank periodically reviews the contents of the Code of Conduct and Code of Conduct as well as disseminating them to all employees and management, ensuring the guidelines and codes of conduct are understood and executed. The Bank's Code of Conduct is outlined in 6 (six) components, namely:

1. Responsibilities to the Bank
   The Bank is obliged to cooperate with external and internal investigators, the obligation to safeguard the interests of the Bank in terms of intellectual property rights, the use of information technology tools for Banks, recording and accurately, in accordance with the document storage and the prohibition to influence employees or other parties related to business relationships (non-solicitation).
2. Responsibilities at the Work Place
   The Bank is responsible to create a conducive working environment and non-discriminative.
3. Responsibilities to the Customers and Other External Parties
   The Code of Conduct contains provisions which prohibit employees from accepting any gift or money from external parties, and require employees to exercise appropriate business judgement when selecting third-party business associates. An employee may participate in political activities if he or she has obtained prior approval from Human Resources function.
4. Confidentiality
   Every employee shall protect the privacy of customers as well as the confidentiality of customers' data.
5. External Investment and Activities
   The Bank prohibits insider trading, avoid involvement in transactions that contain conflict of interest and prohibit any activities outside the Bank which directly or indirectly may interfere the performance of that employee and/or Bank.
6. Legal Provisions and Other Major Compliance
   The Bank's provisions prohibit any violation of the prevailing anti-trust law and oblige employees to comply with all prevailing laws and regulations.

D. Dissemination of Enforcement and Sanctions of Code of Conduct

Socialization for the Bank's Code of Conduct has been executed since the employee joined in the Bank by reading, understanding and signing to comply and follow the Bank's Code of Conduct. In ensuring that the employee has read, understand and implement the provision of Bank's Code of Conduct, the Bank requires its employee to to fill a declaration letter for an annual basis, in which the content is to declare that the employee has read and understand the provision of Bank's Code of Conduct as a refreshment.

As an enforcement action, the Bank has also monitored the transactions of the employee's account and used a vendor to screen the data and profile of the employee candidate and also conducted Debtor Information System checking.

It is expected that the employee will have a responsibility and also actively participated in preserving and enforcing the provision of Bank's Code of Ethics.

XXI. Corporate Culture

The Bank believes in the importance of fundamentals aspect in doing business. To that end, the Bank utilises its experience and expertise to support customers wherever they are. The Bank strives to provide the right solutions for customers to grow their assets, manage their business, and capture opportunities across the region. The Bank also believes in the importance of nurturing deep relationship and staying committed for economic and society growth where we operate.

In this way, the Bank creates value for all of stakeholders, now and in the future.

The core values of the Bank are as follows:

- Honourable - we act prudently to fuel our customers' success and maintain the highest professional and moral standard in all we do.
- Enterprising - we possess a forward-looking mindset, provide deep insight and taking initiative to find solutions.
- United - we reach our corporate and individual goals through cooperation, mutual respect and loyalty.
- Committed - we are accountable for ensuring that UOB is a trusted source of stability, security and strength.

XXII. Whistleblowing

The Bank has established a policy and procedures for whistleblowing. This policy provides for any employee to report in confidence any breach or potential breach of laws, regulations, and the Bank's policies, guidelines and code of conduct. The Bank prohibits reprisal against whistleblowers who have acted in good faith. Whistleblowers may report through Whistleblowing Hotline, or to their respective direct supervisor, Head of Internal Audit, President Director or Chairman of the Audit Committee.

A. Whistleblowing Procedure

Any whistleblowing report should be made based on fact. Anonymous reports received will be handled according to established procedures. The whistleblower must provide clear information and evidence which can be investigated and followed-up accordingly and has to be submitted either verbally or written to their direct supervisor/manager. However, the process relies on the severity or sensitivity of the related issues and the party suspected to commit the offence. If the whistleblower feels uncomfortable to report the issue or has suspicion on the management staff (including direct supervisor/manager) and the Directors, then the report must be directly submitted to the Head of Internal Audit or Chairman of the Audit Committee.

B. Protection for Whistleblower and Reported Party

Whistleblower submitting the report according to the policy, and acting in good faith, will be protected from the risk of dismissal or retaliatory action. The protection is not valid for a whistleblower who intentionally submits a false report, or reports made with malicious intent. The Bank will protect the whistleblower's indentity and will not disclose his/her identity without their permission. If there are any particular circumstances where the Bank fails to settle the issue without disclosing the whistleblower's identity (e.g. due to the evidence is required by the Court), Bank will discuss it with the whistleblower on how to follow-up this issue. The Bank assures that every report submitted to the Bank's officers will be treated with a high level of confidentiality. The Bank will also optimally strive to protect the confidentiality of whistleblower or a suspected party, and for anyone who provides information during the investigation process based on the prevailing laws. Internal Audit officers who are in charge of Whistleblowing Hotline will respond to every report submitted as well as ongoing issue through the following mechanism:

- Investigated by appropriate Unit/Division
- Referred to the Police Department through Whistleblowing panel/committee
- Recommended to the Audit Committee

If a necessary action required to be done immediately, it can be carried out before another investigation being settled. The policy implementation is not limited to the complaint severity, credibility and the extent to which it can be verified by existing sources.

C. Result of Whistleblowing

During 2016, there were 5 (five) cases reported through whistleblowing hotline and all cases have been resolved.

XXIII. Internal Communications

The Bank uses various internal communications media to educate its employees about banking industry, and to provide information on related business activities, policies, and the Bank's plan. The internal communications network consist of:

- UOB Intranet Portal
  Containing important information to support Bank's services and daily operations.
- CEO Message
  Containing information about Bank's strategic plan and achievement, also congratulatory messages on religious and cultural activities presented by the President Director.

- E-learning
  Conducted as a refreshment of implementing the Bank's policy information in which all UOB staff must participate in. The information provided includes policies on Know Your Customer, Anti Money Laundering, IT Security Awareness, Fair Dealing, Insider Trading and other policies related to banking operations.
- Daily News
  Sent on a daily basis to all staff which containing news summaries associated to financial institution and UOB Indonesia coverage in various printed and online media.
- Hello UOB
  Containing general information presented by Strategic Communication Work Function related to UOB Indonesia corporation both internal and external activities.
- HR News
  Sent to all staff which containing information on policies related to human resources in the Bank's environment.
- PFS News
  Containing information related to promotional activities carried out bu Personal Financial Services Work Function on privilege banking, savings, time deposits, credit cards, housing loans and other internal events held by PFS.
- TSB News
  Containing information on activities conducted by Transaction Banking Work Function.
- CASQ News
  Containing routine publication on information associated to customers services.
- IT News
  Containing information related to policies implemented in information and technology system within the Bank's environment.
- UOB One
  Is an internal electronic magazine which is sent through email to all employees of the Bank.
- Risk Management
  Containing information on risk implementation policies in the Bank.
- Poster
  The Bank created posters which contain information related to the Bank's policies, and stationed in staff's offices, both in head office and branch offices.
- Screen Saver
  The Bank utilise the employees' computer screen saver to provide the latest information about programs related to the employees' personal development.

XXIV. Corporate Social Responsibility

UOB Indonesia is dedicated in helping customers to manage their personal and business financial, and in conducting the Bank's business activities, we also committed in empowering the community where we operate. On that, the Bank is actively participating in the community through Corporate Social Responsibility focusing on art, children and education.

XXV. Customer Protection

UOB Indonesia conducts its business in a responsible manner. We provide quality services to our customers and ensure their financial needs are met. Our Customer Service and Call Centre always support every need of customer transactions. To ensure that the complaints and concerns of customers is well responded, the Bank implements a policy for handling complaints and settling disputes with customers. Bank procedures in receiving customer complaints in a branch office or our business units and for the settlement of disputes carried out in accordance with Indonesian laws and other regulations through Circular No. 14/CSQ/0005 regarding Revised Guidelines for Acceptance and Settlement of Customer Complaints. Customers who want to give feedback on the services of the Bank can fill out a form provided by Customer Service Officers at our branches. In addition, the Bank also provides information to customers about banking mediation through posters mounted on our branches. Bank Call Centre is equipped with an automatic answering machine and call center agent service for 24 hours. Call Centre handles customer questions about credit cards, savings and loans. We continuously improve the quality of service, therefore the Bank regularly holds special development program for the agents to increase their knowledge and ensure the delivery of accurate information to customers.

Table of Customer Complaint of 2016

Period	Within SLA		> SLA	Remarks			Completion Ratio
	<5 days	5-20 days	>20 days	Completed	In progress	Total	
1st Quarter	328	47	10	385	110	495	77.78%
2nd Quarter	363	48	17	428	91	519	82.47%
3rd Quarter	290	43	10	343	60	403	85.11%
4th Quarter	252	15	3	270	95	365	73.97%
Total	**1,233**	**153**	**40**	**1,426**	**356**	**1,782**	**80.02%**

SLA : Service Level Agreement

XXVI. General Conclusion of The Result of Self Assessment of the Implementation of Good Corporate Governance at PT Bank UOB Indonesia

UOB Indonesia conducted a self assessment of its implementation of Good Corporate Governance principles as of December 2016.

The Bank is rated by comparing its Good Corporate Governance implementation against the minimum criteria set by Bank Indonesia.

The Management is fully aware that the Bank should implement Good Corporate Governance to gain trust from customers as well as shareholders.

The Bank believes that Good Corporate Governance should be achieved with high standards in order to support business (for business growth, profitability, and value-added for all stakeholders) as well as to enhance its ability so that long-term business sustainability can be achieved.

Based on the GCG Self Assessment in the 2nd Semester of 2016, the Bank scored a composite rating of 2, which means that the Bank has achieved generally 'Good' GCG implementation. This is reflected by the adequate fulfilment of GCG principles.

Below is the result of GCG Self Assessment viewed from the aspect of governance structure, governance process and governance outcome.

The Bank has conducted a self assessment of the implementation of Good Corporate Governance principles for the period of January to December 2016. In general, the Good Corporate Governance principles have been applied to satisfy all eleven assessment factors and has included aspects of governance structure, governance process and governance outcome adequately.

Based on the assessment of the Governance Structure aspect, the Bank's organisational structure is made up of a Board of Commissioners, a Board of Directors and Committees, as well as work functions according to the Bank's needs and has complied with regulatory requirements. Its organisational structure is supported by completeness of policies and procedures, and management information system, as well as the provision of main duties and functions. These include several parameters to prevent losses that may arise from errors, oversight, and etc. The control is performed based on the whole of Internal Control System. The Board of Commissioners and Board of Directors have the responsibility to ensure the adequacy of sufficient management and monitoring on various risks faced by the Bank.

Similar to the assessment of Governance Process, the Bank has periodically conducts inspections to ensure the effectiveness of the implementation of Bank's policies, procedures and management information system by an independent Internal Audit Work Unit and External Audit.

The Bank is being managed based on three line defense mechanism. The implementation of three line of defense mechanism involved the risk taking unit (both Business Unit and Support Unit) as the first line of defense. Risk Management Function as the second line of defense and Internal Audit Function as the third line of defense. Concerning the good corporate governance, the Bank's management has perfomed, the following:

- Approved the periodic reviews on several policies, frameworks, work processes, products, risk measurements, changes in Bank's activities, changes in interest rate, risk limit stipulation, credit approval authority, credit policies, credit writte-off policies, and others.
- Ensured the adequacy of qualified human resources including the adjustment on organisational structure of Bank to be more focused and effective.
- Prepared the annual operational plan which covers the Bank's infrastructure development plan, human resources including training plan to improve staff qualifications.

- Disclosed the implementation of good corporate governance including the Bank's risk governance through print and electronic media to the shareholders and stakeholders (customers, suppliers, vendors, regulators, the public, rating agencies and other related agencies).

In the assessment of Governance Outcome aspect, the Bank has consistently met the expectation of stakeholders, namely:
- adequacy of report transparency;
- compliance with laws and regulations;
- customer protection;
- objectivity in performing assessment/audit;
- Bank performance (in earnings, efficiency, and capital); and
- improvement of compliance with prevailing provisions.

In the assessment of Governance Outcome aspect, the Bank has consistently met the expectation of stakeholders, namely:
- adequacy of report transparency;
- compliance with laws and regulations;
- customer protection;
- objectivity in performing assessment/audit;
- Bank performance (in earnings, efficiency, and capital); and
- improvement of compliance with prevailing provisions

From the Bank's achievement, by the end of 2016 the Bank has shown a good performance which can be seen as follow:
- Capital Adequate Ratio (CAR) at 16.43 per cent, above the minimum requirement at 9.625 per cent;
- Increase in net profit before tax by 5 per cent; and
- Lending growth by 7.5 per cent.

These are reflecting that the Bank's Business Plan has been carried out effectively.

Moreover, under the the tax amnesty programme, the Bank facilitated repatriation of funds in the amount of IDR4,201 billion from 177 customers and compensation fees in the amount of IDR1,646 billions from 3,950 customers.

Based on the assessments results of the governance aspects, a few areas for enhancement have been identified as follows:

1) Improvements are still required in the Bank's internal control system, There were administrative sanctions imposed by regulators due to error in reporting, which was generally caused by human factor and lack of control from supervisor. As for improvement actions and prevention of similar incidents from occurring, the Bank has carried out the followings:
   - Prepared renewal on Guideline of Risk Based Key Performance Indicator (KPI) Adjustment, where the penalty upon regulatory breaches will be heavier;
   - Instructed relevant units to improve dual control;
   - Formed a task force to analyse the potential for error in reporting to regulators and to implement necessary improvement actions;
   - Conducted refreshment training for reporting officer as well as supervisors.
2) With the growth in the Bank's business and complexity, seen from the increase of total assets and variety of product and new programs, it is predicted in the future the number of IA's staff is not enough. To overcome this situation, IA is developing its offsite audit (desk audit) activities to ensure the smoothness of audit processes.
3) There is a lack of Bank guidelines for preparation of annual publications. The Bank is in the process of preparing the aforementioned internal guidelines.
4) There is room for improvement in Risk Control System particularly for Credit Risk and Operational Risk.

Risk Management

Risk Management has a very important role for the Bank to support the sustainability of business activities. A good risk management implementation may support the Bank in order to prevent losses and minimize future potential losses. Additionally, a proper and effective risk management implementation also could provide additional value for shareholders, as the Bank could take proper anticipation measures through the availability of the updated information on potential risks.

Risk Management in UOB Indonesia ("Bank") is implemented thoroughly to support the sustainability and business growth of Bank. This process is in accordance with the Risk Management Vision which is "To embed a strong risk management culture in order to support a sustainable, trustworthy and sound business growth". With this strong risk management culture, variety of risks arised from business activities of the Bank shall be consistently identified, managed, monitored, supported with internal control, and followed up the appropriate measures, to minimize the impact of risk, if or when it occurs. The impact of failure in mitigating risks on a timely basis may be very significant. However, if the risks are identified and mitigated effectively and promptly, it may result in opportunities for the business development. Hence, the Bank consistently develops and implements Risk Management controls for all of the inherent risks.

In order to achieve the Risk Management Vision, the Bank applies the following Risk Management principles:

- Delivery of sustainable long-term growth through by embracing sound Risk Management principles and business practices.
- Continual improvement of risk discovery capabilities and risk controls.
- Conduct of business development within a prudent, consistent and efficient Risk Management framework that balances risks and returns.

The risks taken by the Bank in implementing its business strategies are managed in accordance with the Bank's prudential principle. Bank also has determined Risk Management Values which are "AWARE" (Accountable, Weighted, Accurate, Responsive, and Excellence).

The Bank's risk management framework are implemented based on the Three Lines of Defence principle, which is as follows:

1. First Line of Defence - Risk Taking Unit
   Consists of business and supporting units, responsible to manage risks from their business activities, including managing risks in accordance with the established risk policies, limits, and appetite.
2. Second Line of Defence - Risk Oversight
   Consists of the Risk Management Function and the Compliance Function, responsible to develop risk management policies and frameworks, risk appetite, and limits. As part of their governance oversight, both of these Functions are also responsible to conduct independent reviews and oversight of the Bank's risk profile, including reporting any material risks to the respective management.
3. Third Line of Defence - Independent Audit
   Consists of the Internal Audit Function and External Audit, responsible to conduct risk based audits covering all organizational aspects to ensure the effectiveness of Risk Management implementation.

As governed in the regulatory provision, the Bank established an independent Risk Management Function which directly reports to President Director.

Risk Management Function, actively reviews the overall risk appetite and risk limits for each type of risk, develops Risk Management policies and procedures in accordance with the business strategy of Bank, and emphasizes that the risk management process should also involve all relevant parties in the business lines. Hence, Bank seeks to build a strong Risk Management culture through the implementation of various risk awareness campaigns coordinated by Risk Management Function.

Risk Management aims to improve the quality of managing the Bank through two aspects, which are to maintain capital and optimize returns in accordance with the risk appetite. Due to a wide scale of operation and increase of business volume, Bank continuous to improve the quality of risk management in comprehensive and integrated manners (Enterprise-Wide Risk Management) through process of identification, measurement, monitoring and controlling risk exposures across all organizational lines promptly and accurately.

A. General Risk Management Implementation

Bank implements Risk Management Framework which covered the implementation of four pillars of Risk Management in accordance with OJK Regulation No.18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks which consists of:

1. Active supervision of the Board of Commissioners and Directors.
2. Adequacy of policies, procedures, and limits.
3. Risk Management processes and Risk Management information system.
4. Internal control system.

with brief explanations as follows:

A.1 Active Supervision by Board of Commissioners and Directors

Board of Commissioners and Directors are responsible to ensure the adequacy of Risk Management implementation aligned with the characteristics, complexity, and risk profile of the Bank, and to have a good understanding of the types and levels of risks inherent in the business activities of the Bank.

The Bank has several committees at the Board of Commissioners level which consists of the Risk Monitoring Committee, the Remuneration and Nomination Committee, and the Audit Committee. In the process of supervision, the Risk Monitoring Committee conducts regular meetings with the Risk Management Function to oversee the implementation of the Risk Management Framework in the Bank.

Meanwhile at the Board of Directors level, the Bank has various committees such as the Risk Management Committee (RMC), the Asset and Liability Committee (ALCO), the Credit Policy Committee (CPC), and others. The duties and responsibilities of these committees are to review the adequacy of the Risk Management methodologies, policies, procedures and authorization of limits. These duties and responsibilities are documented in the Terms of Reference of each committee.

To support the Risk Management implementation, the Board of Directors determines clear qualification criteria for risk management personnel and ensures sufficiency of competent staff through recruitment and various programmes including continuous development and training, succession planning and job rotations. These ensure that officers and staff understand and manage risks in accordance with the Risk Management Framework.

A.2 Adequacy of Policy, Procedure, and Limit

The Bank establishes various Risk Management Frameworks, Policies and Procedures to identify, measure, monitor and control risks. The Risk Management Function continues to develop and update these frameworks, policies, and procedures to align with the changes in the Bank's business activities and any regulatory requirements.

The Bank reviews the risk appetite regularly in order to align with the changes of internal and external conditions of the Bank, management expectations, as well as the regulatory provisions. Risk limits have been in place for various risk types and in line with the Bank's risk appetite. All excess limits and any significant changes are escalated to the related Directors and officers for further action plans.

A.3 Risk Management Process and Risk Management Information System

Bank implements Risk Management through four stages, which consists of:

a. Risk identification is conducted pro-actively, by analyzing all sources of risk on the products and activities of Bank, including ensuring the adequacy process of identification and assessment of the inherent risks on new products and activities prior to its launch.
b. Risk measurement is conducted in regular basis to measure overall and individual risk factors and exposures on all products and business activities of Bank.
c. Risk monitoring covers monitoring the level of risk exposure, risk tolerance, internal limit compliance, stress testing result, and consistency between the implementation and established policies and procedures.
d. Risk controlling is conducted through a framework of policies, processes, and procedures which include the determination of exposure and concentration limits, proper segregation of duties, and other risk mitigation methods as well as improvement of control functions at all activities of Bank.

To support the overall Risk Management process, the Bank implements and develops a robust Risk Management information system in order to identify, measure, monitor, and control risks. The Risk Management Function also provides various reports of the Bank's Risk Management implementation to the Board of Directors and Senior Executive Officers, as well as regulators.

The Bank conducts investment to build and develop Information Technology based automation systems to ensure the accuracy of risk profile monitoring process result. Some of these automation processes have been in place to identify and detect any changes in the risk profile promptly and accurately so that the Bank can take effective and efficient risk mitigating measures.

A.4 Internal Control System

An effective internal control system is performed toward the implementation of business and operational activities at all organization levels to support the process of Risk Management implementation based on the established policies and procedures which include:

a. Conduct segregation of duties between operational units with risk control units.
b. Assign an independent Risk Management Function, which responsible to develop various Risk Management policies and limits, develop risk measurement methodologies, and perform data/model validation.
c. Assign an independent Internal Audit Function, which responsible to conduct periodic audits, document audit findings and management responses of the audit result, and review follow up of audit findings.
d. Review and monitor every transaction and functional activities that have risk exposures as necessary, which is performed by each unit.

B. Risk Management Implementation for Each Risk Type

Bank established various Risk Management policies which consists of 8 types of risk: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk, and Reputation Risk.

B.1 Credit Risk

Credit Risk is defined as the risk of loss arising from any failure by a debtor or a counterparty to fulfill its financial obligations as and when they fall due. Credit Risk is the single largest risk that the Bank faces in its core business as a commercial bank, arising primarily from loans and other lending-related commitments to retail, corporate and institutional borrowers. Treasury and capital market operations, and investments also expose the Bank to counterparty and issuer Credit Risks. The Bank believes that a disciplined approach towards credit risk measurement is essential to the effective understanding and management of credit risk.

Credit Risk Management Governance Structure

Board of Commissioners, Directors and Senior Executive Officers are responsible to ensure the Bank's governance activities as follows:

a. Ensure the adequacy of Risk Management resources;
b. Review the overall risk profile, limits and tolerance;
c. Review and approve risk measurement models and approaches;
d. Approve Bank's credit policies;
e. Approve credit concentration limits (including collateral, country/cross border, industry, borrower, obligor and portfolio limits);
f. Approve Internal Rating-Based (IRB) parameters, models and scorecards in accordance with the Bank policies.

To support the above responsibilities related to Credit Risk Management, the Bank has several committees at Director level such as Credit Committee (CC) and Credit Policy Committee (CPC).

In April 2016, the Bank also established Credit Management Working Group (CMWG), a working group chaired by the President Director with the purpose of:

a. Monitoring credit portfolio;
b. Monitoring credit quality and other matters related with watch list and special mention accounts;
c. Developing action plan and performing credit restructuring for any credit with deteriorating collectability;
d. Developing collection strategy, asset selling, and performing foreclosed assets for credit with deteriorating collectability/ NPL.

Credit Risk Management Division (CRM) provides independent oversight of Credit Risk and is responsible to report and conduct analysis of all elements of Credit Risk. CRM develops various core policies and guidelines related to Credit activities, and also monitors and manages Credit Risk within the established framework. CRM actively engages with business functions to manage credit issues, which focus in facilitating the prudent business developments, consistently and in accordance with the Credit Risk Management framework. It aims to create added value for the Bank through the implementation of Credit Risk method and policies consistently.

To maintain independency and integrity of the credit approval process, Credit Approval Function is separated from business functions. Credit Approval Function is independently responsible for performing overall analysis, evaluation, and credit approval without relying on external credit assessors. Credit Approval Function performs its duties guided by the credit policies, product programmes and credit initiation guidelines.

Furthermore, the Bank has an independent credit review process and independent credit processing function, to ensure all accounts are properly graded and classified according to internal policies and regulatory provisions.

Credit Risk Management Policy

Bank established the various following policies to manage Credit Risk:

a. General Credit Policy for Corporate, Comercial, Bank (including Non-Bank Financial Institution) and Sovereign that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages Credit Risk. This policy also includes the Credit Classification rule that governs the assessment of credit quality based on five credit grades of Pass, Special Mention, Substandard, Doubtful and Loss.
b. Consumer Credit Policy that governs the principles of credit extension, the credit principles and standards by which the Bank undertakes and manages Credit Risk for the consumer segment.
c. Credit Concentration Risk Management Policy that manages Credit Concentration Risk.
d. Credit Restructuring Policy (Non-Retail) provides guidance on restructuring credit facilities to borrowers who are facing difficulties in meeting their financial obligation to the Bank.
e. Green Banking Guideline, on the Bank's role to support the Government's programme to preserve the environment.
f. Watchlist Accounts Guideline provides the criteria of watchlist accounts and guidance on the management of watchlist accounts. These watchlist accounts require close monitoring due to the potential deterioration of borrower's repayment capability.
g. Asset Classification Policy lays down the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.
h. Credit Risk Mitigation Policy specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.
i. Credit Risk Scorecard & Override Rating Policy, contains the Bank's override policies and guidelines for adjusting the rating output.
j. Workflow for Basel II ECAI (External Credit Assessment Institutions) Process lays down the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation.
k. Credit Risk Management Framework that governs the management of Credit Risk in the Bank.

Credit Risk Management Framework

Credit Risk Management framework covers the whole cycle of Credit Risk, supported by comprehensive Credit Risk process, which also use models to quantify and manage the risk efficiently and consistently.

Credit Risk Mitigation

As a basic principle of credit activity, the Bank does not grant credit facilities based solely on the the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate Credit Risk. The value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity, and volatility of the collateral value. The main types of collateral taken by the Bank are cash, marketable securities, real estate, equipment, inventory and receivables.

Credit Assessment and Approval

Approval of credit facilities and exposures to borrowers and/or other counterparties is in accordance to the credit discretionary limits approved by Executive Committee. Bank has established a structure for the delegation of Credit Discretionary Limits (CDL), including the escalation process for approval of exception, excesses and credit extension beyond prescribed limits.

The credit approval authority is delegated through a risk based CDL structure where the CDL to approve a credit is scaled according to the borrower's credit rating. Besides, the delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officer. Credit Risk Management Division acts as the custodian of the CDL structure to ensure that the CDL's are properly administered.

Credit Management and Special Asset Management
The Bank classifies its credit portfolios according to borrower's ability to repay the credit facility from their normal source of income. Any account which is delinquent or in excess for more than 90 days will automatically be categorized as Non Performing Loan by the Bank's NPL system to ensure independence of classification.

All borrowing accounts are categorized into Pass, Special Mention, or Non-Performing (Substandard, Doubtful or Loss) in accordance with the regulatory provisions. Account grading must be supported by a credit assessment based on the repayment capability, cash flows and financial position of the borrower.

Credit Management and Special Asset Management Divisions respectively monitor weak credits and manage non performing assets. These units are separate from the loan origination units to ensure independency and objectivity in managing non performing loans.

Impairment
Credit facilities are downgraded to impaired/non-performing loan status when any of the following criterias are met:

a. the principal and / or interest are in past due more than 90 days;
b. the outstanding amount, including interest of a revolving credit facility is in excess for more than 90 days;
c. the credit facility exhibits weaknesses that render a classification appropriate, although the amount past due or in excess is less than 90 days.

Bank uses both Individual and Collective approaches in determining the impairment allowances.

Credit Exposures under Basel II

Bank currently uses the Standardized Approach under Basel II to measure the risk weighted asset (RWA) for Credit Risk. The guidelines for assignment of credit exposures to Basel II asset classes are documented in the Asset Classification Policy.

Under the Standardized Approach, Bank's exposures are classified into 11 asset classifications and portfolios, as follows:

a. Sovereign
b. Non Central Government Public Sector Entities
c. Multilateral Development Bank
d. Banks
e. Corporate
f. Employee/Retiree
g. Claim Secured by Residential Property
h. Claim Secured by Commercial Real Estate
i. Overdue Claims
j. Other Assets
k. Claims on Micro Business, Small Business, and Retail Portfolio

Currently, Bank only recognizes credit ratings from Fitch Ratings, Moody's Investors Service and Standard and Poor's.

B.2 Market Risk

Market Risk is the risk of loss arising from movements in market variables on the position held by the Bank which can result in losses for the Bank. Market variables that influence the position of the Bank are interest rates and exchange rates, including changes in the price of the option.

Market Risk Management Governance Structure

Board of Directors delegates authority to Assets and Liabilities Committee (ALCO) to provide oversight on Market Risk Management. ALCO reviews and provides direction on all market risk related matters.

In practice, ALCO is supported by Market and Balance Sheet Risk Management (MBR) Division. MBR Division, particularly through Market Risk Management and Control Unit, is an independent risk control unit that responsible to operationalize the Market Risk Management framework in order to support the business growth and ensure the adequacy of risk control and oversight.

Bank established the roles and responsibilities on each level of the position which related to the implementation of Market Risk Management and tailored with the purpose, business policy, size and complexity of the Bank. These roles and responsibilities are governed in the Market Risk Management Policy.

Market Risk Management Policy

Bank established Market Risk Management Policy as guidance of Market Risk Management implementation. Market Risk Management Policy is reviewed at least annually to conform with business changes, management directives, and regulatory requirements, approved by ALCO.

Market Risk Management Framework

The Bank's Market Risk framework comprises of Market Risk policies and practices, delegation of authority and Market Risk limits, validation of valuation and risk models, and others. This framework also encompasses the process of new product / service to ensure the identified Market Risk issues are adequately addressed prior to its launch.

The main responsibility of Market Risk Management and Control Unit (part of Market and Balance Sheet Risk Management Division) is responsible to identify, measure, monitor and mitigate Market Risk, as well as to escalate any exceeds of limit transactions. All Market Risk appetites and controlling limits are reviewed at least once a year that inline with the business strategy and capital adequacy of Bank.

The Bank's Market Risk measurement methods are able to:

1) measure the sensitivity and exposures to Market Risk under normal and stress conditions;
2) provide the outstanding and potential profit and loss on a daily basis;
3) perform mark to market valuations; dan
4) accommodate increase in volume of activities, changes of valuation techniques, changes in methodology and new products.

The Bank calculates Market Risk capital requirements using the standardized approach as defined by regulator. Internally, the Market Risk is measured and controlled using internal models. Bank adopted the method of Value at Risk (VaR) calculation with a historical simulation to measure the potential losses at 99% confidence level using historical data of 300 days. Estimation of VaR is backtested using Profit and Loss data on trading book to validate the accuracy of the methodology. The process of backtesting is performed to analyze whether the deviation due to weaknesses in the model calculation or genuine movement of the market. All identified irregularities are explained and model deficiencies are addressed. To complement VaR measurement, stress tests is conducted on the trading book portfolios to identify the Bank's vulnerability in the event of crisis.

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book is defined as the risk of potential reduction in or loss of earnings (net interest income) and capital (the economic value of the Bank) due to changes in interest rates environment.

Interest Rate Risk Management Governance Structure

ALCO is delegated by the Board of Directors to supervise the effectiveness of Interest Rate Risk Management governance. Market and Balance Sheet Risk Management Division supports ALCO in monitoring the profile of interest rate risk in the banking book. At the operational level, the Global Markets - PLM (GM-PLM) and Central Treasury Unit (CTU) Divisions are responsible for the effectiveness of the management of interest risk in the banking book tailored with the established interest rate risk management policy.

Interest Rate Risk Management Framework

The primary objective of interest rate risk management is to protect and enhance capital or economic value through adequate, stable and reliable growth in net interest earnings under a broad range of possible economic conditions.

Exposure is quantified on a monthly basis using static analysis tools, such as repricing schedules and sensitivity analysis. They provide indications of the potential impact of interest rate changes on interest income and price value through the analysis of the sensitivity of assets and liabilities to changes in interest rates. Mismatches in the longer tenor will experience greater change in the price-value of interest rate positions than similar positions in the shorter tenor.

Both earnings (or net interest income or NII) and economic value of equity (EVE) approaches are applied to assess interest rate risk from interest rates changes in different interest rate scenarios such as changes in the shape of yield curve, including the highest and lowest scenarios.

Stress testing is also performed regularly to determine the capital adequacy of Bank in meeting the impact of extreme interest rate movements of both on and off balance sheet. Such test also aims to provide early warnings of potential extreme losses, in order to provide proactive interest rate risk management to align with any rapid changes of financial market environment.

B.3 Liquidity Risk

Liquidity Risk is defined as the risk to a bank's earnings or capital from its inability to meet its obligations or fund the increase in assets as they fall due, without incurring significant costs or losses.

Liquidity Risk Management Governance Structure

Assets and Liability Committee (ALCO) assists the Board of Directors in managing the Bank's Liquidity Risk. Liquidity Risk is consistently reported and discussed in the ALCO meeting, which is conducted regularly, with minimum once a month.

In addition, the growth of the liquidity position is also presented in Risk Management Committee (RMC) meeting and to the Board of Commissioners (BOC) through Risk Monitoring Committee (ROC) meeting. Analysis and control of Liquidity Risk is performed by Market and Balance Sheet Risk Management (MBR) Division, particularly through Balance Sheet Risk Management Unit, which responsible to monitor, measure, and report the Bank's Liquidity Risk and IRRBB.

Bank established the roles and responsibilities on each level of position which related to the implementation of Balance Sheet Risk Management and tailored with the purpose, business policy, size and complexity of Bank. These roles and responsibilities are governed in the Liquidity Risk Management Policy.

Liquidity Risk Management Policy

Liquidity Risk Management Policy is developed by Balance Sheet Risk Management Unit (part of Market and Balance Sheet Risk Management Division), which provides details on how Liquidity Risk is effectively managed by the Bank. This policy aims to address the Liquidity Risks that might arise primarily from the business activities of extending loans, making investments, accepting deposits and other funding requirements on trading activities. This policy is reviewed at least annually to incorporate significant business changes, management objectives and regulatory requirements approved by ALCO.

Liquidity Risk Management Framework

Liquidity Risk arises because of discrepancy between the period of funding and disbursement of loan on Bank's business activities. In addition, Liquidity Risk is also closely related to other risks and very sensitive to the negative trend of financial condition.

To mitigate the Liquidity Risk, the Bank established Liquidity Risk management policy, including the establishment of strategies and limits which appropriate with the risk level taken by the Bank.

Bank strategies focus on the business development within the Liquidity Risk framework which is performed prudently, consistently and efficiently in order to balance the risk and returns. This is perfomed through ensuring the effectiveness of risk findings by using the main principles of Risk Management, which are risk identification, measurement, controlling, monitoring and analysis or reporting. Bank determined clear duties and responsibilities on every level positions related to the Liquidity Risk Management implementation tailored with the objectives, business policy, size and complexity of the Bank.

The key measures used by the Bank for managing Liquidity Risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, and also by monitoring liquidity ratios as an early warning indicator i.e. decreased in non-bank deposits, LDR, Top 50 and 20 non-bank depositors ratios, swap funding ratio, undrawn facility ratio, Interbank Funding Mix ratio, and Top 20 bank depositors ratio. In addition, Bank also monitors the stability of its 'core deposits' which consist of non-bank stable deposits such as current account, savings account, and fixed deposit by analyzing their volatility overtime. Balance Sheet Risk Management Unit is responsible to enhance, implement, maintain, review, develop and communicate assumptions, methodologies, sources of data, delegation of authority, stress testing and procedures that used to measure the Liquidity Risk.

Several strategic actions have been taken to manage Liquidity Risk. On the funding side, Bank conducts an in-depth evaluation of its funding capacity focusing on funding sources, concentration, tenor, and access to other funding sources in the market. Meanwhile from the asset side, Bank conducts analysis of the type and composition of asset such as loans, liquid assets, and policies for financial instrument that covers the acceptable criteria for trading and investment assets. Updated information regarding financial market and economic condition are also critical to be done in order to understand the amount of funding available from the market under normal and stress conditions. Furthermore, new product/transaction/activities that have exposure to Liquidity Risk should be adequately reviewed and approved prior to its initiation.

The cash flow analysis of net funding requirement involves the preparation of cash flow mismatch based on actual contractual maturity. Contractual cash flow profile allocates asset, liabilities, and off balance sheet items into time band by remaining maturity. Bank also produces cash flow mismatch report based on behavior assumption, related to behavior analysis of asset, liabilities, and off balance sheet, and provides potential cash flow projection based on assumptions which derived from the behavior patterns. From the behavior cash flow analysis, the expected Net Cumulative Outflow (NCO) gaps that will be encountered are obtained.

The daily and monthly cash flow mismatch reports are produced by Balance Sheet Risk Management Unit and monitored by Market Risk Management & Control Unit by comparing the daily report position against NCO limit. Balance Sheet Risk Management Unit also ensures that the Bank is not exposed by Liquidity Risk and provides report to senior management for action that will be taken to mitigate and manage the Liquidity Risk.

Internally, the Bank performs calculation and monitoring of LCR on a daily basis and Net Stable Funding Ratio (NSFR) on a monthly basis, where both ratios are reported in ALCO meeting. To support the Risk Management implementation particularly related to Basel III, the Bank wil continuous to develop and enhance the process and database in order to perform the monitoring activities effectively.

Contingency Funding Plan

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. The CFP outlines the actions to be taken by the Bank in the event of a liquidity crisis and would be activated in the event of a liquidity stress situation. It serves to identify and recognize a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick, precise, and effective decision-making. The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organisational structure of the Bank, in order to determine the most relevant indicators for managing liquidity and funding. In addition, the Bank also established a Liquidity Task Force (LTF) which responsible to evaluate liquidity position and decide actions to be taken when crisis occurs.

B.4 Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The purpose of grouping those risk types is to align the perception and understanding throughout the organization and set the basis for Operational Risk identification, measurement, evaluation, mitigation, monitoring and reporting.

Operational Risk Management Governance Structure

In order to implement adequate Operational Risk Management, the Bank has various Operational Risk Management policies and procedures. In Semester II of 2016, the Bank has merged Operational Risk Management Committee (ORMC) into Risk Management Committee (RMC) and increased the meeting frequency to regularly every month, which aims to improve the effectiveness of the Bank's overall Operational Risk Management. In addition, the Bank has implemented Business Continuity Management, Crisis Management Plan and Disaster Recovery Plan as a precaution to manage emergency situations that may disrupt the Bank's operations.

Operational Risk Management Policy

The Bank has issued the Operational Risk Management Framework and established Operational Risk Management Policy to guide all business and supporting units in the implementation of Operational Risk Management for their respective areas. Operational Risk Management Policy is reviewed periodically in order to align with the Bank's internal and external conditions, and approved by the Board of Directors through the Risk Management Committee. The update of Operational Risk Management Policy has been performed through the following:

1. Changes in Operational Risk Management strategy and tools.
2. Assessment of new product and activities.
3. Assessment of outsourcing activities in order to comply with the prevailing regulations.
4. Assessment of Business Continuity Management implementation strategy.
5. Assessment of Operational Risk Management monitoring process and reporting.

Operational Risk Management Framework

The Bank established an Operational Risk Management Framework to ensure ongoing process of a robust Operational Risk Management that comprises risk identification, assessment, mitigation, and monitoring in a structured and consistent manner. Operational Risk Management process is applied based on current market best practices. In general, the Operational Risk control strategy is carried out through the principal and methodology of Three Lines of Defense which includes Business Continuity Management, Fraud Risk Management, Insurance Management and Outsourcing Management.

Bank applies the principle of Three Lines of Defense, in which Operational Risk Management Division and Compliance Function serve as 2nd Line of Defense and become independent parties that periodically conduct a review of risk mitigation measures supported by Operational Risk Management policies, procedures and tools that are tailored to the Bank's business activities. Bank's limits and policies are reviewed at least annually to comply with the Bank's conditions. Periodically the Internal and External Audit findings are followed up and reported.

Implementation of the review was also carried out by Internal Audit as the 3rd Line of Defense on a regular basis, in terms of methodology, frequency, and reporting to the Board of Commissioners and Directors. The results of the Audit reviews are submitted to Audit Committee and other relevant Directors in order to improve the Risk Management framework and processes. Improvements made by the business / support functions on the internal audit findings are monitored by Internal Audit Function, as well as reported to the Board of Directors for any follow-up actions, if necessary.

The main focus of the Bank's Operational Risk Management programme is to strengthen the Operational Risk infrastructure and governance. Bank established Operational Risk Management framework that includes the risks identification, measurement, mitigation, controlling, and monitoring as follows:

1. Operational Risk identification is done by reviewing new products and activities, Key Risk & Control Self Assessment (KRCSA) implementation, General Operating and Control Environment Questionnarie (GOCEQ) implementation, Key Operational Risk Indicators (KORI) implementation, and outsourcing risk assessment.
2. Operational Risk measurement is done by using a matrix of impact and likelihood.
3. Operational Risk monitoring is conducted by analyzing various reports such as Operational Risk Highlight, Incident Reporting Form (IRF), KORI, KRCSA, GOCEQ, outsourcing activities, and new products and activities.
4. Operational Risk is controlled by carrying out the action plans for the various Operational Risk events that have been identified through a variety of Operational Risk tools and methodologies, including the determination of limit transactions and risk transfer through insurance and outsourcing as well as the establishment of a Business Continuity Plan (BCP).

Operational Risk Management process is the responsibility of all employees in the Bank. Various Operational Risk Management initiatives and programmes that have been implemented to increase risk awareness and effectiveness of Risk Management implementation, are as follows:

1. To ensure that the Bank's operations are aligned with the level of risk tolerance, the Bank appointed Line Risk & Control Manager (LRCM) as the person in charge (PIC) for the implementation of operational risk management in each working unit as the 1st Line of Defense. To upskill the LRCMs, ORM Division collaborates with HR – Learning & Development Division holds regular training and socialization sessions on Operational Risk Management for the LRCMs.
2. Conducts training/workshops on a regular basis for unit BCP Manager in order to improve their understanding on their tasks and responsibilities, especially in developing Business Impact Analysis (BIA) and Business Continuity Plan (BCP) documents. In addition, ORM Division also conducts Crisis Management Team (CMT) simulation, Business Continuity Plan (BCP) and IT Disaster Recovery Exercise every year.
3. Continues and conducts regular reviews on the implementation of Operational Risk programmes, such as Operational Risk Incident Reporting, Key Risk and Control Self Assessment (KRCSA), Key Operational Risk Indicator (KORI), Business Continuity Management, Outsourcing Management and Insurance Management.
4. Develops Operational Risk Management culture in all working units through socialization and training (such as an email blast, workshop & training, e-learning, and others).
5. Calculates Bank's minimum capital adequacy requirement for Operational Risk factors based on the Basic Indicator Approach in accordance with the regulatory provisions. Bank also made preparations for implementing the higher standards of calculation based on the Standardized Approach.
6. Strengthens Business Continuity Management (BCM) Policy implementation, through developing Regional and Local Command Center, establishing Regional Command Center Procedures, forming Emergency Response and Recovery Team, and conducting simulation, training and testing to ensure readiness.

Risk Management

Business Continuity Management

The Bank established and regularly updates Business Continuity Management (BCM) Policy and Guideline that cover Business Impact Analysis (BIA), Operational Risk assessment, recovery strategy performed by the Bank for each type of disruption, documentation of disaster recovery and contingency plan, and evaluation of BCM programme effectiveness.

The Bank will continue to increase its capability to minimize the likelihood and impact of identified disaster. The Bank has initiated a strategy to manage a wide-area disruption, especially for Jakarta area. In order to support and improve the Bank's BCM readiness, several BCP exercises are conducted on a regular basis. The exercises include BCP Exercise, Disaster Recovery Exercise for IT system and Management Call Tree Exercise.

Quality Assurance

The Bank will continue to enhance the roles of Quality Assurance to support Branches in managing Operational Risk. Various workshops and socializations on Fraud Risk Awareness and Branch Assurance Programme for Quality Assurance are held to ensure that branches continue to be effective and capable of performing their roles in a risk-controlled manner. The Quality Assurance Control Checklist was developed and periodically reviewed to support Quality Assurance team in assessing the adequacy and implementation of controls in Branches.

B.5 Compliance Risk

Extensively for the Bank's internal purposes Regulatory Compliance Risk is defined as:

- the risk of legal or regulatory sanctions, material financial loss, or loss to reputation the Bank may suffer as a result of its failure to comply with laws, regulations, rules, standards or codes of conduct (established by industry associations) applicable to the Bank's business activities and operations; and
- the risk that a change in laws and regulations, can increase the cost of operation and the cost of capital for the Bank thereby impacting the Bank's earnings or returns.

In line with Bank Indonesia Regulation No.13/2/PBI/2011 concerning the Implementation of Compliance Function for Commercial Banks, one of the Compliance Function strategy is the Management of Compliance Risk, through compliance culture on all working levels of the organization and to ensure that all of the Bank's policies and business activities are in line with the prevailing regulations.

Compliance Risk Management Governance Structure

The implementation of compliance function in the Bank is the responsibility of all stakeholders. Stakeholders involved in managing Compliance Risk are as follows:

- Board of Commissioners evaluates the implementation of Bank's compliance function at least twice a year.
- Board of Directors approves the Compliance Charter and ensures the implementation of compliance culture at all levels of the organization and Bank's business activities.
- Senior Executive Officer is responsible to foster and ensure the implementation of compliance culture at all level of Bank's organization and business activities, as well as ensuring the implementation of Bank's Compliance Function.
- Executive Officer is responsible to ensure implementation of compliance culture in all activities in function and/or branch and/or related unit.
- Compliance Director is responsible to formulate strategy to encourage the creation of Bank's Compliance culture, establish compliance systems and procedures that will be used to formulate Bank's internal provisions and guidelines.
- Compliance Advisory and Monitoring Division monitors the effectiveness of the implementation strategy of the Compliance function in accordance with the policies, systems and procedures, and manage the Bank's compliance with the Bank's commitment to the regulator, and take steps to institute a compliance culture in all the Bank's business activities.
- Compliance Review and Testing Division identifies, measures, monitors, and manages compliance risk with reference to the Regulators' regulations concerning the risk management implementation for commercial banks. This is performed by coordinating with the business/support function to ensure that the Bank's policies, provisions, systems, and procedures, as well as business activities are in accordance with the regulations from Regulators and other applicable regulations.
- AML/CFT and Sanctions Division formulates and institutionalizes an Anti Money Laundering and Countering the Financing of Terrorism framework that is robust to manage the Bank's exposure to money laundering and terrorist financing risks.
- Risk Management Function is responsible to implement the risk management frameworks, strategy, policies, processes, and controls to manage all risks of the Bank.
- Internal Audit Function independently evaluates the reliability, adequacy, and effectiveness of internal controls and risk management processes of the Bank; assesses the extent to which the Bank's objectives, corporate governance, and management directives are achieved through the review of systems and operations; determines whether the Bank complies with laws and regulations and adheres to established policies, plans and procedures, and whether Management is taking the appropriate steps to address control deficiencies; and provides objective assurance to add value and improve the Bank's operations.
- Legal Function is responsible for providing legal advice and guidance, monitoring and reporting legal risk, and also responsible for the development and maintenance of policies, procedures, and guidelines for the management of legal risks on a Bank-wide basis.
- Line Managers and Staffs are accountable for Compliance Risk and responsible to ensure compliance with all regulations.

Compliance Risk Management Policy

One of the strategies for Compliance Risk Management is the establishment of Compliance Charter and Compliance Guidance as two main policies and procedures in managing Compliance Risk. Both policies set out:

- Compliance Framework
- Compliance Code of Conduct
- Compliance Review Procedure
- Financial Benchmark Surveillance Mechanism Procedure
- Monitoring of Bank's Commitment Monitoring and Follow-Up on Request from Related Regulator Procedure
- Escalation and Reporting of Compliance Risk Incident Procedure
- Provisions related to Compliance Function
- Risk Assessment of Regulatory Obligations

Compliance Charter and Compliance Guidance are reviewed annually to ensure an adequate and timely compliance function implementation in all level of the organization and thus facilitate the Bank to better harmonize between commercial interest and compliance towards prevailing regulations. For such policy and procedure to be implemented effectively, the most fundamental aspect that must be in place is compliance culture, which drives the value, behavior and action that supports Bank's compliance towards the prevailing laws and regulations.

Compliance Risk Management Framework

In order to strengthen the Bank's internal control system framework, especially for Compliance Function as the 2nd line of Defense, the Bank developed organizational structure under Compliance Function into three divisions namely Compliance Review and Testing Division, Compliance Advisory and Monitoring Division, and AML/CFT and Sanctions Division. Strategies to implement the Bank's compliance function are through aspects of compliance function governance, compliance risk management, as well as the implementation of compliance culture.

The Bank's compliance function framework on the compliance risk governance aspects are reflected in the Compliance organizational structure which is independent off business and other supporting units, where the Compliance Director report directly to the President Director. Thus, enabling the compliance function to be handled independently.

In respect of Compliance Risk Management, fulfillment of the Bank's commitment to compliance and regulatory obligations is monitored through several compliance tools such as Compliance Review, corrective action plans for regulatory inspection findings, internal monitoring and breaches, and others.

Moreover, the compliance culture implementation is performed through training to employees on Compliance Code of Conduct and its application in daily activities of employees.

The functions which perform Risk Management implementation for Compliance Risk (Compliance Function and Operational Risk Management Division) are responsible in monitoring and reporting of compliance risk issues to the Board of Commissioners and Directors on a regular basis.

B.6 Strategic Risk

Strategic Risk is defined as risk due to improper setting and/or implementation of a strategic decision and failure to anticipate any changes in business environment.

Strategic Risk Management Governance Structure

Related parties involved in managing Strategic Risk are as follows:

- Board of Commissioners and Directors formulate and approve strategic plan and business plan, including the communication to all employees within organization.
- Risk Management Committee supports Board of Directors in monitoring Strategic Risk management implementation in the Bank, and providing information related to material risk exposures, issues, and action plans.
- Business and support functions monitor and manage Strategic Risk in their respective areas, and responsible for ensuring all material risks that arise from the business activities and implementation of strategy are reported in a timely manner to the related Directors or Senior Executive Officers.
- Risk Management Function, together with Finance Division, conducts evaluation on the realisation of Bank's Business Plan.

Strategic Risk Management Policy

An effective implementation of Strategic Risk Management is supported with adequate policies and procedures, and also risk limits which are aligned with the Bank's vision, mission, and business strategy. The development of these policies and procedures is tailored with the type, complexity, business activity, risk profile, risk limit and complies with the prevailing regulations and/or sound banking practices. The implementation of these policies and procedures is also supported with the adequacy of capital and quality of human resources.

Strategic Risk Management Framework

Bank adheres to prudent principles in all its business decisions so as to minimize and mitigate any risks involved. In managing Strategic Risk, Bank constantly monitors the environment in which it operates, analyzes the Bank's performance in relation to its competitors, and takes corrective actions to adjust its strategies and plans as appropriate.

Bank sets strategic plan in a proper and realistic manner, as well as considering the prudential principles and risk management implementation. The Bank's strategic plans are prepared by the Board of Directors, and upon approval of the Board of Commissioners, communicated to all employees of the Bank on each level of the organization. Each Function Head is responsible to ensure the alignment of the annual work plans in their respective functions with the work plan established by the Board of Directors.

On an on-going basis, the Bank performs periodic reviews on the achievement of financial targets and realised strategies. The Board of Commissioners and Directors also conduct review periodically towards Bank's achievement on financial targets and its realisation through various forum and meeting coordination, such as Board of Directors meeting. All functions are also responsible for monitoring its Strategic Risks and reporting promptly to the

related Directors and/or Senior Executive Officers on any potential issues or problems that have strategic implications on the Bank.

B.7 Legal Risk

Legal Risk is defined as the risk due to the weaknesses of juridical aspects which may arise from lawsuits, absence of supported legislations or weaknesess of legal engagement i.e unfullfillment of contracts requirements and inadequate collateral binding.

Legal Risk Management Governance Structure

Related parties involved in managing legal risk are as follows:

- Board of Commissioners and Directors (through committee) are ultimately responsible for the oversight and management of legal risks arising from the Bank's business activities.
- Risk Management Committee supports the Board of Directors in monitoring legal risk management in the Bank, and providing information related to material risk exposure, issues, and action plans.
- Business and support functions are responsible for monitoring and managing Legal Risk and its impact in their respective areas.
- Subject matter specialists are responsible for providing guidance related to their respective areas of expertise which comprises Compliance, Legal, Human Resources, Technology & Operations, Property & General Services, and Corporate Services functions.

Legal Risk Management Policy

Bank has a Legal Risk Management Policy which governs the Legal Risk Management Governance Structure and sets out the duties and responsibilities of each party in implementing Legal Risk Management.

Legal Function has established various guidelines related to Legal Risk Management, such as Guidelines for Intellectual Property Risk Management, Guidelines for Appointment of External Legal Counsel, and Guidelines for Contractual Risk Management.

Legal Risk Management Framework

Risk measurement for Legal Risk is conducted by using indicators such as potential losses due to litigation, cancellation of contracts due to unenforceability of engagement, and changes of regulations. Every Legal Risk incident and its potential loss numbers must be documented and reported.

The Legal function provides legal advice and guidance to all units of the Bank, as and when needed. This includes the oversight and periodic review of:
(a) all standard contracts/agreements; and
(b) all standard loan agreements and standard Letters of Offers; between the Bank and other parties.

The Legal Function is also responsible for highlighting new or emerging legal risks, and managing significant litigation involving Bank.

B.8 Reputation Risk

Reputation Risk is the adverse impact on the Bank's income, liquidity or capital arising from negative stakeholder perception or opinion of the Bank's business practices, activities, and financial condition.

Reputation Risk Management Governance Structure

Related parties involved in managing Reputation Risk are as follows:

- Board of Commissioners and Directors is responsible for managing Bank's Reputation Risk.
- Risk Management Committee assists the Board of Directors in the oversight of the management of Reputation Risk in the Bank, keeping them apprised of the material risk exposures, issues and resolution plans.
- Reputation Risk Management panel is a sub-committee of the Risk Management Committee which is responsible to confirm the impact of high reputational risk events, determine the appropriate action plan, appoint relevant task force, and approve the closure of the case.
- Business and support functions are responsible for monitoring and managing the various types of risks which deemed potentially impact to the reputation risk.
- Risk Management function is responsible for developing and maintaining Risk Management policies and procedures, also training and advising the business and support functions in managing its risks, including reputation risk..
- Subject matter specialists, from the various functions of Brand, Strategic Communications and Customer Advocacy, Compliance, Legal, Human Resources, Technology & Operations, and Corporate Services.

Reputation Risk Management Policy

Bank established Reputation Risk Management Policy that governs the Reputation Risk Management Governance Structure, methodology, and toolkits for managing the Reputation Risk, including its communication process, escalation process, establishment of Reputation Risk Management Panel, Reputation Risk issue owner, and others.

Reputation Risk Management Framework

Risk identification and measurement for Reputation Risk is conducted using information from various sources such as the mass media, customer complaints (e.g. through contact centre), and customer satisfaction survey.

Risk monitoring for Reputation Risk is conducted on a regular basis in accordance with the Bank's policies, procedures and guidelines, as well as Bank's previous experience.

Risk controlling for Reputation Risk is conducted through:

a. Prevention of events that can lead to Reputation Risk, for example by conducting periodic communications to stakeholders in order to create a positive reputation and a series of activities such as corporate social responsibility.
b. Restoration of the Bank's reputation after a Reputation Risk event and the measures in place to minimize any negative impact to the reputation of the Bank.

Any incidents relating to Reputation Risk, including the amount of potential losses resulting from those incidents shall be noted and tracked, for closure.

Where the Reputation Risk event affects the Bank's ability to continue its business activities and/or to obtain funding, the Bank will activate the Crisis Management Plan (CMP), BCP, Disaster Recovery Plan (DRP) and/or Contingency Funding Plan (as relevant).

C. Risk Based Bank Rating (RBBR)

In a regular basis, the Bank conducts assessment on the Risk Based Bank Rating according to OJK Regulation No.4/POJK.03/2016 and BI Circular Letter No.13/24/DPNP regarding the Assessment of Bank's Soundness Rating for Commercial Banks. The assessment of RBBR is conducted toward 4 (four) factors namely Risk Profile, Good Corporate Governance, Earnings, and Capital.

The self assessment result of RBBR for semester II – 2016 was as follows:

No	Assessment Factor	Rating
1	Risk Profile	2
2	Good Corporate Governance	2
3	Earnings	2
4	Capital	1
	RBBR Rating	**2**

Based on the self assessment, Bank assessed its soundness rating in the 2nd semester of 2016 at "2" or in a good condition, so that the Bank is able to encounter significant negative effects and changes in business conditions and other external factors reflected in assessment factors rating, namely, Risk Profile, Good Corporate Governance Implementation, Earnings and Capital. The weaknesses identified in the assessment factors do not significantly affect the soundness rating of the Bank.

D. Risk Management System Implementation

The applied Risk management system aims to conduct analysis of current or future risks and/or potential risks faced by the Bank and to determine mitigation measures for these risks. Risk management system is regularly evaluated in order to measure its effectiveness level. Through this evaluation, the Bank is expected able to re-analyze whether these strategies are in line with the established target.

Evaluation of the Risk Management system is conducted internally and externally. Internally, Risk Monitoring Committee and Audit Committee reviews and evaluates the Bank's Risk Management policies and implementation, as well as provides inputs and recommendations to the Board of Commissioners in order to carry out the oversight function. Internal Audit function regularly reviews and conducts audit on risk management implementation based on risk based audit principles, with the purposes not only as an internal control, but also to continuously improve risk management implementation. Externally, the evaluation of risk management implementation is performed by the external auditor and Regulator.

E. Basel Implementation

In line with the implementation of regulatory provision, the Bank adopts Standardised Approach (SA) for Credit and Market Risk, and Basic Indicator Approach (BIA) for Operational Risk.

Bank continues to prepare a foundation to establish Basel II and Basel III implementation supported with sufficient information system and tailored with the development of banking architecture and prevailed regulation.

Related to the implementation of Basel III particularly for Liquidity Risk, Bank has reported Liquidity Coverage Ratio (LCR) to Regulator in a monthly basis starting June 2016 and published LCR in the Bank's website on a quarterly basis starting September 2016. In addition, related to regulator's consultative paper regarding Net Stable Funding Ratio (NSFR), the Bank has participated to calculate NSFR for the position of December 2016.

Bank also continues to improve the implementation of Pillar 2 "Internal Capital Adequacy Assessment Process" (ICAAP) to assess the overall capital adequacy associated with risk profile and strategy to maintain the level of Bank's capital. In ongoing basis, Bank improves implementation of Pillar 3 "Market Discipline" to ensure the transparency of Bank's financial and non-financial information.

Disclosure of Pillar 3

In accordance with the requirements of the Basel II Pillar 3 and the Financial Services Authority (OJK) circular letter No.43/SEOJK.03/2016 on Transparency and Publication Reports Commercial Bank; various additions and qualitative and quantitative disclosures have been included in the section 'Risk Management', Basel II Pillar 3 "and" Notes to Financial Statements'. This is to facilitate the understanding of the risk profile and capital adequacy assessment.

(in million Rupiah)

Table 1.a Quantitative Disclosure of Capital Structure for Commercial Banks

CAPITAL COMPONENTS	31 Dec 2016	31 Dec 2015
I Equity (Tier 1)	10,823,052	10,152,969
1 Common Equity Tier 1 (CET 1)	10,823,052	-
1.1 Paid-in Capital (net Treasury Stock)	2,388,471	-
1.2 Disclosed Reserves	8,470,487	-
1.2.1 Additional Factors		
1.2.1.1 Other Comprehensive Income		
1.2.1.1.1 Positive translation adjustment of financial statements	-	-
1.2.1.1.2 Potential gains on positive mark to market on financial assets for available for sale category	-	-
1.2.1.1.3 Gain on revaluation of fixed assets	103,280	-
1.2.1.2 Other Disclosed Reserves		
1.2.1.2.1 Agio	2,102,242	-
1.2.1.2.2 General reserves	106,631	-
1.2.1.2.3 Previous year losses	5,760,698	-
1.2.1.2.4 Current year loss	479,273	-
1.2.1.2.5 Fund for paid-up capital	-	-
1.2.1.2.6 Others	-	-
1.2.2 Deduction Factors		
1.2.2.1 Other Comprehensive Income		
1.2.2.1.1 Negative translation adjustment of financial statements	-	-
1.2.2.1.2 Potential loss from equity investment for available for sale category	(36,681)	-
1.2.2.2 Other Disclosed Reserves		
1.2.2.2.1 Disagio	-	-
1.2.2.2.2 Previous year losses	-	-
1.2.2.2.3 Current year loss	-	-
1.2.2.2.4 Negative differences between regulatory provision and impairment of earning assets	-	-
1.2.2.2.5 Negative differences on adjustment of fair value on financial instrument in the trading book	-	-
1.2.2.2.6 Required Regulatory Provision for non-productive assets	(44,956)	-
1.2.2.2.7 Others	-	
1.3 Minority Interest Calculated	-	-
1.4 Deduction Factor of Tier 1 Capital	35,906	-
1.4.1 Deferred tax calculation	-	-
1.4.2 Goodwill	-	-
1.4.3 Total intangible assets	-	-
1.4.4 Investment calculated as deduction factor	-	-

Table 1.a Quantitative Disclosure of Capital Structure for Commercial Banks

CAPITAL COMPONENTS	31 Dec 2016	31 Dec 2015
1.4.5 Shortfall on the capital of insurance subsidiary	-	-
1.4.6 Securitization exposure	-	-
1.4.7 Other deduction factors of Tier 1 Capital	-	-
1.4.7.1 Placement of AT1 instrument and/or Tier 2 to other bank	-	-
1.4.7.2 Cross ownership on other entities acquired due to legal reasons, capital grant, or testamentary bequest	-	-
2 Additional Tier 1 (AT 1)	-	-
2.1 Instruments meeting AT 1 requirements	-	-
2.2 Agio/disagio	-	-
2.3 Deduction Factor of Supplementary Core Capital	-	-
2.3.1 Placement to AT1 instrument and/or Tier 2 on other bank	-	-
2.3.2 Cross ownership on other entities acquired due to legal reasons, capital grant, or testamentary bequest	-	-
II Supplementary Capital (Tier 2)	1,616,899	1,662,809
1 Capital instruments in shares or others meeting Tier 2 requirements	878,841	-
2 Agio/Disagio	-	-
3 Mandatory general reserve for Required Regulatory Provision on productive assets (at most 1,25% of Credit Risk RWA)	738,058	-
4 Deduction Factor of Tier 2 Capital		
4.1 Sinking Fund	-	-
4.2 Placement of Tier 2 instruments to other bank	-	-
4.3 Cross ownership on other entities acquired due to legal reasons, capital grant, or testamentary bequest	-	-
Total Modal	**12,439,951**	**11,815,778**

	31 Dec 2016	31 Dec 2015		31 Dec 2016	31 Dec 2015
RISK WEIGHTED ASSETS (RWA)			MINIMUM CAPITAL ADEQUACY REQUIREMENT RATIO		
CREDIT RISK RWA	68,229,273	65,545,033	CET Ratio 1 (%)	14.30%	13.92%
MARKET RISK RWA	610,188	915,975	Tier 1 Ratio (%)	14.30%	13.92%
OPERATIONAL RISK RWA	6,848,213	6,470,348	Tier 2 Ratio (%)	2.14%	2.28%
TOTAL RWA	75,687,674	72,931,356	Minimum Capital Adequacy Ratio (%)	16.44%	16.20%
ALLOCATED MINIMUM CAPITAL ADEQUACY BASED ON RISK PROFILE (%)	9.00%	9.00%	CET 1 FOR BUFFER (%)	7.44%	
ALLOCATED MINIMUM CAPITAL ADEQUACY BASED ON RISK PROFILE			BANK BUFFER PERCENTAGE REQUIREMENTS (%)	0.625%	
From CET 1 (%)	6.86%		Capital Conservation Buffer (%)	0.625%	
From AT 1 (%)	0.00%		Countercyclical Buffer (%)	0.000%	
From Tier 2 (%)	2.14%		Capital Surcharge For Systemic Bank (%)	0.000%	

Disclosure of Pillar 3

Table 2.1.a Credit Risk Disclosure - Net Claims by Region - Bank only

No.	Portfolio Category	BALIKPAPAN	BANDAR LAMPUNG	BANDUNG	BANJARMASIN	BANYUWANGI	BATAM	BENGKULU	BOGOR	CIREBON	DENPASAR	JAKARTA	JAMBI	JEMBER	JOGJAKARTA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Sovereigns	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	197,576	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	3,536	-	-	-	-	-	-	323	-
5	Claims secured by residential property	10,678	2,837	369,880	3,831	1,070	29,996	1,866	78,414	36,514	62,885	2,336,620	6,149	289	38,335
6	Claims secured by commercial property	37,272	43,087	201,049	66,406	5,248	129,326	3,440	40,288	21,151	86,076	2,417,362	3,106	1,796	142,671
7	Claims on employees/retirees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro. Small Business and Retail Portfolio	32,650	8,003	111,268	10,842	12,929	31,371	21,946	22,391	24,283	46,997	2,081,629	18,699	14,922	19,013
9	Claims on Corporations	272,912	300,083	2,481,374	494,619	127,927	658,553	50,356	386,872	207,296	749,908	29,587,303	81,174	216,516	395,527
10	Past Due Loans	36,299	60,034	88,450	6,596	3,853	2,534	6,563	70,261	9,644	24,483	682,709	917	7,071	14,878
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	389,811	414,044	3,252,021	582,294	151,027	855,316	84,171	598,226	298,888	970,349	37,303,199	110,045	240,917	610,424

No.	Portfolio Category	BALIKPAPAN	BANDAR LAMPUNG	BANDUNG	BANJARMASIN	BANYUWANGI	BATAM	BENGKULU	BOGOR	CIREBON	DENPASAR	JAKARTA	JAMBI	JEMBER	JOGJAKARTA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Sovereigns	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	3.965	-	-	-	-	-	-	752	-
5	Claims secured by residential property	7.133	1.501	101.763	2.444	258	5.615	224	7.215	10.161	9.083	403.725	675	724	4.643
6	Claims secured by commercial property	37.305	45.733	276.053	43.537	4.280	192.319	6.559	51.307	24.599	110.031	2.889.622	4.822	5.701	166.711
7	Claims on employees/retirees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	38.963	8.467	219.090	12.685	17.091	45.145	25.365	33.557	44.265	60.010	2.342.848	21.695	23.255	30.521
9	Claims on Corporations	295.799	222.957	2.184.955	498.470	134.811	410.059	61.927	340.709	192.036	717.683	28.553.837	84.313	251.607	409.461
10	Past Due Loans	7.946	51.686	85.221	2.322	3.039	1.767	10.466	103.135	11.089	9.979	521.396	3.187	2.065	15.030
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	387.146	330.344	2.867.082	559.458	159.479	658.870	104.541	535.923	282.150	906.786	34.711.428	114.692	284.104	626.366

(in million Rupiah)

31 December 2016																
Net claims by region																
JOMBANG	MAGELANG	MAKASSAR	MALANG	MEDAN	PALEMBANG	PEKANBARU	PONTIANAK	PURWOKERTO	SAMARINDA	SEMARANG	SERANG	SOLO	SURABAYA	TASIKMALAYA	TEGAL	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	197,576
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	2,915	-	-	-	6,774
12,885	8,056	42,550	10,142	148,335	17,383	19,351	5,158	2,344	16,410	81,480	19,928	21,608	253,850	16,210	2,095	3,657,149
1,412	22,581	175,817	21,190	97,334	67,205	5,725	3,004	80,922	53,727	233,103	33,254	198,460	353,430	13,988	399	4,559,829
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,046	6,332	44,931	8,183	95,802	41,244	60,678	15,150	8,915	35,152	50,659	26,809	26,929	102,524	35,797	4,532	3,030,626
111,033	349,159	749,144	107,912	5,490,799	679,248	311,277	193,119	221,586	503,322	2,209,876	234,112	1,792,504	3,311,711	301,628	105,379	52,682,229
15,281	958	15,282	382	55,818	37,765	5,758	-	33,563	53,553	269,134	3,908	49,169	64,854	21,365	13,799	1,654,881
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150,657	387,086	1,027,724	147,809	5,888,088	842,845	402,789	216,431	347,330	662,164	2,844,252	318,011	2,091,585	4,086,369	388,988	126,204	65,789,064

(in million Rupiah)

31 December 2015																
Net claims by region																
JOMBANG	MAGELANG	MAKASSAR	MALANG	MEDAN	PALEMBANG	PEKANBARU	PONTIANAK	PURWOKERTO	SAMARINDA	SEMARANG	SERANG	SOLO	SURABAYA	TASIKMALAYA	TEGAL	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	849	-	1.010	-	2.996	-	-	-	9.572
4.373	1.363	16.364	1.461	36.289	11.404	10.869	1.465	1.523	11.509	17.218	1.536	10.550	44.911	6.214	1.259	733.472
2.507	35.134	143.297	10.766	100.887	90.157	6.721	7.634	133.127	94.845	396.517	43.771	330.026	150.545	12.661	661	5.417.835
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.097	7.451	44.211	7.740	123.068	57.110	77.996	22.410	20.391	36.426	95.130	31.466	36.704	114.018	50.179	6.399	3.667.753
127.852	281.686	724.170	80.569	4.136.482	795.054	337.386	162.376	179.413	487.399	2.390.905	204.580	1.743.590	3.935.341	270.011	130.615	50.346.053
15.118	987	6.478	5.389	49.513	31.367	7.719	-	12.372	62.506	55.132	2.173	21.151	64.428	15.301	2.904	1.180.866
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
163.947	326.621	934.520	105.925	4.446.239	985.092	440.691	193.885	347.675	692.685	2.955.912	283.526	2.145.017	4.309.243	354.366	141.838	61.355.551

Table 2.2.a Disclosure of Credit Risk - Net Claims by Remaining Contract Period - Bank only

(in million Rupiah)

No.	Portfolio Category	31 December 2016				
		Net Claims by Remaining Contract Period				
		< 1 year	1 year to 3 years	3 years to 5 years	> 5 years	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Claims on Sovereigns	-	-	-	-	-
2	Claims on Public Sector Entities	197,576	-	-	-	197,576
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	323	6,451	-	-	6,774
5	Claims secured by residential property	87,403	272,543	401,594	2,895,609	3,657,149
6	Claims secured by commercial property	10,292	888,114	1,578,171	2,083,252	4,559,829
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	416,517	1,168,159	731,411	714,539	3,030,626
9	Claims on Corporations	34,375,731	6,050,512	5,418,458	6,837,528	52,682,229
10	Past Due Loans	875,648	135,315	176,049	467,869	1,654,881
11	Other Assets	-	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total	35,963,490	8,521,094	8,305,683	12,998,797	65,789,064

(in million Rupiah)

No.	Portfolio Category	31 December 2015				
		Net Claims by Remaining Contract Period				
		< 1 year	1 year to 3 years	3 years to 5 years	> 5 years	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Claims on Sovereigns	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	9,572	-	-	-	9,572
5	Claims secured by residential property	16,693	90,941	99,777	526,061	733,472
6	Claims secured by commercial property	470,196	1,055,371	1,619,507	2,272,761	5,417,835
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	766,178	959,606	851,263	1,090,706	3,667,753
9	Claims on Corporations	31,890,185	4,424,091	5,117,782	8,913,995	50,346,053
10	Past Due Loans	688,797	127,234	176,071	188,764	1,180,866
11	Other Assets	-	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total	33,841,621	6,657,243	7,864,400	12,992,287	61,355,551

Table 2.3.a. Disclosure of Credit Risk - Net Claims by Economic Sector - Bank only

No.	Economic Sector*)	Claims on Government / Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Entities	Claims on Banks	Claims Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2016					
1	Agriculture, Hunting and Forestry	-	-	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and Excavation	-	-	-	-	-
4	Manufacturing	-	-	-	-	-
5	Electricity, Gas and Water	-	-	-	-	-
6	Construction	-	197,576	-	-	-
7	Wholesale and Retail Trading	-	-	-	-	-
8	Hotel and Restaurant	-	-	-	-	-
9	Transport, cargo storage and communications	-	-	-	-	-
10	Financial intermediaries	-	-	-	6,774	-
11	Real estate, rentals and business service	-	-	-	-	-
12	Government administration, defense and mandatory social welfare	-	-	-	-	-
13	Education services	-	-	-	-	-
14	Health services and social activities	-	-	-	-	-
15	Social services, socio-cultural, entertaimnet and other individual services	-	-	-	-	-
16	Individual services for household	-	-	-	-	-
17	International institutions and other extra international institution	-	-	-	-	-
18	Non-defined sector	-	-	-	-	-
19	Non business	-	-	-	-	3,657,149
20	Others (among otheres SBI, SUN)	-	-	-	-	-
	Total	-	197,576	-	6,774	3,657,149

(in million Rupiah)

Claims Secured by Residential Property	Claims on Pension Loan	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
977	-	3,434	3,054,203	13,951	-	-
1,685	-	2,034	51,640	-	-	-
7,584	-	1,197	592,551	100,505	-	-
784,454	-	98,915	19,067,222	157,811	-	-
57,503	-	1,083	315,591	-	-	-
301,986	-	19,402	2,805,423	275,506	-	-
868,806	-	504,351	13,886,766	564,720	-	-
1,293,446	-	12,338	2,310,471	131,244	-	-
90,487	-	22,421	2,792,227	78,605	-	-
-	-	790	1,696,275	-	-	-
1,090,514	-	15,191	3,401,123	47,893	-	-
-	-	305	4,101	-	-	-
11,545	-	1,577	44,361	-	-	-
28,758	-	3,331	40,666	5,098	-	-
21,599	-	9,619	157,556	20,843	-	-
485	-	1,378	1,688	3,543	-	-
-	-	-	-	-	-	-
-	-	-	11,000	-	-	-
-	-	2,333,260	2,449,365	255,162	-	-
-	-	-	-	-	-	-
4,559,829	-	**3,030,626**	**52,682,229**	**1,654,881**	-	-

Table 2.3.a. Disclosure of Credit Risk - Net Claims by Economic Sector - Bank only

No.	Economic Sector*)	Claims on Government / Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Entities	Claims on Banks	Claims Secured by Residential Property
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2015					
1	Agriculture, Hunting and Forestry	-	-	-	-	-
2	Fishery	-	-	-	-	-
3	Mining and Excavation	-	-	-	-	-
4	Manufacturing	-	-	-	-	-
5	Electricity, Gas and Water	-	-	-	-	-
6	Construction	-	-	-	-	-
7	Wholesale and Retail Trading	-	-	-	-	-
8	Hotel and Restaurant	-	-	-	-	-
9	Transport, cargo storage and communications	-	-	-	-	-
10	Financial intermediaries	-	-	-	9,572	-
11	Real estate, rentals and business service	-	-	-	-	-
12	Government administration, defense and mandatory social welfare	-	-	-	-	-
13	Education services	-	-	-	-	-
14	Health services and social activities	-	-	-	-	-
15	Social services, socio-cultural, entertaimnet and other individual services	-	-	-	-	-
16	Individual services for household	-	-	-	-	-
17	International institutions and other extra international institution	-	-	-	-	-
18	Non-defined sector	-	-	-	-	-
19	Non business	-	-	-	-	733,472
20	Others (among otheres SBI, SUN)	-	-	-	-	-
	Total	-	-	-	9,572	733,472

(in million Rupiah)

Claims Secured by Residential Property	Claims on Pension Loan	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(8)	(9)	(10)	(11)	(12)	(13)	(14)
1,857	-	3,810	891,004	414	-	-
2,529	-	3,334	47,383	4,108	-	-
30,308	-	3,627	425,771	77,571	-	-
964,067	-	103,141	18,125,646	116,895	-	-
60,942	-	746	282,052	-	-	-
373,537	-	22,125	3,292,761	58,411	-	-
910,298	-	500,914	13,704,581	475,995	-	-
1,726,168	-	14,631	2,366,791	30,674	-	-
240,337	-	26,888	2,471,605	158,749	-	-
-	-	993	583,926	-	-	-
1,018,341	-	14,654	3,752,030	37,443	-	-
-	-	130	-	-	-	-
13,127	-	1,311	30,387	-	-	-
45,983	-	3,071	49,994	5,098	-	-
29,816	-	10,834	181,825	40,229	-	-
525	-	2,043	8,261	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,955,501	4,132,036	175,279	-	-
-	-	-	-	-	-	-
5,417,835	-	**3,667,753**	**50,346,053**	**1,180,866**	-	-

Disclosure of Pillar 3

Table 2.4.a Disclosure of Claims and Provision by Region - Bank only

No.	Description	BALIKPAPAN	BANDAR LAMPUNG	BANDUNG	BANJARMASIN	BANYUWANGI	BATAM	BENGKULU	BOGOR	CIREBON	DENPASAR	JAKARTA	JAMBI	JEMBER	JOGJAKARTA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	a. Not yet due	22,624	12,534	58,528	2,793	1,030	1,937	3,017	25,634	3,134	14,168	583,052	286	2,002	15,206
	b. Past Due	14,302	47,505	43,912	3,804	2,823	598	3,912	51,289	6,511	12,821	408,888	632	5,069	3
2	Allowance for Impairment Losses - Individual	31,428	10,014	8,818	223	-	14	1,451	11,345	1,432	1,987	202,705	235	-	236
3	Allowance for Impairment Losses - Collective	1,399	1,325	20,560	4,807	500	5,633	293	5,411	477	3,916	408,033	100	426	6,328
4	Write Off	269	2,356	39,158	-	1,955	-	11	65,455	2,696	148	451,235	2,158	-	-
	Total	70,022	73,733	170,975	11,626	6,308	8,181	8,684	159,134	14,250	33,040	2,053,913	3,410	7,497	21,774

Table 2.4.a Disclosure of Claims and Provision by Region - Bank only

No.	Description	BALIKPAPAN	BANDAR LAMPUNG	BANDUNG	BANJARMASIN	BANYUWANGI	BATAM	BENGKULU	BOGOR	CIREBON	DENPASAR	JAKARTA	JAMBI	JEMBER	JOGJAKARTA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	a. Not yet due	6,071	5,151	39,139	2,322	-	1,542	7,894	51,738	2,499	8,193	564,019	-	1,290	14,492
	b. Past Due	4,004	46,538	64,314	-	3,039	225	2,572	51,946	8,590	8,899	319,945	3,187	775	1,012
2	Allowance for Impairment Losses - Individual	328	12,077	17,682	102	3	10	2,986	10,888	159	31	171,041	2,083	591	835
3	Allowance for Impairment Losses - Collective	7,044	32,813	8,431	1,859	588	1,632	401	5,138	1,004	2,987	292,176	197	346	2,056
4	Write Off	7,734	-	24,888	-	-	-	7,302	354	24	-	142,452	-	-	-
	Total	25,181	96,578	154,454	4,284	3,630	3,409	21,155	120,063	12,276	20,109	1,489,634	5,468	3,002	18,396

(in million Rupiah)

31 December 2016																
Region																
JOMBANG	MAGELANG	MAKASSAR	MALANG	MEDAN	PALEMBANG	PEKANBARU	PONTIANAK	PURWOKERTO	SAMARINDA	SEMARANG	SERANG	SOLO	SURABAYA	TASIKMALAYA	TEGAL	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,838	958	9,667	382	25,998	8,296	2,677	-	20,090	18,003	286,825	3,396	17,870	40,043	10,159	778	1,194,923
13,818	-	6,596	-	31,467	29,469	3,866	-	13,473	36,206	52,152	2,018	35,032	85,796	11,367	13,019	936,346
2,953	-	593	-	6,471	870	1,056	-	3,084	28,404	14,680	828	9,089	37,023	3,338	809	379,087
662	4,178	7,176	511	56,262	6,515	2,299	813	1,674	4,890	115,618	968	19,919	27,592	1,111	1,583	710,979
1,296	45	-	5,395	1,952	6,054	2,192	-	571	6,476	9,651	149	568	59,379	5,797	2,109	667,076
22,567	5,181	24,033	6,287	122,151	51,204	12,091	813	38,892	93,980	478,926	7,359	82,479	249,833	31,772	18,298	3,888,411

(in million Rupiah)

31 December 2015																
Region																
JOMBANG	MAGELANG	MAKASSAR	MALANG	MEDAN	PALEMBANG	PEKANBARU	PONTIANAK	PURWOKERTO	SAMARINDA	SEMARANG	SERANG	SOLO	SURABAYA	TASIKMALAYA	TEGAL	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,439	987	6,467	-	18,983	10,702	3,090	-	17,472	79,638	35,893	394	13,507	35,829	7,981	1,887	944,616
8,438	-	988	5,389	33,028	25,584	6,098	-	2,098	32,408	22,914	1,780	8,645	31,029	7,420	1,017	701,880
5,464	-	859	3,001	5,592	3,309	1,228	-	361	9,785	11,582	241	2,872	10,886	1,195	25	275,218
1,029	612	2,928	154	18,272	2,284	890	461	1,498	27,979	44,646	685	6,658	37,447	902	3,692	506,810
-	-	42,988	-	-	622	257	-	-	340	1,221	-	341	1,344	1,921	-	231,788
22,370	1,599	54,230	8,544	75,875	42,501	11,563	461	21,429	150,149	116,255	3,100	32,022	116,535	19,419	6,621	2,660,312

Table 2.5.a Disclosure of Claims and Provision by Economic Sector - Bank only

(in million Rupiah)

No.	Economic Sector*)	Loan**)	Impaired Loans		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Write Off
			Not yet due	Past due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2016						
1	Agriculture, Hunting and Forestry	3,072,565	-	13,951	739	34,464	-
2	Fishery	55,359	-	-	-	1,977	-
3	Mining and Excavation	701,837	19,949	80,555	35,956	7,274	11
4	Manufacturing	20,108,402	89,637	129,262	37,315	285,751	44,447
5	Electricity, Gas and Water	374,177	-	-	-	5,665	-
6	Construction	3,599,893	211,960	63,545	2,783	36,667	14,223
7	Wholesale and Retail Trading	15,824,643	151,684	552,460	195,552	100,053	389,488
8	Hotel and Restaurant	3,747,499	110,021	22,724	5,087	43,459	82
9	Transport, cargo storage and communications	2,983,740	71,582	17,332	49,968	30,962	5,320
10	Financial intermediaries	1,703,839	-	-	-	1,045	-
11	Real estate, Rentals and Business Services	4,554,721	195,608	32,554	29,040	47,970	2,484
12	Government administration, defense and mandatory social welfare	4,406	-	-	-	4	-
13	Education services	57,483	-	-	-	463	-
14	Health services and social activities	77,853	5,098	-	1,628	575	-
15	Social services, socio-cultural, entertainment and other individual services	209,617	12,587	10,757	981	1,463	206,932
16	Individual services for household	7,094	118	3,425	90	9	-
17	International institutions and other extra international institution	-	-	-	-	-	-
18	Non-defined sector	11,000	-	-	-	9	-
19	Non business	8,694,936	326,679	9,781	19,948	113,169	4,089
20	Others (among others SBI and SUN)	-	-	-	-	-	-
	Total	65,789,064	1,194,923	936,346	379,087	710,979	667,076

*) The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders
**) Gross receivable (before Allowance for Impairment Losses)

Table 2.5.a Disclosure of Claims and Provision by Economic Sector - Bank only

(in million Rupiah)

No.	Economic Sector*)	Loan**)	Impaired Loans		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Write Off
			Not yet due	Past due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2015						
1	Agriculture, Hunting and Forestry	897,085	358	56	–	6,297	-
2	Fishery	57,354	-	4,108	651	65	-
3	Mining and Excavation	537,277	4,452	73,120	19,078	7,434	44,456
4	Manufacturing	19,309,749	78,166	128,440	49,063	118,667	39,134
5	Electricity, Gas and Water	343,740	-	-	–	796	6,641
6	Construction	3,746,834	19,164	41,009	6,001	51,929	-
7	Wholesale and Retail Trading	15,591,788	345,053	341,598	146,716	98,375	-
8	Hotel and Restaurant	4,138,264	36,899	4,039	918	15,125	457
9	Transport, cargo storage and communications	2,897,579	134,510	27,391	26,942	97,427	1,921
10	Financial intermediaries	594,491	-	-	–	2,853	-
11	Real estate, Rentals and Business Services	4,822,468	52,289	42,503	4,147	15,152	8,300
12	Government administration, defense and mandatory social welfare	130	-	-	–	-	-
13	Education services	44,825	-	-	–	504	-
14	Health services and social activities	104,146	5,098	-	1,833	139	-
15	Social services, socio-cultural, entertainment and other individual services	262,704	7,214	33,015	2,980	1,529	130,878
16	Individual services for household	10,829	–	–	–	153	-
17	International institutions and other extra international institution	-	-	-	-	-	-
18	Non-defined sector	–	-	-	–	-	-
19	Non business	7,996,288	261,413	6,601	16,889	90,365	-
20	Others (among others SBI and SUN)	-	-	-	-	-	-
	Total	61,355,551	944,616	701,880	275,218	506,810	231,788

*) The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders
**) Gross receivable (before Allowance for Impairment Losses)

Table 2.6.a Disclosure of Movements in Allowance for Impairment Losses - Bank only

(in million Rupiah)

No.	Description	December 2016		December 2015	
		CKPN Individual	CKPN Collective	Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)	(5)	(6)
1	Beginning Balance of Allowance for Impairment Losses	275,479	546,015	465,582	192,607
2	Provision for (recovery of) Allowance for Impairment Losses in current period (net)	107,737	218,763	104,421	350,460
	2.a Provision for Allowance for Impairment Losses in current period	107,998	227,182	104,421	350,460
	2.b Recovery of Allowance for Impairment Losses in current period	261	8,419	-	-
3	Allowance for Impairment Losses allocated to write off in current period	-	-	299,755	-
4	Other provisioning (recovery) in current period	(4,129)	(371)	5,231	2,948
	Total	379,087	764,407	275,479	546,015

Table 3.1.a Disclosure of Net Claims by Portfolio and Rating - Bank only

(in million Rupiah)

No.	Portfolio Category	31 December 2016	31 December 2015
		Net Claims	CKPN Individual
		Unrated	CKPN Individual
(1)	(2)	(3)	(3)
1	Claims on Sovereigns	18,431,748	16,025,917
2	Claims on Public Sector Entities	612,797	415,188
3	Claims on Multilateral Development Banks and International Institutions	-	-
4	Claims on Banks	7,102,562	3,553,950
5	Claims secured by residential property	3,758,515	754,716
6	Claims secured by commercial property	4,566,550	5,466,061
7	Claims on Employees/Retirees	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,970,507	3,626,511
9	Claims on Corporations	57,010,019	55,566,471
10	Past due loans	1,373,876	1,019,636
11	Other Assets	2,080,323	2,055,990
12	Exposure in Sharia Banking (if any)	-	-
	TOTAL	97,906,897	88,484,440

Table 3.2.a Disclosure of Counterparty Credit Risk

a. Derivative Transactions

(in million Rupiah)

No.	Underlying Variable	31 December 2016							
		National Amount			Derivative Receivables	Derivative Liabilities	Net Claims before Credit Risk Mitigation	Credit Risk Mitigation	Net Claims after Credit Risk Mitigation
		< 1 year	> 1 year - < 5 years	> 5 years					
1	Interest rate	1,201,900	11,125,826	1,233,278	181,127	165,497	255,255		255,255
2	Exchange rate	9,654,909	2,809,069	-	20,985	28,831	257,987		257,987
3	Others	-	-	-	-	-	-		-
	TOTAL	10,856,809	13,934,895	1,233,278	202,112	194,328	513,242	-	513,242

(in million Rupiah)

No.	Underlying Variable	31 December 2015							
		National Amount			Derivative Receivables	Derivative Liabilities	Net Claims before Credit Risk Mitigation	Credit Risk Mitigation	Net Claims after Credit Risk Mitigation
		< 1 year	> 1 year - < 5 years	> 5 years					
1	Interest rate	1,265,369	4,525,819	1,258,985	109,108	129,771	150,622		150,622
2	Exchange rate	4,714,964	3,036,531	-	32,619	13,447	231,595		231,595
3	Others	-	-	-	-	-	-		-
	TOTAL	5,980,333	7,562,350	1,258,985	141,727	143,218	382,217	-	382,217

b. Repo Transactions

(in million Rupiah)

No.	Portfolio Category	31 December 2016			
		Fair Value of SSB Repo	Repo Liabilities	Net Claims	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on Sovereigns	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Banks	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-
	TOTAL	-	-	-	-

(in million Rupiah)

No.	Portfolio Category	31 December 2016			
		Fair Value of SSB Repo	Repo Liabilities	Net Claims	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on Sovereigns	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Banks	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-
	TOTAL	-	-	-	-

c. Repo Reserve Transactions

(in million Rupiah)

No.	Portfolio Category	31 December 2016			
		Net Claims	Credit Risk Mitigation Value	Net Claims after Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on Sovereigns	1,902,219	-	1,902,219	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Banks	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-
	TOTAL	1,902,219	-	1,902,219	-

(in million Rupiah)

No.	Portfolio Category	31 December 2015			
		Net Claims	Credit Risk Mitigation Value	Net Claims after Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on Sovereigns	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Banks	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-
	TOTAL	-	-	-	-

Table 4.1.a Disclosure of Net Claims by Risk Weight after Credit Risk Mitigation - Bank only

No.	Portfolio Category	Net Claims after Credit Risk Mitigation				
		0%	20%	35%	40%	45%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2016					
A	On Balance Sheet Exposures					
1	Claims on Sovereigns	16,529,530	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	5,000	3,610,398	-	-	-
5	Claims secured by residential property	20	-	3,758,495	-	-
6	Calims secured by commercial property	1,719	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	81,725	-	-	-	-
9	Claims on Banks	2,979,619	-	-	-	-
10	Past due loans	-	-	-	-	-
11	Other Assets	535,517	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total Balance Sheet Exposures	20,133,130	3,610,398	3,758,495	-	-
B	Off Balance Sheet (Commitment/Contingencies) Exposure					
1	Claims on Sovereigns	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	-	2,076	-	-	-
5	Claims secured by residential property	-	-	-	-	-
6	Claims secured by commercial property	-	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,380	-	-	-	-
9	Claims on Corporations	166,180	-	-	-	-
10	Past due loans	-	-	-	-	-
11	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total TRA Exposure	168,560	2,076	-	-	-
C	Counterparty Credit Risk Exposure					
1	Claims on Sovereigns	1,902,219	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	-	71,084	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-	-
6	Claims on Corporations	-	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	1,902,219	71,084	-	-	-

(in million Rupiah)

50%	75%	100%	150%	Others	RWA	Capital Charges
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-		-	-
232,738	-	-	-		116,369	10,473
-	-	-	-		-	-
1,781,722	-	-	-		1,612,941	145,165
-	-	-	-		1,315,473	118,393
-	-	4,563,831	-		4,563,831	410,745
-	-	-	-		-	-
-	2,879,218	-	-		2,159,413	194,347
-	-	51,854,669	-		51,854,669	4,666,920
-	-	113,349	1,260,527		2,004,140	180,373
-	-	1,503,023	41,782		1,565,696	140,913
-	-				-	-
2,014,460	2,879,218	58,034,872	1,302,309	-	65,192,532	5,867,329
-	-	-	-		-	-
380,058	-	-	-		190,029	17,103
-	-	-	-		-	-
1,327,090	-	-	-		663,960	59,756
-	-	-	-		-	-
-	-	1,000	-		1,000	90
-	-	-	-		-	-
-	7,184	-	-		5,388	485
-	-	1,872,584	-		1,872,584	168,533
-	-	-	-		-	-
-	-	-	-	-	-	-
1,707,148	7,184	1,873,584	-	-	2,732,961	245,967
-	-	-	-		-	-
-	-	-	-		-	-
-	-	-	-		-	-
305,192	-	-	-		166,813	15,013
-	-	-	-		-	-
-	-	136,967	-		136,967	12,327
-	-	-	-		-	-
305,192	-	136,967	-	-	303,780	27,340

Table 4.1.a Disclosure of Net Claims by Risk Weight after Credit Risk Mitigation - Bank only

No.	Portfolio Category	Net Claims after Credit Risk Mitigation				
		0%	20%	35%	40%	45%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2015					
A	On Balance Sheet Exposures					
1	Claims on Sovereigns	16,025,917	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	6,258	1,320,694	-	-	-
5	Claims secured by residential property	20	-	732,011	22,685	-
6	Calims secured by commercial property	2,082	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	76,736	-	-	-	-
9	Claims on Banks	2,843,572	-	-	-	-
10	Past due loans	92	-	-	-	-
11	Other Assets	516,243	-	-	-	-
12	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total Balance Sheet Exposures	19,470,920	1,320,694	732,011	22,685	-
B	Off Balance Sheet (Commitment/Contingencies) Exposure					
1	Claims on Sovereigns	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	-	165	-	-	-
5	Claims secured by residential property	-	-	-	-	-
6	Claims secured by commercial property	-	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,439	-	-	-	-
9	Claims on Corporations	214,518	-	-	-	-
10	Past due loans	-	-	-	-	-
11	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total TRA Exposure	216,957	165	-	-	-
C	Counterparty Credit Risk Exposure					
1	Claims on Sovereigns	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Claims on Banks	-	47,698	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-	-
6	Claims on Corporations	-	-	-	-	-
7	Exposure in Sharia Banking (if any)	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	-	47,698	-	-	-

(in million Rupiah)

50%	75%	100%	150%	Others	RWA	Capital Charges
(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-		-	-
-	-	-	-		-	-
-	-	-	-		-	-
1,698,748	-	-	-		1,113,513	100,216
-	-	-	-		265,278	23,875
-	-	5,417,469	-		5,417,469	487,572
-	-	-	-		-	-
-	3,541,697	-	-		2,656,273	239,065
-	-	50,691,753	-		50,691,753	4,562,258
-	-	35,111	984,433		1,511,761	136,058
-	-	1,490,719	49,027		1,564,258	140,783
-	-	-	-	-	-	-
1,698,748	**3,541,697**	**57,635,052**	**1,033,460**	**-**	**63,220,305**	**5,689,827**
-	-	-	-		-	-
415,188	-	-	-		207,594	18,683
-	-	-	-		-	-
300,914	-	-	-		150,490	13,544
-	-	-	-		-	-
-	-	46,510	-		46,510	4,186
-	-	-	-		-	-
-	5,620	-	-		4,215	379
-	-	1,661,602	-		1,661,602	149,544
-	-	-	-		-	-
-	-	-	-	-	-	-
716,102	**5,620**	**1,708,112**	**-**	**-**	**2,070,411**	**186,337**
-	-	-	-		-	-
-	-	-	-		-	-
-	-	-	-		-	-
179,474	-	-	-		99,277	8,935
-	19	-	-		14	1
-	-	155,026	-		155,026	13,952
-	-	-	-		-	-
179,474	**19**	**155,026**	**-**	**-**	**254,317**	**22,888**

Attachment 4.2.a Disclosure of Net Claims and Credit Risk Mitigation Methods - Bank only

(in million Rupiah)

No.	Portfolio Category	Net Claims	Portion Secured by				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	'(8) = (3)-[(4)+(5)+(6)+(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2016						
A	On Balance Sheet Exposures						
1	Claims on Sovereigns	16,529,530	-	-	-	-	16,529,530
2	Claims on Public Sector Entities	232,738	-	-	-	-	232,738
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	5,397,120	5,000	-	-	-	5,392,120
5	Claims secured by residential property	3,758,515	20	-	-	-	3,758,495
6	Calims secured by commercial property	4,565,550	1,719	-	-	-	4,563,831
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,960,943	81,725	-	-	-	2,879,218
9	Claims on Banks	54,834,288	2,979,619	-	-	-	51,854,669
10	Past due loans	1,373,876	-	-	-	-	1,373,876
11	Other Assets	2,080,323	-	-	-	-	2,080,323
12	Exposure in Sharia Banking (if any)	-	-	-	-	-	-
	Total Balance Sheet Exposures	91,732,883	3,068,083	-	-	-	88,664,800
B	Off Balance Sheet Exposures						
1	Claims on Sovereigns	-	-	-	-	-	-
2	Claims on Public Sector Entities	380,058	-	-	-	-	380,058
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	1,329,166	-	-	-	-	1,329,166
5	Claims secured by residential property	-	-	-	-	-	-
6	Claims secured by commercial property	1,000	-	-	-	-	1,000
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	9,564	2,380	-	-	-	7,184
9	Claims on Corporations	2,038,764	166,180	-	-	-	1,872,584
10	Past due loans	-	-	-	-	-	-
11	Exposure in Sharia Banking (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposures	3,758,552	168,560	-	-	-	3,589,992
C	Counterparty Credit Risk Exposures						
1	Claims on Sovereigns	1,902,219	-	-	-	-	1,902,219
2	Claims on Public Sector Entities	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	376,276	-	-	-	-	376,276
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporations	136,967	-	-	-	-	136,967
7	Exposure in Sharia Banking (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	2,415,462	-	-	-	-	2,415,462
	Total (A+B+C)	97,906,897	3,236,643	-	-	-	94,670,254

Attachment 4.2.a Disclosure of Net Claims and Credit Risk Mitigation Methods - Bank only

(in million Rupiah)

No.	Portfolio Category	Net Claims	Portion Secured by				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	'(8) = (3)-[(4)+(5)+(6)+(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2015						
A	On Balance Sheet Exposures						
1	Claims on Sovereigns	16,025,917	-	-	-	-	16,025,917
2	Claims on Public Sector Entities	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	3,025,700	6,258	-	-	-	3,019,442
5	Claims secured by residential property	754,716	20	-	-	-	754,696
6	Calims secured by commercial property	5,419,551	2,082	-	-	-	5,417,469
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	3,618,433	76,736	-	-	-	3,541,697
9	Claims on Banks	53,535,325	2,843,572	-	-	-	50,691,753
10	Past due loans	1,019,636	92	-	-	-	1,019,544
11	Other Assets	2,055,990	-	-	-	-	2,055,990
12	Exposure in Sharia Banking (if any)					-	-
	Total Balance Sheet Exposures	85,455,268	2,928,760	-	-	-	82,526,508
B	Off Balance Sheet Exposures						
1	Claims on Sovereigns	-	-	-	-	-	-
2	Claims on Public Sector Entities	415,188	-	-	-	-	415,188
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	301,078	-	-	-	-	301,078
5	Claims secured by residential property	-	-	-	-	-	-
6	Claims secured by commercial property	46,510	-	-	-	-	46,510
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	8,059	2,439	-	-	-	5,620
9	Claims on Corporations	1,876,120	214,518	-	-	-	1,661,602
10	Past due loans	-	-	-	-	-	-
11	Exposure in Sharia Banking (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposures	2,646,955	216,957	-	-	-	2,429,998
C	Counterparty Credit Risk Exposures						
1	Claims on Sovereigns	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	227,171	-	-	-	-	227,171
5	Claims on Micro, Small Business and Retail Portfolio	20	-	-	-	-	20
6	Claims on Corporations	155,026	-	-	-	-	155,026
7	Exposure in Sharia Banking (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	382,217	-	-	-	-	382,217
	Total (A+B+C)	88,484,440	3,145,717	-	-	-	85,338,723

Disclosure of Calculation of Credit Risk RWA by Standard Approach - Bank only

Table 6.1.1 Exposures of Assets in Balance Sheet

(in million Rupiah)

No.	Transaction Type	December 2016		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)			
1	Claims on Sovereigns	16,529,530	-	-
2	Claims on Public Sector Entities	232,738	116,369	116,369
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	5,397,120	1,615,441	1,612,941
5	Claims secured by residential property	3,758,515	1,315,480	1,315,473
6	Calims secured by commercial property	4,565,550	4,565,550	4,563,831
7	Claims on Employees/Retirees	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,960,943	2,220,708	2,159,413
9	Claims on Banks	54,834,288	54,834,288	51,854,669
10	Past due loans	1,373,876	2,004,138	2,004,140
11	Other Assets	2,080,323	-	1,565,696
	Total	91,732,883	66,671,974	65,192,532

(in million Rupiah)

No.	Transaction Type	December 2015		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)
1	Claims on Sovereigns	16,025,917	-	-
2	Claims on Public Sector Entities	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	3,025,700	1,116,566	1,113,513
5	Claims secured by residential property	754,716	265,285	265,278
6	Calims secured by commercial property	5,419,551	5,419,551	5,417,469
7	Claims on Employees/Retirees	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	3,618,433	2,713,825	2,656,273
9	Claims on Banks	53,535,325	53,535,325	50,691,753
10	Past due loans	1,019,636	1,511,899	1,511,761
11	Other Assets	2,055,990	-	1,564,258
	Total	85,455,268	64,562,451	63,220,305

Table 6.2.2 Off Balance Sheet (Commitment/Contingencies) Exposure

(in million Rupiah)

No.	Transaction Type	December 2016		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)
1	Claims on Sovereigns	-	-	-
2	Claims on Public Sector Entities	380,058	190,029	190,029
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	1,329,167	663,960	663,960
5	Claims secured by residential property	-	-	-
6	Claims secured by commercial property	1,000	1,000	1,000
7	Claims on Employees/Retirees	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	9,564	7,173	5,388
9	Claims on Corporations	2,038,764	2,038,764	1,872,584
10	Past due loans	-	-	-
	Total	3,758,553	2,900,926	2,732,961

(in million Rupiah)

No.	Transaction Type	December 2015		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)
1	Claims on Sovereigns	-	-	-
2	Claims on Public Sector Entities	415,188	207,593	207,593
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	301,079	150,490	150,490
5	Claims secured by residential property	-	-	-
6	Claims secured by commercial property	46,510	46,510	46,510
7	Claims on Employees/Retirees	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	8,059	6,044	4,215
9	Claims on Corporations	1,876,120	1,876,120	1,661,602
10	Past due loans	-	-	-
	Total	2,646,956	2,286,757	2,070,410

Table 6.1.3 Counterparty Credit Risk Exposure

(in million Rupiah)

No.	Transaction Type	December 2016		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)
1	Claims on Sovereigns	1,902,219	-	-
2	Claims on Public Sector Entities	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	376,276	166,813	166,813
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-
6	Claims on Corporations	136,967	136,967	136,967
	Total	2,415,462	303,780	303,780

(in million Rupiah)

No.	Transaction Type	December 2015		
		Net Claims	RWA before Credit Risk Mitigation	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)
1	Claims on Sovereigns	-	-	-
2	Claims on Public Sector Entities	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-
4	Claims on Banks	227,171	99,277	99,277
5	Claims on Micro, Small Business and Retail Portfolio	20	14	14
6	Claims on Corporations	155,026	155,026	155,026
	Total	382,217	254,317	254,317

Disclosure of Credit Risk Exposure due to Settlement Risk
As of 31 December 2016, the Bank has no credit risk exposure due to settlement risk.

Disclosure of Securitization Exposure
As of 31 December 2016, the Bank has no securitization exposure.

Tabl 6.1.7 : Total Credit Risk Measurement

(in million Rupiah)

No.		31 December 2016	31 December 2015
1	TOTAL RWA CREDIT RISK	68,229,273	65,545,033
	TOTAL CAPITAL DEDUCTION FACTOR	0	0

Table 7.1. Disclosure of Market Risk by Standard Methods

(in million Rupiah)

No.	Risk Type	31 December 2016			
		Bank		Consolidation	
		Capital Charges	RWA	Capital Charges	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest Rate Risk				
	a. Specific Risk	2,100	26,247	-	-
	b. General Risk	40,516	506,452	-	-
2	Exchange Rate Risk	6,199	77,490	-	-
3	Equity Risk *)		-	-	-
4	Commodity Risk *)		-	-	-
5	Option Risk	-	-	-	-
	Total	**48,815**	**610,188**	**-**	**-**

(in million Rupiah)

No.	Risk Type	31 December 2015			
		Bank		Consolidation	
		Capital Charges	RWA	Capital Charges	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest Rate Risk				
	a. Specific Risk	4,117	51,463	-	-
	b. General Risk	63,245	790,563	-	-
2	Exchange Rate Risk	5,916	73,950	-	-
3	Equity Risk *)		-	-	-
4	Commodity Risk *)		-	-	-
5	Option Risk	-	-	-	-
	Total	**73,278**	**915,975**	**-**	**-**

*) For banks with subsidiaries having such risk exposures

Table 7.2. Disclosure of Market Risk by Internal Model (Value at Risk/VaR)

(in million Rupiah)

No.	Risk Type	31 December 2016			
		Average VaR	Maximum VaR	Minimum VaR	End of Period VaR
Bank only					
Total		8,204	15,765	2,104	3,157

(in million Rupiah)

No.	Risk Type	31 December 2015			
		Average VaR	Maximum VaR	Minimum VaR	End of Period VaR
Bank only					
Total		3,884	9,818	1,200	6,939

Table 8.1.a Disclosure of Operational Risk - Bank only

(in million Rupiah)

No.	Adopted Approach	December 2016		
		Gross Income (last 3 years average)*)	Capital Charges	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	3,652,380	547,857	6,848,213
	Total	3,652,380	547,857	6,848,213

(in million Rupiah)

No.	Adopted Approach	December 2015		
		Gross Income (last 3 years average)*)	Capital Charges	RWA
(1)	(2)	(3)	(4)	(5)
1	Basic Indicator Approach	3,450,852	517,628	6,470,348
	Total	3,450,852	517,628	6,470,348

Table 9.1.a Disclosure of Rupiah Maturity Profile - Bank only

(in million Rupiah)

No.	Account	Balance	Maturity*)				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2016						
I	ON BALANCE SHEET						
	A Assets						
	1. Cash	333,881	333,881	-	-	-	-
	2. Placement with Bank Indonesia	5,438,059	5,438,059	-	-	-	-
	3. Placement with Other Bank	1,841,077	1,351,098	198,422	291,557	-	-
	4. Marketable Securities	9,023,085	634,625	1,555,778	1,719,514	1,755,270	3,357,898
	5. Loans	49,691,551	2,951,474	4,976,468	7,821,990	10,197,009	23,744,610
	6. Other assets	2,217,592	2,067,433	56,416	68,994	24,749	-
	7. Others	623,535	333,198	277,099	-	13,238	-
	Total Assets	69,168,780	13,109,768	7,064,183	9,902,055	11,990,266	27,102,508
	B. Liabilities						
	1. Third Party Fund	53,268,583	22,691,586	14,176,597	2,174,235	905,538	13,320,627
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	59,887	51,887	3,000	-	5,000	-
	4. Marketable Securities Issued	3,086,872	-	-	-	298,679	2,788,193
	5. Borrowings	98,255	-	-	-	-	98,255
	6. Other Liabilities	258,335	131,234	56,325	68,993	1,783	-
	7. Others	1,037,713	565,480	45,949	-	-	426,284
	Total Liabilities	57,809,645	23,440,187	14,281,871	2,243,228	1,211,000	16,633,359
	Difference between Assets and Liabilities On Balance Sheet	11,359,135	(10,330,419)	(7,217,688)	7,658,827	10,779,266	10,469,149
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	535	535	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	535	535	-	-	-	-
	B. Off Balance Sheet Payables						
	1. Commitment	19,705,714	2,476,296	4,341,904	3,798,033	5,738,424	3,351,057
	2. Contingencies	1,019,233	244,214	185,495	244,023	107,185	238,316
	Total Off Balance Sheet Payables	20,724,947	2,720,510	4,527,399	4,042,056	5,845,609	3,589,373
	Difference of Receivables and Payables Off Balance Sheet	(20,724,412)	(2,719,975)	(4,527,399)	(4,042,056)	(5,845,609)	(3,589,373)
	Difference [(IA-IB)+(IIA-IIB)]	(9,365,277)	(13,050,394)	(11,745,087)	3,616,771	4,933,657	6,879,776
	Cumulative Difference		(13,050,394)	(24,795,481)	(21,178,710)	(16,245,053)	(9,365,277)

*) in accordance with prevailing regulations

Table 9.1.a Disclosure of Rupiah Maturity Profile - Bank only

(in million Rupiah)

No.	Account	Balance	Maturity*)				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	31 December 2016						
I	ON BALANCE SHEET						
	A Assets						
	1. Cash	426,001	426,001	-	-	-	-
	2. Placement with Bank Indonesia	7,665,668	4,302,009	494,818	1,261,385	1,607,456	-
	3. Placement with Other Bank	1,112,185	50,608	424,086	354,054	283,437	-
	4. Marketable Securities	4,733,647	250,160	565,231	602,244	1,369,371	1,946,641
	5. Loans	49,732,628	2,556,440	6,269,548	7,197,840	10,235,932	23,472,868
	6. Other assets	739,621	198,885	435,469	59,845	16	45,406
	7. Others	645,311	637,441	-	-	7,870	-
	Total Assets	65,055,061	8,421,544	8,189,152	9,475,368	13,504,082	25,464,915
	B. Liabilities						
	1. Third Party Fund	51,154,931	31,778,928	14,393,888	3,879,910	964,183	138,022
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	354,432	348,426	1,006	-	5,000	-
	4. Marketable Securities Issued	2,500,000	-	-	400,000	-	2,100,000
	5. Borrowings	-	-	-	-	-	-
	6. Other Liabilities	694,247	198,885	435,469	59,842	-	51
	7. Others	1,045,123	841,919	-	-	27,792	175,412
	Total Liabilities	55,748,733	33,168,158	14,830,363	4,339,752	996,975	2,413,485
	Difference between Assets and Liabilities On Balance Sheet	9,306,328	(24,746,614)	(6,641,211)	5,135,616	12,507,107	23,051,430
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	-	-	-	-	-	-
	B. Off Balance Sheet Payables						
	1. Commitment	15,917,438	1,342,549	2,829,343	3,360,356	4,282,410	4,102,780
	2. Contingencies	735,598	315,954	82,284	202,858	105,410	29,092
	Total Off Balance Sheet Payables	16,653,036	1,658,503	2,911,627	3,563,214	4,387,820	4,131,872
	Difference of Receivables and Payables Off Balance Sheet	(16,653,036)	(1,658,503)	(2,911,627)	(3,563,214)	(4,387,820)	(4,131,872)
	Difference [(IA-IB)+(IIA-IIB)]	(7,346,708)	(26,405,117)	(9,552,838)	1,572,402	8,119,287	18,919,558
	Cumulative Difference		(26,405,117)	(35,957,955)	(34,385,553)	(26,266,266)	(7,346,708)

*) in accordance with prevailing regulations

Table 9.2.a : Disclosure of Forex Maturity Profile - Bank only

(in million Rupiah)

No.	Account	Balance	Maturity *)				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(3)	(4)	(5)	(7)	(8)
	31 December 2016						
I	ON BALANCE SHEET						
	A Assets						
	1. Cash	201,636	201,636	-	-	-	-
	2. Placement with Bank Indonesia	1,935,200	1,935,200	-	-	-	-
	3. Placement with Other Bank	1,769,290	1,432,477	336,813	-	-	-
	4. Marketable Securities	3,086,600	906,641	985,527	311,242	-	883,190
	5. Loans	16,097,512	1,450,346	3,445,423	1,579,139	3,541,640	6,080,964
	6. Other assets	1,691,910	225,452	807,890	423,867	62,593	172,108
	7. Others	105,828	9,983	6,736	-	-	89,109
	Total Assets	24,887,976	6,161,735	5,582,389	2,314,248	3,604,233	7,225,371
	B. Liabilities						
	1. Third Party Fund	19,736,368	5,805,425	2,192,326	1,572,443	1,392,949	8,773,225
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	3,581,777	1,318,397	1,957,554	305,826	-	-
	4. Marketable Securities Issued	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-
	6. Other Liabilities	2,046,540	576,894	807,557	442,312	62,593	157,184
	7. Others	98,448	4,621	-	-	-	93,827
	Total Liabilities	25,463,133	7,705,337	4,957,437	2,320,581	1,455,542	9,024,236
	Difference between Assets and Liabilities On Balance Sheet	(575,157)	(1,543,602)	624,952	(6,333)	2,148,691	(1,798,865)
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	18,073,776	4,839,376	504,653	164,162	12,565,585	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	18,073,776	4,839,376	504,653	164,162	12,565,585	-
	B. Off Balance Sheet Payables						
	1. Commitment	24,414,900	5,973,472	2,476,515	1,904,513	2,166,742	11,893,658
	2. Contingencies	3,447,960	152,478	305,031	540,059	840,886	1,609,506
	Total Off Balance Sheet Payables	27,862,860	6,125,950	2,781,546	2,444,572	3,007,628	13,503,164
	Difference of Receivables and Payables Off Balance Sheet	(9,789,084)	(1,286,574)	(2,276,893)	(2,280,410)	9,557,957	(13,503,164)
	Difference [(IA-IB)+(IIA-IIB)]	(10,364,241)	(2,830,176)	(1,651,941)	(2,286,743)	11,706,648	(15,302,029)
	Cumulative Difference		(2,830,176)	(4,482,117)	(6,768,860)	4,937,788	(10,364,241)

*) in accordance with prevailing regulations

Table 9.2.a : Disclosure of Forex Maturity Profile - Bank only

(in million Rupiah)

No.	Account	Balance	Maturity *)				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(3)	(4)	(5)	(7)	(8)
	31 December 2015						
I	ON BALANCE SHEET						
	A Assets						
	1. Cash	90,243	90,243	-	-	-	-
	2. Placement with Bank Indonesia	3,630,445	3,630,445	-	-	-	-
	3. Placement with Other Bank	1,025,989	1,025,989	-	-	-	-
	4. Marketable Securities	2,790,532	471,764	498,800	495,433	116,033	1,208,502
	5. Loans	11,622,923	520,190	3,204,967	2,668,465	1,188,238	4,041,062
	6. Other assets	2,046,996	546,103	908,354	407,991	122,437	62,111
	7. Others	71,313	64,340	-	-	6,973	-
	Total Assets	21,278,441	6,349,074	4,612,121	3,571,889	1,433,681	5,311,675
	B. Liabilities						
	1. Third Party Fund	13,302,362	11,210,815	1,167,242	454,988	469,317	-
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	5,152,088	3,139,478	2,012,610	-	-	-
	4. Marketable Securities Issued	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-
	6. Other Liabilities	2,093,003	531,848	903,861	407,821	122,049	127,424
	7. Others	82,848	54,910	-	-	27,938	-
	Total Liabilities	20,630,301	14,937,051	4,083,713	862,809	619,304	127,424
	Difference between Assets and Liabilities On Balance Sheet	648,140	(8,587,977)	528,408	2,709,080	814,377	5,184,251
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	8,283,138	1,055,166	179,095	4,563	7,044,314	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	8,283,138	1,055,166	179,095	4,563	7,044,314	-
	B. Off Balance Sheet Payables						
	1. Commitment	18,458,832	2,301,089	4,204,301	4,593,582	1,192,428	6,167,432
	2. Contingencies	1,869,535	179,260	126,629	295,647	203,218	1,064,781
	Total Off Balance Sheet Payables	20,328,367	2,480,349	4,330,930	4,889,229	1,395,646	7,232,213
	Difference of Receivables and Payables Off Balance Sheet	(12,045,229)	(1,425,183)	(4,151,835)	(4,884,666)	5,648,668	(7,232,213)
	Difference [(IA-IB)+(IIA-IIB)]	(11,397,089)	(10,013,160)	(3,623,427)	(2,175,586)	6,463,045	(2,047,962)
	Cumulative Difference		(10,013,160)	(13,636,587)	(15,812,173)	(9,349,127)	(11,397,089)

*) in accordance with prevailing regulations

Disclosure of Pillar 3

Table 10 : Disclosure of Liquidity Coverage Ratio (LCR) (%)

	31 December 2016			
	Quarter I	Quarter II	Quarter III	Quarter IV
Bank only	-	-	168%	184%

	31 December 2015			
	Quarter I	Quarter II	Quarter III	Quarter IV
Bank only	-	-	-	-

Notes:
Pursuant to OJK Regulation No.42/POJK.03/2015, Bank UOBI as a bank categorized under bank with BOOK 3 shall report its LCR in September 2016 (Quarter III).

The requirements of publishing quarterly LCR calculation and values in the Bank's website as stipulated under Article 57 point (4)a were first disclosed as of:
a. March 2016, for Banks categorized under Book 4 and its branch offices located overseas; and
b. September 2016, for Banks categorized under Book 3 and foreign banks other than the branch offices located overseas.

Statement of the Members of Board of Commissioners and Board of Directors Regarding Responsibility for 2016 Annual Report of PT Bank UOB Indonesia

We, the undersigned, hereby declare that all information in the 2016 Annual Report of PT Bank UOB Indonesia has been completely presented, and we are fully responsible for the accuracy of the content of this Annual Report.

This statement is hereby made truthfully.

Jakarta, April 2017

Board of Commissioners

Wee Cho Yaw
President Commissioner

Wee Ee Cheong
Deputy President Commissioner

Lee Chin Yong Francis
Commissioner

Rusdy Daryono
Independent Commissioner

Wayan Alit Antara
Independent Commissioner

Aswin Wirjadi
Independent Commissioner

Board Of Directors

Lam Sai Yoke
President Director

Iwan Satawidinata
Deputy President Director

Tan Chin Poh
Deputy President Director

Muljono Tjandra
Director

Pardi Kendy
Director

Soehadie Tansol
Compliance Director

PT Bank UOB Indonesia

31 December 2016

Financial Statements

161 Independent Auditors' Report

PT Bank UOB Indonesia

Laporan keuangan tanggal 31 Desember 2016
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
Financial statements
As of 31 December 2016
and for the year then ended
with independent auditors' report

PT Bank UOB Indonesia
HEAD OFFICE
UOB Plaza
Jl. M.H. Thamrin No. 10
Jakarta 10230
Telp : (021) 2350 6000
Fax : (021) 2993 6632
www.uob.co.id

No.17/DIR/0051

SURAT PERNYATAAN DIREKSI TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN TANGGAL 31 DESEMBER 2016
DAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
PT BANK UOB INDONESIA

DIRECTORS' STATEMENT LETTER RELATING TO
THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016
AND FOR THE YEAR THEN ENDED
PT BANK UOB INDONESIA

Kami yang bertandatangan dibawah ini / *We, the undersigned*:

1. Nama/*Name* : **LAM SAI YOKE**
   Alamat Kantor/*Office Address* : Gedung UOB Plaza Jl. M.H. Thamrin No. 10 Jakarta Pusat 10230
   Alamat Domisili/*Address of Domicile* : Shangri-La Residence, Jl. Jend. Sudirman Kav.1 Jakarta
   Nomor Telepon/*Phone Number* : (62-21) 23506000
   Jabatan/*Position* : Direktur Utama / *President Director*

2. Nama/*Name* : **MULJONO TJANDRA**
   Alamat Kantor/*Office Address* : Gedung UOB Plaza Jl. M.H. Thamrin No. 10 Jakarta Pusat 10230
   Alamat Domisili/*Address of Domicile* : Jl. Pulau Matahari Blok B.5 No.8, Taman Permata Buana RT 017/009 Kembangan Utara – Kembangan, Jakarta Barat
   Nomor Telepon/*Phone Number* : (62-21) 23506000
   Jabatan/*Position* : Direktur Keuangan dan Layanan Korporasi / *Finance and Corporate Services Director*

Menyatakan bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan;
2. Laporan Keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia
3. a. Semua informasi dalam Laporan Keuangan dimuat secara lengkap dan benar;
   b. Laporan Keuangan tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal Bank.

Demikian pernyataan ini dibuat dengan sebenarnya.

State that :

1. *We are responsible for the preparation and presentation of the Financial Statements;*
2. *The Financial Statements have been prepared and presented in accordance with Indonesian Financial Accounting Standard;*
3. *a. All information contained in the Financial Statements is complete and correct.*
   b. The Financial statements do not contain misleading material information or facts, do not omit material information and facts;
4. *We are responsible for the Bank's internal control system.*

This statement letter is made truthfully.

Jakarta, 24 Januari 2017 / *24 January 2017*

METERAI TEMPEL
9EA54AEF152438545
6000
ENAM RIBU RUPIAH

LAM SAI YOKE
Direktur Utama /
President Director

MULJONO TJANDRA
Direktur Keuangan dan Layanan Korporasi /
Finance and Corporate Services Director

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2016 DAN UNTUK
TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN

PT BANK UOB INDONESIA
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2016 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

Daftar Isi / ***Table of Contents***

	Halaman/ *Pages*	
Laporan Auditor Independen		*Independent Auditors' Report*
Laporan Posisi Keuangan	1-4	*Statement of Financial Position*
Laporan Laba-Rugi dan Penghasilan Komprehensif Lain	5-6	*Statement of Profit or Loss and Other Comprehensive Income*
Laporan Perubahan Ekuitas	7	*Statement of Changes in Equity*
Laporan Arus Kas	8-10	*Statement of Cash Flows*
Catatan atas Laporan Keuangan	11-159	*Notes to the Financial Statements*

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EY
Building a better working world

Purwantono, Sungkoro & Surja

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Jl. Basuki Rachmat 122
Surabaya 60271, Indonesia

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The original report included herein is in Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-2965/PSS/2017

Pemegang Saham, Dewan Komisaris dan Direksi PT Bank UOB Indonesia

Kami telah mengaudit laporan keuangan PT Bank UOB Indonesia terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2016, serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-2965/PSS/2017

The Shareholders, Boards of Commissioners and Directors PT Bank UOB Indonesia

We have audited the accompanying financial statements of PT Bank UOB Indonesia, which comprise the statement of financial position as of December 31, 2016, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

EY
Building a better working world

The original report included herein is in Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-2965/PSS/2017 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank UOB Indonesia tanggal 31 Desember 2016, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Report No. RPC-2965/PSS/2017 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of December 31, 2016, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja

Danil Setiadi Handaja
Registrasi Akuntan Publik No. AP.1008/*Public Accountant Registration No. AP.1008*

24 Januari 2017/*January 24, 2017*

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
As of 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	31 Desember/ *31 December 2016*	Catatan/ *Notes*	31 Desember/ *31 December 2015*	
ASET				***ASSETS***
Kas	535.517	3,38,40	516.244	*Cash*
Giro pada Bank Indonesia	5.724.310	4,38,40	5.454.283	*Current accounts with Bank Indonesia*
Giro pada bank lain		5,38,40		*Current accounts with other banks*
Pihak ketiga	560.476		442.388	*Third parties*
Pihak berelasi	537.818	35	261.421	*Related parties*
	1.098.294		703.809	
Penempatan pada Bank Indonesia dan bank lain		6,38,40		*Placements with Bank Indonesia and other banks*
Pihak ketiga	3.130.306		2.686.277	*Third parties*
Pihak berelasi	190.848	35	169.378	*Related party*
	3.321.154		2.855.655	
Efek-efek yang diperdagangkan	945.104	7,38,40	1.556.498	*Trading securities*
Investasi keuangan		8,38,40		*Financial investments*
Tersedia untuk dijual	9.316.226		8.526.276	*Available-for-sale*
Dimiliki hingga jatuh tempo	2.688.222		1.861.945	*Held-to-maturity*
	12.004.448		10.388.221	
Cadangan kerugian penurunan nilai	(31.677)		(9.005)	*Allowance for impairment losses*
Neto	11.972.771		10.379.216	*Net*
Tagihan derivatif		9,38,40		*Derivatives receivable*
Pihak ketiga	150.926		135.166	*Third parties*
Pihak berelasi	51.186	35	6.561	*Related parties*
	202.112		141.727	
Kredit yang diberikan		10,16,17 18,38,40		*Loans*
Pihak ketiga	65.419.390		60.959.973	*Third parties*
Pihak berelasi	369.674	35	395.578	*Related parties*
	65.789.064		61.355.551	
Cadangan kerugian penurunan nilai	(1.090.066)		(782.028)	*Allowance for impairment losses*
Neto	64.698.998		60.573.523	*Net*
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	1.902.219	11	-	*Receivables on securities purchased with agreements to resell*

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	31 Desember/ *31 December 2016*	Catatan/ *Notes*	31 Desember/ *31 December 2015*	
ASET (lanjutan)				***ASSETS (continued)***
Tagihan akseptasi	1.770.688	12,38,40	2.643.573	*Acceptances receivable*
Cadangan kerugian penurunan nilai	(21.751)		(30.461)	*Allowance for impairment losses*
Neto	1.748.937		2.613.112	*Net*
Aset pajak tangguhan - neto	35.906	20,38	-	*Deferred tax assets - net*
Aset tetap		13,29,38		*Fixed assets*
Biaya perolehan	2.049.217		1.942.628	*Cost*
Akumulasi penyusutan	(955.901)		(807.312)	*Accumulated depreciation*
Nilai buku	1.093.316		1.135.316	*Net book value*
Aset lain-lain - neto	815.210	14,38,40	717.942	*Other assets - net*
TOTAL ASET	**94.093.848**		**86.647.325**	***TOTAL ASSETS***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	31 Desember/ *31 December 2016*	Catatan/ *Notes*	31 Desember/ *31 December 2015*	
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS				***LIABILITIES***
Liabilitas segera	101.348	15,38,40	61.920	*Current liabilities*
Simpanan		10,38,40		*Deposits*
Giro		16		*Demand deposits*
Pihak ketiga	9.469.289		6.883.948	*Third parties*
Pihak berelasi	18.912	35	3.402	*Related parties*
	9.488.201		6.887.350	
Tabungan		17		*Saving deposits*
Pihak ketiga	16.081.738		12.539.865	*Third parties*
Pihak berelasi	62.156	35	83.713	*Related parties*
	16.143.894		12.623.578	
Deposito berjangka		18		*Time deposits*
Pihak ketiga	47.229.217		44.857.938	*Third parties*
Pihak berelasi	143.589	35	88.427	*Related parties*
	47.372.806		44.946.365	
Total simpanan	73.004.901		64.457.293	*Total deposits*
Simpanan dari bank lain	3.641.664	19,35,38,40	5.506.520	*Deposits from other banks*
Bunga yang masih harus dibayar	211.247	38,40	243.086	*Interests payable*
Utang pajak	145.351	20,38	211.401	*Taxes payable*
Liabilitas derivatif		9,38,40		*Derivatives payable*
Pihak ketiga	100.501		84.167	*Third parties*
Pihak berelasi	93.827	35	59.051	*Related parties*
	194.328		143.218	
Liabilitas akseptasi	1.770.688	12,38,40	2.643.573	*Acceptances payable*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	339.412	21,38,40	-	*Liabilities on securities sold under repurchase agreements*
Liabilitas pajak tangguhan - neto	-	20,38	26.219	*Deferred tax liability - net*
Liabilitas atas imbalan kerja	209.164	33,38	186.262	*Liabilities for employees' benefits*
Liabilitas lain-lain	469.547	23,35,38,40	411.668	*Other liabilities*
Efek hutang yang diterbitkan - neto	3.185.128	22,35,38,40	2.487.873	*Debt securities issued - net*
TOTAL LIABILITAS	**83.272.778**		**76.379.033**	***TOTAL LIABILITIES***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	31 Desember/ *31 December 2016*	Catatan/ *Notes*	31 Desember/ *31 December 2015*	
EKUITAS				***EQUITY***
Modal saham - nilai nominal Rp250 (nilai penuh) per saham Modal dasar - 36.000.000.000 saham Modal ditempatkan dan disetor penuh - 9.553.885.804 saham	2.388.471	24	2.388.471	*Share capital - par value Rp250 (full amount) per share Authorized - 36,000,000,000 shares Issued and fully paid capital - 9,553,885,804 shares*
Tambahan modal disetor - neto	2.102.242	25	2.102.242	*Additional paid-in capital - net*
Penghasilan komprehensif lain	(119.525)	8,33	(193.030)	*Other comprehensive income*
Saldo laba				*Retained earnings*
Telah ditentukan penggunaannya	106.631	26	102.000	*Appropriated*
Belum ditentukan penggunaannya	6.343.251		5.868.609	*Unappropriated*
Total Ekuitas	10.821.070		10.268.292	*Total Equity*
TOTAL LIABILITAS DAN EKUITAS	**94.093.848**		**86.647.325**	***TOTAL LIABILITIES AND EQUITY***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ *For the Year Ended 31 December*			
	2016	**Catatan/ *Notes***	**2015**	
PENDAPATAN DAN BEBAN OPERASIONAL				***OPERATING INCOME AND EXPENSES***
Pendapatan dan beban bunga				*Interest income and expenses*
Pendapatan bunga	7.404.292	27,35	7.192.872	*Interest income*
Beban bunga	(3.867.144)	28,35	(4.116.397)	*Interest expense*
PENDAPATAN BUNGA - NETO	**3.537.148**		**3.076.475**	***INTEREST INCOME - NET***
Pendapatan Operasional Lainnya				*Other Operating Income*
Komisi dan jasa administrasi - neto	218.478		205.600	*Administration fees and commissions - net*
Keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto	191.718		96.679	*Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net*
Keuntungan transaksi mata uang asing	179.696		226.485	*Gain from foreign currency transactions*
Lain-lain - neto	202.171		152.551	*Others - net*
Total Pendapatan Operasional Lainnya - Neto	792.063		681.315	*Total Other Operating Income - Net*
(Pembentukan) pemulihan penyisihan kerugian penurunan nilai:				*(Provision for) reversal of impairment losses:*
Aset keuangan	(958.431)		(656.892)	*Financial assets*
Agunan yang diambil alih	(238)	14	513	*Foreclosed assets*
Total Pembentukan Penyisihan Kerugian Penurunan Nilai	(958.669)		(656.379)	*Total Provision for Impairment Losses*
Beban Operasional Lainnya				*Other Operating Expenses*
Gaji dan kesejahteraan karyawan	(1.572.475)	30,33	(1.470.225)	*Salaries and employees' benefits*
Beban umum dan administrasi	(1.139.992)	13,29,35	(1.000.637)	*General and administrative expenses*
Total Beban Operasional Lainnya	(2.712.467)		(2.470.862)	*Total Other Operating Expenses*
LABA OPERASIONAL	**658.075**		**630.549**	***OPERATING INCOME***
Pendapatan non-operasional				*Non-operating income*
Keuntungan penjualan aset tetap, properti terbengkalai dan agunan yang diambil alih - neto	11.449	13,14	7.733	*Gain on sale of fixed assets, abandoned property and foreclosed assets - net*
Lain-lain - neto	213		90	*Others - net*
Total Pendapatan Non-Operasional	11.662		7.823	*Total Non-Operating Income*
LABA SEBELUM BEBAN PAJAK	**669.737**		**638.372**	***INCOME BEFORE TAX EXPENSE***
Beban pajak	(190.464)	20	(175.296)	*Tax expense*
LABA TAHUN BERJALAN	**479.273**		**463.076**	***INCOME FOR THE YEAR***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ *For the Year Ended 31 December*			
	2016	**Catatan/ *Notes***	**2015**	
LABA TAHUN BERJALAN	**479.273**		**463.076**	***INCOME FOR THE YEAR***
PENGHASILAN KOMPREHENSIF LAIN				***OTHER COMPREHENSIVE INCOME***
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				***Item that will not be reclassified to profit or loss:***
Keuntungan (kerugian) aktuarial atas program manfaat pasti	(11.698)	33	33.520	*Actuarial gain (loss) on defined benefit plan*
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	2.925		(8.380)	*Income tax relating to components of other comprehensive income*
	(8.773)		25.140	
Pos-pos yang akan direklasifikasi ke laba rugi:				***Item that may be reclassified to profit or loss:***
Mutasi sehubungan dengan perubahan nilai wajar investasi keuangan yang tersedia untuk dijual	109.704		(90.854)	*Movement in respect of fair-value change of available-for-sale financial investment*
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	(27.426)		22.713	*Income tax related to component of other comprehensive income*
	82.278		(68.141)	
Penghasilan komprehensif lainnya tahun berjalan - setelah pajak	73.505		(43.001)	*Other comprehensive income for the year - net of tax*
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	**552.778**		**420.075**	***TOTAL COMPREHENSIVE INCOME FOR THE YEAR***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
LAPORAN PERUBAHAN EKUITAS
Untuk tahun yang Berakhir pada Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CHANGES IN EQUITY
For the year Ended 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Catatan/ *Notes*	Modal Saham Ditempatkan dan Disetor Penuh/ *Issued and Fully Paid - Share Capital*	Tambahan Modal Disetor - neto/ *Additional Paid-in Capital - net*	Penghasilan Komprehensive Lain/ *Other Comprehensive Income*: Keuntungan (Kerugian) yang Belum Direalisasi atas Efek-efek yang Tersedia untuk Dijual - neto/ *Unrealized Gain (Loss) on Available - for-Sale Securities - net of tax*	Penghasilan Komprehensive Lain/ *Other Comprehensive Income*: Keuntungan (kerugian) aktuarial atas program manfaat pasti/ *Acturial gain (losses) on defined benefit plan*	Saldo Laba/*Retained Earnings*: Telah Ditentukan Penggunaannya/ *Appropriated*	Saldo Laba/*Retained Earnings*: Belum Ditentukan Penggunaannya/ *Unappropriated*	Total Ekuitas/ *Total Equity*	
Saldo, 1 Januari 2015		**2.388.471**	**2.102.242**	**(50.819)**	**(99.210)**	**95.000**	**5.548.485**	**9.984.169**	***Balance, 1 January 2015***
Penghasilan komprehensif tahun berjalan									*Comprehensive income for the year*
Laba tahun berjalan 2015		-	-	-	-	-	463.076	463.076	*Income for the year 2015*
Laba aktuarial - neto setelah pajak		-	-	-	25.140	-	-	25.140	*Actuarial gain - net of tax*
Kerugian yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	8	-	-	(68.141)	-	-	-	(68.141)	*Unrealized loss on available-for-sale securities - net*
Total penghasilan komprehensif untuk tahun berjalan 2015		-	-	(68.141)	25.140	-	463.076	420.075	*Total comprehensive income for the year 2015*
Pembentukan cadangan umum	26	-	-	-	-	7.000	(7.000)	-	*Appropriation for general reserve*
Dividen kas		-	-	-	-	-	(135.952)	(135.952)	*Cash dividends*
Saldo, 31 Desember 2015		**2.388.471**	**2.102.242**	**(118.960)**	**(74.070)**	**102.000**	**5.868.609**	**10.268.292**	***Balance, 31 December 2015***
Penghasilan komprehensif tahun berjalan									*Comprehensive income for the year*
Laba untuk tahun berjalan 2016		-	-	-	-	-	479.273	479.273	*Income for the year 2016*
Rugi aktuarial - neto setelah pajak		-	-	-	(8.773)	-	-	(8.773)	*Actuarial loss - net of tax*
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	8	-	-	82.278	-	-	-	82.278	*Unrealized gain on available-for-sale securities - net*
Total penghasilan komprehensif untuk tahun berjalan 2016		-	-	82.278	(8.773)	-	479.273	552.778	*Total comprehensive income for the year 2016*
Pembentukan cadangan umum	26	-	-	-	-	4.631	(4.631)	-	*Appropriation for general reserve*
Saldo, 31 Desember 2016		**2.388.471**	**2.102.242**	**(36.682)**	**(82.843)**	**106.631**	**6.343.251**	**10.821.070**	***Balance, 31 December 2016***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statement form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2016
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2016
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ *For the Year Ended 31 December*			
	2016	**Catatan/ *Notes***	**2015**	
ARUS KAS DARI AKTIVITAS OPERASI				***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan bunga	7.385.551		7.165.752	*Interest received*
Penerimaan pendapatan operasional lainnya	905.916		209.803	*Other operating income received*
Penerimaan dari penjualan agunan yang diambil alih	146.411		9.377	*Receipts from sale of foreclosed assets*
Pemulihan dari kredit yang telah dihapusbukukan	35.145		29.840	*Recovery from loans previously written-off*
Penerimaan atas penjualan kredit yang diberikan	-		1.506.684	*Proceeds from sale of loans*
Pembayaran bunga	(3.894.652)		(4.090.470)	*Payment of interest*
Pembayaran beban operasional	(2.559.760)		(2.362.981)	*Payment of operating expenses*
Pembayaran pajak penghasilan	(338.907)		(148.154)	*Payment of income tax*
Penerimaan dari transaksi non-operasional - neto	213		90	*Receipts from non-operating transactions - net*
Perubahan dalam aset dan liabilitas operasi:				*Changes in operating assets and liabilities:*
Penurunan (kenaikan) aset operasi:				*Decrease (increase) in operating assets:*
Efek-efek yang diperdagangkan	593.608		(1.106.261)	*Trading securities*
Kredit yang diberikan	(5.291.798)		(6.705.725)	*Loans*
Tagihan akseptasi	872.885		492.565	*Acceptances receivable*
Aset lain-lain	(61.445)		(229.331)	*Other assets*
Kenaikan (penurunan) liabilitas operasi:				*Increase (decrease) in operating liabilities:*
Liabilitas segera	39.430		(5.790)	*Current liabilities*
Simpanan:				*Deposits:*
Giro	2.600.851		(295.703)	*Demand deposits*
Tabungan	3.520.316		2.725.554	*Saving deposits*
Deposito berjangka	2.426.441		(1.207.947)	*Time deposits*
Simpanan dari bank lain	(1.864.856)		4.506.960	*Deposits from other banks*
Utang pajak	(4.234)		2.515	*Taxes payable*
Liabilitas akseptasi	(872.885)		(492.565)	*Acceptances payable*
Liabilitas lain-lain	57.879		10.727	*Other liabilities*
Kas Neto Diperoleh dari Aktivitas Operasi	**3.696.109**		**14.940**	***Net Cash Provided by Operating Activities***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2016
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2016
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ *For the Year Ended 31 December*			
	2016	**Catatan/ *Notes***	**2015**	
ARUS KAS DARI AKTIVITAS INVESTASI				***CASH FLOWS FROM INVESTING ACTIVITIES***
Hasil penjualan aset tetap	17.211	13	5.860	*Proceeds from sales of fixed assets*
Hasil penjualan properti terbengkalai	13.852		-	*Proceeds from sales of abandoned property*
Penjualan (pembelian) investasi keuangan - neto	223.797		(3.615.846)	*Proceed (purchase) of financial investment - net*
Perolehan aset tetap	(129.728)	13	(287.058)	*Acquisitions of fixed assets*
Pembelian atas surat berharga yang dibeli dengan janji dijual kembali	(1.902.219)		-	*Purchase of securities with agreements to resell*
Kas Neto Digunakan untuk Aktivitas Investasi	**(1.777.087)**		**(3.897.044)**	***Net Cash Used in Investing Activities***
ARUS KAS DARI AKTIVITAS PENDANAAN				***CASH FLOWS FROM FINANCING ACTIVITIES***
Pembayaran dividen kas	-	26	(135.952)	*Cash dividends paid*
Penerimaan atas surat berharga yang dijual dengan janji untuk dibeli kembali	336.813	21	-	*Receipt on securities under repurchase agreements*
Pembayaran atas pinjaman	-		(328.413)	*Payment of borrowings*
Pembayaran atas efek hutang yang jatuh tempo	(400.000)	22	-	*Payment of debt securities issued have matured*
Penerimaan atas efek hutang yang diterbitkan	1.100.000	22	1.500.000	*Proceeds from debt securities issued*
Pembayaran biaya transaksi hutang	(7.077)	22	(6.620)	*Payment of debt transaction costs*
Kas Neto Diperoleh dari Aktivitas Pendanaan	**1.029.736**		**1.029.015**	***Net Cash Provided by Financing Activities***
Kenaikan (penurunan) Neto Kas dan Setara Kas	2.948.758		(2.853.089)	*Net Increase (decrease) in Cash and Cash Equivalents*
Pengaruh neto perubahan kurs pada Kas dan setara kas	(86.361)		218.858	*Net effect on exchange rate on cash and cash equivalents*
Kas dan Setara Kas Awal Tahun	9.764.990		12.399.221	*Cash and Cash Equivalents at Beginning of Year*
Kas dan Setara Kas Akhir Tahun	**12.627.387**		**9.764.990**	***Cash and Cash Equivalents at End of Year***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2016
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2016
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ ***For the Year Ended 31 December***			
	2016	**Catatan/** ***Notes***	**2015**	
Komponen Kas dan Setara Kas				*Components of Cash and Cash Equivalents*
Kas	535.517	3	516.244	*Cash*
Giro pada Bank Indonesia	5.724.310	4	5.454.283	*Current accounts with Bank Indonesia*
Giro pada bank lain	1.098.294	5	703.808	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain - jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan	3.321.154	6	2.855.655	*Placements with Bank Indonesia and other banks - maturing within 3 (three) months from the date of acquisition*
Investasi keuangan - jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan	1.948.112	8	235.000	*Financial investments - maturing within 3 (three) months from the date of acquisition*
Total	**12.627.387**		**9.764.990**	***Total***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2016 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2016 and
for the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

1. Umum

a. Pendirian Bank dan Informasi Umum

PT Bank UOB Indonesia (dahulu PT Bank UOB Buana) ("Bank") didirikan di Indonesia berdasarkan Akta Pendirian No. 150 tanggal 31 Agustus 1956 yang dibuat di hadapan Notaris Eliza Pondaag, S.H. Akta pendirian ini disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A 5/78/4 tanggal 24 Oktober 1956, didaftarkan pada Pengadilan Negeri Jakarta dengan No. 1811 tanggal 27 Oktober 1956 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 96, Tambahan No.1243 tanggal 30 November 1956.

Bank memulai aktivitas perbankan secara komersial pada tanggal 1 November 1956 berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. 203443/U.M.II tanggal 15 Oktober 1956 tentang Pemberian Izin Usaha PT Bank Buana Indonesia berkedudukan di Jakarta. Sesuai dengan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan usaha Bank adalah menjalankan kegiatan umum perbankan. Bank telah memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan Surat Keputusan Gubernur Bank Indonesia (BI) No. 9/39/KEP/DIR/UD tanggal 22 Juli 1976.

Pada tahun 2000, Bank mengubah status Perseroan menjadi perusahaan terbuka dengan melakukan penawaran umum perdana kepada masyarakat sebanyak 194 juta saham. Perubahan status Bank menjadi perusahaan terbuka telah disetujui oleh Bapepam-LK berdasarkan Surat Ketua Badan Pengawas Pasar Modal No. S-1544/PM/2000, tanggal 27 Juni 2000. Selanjutnya pada tahun 2002, 2003 dan 2006, Bank melakukan Penawaran Umum Terbatas I, II dan III.

Pada tahun 2007, Bank (yang pada saat itu bernama PT Bank Buana Indonesia Tbk) mengganti nama menjadi PT Bank UOB Buana Tbk sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 9 tanggal 19 Januari 2007, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta, yang telah mendapatkan persetujuan dari Kementerian Hukum dan Hak Asasi Manusia No. W7-01036 HT.01.04-TH-2007 tanggal 29 Januari 2007.

1. General

a. Establishment of the Bank and General Information

PT Bank UOB Indonesia (formerly PT Bank UOB Buana) (the "Bank") was established in Indonesia based on the Deed of Establishment No. 150 dated 31 August 1956 of Eliza Pondaag, S.H. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in its Decree Letter No. J.A 5/78/4 dated 24 October 1956, as recorded at the Jakarta Court of Justice under registration No. 1811 dated 27 October 1956 and was published in State Gazette of the Republic of Indonesia No. 96 Supplement No. 1243 dated 30 November 1956.

Bank's commercial banking activities began on 1 November 1956 based on the Decision Letter of The Ministry of Finance of the Republic of Indonesia No. 203443/U.M.II dated 15 October 1956 about Granting Business License of PT Bank Buana Indonesia located in Jakarta. Based on Article 3 of the Bank's Articles of Association, the scope of Bank's business is to engage in general banking activities. The Bank also obtained a license to run the activities as a foreign banks based on Bank Indonesia (BI) Governor Decree No. 9/39/KEP/DIR/UD dated 22 July 1976.

In 2000, the Bank changed the status of the Company into a public company with initial public offering as many as 194 million shares to the public. The status change of the Bank into a public company has been approved by Bapepam-LK based on the Letter from the Chairman of the Capital Market Supervisory Board No. S-1544/PM/2000, dated 27 June 2000. Furthermore, in 2002, 2003 and 2006, the Bank conducted Limited Public Offering I, II and III.

In 2007, the Bank (whose name at the time was PT Bank Buana Indonesia Tbk) changed the name into PT Bank UOB Buana Tbk as set forth in Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 9 dated 19 January 2007, drawn up before Fathiah Helmi, SH, Notary in Jakarta, which has obtained approval of the Minister of Law and Human Rights No. W7-01036 HT.01.04-TH-2007 dated 29 January 2007.

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada tahun 2008, RUPS Bank telah menyetujui perubahan status Bank dari perusahaan terbuka menjadi perusahaan tertutup dan menghapuskan pencatatan (*delisting*) saham Bank di Bursa Efek Indonesia (BEI). Perubahan status, termasuk *delisting* tersebut telah dilakukan sesuai dengan persyaratan yang ditentukan oleh OJK (dahulu Bapepam dan LK) dan BEI, dan Bank telah menyelesaikan hak-hak pemegang saham minoritas melalui proses penawaran tender sesuai dengan ketentuan yang berlaku. Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 16 tanggal 16 Januari 2009, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah disetujui oleh Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Persetujuan No. AHU-26687.AH.01.02.Tahun 2009 tanggal 17 Juni 2009, Anggaran Dasar Bank telah diubah sehubungan dengan perubahan status Bank dari perusahaan terbuka (publik) menjadi perusahaan tertutup.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 12 tanggal 15 April 2010, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah diberitahukan kepada Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Penerimaan Pemberitahuan No. AHU-AH.01.10-14548 tanggal 14 Juni 2010, para pemegang saham Bank (yang pada saat itu bernama PT Bank UOB Buana) setuju untuk melakukan penggabungan usaha dengan suatu bank yang pada saat itu bernama PT Bank UOB Indonesia.

Pada tanggal 30 Juni 2010, Bank (yang pada saat itu bernama PT Bank UOB Buana) secara efektif menerima penggabungan usaha PT Bank UOB Indonesia, penggabungan tersebut telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 12/45/KEP.GBI/2010 tanggal 10 Juni 2010 tentang Pemberian Izin Penggabungan Usaha (Merger) PT Bank UOB Indonesia ke dalam PT Bank UOB Buana. Izin tersebut tetap berlaku sebagai izin usaha Bank sebagai perusahaan hasil penggabungan.

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In 2008, the general meeting of shareholders of the Bank has approved the change in the Bank's status from publicly listed to private company and delisted the Bank's shares at Indonesian Stock Exchange (BEI). The change in status, including the delisting process, had been conducted in compliance to the requirements determined by OJK (formerly Capital Market and Financial Institution Supervisory Agency) and BEI; the Bank which had settled the rights of minority shareholders through tender offer process in accordance with applicable regulations. Pursuant to the Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 16 dated 16 January 2009, drawn up before Fathiah Helmi, SH, Notary in Jakarta and approved by the Minister of Laws and Human Rights through Letter of Approval No. AHU-26687.AH.01.02.Year 2009 dated 17 June 2009, Articles of Association of the Bank have been amended in relation to the change in the Bank's status from a publicly listed to a private company.

By virtue of Deed of Resolutions Statement of Extraordinary Meeting of Shareholders No. 12 dated 15 April 2010, drawn up before Fathiah Helmi, SH, Notary in Jakarta and as notified to the Minister of Laws and Human Rights through Letter of Notification Receipt No. AHU-AH.01.10-14548 dated 14 June 2010, shareholders of the Bank (whose name at the time was PT Bank UOB Buana) agreed to merge its business with a bank whose name at the time was PT Bank UOB Indonesia.

On 30 June 2010, the Bank (whose name at the time was PT Bank UOB Buana) effectively accepted the business merger of PT Bank UOB Indonesia, this merger had obtained the approval of BI under Decision of BI Governor No. 12/45/KEP.GBI/2010 dated 10 June 2010 regarding Granting of Merger Permit of PT Bank UOB Indonesia into PT Bank UOB Buana. The permit still applies as the business permit of the Bank as the surviving bank.

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada bulan Mei 2011, Bank melakukan perubahan nama dari PT Bank UOB Buana menjadi PT Bank UOB Indonesia dan telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 13/34/KEP.GBI/2011 tanggal 19 Mei 2011 tentang Perubahan Penggunaan Izin Usaha Atas Nama PT Bank UOB Buana Menjadi Izin Usaha Atas Nama PT Bank UOB Indonesia.

Pada bulan Mei 2014, Bank melakukan penawaran umum Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) dengan tingkat bunga tetap sebesar 11,35% dan dalam jangka waktu 7 tahun sejak tanggal emisi.

Pada bulan Maret 2015, Bank melakukan penawaran umum Obligasi I Bank UOB Indonesia Tahun 2015 dengan jumlah pokok sebesar Rp1.500.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C dengan tingkat bunga tetap masing-masing sebesar 8,60%, 9,40%, dan 9,60% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi.

Bank telah melakukan pelunasan pokok atas Obligasi I Bank UOB Indonesia Tahun 2015 Seri A dengan nilai nominal Rp400.000.000.000 (nilai penuh) yang jatuh tempo pada tanggal 11 April 2016.

Pada bulan November 2016, Bank menerbitkan Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dengan jumlah pokok sebesar Rp1.000.000.000.000 yang terbagi menjadi Obligasi Seri A sebesar Rp300.000.000.000, Obligasi Seri B sebesar Rp600.000.000.000 dan Obligasi Seri C sebesar Rp100.000.000.000 dengan tingkat bunga tetap masing-masing sebesar 7,20%, 8,00%, dan 8,25% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi (Catatan 22).

Pada saat yang bersamaan, Bank juga menerbitkan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 memiliki jangka waktu 7 tahun sejak tanggal emisi dengan jumlah pokok sebesar Rp100.000.000.000 (nilai penuh) dan tingkat bunga tetap sebesar 9,40% (Catatan 22).

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In May 2011, the Bank changed its name from PT Bank UOB Buana into PT Bank UOB Indonesia and has obtained approval from the Central Bank by virtue of BI Governor Decree No.13/34/KEP.GBI/2011 dated 19 May 2011 regarding the Change of Business Permit Use on Behalf of PT Bank UOB Buana into a Business License Under Name of PT Bank UOB Indonesia.

In May 2014, the Bank issued Bank UOB Indonesia Subordinated Bonds I Year 2014 amounting to Rp1,000,000,000,000 (full amount) with fixed interest rate of 11.35% and tenor of 7 years since issuance date.

In March 2015 the Bank issued Bank UOB Indonesia Bonds I Year 2015 amounting to Rp1,500,000,000,000 (full amount) which consist of Bonds Series A, Series B and Series C with fixed interest rate of 8.60%, 9.40%, and 9.60%, respectively and tenor of 370 days, 3 years, and 5 years since issuance date, respectively.

The Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A with a nominal value Rp400,000,000,000 (full amount) maturing on 11 April 2016.

In November 2016, Bank issued Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 totalling to Rp1.000.000.000.000 consist of Bonds Series A amounting to IDR300.000.000.000, Series B amounting to IDR600.000.000, 000 and Series C amounting to IDR 100.000.000.000 which with fixed interest rate of 7.20%, 8.00%, and 8.25%, and tenor of 370 days, 3 years, and 5 years since issuance date, respectively (Note 22).

Bank simultaneously issued Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 with tenor of 7 years since issuance date totalling to Rp100,000,000,000 (full amount) with fixed interest rate of 9.40% (Note 22).

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Perubahan Anggaran Dasar Bank terakhir adalah sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham No. 68 tanggal 25 Mei 2012 mengenai ketentuan Direksi Bank, yang dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta. Perubahan Anggaran Dasar Bank tersebut telah diterima dan dicatat oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana tercantum dalam Surat No. AHU-AH.01.10-45670 tanggal 26 Desember 2012.

Kantor pusat Bank berlokasi di Jl. M.H. Thamrin No. 10, Jakarta. Pada tanggal 31 Desember 2016, jaringan layanan Bank mencakup 41 kantor cabang, 137 kantor cabang pembantu dan 160 ATM yang tersebar di 30 kota di 18 provinsi yang bekerja sama dengan jaringan ATM Prima dan ATM Bersama, dan jaringan VISA di seluruh dunia, serta jaringan regional ATM grup usaha United Overseas Bank Limited (tidak diaudit).

Bank dimiliki sebesar 68,943% oleh UOB International Investment Private Limited (UOBII), anak perusahaan dari United Overseas Bank Limited (UOB), Singapura dan sebesar 30,056% oleh UOB (Catatan 24).

b. Dewan Komisaris dan Direksi dan Karyawan

Susunan Dewan Komisaris pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

1. General (continued)

a. Establishment of the Bank and General Information (continued)

The latest amendment of the Bank's Articles of Association was as stated on Resolutions of Shareholders Meeting No. 68 dated 25 May 2012 regarding provision on Bank's Board of Directors, drawn up before Fathiah Helmi, SH, Notary in Jakarta. This amendment of the Bank's Articles of Association was received and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia as stated in the Letter No. AHU-AH.01.10-45670 dated 26 December 2012.

The Bank's head office is located in Jl. M.H. Thamrin No. 10, Jakarta. As of 31 December 2016, the Bank service network covers 41 branches, 137 sub-branches and 160 ATMs across 30 cities in 18 provinces which collaborate with ATM Prima and ATM Bersama networks, VISA global network and regional ATM network of the United Overseas Bank Limited business group (unaudited).

The Bank is 68.943% owned by UOB International Investment Private Limited (UOBII), a subsidiary of United Overseas Bank Limited (UOB), Singapore and 30.056% owned by UOB (Note 24).

b. Boards of Commissioners and Directors and Employees

The composition of the Bank's Board of Commissioners as of 31 December 2016 and 2015 are as follows:

	Dewan Komisaris/ ***Board of Commissioners***	
Komisaris Utama	Wee Cho Yaw	*President Commissioner*
Wakil Komisaris Utama	Wee Ee Cheong	*Deputy President Commissioner*
Komisaris	Lee Chin Yong Francis	*Commissioner*
Komisaris Independen	Rusdy Daryono	*Independent Commissioner*
Komisaris Independen	Wayan Alit Antara	*Independent Commissioner*
Komisaris Independen	Aswin Wirjadi	*Independent Commissioner*

1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Susunan Direksi Bank pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

The composition of the Bank's Board of Directors as of 31 December 2016 and 2015 are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Direksi			***Boards of Directors***
Direktur Utama	Lam Sai Yoke*	Armand Bachtiar Arief***	*President Director*
Wakil Direktur Utama	Tan Chin Poh****	Tan Chin Poh	*Deputy President Director*
Wakil Direktur Utama	Iwan Satawidinata	Iwan Satawidinata	*Deputy President Director*
Direktur Keuangan dan Pelayanan Korporasi	Muljono Tjandra	Muljono Tjandra	*Finance and Corporate Service Director*
Direktur Penyetujuan Kredit dan *Special Asset Management* (SAM)	-	Ajeep Rassidi Bin Othman***	*Credit Approval and Special Asset Management (SAM) Director*
Direktur *Channels*	Pardi Kendy**	-	*Channels Director*
Direktur Kepatuhan	Soehadi Tansol	Soehadi Tansol	*Compliance Director*

* Lam Sai Yoke efektif menjabat sebagai Direktur Utama sejak tanggal 2 Mei 2016 setelah mendapat persetujuan Otoritas Jasa Keuangan melalui Surat No. SR-56/D.03/2016 dan memperoleh izin bekerja dan izin tinggal dari instansi berwenang / *Lam Sai Yoke effectively assumed his position as President Director on 2 May 2016 following the approval of the Financial Services Authority (OJK) under Letter No. SR-56/D.03/2016 and has obtained his working permit and limited stay permit from competent agencies.*

** Pardi Kendy efektif menjabat sebagai Direktur setelah mendapat persetujuan Otoritas Jasa Keuangan melalui Surat No.SR-57/D.03/2016 tanggal 21 Maret 2016 / *Pardi Kendy effectively assumed his position as Director following the approval of the Financial Services Authority (OJK) under Letter No.SR-57/D.03/2016 dated 21 March 2016.*

*** Permohonan pensiun Armand Bachtiar Arief sebagai Direktur Utama dan permohonan pengunduran diri Ajeep Rassidi Bin Othman sebagai Direktur efektif per tanggal 1 Januari 2016 / *The retirement request of Mr. Armand Bachtiar Arief from his position as President Director and the resignation request of Mr. Ajeep Rassidi Bin Othman from his position as Director are effective as of 1 January 2016.*

**** Tan Chin Poh telah mengajukan pemberitahuan pengunduran diri sebagai Wakil Direktur Utama melalui surat tertanggal 30 Desember 2016 yang diterima Bank pada tanggal 4 January 2017. Pengunduran diri tersebut akan berlaku efektif setelah mendapatkan persetujuan Rapat Umum Pemegang Saham Luar Biasa yang akan diadakan pada tanggal 7 February 2017. / *Tan Chin Poh tendered his resignation as Deputy President Director through a letter dated 30 December 2016 received by the Bank on 4 January 2017. The resignation will become effective upon the approval of Extraordinary General Meeting of Shareholders to be convened on 7 February 2017.*

Merujuk pada Keputusan Rapat Dewan Komisaris tanggal 26 Juni 2015 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 15/SKDIR/0025 tanggal 30 Juni 2015, Susunan Komite Audit pada tanggal 31 Desember 2016 dan 2015 sebagai berikut :

Referring to Resolution of Board of Commissioners Meeting on 26 June 2015 and established by Decree of the Board of Directors No. 15/SKDIR/0025 dated 30 June 2015, Composition of the Audit Committee on 31 December 2016 and 2015 is as follows:

	Komite Audit/ *Audit Commitee*	
Ketua Komite Audit	Wayan Alit Antara	*Head of Audit Committee*
Anggota	Thomas Abdon	*Member*
Anggota	Winny Widya	*Member*

Per tanggal 31 Desember 2016 dan 2015, Kepala Sekretaris Perusahaan Bank adalah Susilowati berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 15/SKDIR/0021 tanggal 25 Juni 2015.

As of 31 December 2016 and 2015, Head Corporate Secretary is Susilowati based on the Board of Directors PT Bank UOB Indonesia Decree No. 15/DIR/0021 dated 25 June 2015.

1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Per tanggal 31 Desember 2016 dan 2015, Kepala Satuan Kerja Audit Intern (Kepala SKAI) adalah Ridwan Moezwir berdasarkan Surat Keputusan Direksi PT Bank UOB Buana Tbk No. 08/SKDIR/1326 tanggal 12 Agustus 2008.

Imbalan kerja jangka pendek yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp34.877 dan Rp36.609.

Imbalan kerja jangka panjang yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp1.746 dan Rp5.790. Biaya yang dikeluarkan oleh Bank terkait program imbalan pasca kerja Dewan Komisaris dan Direksi Bank dengan jumlah masing-masing sebesar Rp710 dan Rp1.368, untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

Pada tanggal 31 Desember 2016 dan 2015, total karyawan masing-masing sebanyak 4.349 dan 4.650 orang (tidak diaudit).

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

As of 31 December 2016 and 2015, Internal Audit Unit Head is Ridwan Moezwir based on the Board of Directors PT Bank UOB Buana Tbk Decree No. 08/SKDIR/1326 dated 12 August 2008.

Short-term employee benefits received by the Bank's Boards of Commissioners and Directors for the year ended 31 December 2016 and 2015 amounted to Rp34,877 and Rp36,609, respectively.

Long-term employee benefits received by Bank's Boards of Commissioners and Directors for the year ended 31 December 2016 and 2015 amounted to Rp1,746 and Rp5,790, respectively. Expenses incurred by the Bank relating to post-employment benefits the Bank's Boards of Commissioners and Directors amounted to Rp710 and Rp1,368, for the year ended 31 December 2016 and 2015, respectively.

As of 31 December 2016 and 2015, the Bank had 4,349 and 4,650 employees (unaudited), respectively.

2. Ikhtisar Kebijakan Akuntansi Penting

Kebijakan-kebijakan akuntansi yang penting, yang diterapkan dalam penyusunan laporan keuangan untuk tahun yang berakhir pada tanggal 31 Desember 2016 adalah sebagai berikut:

a. Dasar Penyajian Laporan Keuangan

Laporan keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI).

Laporan keuangan kecuali laporan arus kas, disusun dengan dasar akrual dan berdasarkan konsep biaya historis, kecuali beberapa akun tertentu yang disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements for the year ended 31 Desember 2016, are as follows:

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards (FAS) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI).

The financial statements, except for the statement of cash flows, are prepared using the accrual basis and based on historical cost concept, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

a. Dasar Penyajian Laporan Keuangan (lanjutan)

Laporan arus kas disusun menggunakan metode langsung yang dimodifikasi dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan giro pada bank lain, penempatan pada Bank Indonesia, bank lain dan lembaga keuangan, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

Pos-pos dalam Penghasilan Komprehensif Lainnya disajikan terpisah antara akun - akun yang akan direklasifikasikan ke laba rugi dan akun - akun yang tidak akan direklasifikasikan ke laba rugi.

Dalam penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aset dan liabilitas yang dilaporkan, dan pengungkapan atas aset dan liabilitas kontinjensi pada tanggal laporan keuangan.
- jumlah pendapatan dan beban selama periode pelaporan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik Manajemen atas kejadian dan aktivitas saat ini, hasil akhir mungkin berbeda dengan jumlah yang diestimasi.

Mata uang penyajian yang digunakan dalam laporan keuangan adalah mata uang Rupiah, yang merupakan mata uang fungsional Bank. Seluruh angka dalam laporan keuangan ini, kecuali dinyatakan secara khusus, dibulatkan menjadi jutaan Rupiah.

b. Transaksi dengan Pihak Berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak berelasi seperti yang didefinisikan dalam PSAK No. 7 (Revisi 2010) tentang “Pengungkapan Pihak-pihak Berelasi”.

Seluruh transaksi yang signifikan dengan pihak berelasi telah diungkapkan dalam catatan atas laporan keuangan.

2. Summary of Significant Accounting Policies (continued)

a. Basis of Preparation of the Financial Statements (continued)

The statement of cash flows have been prepared using the modified direct method and the cash flows have been classified on the basis of operating, investing and financing activities. Cash and cash equivalents consists of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia, other banks and financial institution maturing within 3 (three) months or less from the acquisition date provided they are not used as collateral for borrowings nor restricted.

The items under Other Comprehensive Income (OCI) are presented separately between items to be reclassified to profit or loss and those items not to be reclassified to profit or loss.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of estimates and assumptions that affect:

- *the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements.*
- *the reported amounts of revenues and expenses during the reporting period.*

Although these estimates are based on Management’s best knowledge of current events and activities, actual results may differ from those estimates.

The presentation currency used in the financial statement is Indonesian Rupiah, which is the functional currency of the Bank. Figures in the financial statements are rounded to and stated in millions of Rupiah unless otherwise stated.

b. Transactions with Related Parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK No. 7 (Revised 2010), “Related Party Disclosures”.

All significant transactions with related parties are disclosed in the notes to the financial statements.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

b. Transaksi dengan Pihak Berelasi (lanjutan)

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya (entitas pelapor). Yang termasuk pihak berelasi adalah sebagai berikut:

1. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
   a. Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
   b. Memiliki pengaruh signifikan atas entitas pelapor; atau
   c. Merupakan personil manajemen kunci entitas pelapor atau entitas induk pelapor.

2. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal sebagai berikut:
   a. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain);
   b. Suatu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain adalah anggotanya);
   c. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
   d. Suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
   e. Entitas tersebut adalah sebuah program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
   f. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi sebagaimana dimaksud dalam angka (1); atau

2. Summary of Significant Accounting Policies (continued)

b. Transactions with Related Parties (continued)

A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting entity). The related parties are as follows:

1. A person or a close member of that person's family is related to a reporting entity if that person:
   a. Has control or joint control of the reporting entity;
   b. Has significant influence over the reporting entity; or
   c. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. An entity is related to a reporting entity if any of the following condition applies:
   a. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   c. Both entities are joint ventures of the same third party;
   d. One entity is a joint venture of a third party and the other entity is an associate of the third entity;
   e. The entity is a post-employment benefit plan for the benefit employees of either the reporting entity or an entity related to the reporting entity;
   f. The entity is controlled or jointly controlled by a person identified in (1); or

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

b. Transaksi dengan Pihak Berelasi (lanjutan)

2. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal sebagai berikut: (lanjutan)
   g. Orang yang diidentifikasi sebagaimana dimaksud dalam angka (1) huruf (a) memiliki pengaruh signifikan atas entitas atau merupakan manajemen kunci entitas (atau entitas induk dari entitas).

c. Aset dan Liabilitas Keuangan

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk)

Bank menerapkan PSAK No. 50 (Revisi 2014), "Instrumen Keuangan: Penyajian", PSAK No. 55 (Revisi 2014), "Instrumen Keuangan: Pengakuan dan Pengukuran", dan PSAK No. 60 (Revisi 2014), "Instrumen Keuangan: Pengungkapan".

Aset keuangan diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, pinjaman yang diberikan dan piutang, aset keuangan dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual. Bank menentukan klasifikasi atas aset keuangan pada saat pengakuan awal.

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan diukur berdasarkan biaya perolehan diamortisasi dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Pengakuan dan Pengukuran

Klasifikasi instrumen keuangan pada pengakuan awal tergantung pada tujuan dan intensi manajemen serta karakteristik dari instrumen keuangan tersebut. Semua instrumen keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya.

Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

Dalam hal aset keuangan atau liabilitas keuangan tidak diukur pada nilai wajar melalui laporan laba rugi, nilai wajar tersebut ditambah biaya transaksi yang dapat diatribusikan secara langsung dengan perolehan atau penerbitan aset keuangan atau liabilitas keuangan tersebut.

2. Summary of Significant Accounting Policies (continued)

b. Transactions with Related Parties (continued)

2. An entity is related to a reporting entity if any of the following condition applies: (continued)
   g. A person identified in (1) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

c. Financial Assets and Liabilities

Financial Assets and Liabilities (Other Than Investment in Sukuk)

The Bank has applied PSAK No. 50 (Revised 2014), "Financial Instruments: Presentation", PSAK No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement", and PSAK No. 60 (Revised 2014), "Financial Instruments: Disclosures".

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The Bank determines the classification of its financial assets at initial recognition.

Financial liabilities classified as financial liabilities are measured at amortized cost and financial liabilities at fair value through profit or loss.

Recognition and Measurement

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value.

The subsequent measurement of financial assets and liabilities depends on their classification.

In the case that financial assets or liabilities are not designated at fair value through profit or loss, the fair value should be added with attributable transaction costs directly from acquisition or issuance of financial assets or liabilities.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Aset keuangan yang diukur pada nilai wajar melalui laba rugi adalah aset yang diperoleh Bank atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit taking*), atau merupakan derivatif (kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai).

Aset Keuangan

a) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari aset keuangan yang diklasifikasikan sebagai dimiliki untuk diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan manajemen untuk diukur pada nilai wajar melalui laporan laba rugi.

Aset keuangan yang diklasifikasikan dalam kelompok dimiliki untuk diperdagangkan jika dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit taking*), atau merupakan derivatif (kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai).

Setelah pengukuran awal, aset keuangan yang dikelompokkan dalam kategori ini diukur sebesar nilai wajarnya, keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar instrumen keuangan tersebut diakui dalam laporan laba rugi dan penghasilan komprehensif lain sebagai "Keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto".

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial assets measured at fair value through profit or loss are those assets that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or derivatives (unless they are designated and effective as hedging instruments).

Financial Assets

a) Financial assets designated at fair value through profit or loss

Financial assets at fair value through profit or loss comprises of financial assets classified as held for trading, and financial assets designated by management as at fair value through profit or loss upon initial recognition.

Financial assets are classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or derivatives (unless they are designated and effective as hedging instruments).

After initial recognition, the financial assets included in this category are measured at fair value, the unrealized gains or losses resulting from changes in fair value are recognized in the statement of profit or loss and other comprehensive income as "Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net".

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Aset Keuangan (lanjutan)

b) Aset keuangan tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang tidak diklasifikasikan sebagai dimiliki untuk diperdagangkan atau ditetapkan pada nilai wajar melalui laporan laba rugi. Setelah pengukuran awal, instrumen keuangan tersedia untuk dijual selanjutnya diukur sebesar nilai wajar. Keuntungan dan kerugian yang belum direalisasi diakui sebagai penghasilan komprehensif lainnya (sebagai "Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto").

c) Aset keuangan yang dimiliki hingga jatuh tempo

Aset keuangan yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

Setelah pengakuan awal, aset keuangan yang dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif (EIR), dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dengan memperhitungkan diskonto atau premi pada awal akuisisi dan *fee*/biaya sebagai bagian yang tidak terpisahkan dari EIR. Amortisasi dan kerugian yang timbul dari penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets (continued)

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are neither classified as held-for-trading nor designated as at fair value through profit or loss. After initial measurement, available-for-sale financial instruments are subsequently measured at fair value. Unrealized gains and losses are recognized as other comprehensive income (as "Unrealized gain (loss) on available-for-sale securities - net").

c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has positive intention and ability to hold the financial assets to maturity.

After initial measurement, held-to-maturity financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees/costs that are an integral part of the EIR. The amortization and the losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Aset Keuangan (lanjutan)

d) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak dikuotasikan pada pasar aktif, kecuali:

- Aset dimana Bank mempunyai intensi untuk menjual segera atau dalam waktu dekat dan pinjaman yang diberikan dan piutang yang diukur Bank pada nilai wajar melalui laporan laba rugi pada saat awal pengakuan;
- Aset dimana Bank pada awal pengakuan dimaksudkan sebagai tersedia untuk dijual; atau
- Aset dimana Bank mungkin tidak akan mendapat pemulihan secara substansial atas investasi awalnya, selain karena penurunan kualitas pinjaman aset keuangan.

Setelah pengukuran awal, pinjaman yang diberikan dan piutang selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan EIR dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi suku bunga efektif dan kerugian yang timbul atas penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets (continued)

d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets, other than:

- *Those that the Bank intends to sell immediately or in the near term and loans and receivables that the Bank upon initial recognition designates as at fair value through profit or loss;*
- *Those that the Bank, upon initial recognition, designated as available-for-sale; or*
- *Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.*

After initial measurements, loans and receivables are subsequently measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The EIR amortization and losses arising from impairment is included in the statement of profit or loss and other comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Liabilitas Keuangan

a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari dua sub-kategori, yaitu liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laporan laba rugi.

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti pola ambil untung dalam jangka pendek terkini. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas yang diklasifikasikan sebagai diperdagangkan dan yang diukur dari nilai wajar melalui laporan laba rugi dicatat melalui laporan laba rugi dan penghasilan komprehensif lain sebagai "Keuntungan atau kerugian dari perubahan nilai wajar instrumen keuangan".

b) Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi

Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi merupakan liabilitas keuangan dalam klasifikasi tidak diukur pada nilai wajar melalui laporan laba rugi.

Setelah pengakuan awal, Bank mengukur seluruh liabilitas keuangan berdasarkan biaya perolehan yang diamortisasi dengan menggunakan metode EIR.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Liabilities

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of two sub-categories; financial liabilities classified as held for trading and financial liabilities designated by the Bank as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of portfolio of identified financial instrument that are managed together and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effectively as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading and designated at fair value through profit or loss are recorded in the statement of profit or loss and other comprehensive income as "Gains or losses from changes in fair value of financial instruments".

b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost were financial liabilities that are not classified as fair value through profit or loss.

After initial recognition, the Bank measures all financial liabilities at amortized cost using EIR method.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Liabilitas Keuangan (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut:

Instrumen Keuangan dan Klasifikasinya

Aset keuangan:

Kas
Pinjaman yang diberikan dan piutang

Giro pada Bank Indonesia
Pinjaman yang diberikan dan piutang

Giro pada bank lain
Pinjaman yang diberikan dan piutang

Penempatan pada Bank Indonesia dan bank lain
Pinjaman yang diberikan dan piutang

Efek-efek yang diperdagangkan
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Investasi keuangan
Aset keuangan yang dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual

Tagihan derivatif
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Kredit yang diberikan
Pinjaman yang diberikan dan piutang

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali
Pinjaman yang diberikan dan piutang

Tagihan akseptasi
Pinjaman yang diberikan dan piutang

Aset lain-lain
Pinjaman yang diberikan dan piutang

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Liabilities (continued)

The following table presents financial instruments classification of the Bank based on their characteristic:

Financial Instruments and their Classification

Financial assets:

Cash
Loans and receivable

Current accounts with Bank Indonesia
Loans and receivable

Current accounts with other bank
Loans and receivable

Placements with Bank Indonesia and other banks
Loans and receivable

Trading Securities
Financial assets at fair value through profit or loss

Financial investments
Held-to-maturity financial assets and Aavailable-for-sale financial assets

Derivatives receivable
Financial assets at fair value through profit or loss

Loans
Loans and receivable

Receivables on securities purchased with agreements to resell
Loans and receivable

Acceptances receivable
Loans and receivable

Other assets
Loans and receivable

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Liabilitas keuangan:

Liabilitas segera
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Bunga yang masih harus dibayar
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan dari bank lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas derivatif
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Efek hutang yang diterbitkan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas akseptasi
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas lain-lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and their Classification (continued)

Financial liabilities:

Current liabilities
Financial liabilities measured at amortized cost

Deposits
Financial liabilities measured at amortized cost

Interest payable
Financial liabilities measured at amortized cost

Deposit from other bank
Financial liabilities measured at amortized cost

Derivatives payable
Financial liabilities at fair value through profit or loss

Liabilities on securities sold under repurchase agreements
Financial liabilities measured at amortized cost

Debt securities issued
Financial liabilities measured at amortized cost

Acceptances payable
Financial liabilities measured at amortized cost

Other liabilities
Financial liabilities measured at amortized cost

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Penghentian Pengakuan

a. Aset keuangan dihentikan pengakuannya jika:

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Bank telah mentransfer hak-nya untuk menerima arus kas yang berasal dari aset keuangan atau menanggung kewajiban untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (*pass through arrangement*); dan
- (a) Bank telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Bank tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

Ketika Bank telah mentransfer hak untuk menerima arus kas dari aset atau di bawah kesepakatan pelepasan (*pass through arrangement*), dan tidak mentransfer serta tidak memiliki secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Bank yang berkelanjutan atas aset tersebut.

Kredit yang diberikan atau aset keuangan lain dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian kredit dalam waktu dekat atau hubungan normal antara Bank dan debitur telah berakhir. Kredit yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Penerimaan kemudian atas kredit yang telah dihapusbukukan sebelumnya, jika pada periode berjalan dikreditkan ke dalam akun cadangan kerugian penurunan nilai atas kredit yang diberikan di laporan posisi keuangan, sedangkan jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Derecognition

a. Financial assets are derecognized when:

- *The contractual rights to receive cash flows from the financial assets have expired; or*
- *The Bank has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a "pass through arrangement"; and*
- *(a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.*

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a "pass through arrangement", and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

Loans and receivables or other financial assets are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Bank and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent recoveries of loans previously written off, are added to the allowance for impairment losses account in the statement of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operational income, if recovered after the statement of financial position date.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Penghentian Pengakuan (lanjutan)

b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas keuangan tersebut berakhir, yaitu ketika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

Jika suatu liabilitas keuangan yang ada digantikan dengan yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, seperti pertukaran atau modifikasi yang diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Saling Hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan pada laporan posisi keuangan jika, dan hanya jika, saat ini terdapat hak yang berkekuatan hukum untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan. Hak yang berkekuatan hukum berarti:

a. tidak terdapat kontinjensi di masa yang akan datang, dan
b. hak yang berkekuatan hukum pada kondisi-kondisi berikut ini;
   i. kegiatan bisinis normal;
   ii. kondisi kegagalan usaha; dan
   iii. kondisi gagal bayar atau bangkrut

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Derecognition (continued)

b. Financial liabilities are derecognized when they are extinguished, i.e. liabilities stated in the contract are discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an enforceable legal rights to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Enforceable right means:

a. there are no contingencies in the future, and
b. enforceable right to the following conditions;
   i. deploying normal activities;
   ii. conditions of business failures; and
   iii. conditions of default or bankruptcy

Income and expenses are presented on a net basis only when permitted by accounting standards.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Nilai Wajar (lanjutan)

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- Di pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Nilai wajar suatu aset atau liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset dan liabilitas tersebut dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomik terbaiknya.

Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomi dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

Bank menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

- Level 1 : harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- Level 2 : input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung;

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Fair Value (continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability; or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability.*

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly;*

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Nilai Wajar (lanjutan)

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan: (lanjutan)

- Level 3 : Input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Untuk aset dan liabilitas yang diakui pada laporan keuangan secara berulang, Bank menentukan apakah terjadi transfer antara level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan input level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

Reklasifikasi Instrumen Keuangan

Bank tidak melakukan reklasifikasi instrumen keuangan dari atau ke klasifikasi yang diukur pada nilai wajar melalui laporan laba rugi selama instrumen keuangan tersebut dimiliki atau diterbitkan.

Bank tidak mereklasifikasi setiap instrumen keuangan dari diukur pada nilai wajar melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Bank sebagai diukur pada nilai wajar melalui laba rugi.

Bank mereklasifikasi aset keuangan dari diukur pada nilai wajar jika aset keuangan tersebut tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali dalam waktu dekat (meskipun aset keuangan mungkin telah diperoleh atau timbul terutama untuk tujuan penjualan atau pembelian kembali dalam waktu dekat).

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Fair Value (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (continued)

- *Level 3 : inputs for the asset and liability that are not based on observable market data (unobservable inputs).*

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Reclassification of Financial Instruments

The Bank shall not reclassify any financial instrument out of or into the fair value through profit or loss classification while it is held or issued.

The Bank does not reclassify any financial instrument out of fair value through profit or loss classification if upon initial recognition the financial instrument is designated by the Bank as at fair value through profit or loss.

The Bank reclassify a financial asset out of fair value through profit or loss classification if the financial asset no longer incurred for the purpose of selling or repurchasing it in the near term (although the financial asset may has been acquired or intended principally for the purpose of selling or repurchasing it in the near term).

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

Persyaratan untuk reklasifikasi adalah:

a) Dilakukan dalam situasi yang langka,

b) Memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak diisyaratkan untuk diklasifikasikan sebagai diperdagangkan pada pengakuan awal) dan Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi instrumen keuangan ke dalam kategori nilai wajar melalui laba rugi setelah pengakuan awal.

Bank mereklasifikasi aset keuangan yang diklasifikasikan sebagai tersedia untuk dijual yang memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak ditetapkan sebagai tersedia untuk dijual) dari tersedia untuk dijual jika Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi aset keuangan yang dikategorikan dimiliki hingga jatuh tempo. Jika terjadi penjualan atau reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (selain dari kondisi spesifik tertentu), maka seluruh aset keuangan yang dimiliki hingga jatuh tempo akan direklasifikasi menjadi aset keuangan yang tersedia untuk dijual. Selanjutnya, Bank tidak akan mengklasifikasi aset keuangan sebagai aset keuangan yang dimiliki hingga jatuh tempo selama dua tahun berikutnya.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Reclassification of Financial Instruments (continued)

Requirement for the reclassification are:

a) Occurs in a rare circumstances,

b) Qualifies as loans and receivables definition (if the financial asset is not designated as at held for trading upon initial recognition) and the Bank has the intention and ability to hold the financial assets for the future that can be forecasted or to maturity.

The Bank does not reclassify any financial instrument into fair value through profit or loss classification after initial recognition.

The Bank reclassify a financial asset at available-for-sale classification which qualifies as loans and receivable definition (if the financial asset is not designated as at available-for-sale) from available-for-sale if the Bank has the intention and ability to hold the financial asset for the future that can be forecasted or to maturity.

The Bank does not reclassify any financial asset categorized as held-to-maturity. If there is a sale or reclassification of held-to-maturity financial asset for more than an insignificant amount before maturity (other than in certain specific circumstances), the entire held-to-maturity financial assets will have to be reclassified as available-for-sale financial assets. Subsequently, the Bank shall not classify financial asset as held-to-maturity during the following two years.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

Kondisi spesifik tertentu yang dimaksud adalah sebagai berikut:

a) Dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, sehingga perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut.

b) Ketika Bank telah memperoleh secara substansial seluruh jumlah pokok aset-aset keuangan tersebut sesuai jadwal pembayaran atau Bank telah memperoleh pelunasan dipercepat; atau

c) Terkait dengan kejadian tertentu yang berada di luar kendali Bank, tidak terulang, dan tidak dapat diantisipasi secara wajar oleh Bank.

Reklasifikasi aset keuangan dari kelompok diukur pada nilai wajar melalui laba rugi ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang telah diakui sebagai laba rugi tidak dapat dibalik.

Reklasifikasi aset keuangan dari kelompok tersedia untuk dijual ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang sebelumnya diakui dalam ekuitas dicatat dengan cara sebagai berikut:

a) Jika aset keuangan memiliki jatuh tempo tetap, keuntungan atau kerugian diamortisasi ke laba rugi selama sisa umur investasi dengan EIR.

b) Jika aset keuangan tidak memiliki jatuh tempo yang tetap, keuntungan atau kerugian tetap dalam ekuitas sampai aset keuangan tersebut dijual atau dilepaskan dan pada saat itu keuntungan atau kerugian diakui dalam laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Reclassification of Financial Instruments (continued)

The certain specific circumstances are as follows:

a) Performed if financial assets are so close to maturity or call date, that changes in the market rate of interest would not have a significant effect on their fair value.

b) When the Bank have collected substantially all of the financial assets original principal through scheduled payment or prepayment; or

c) Attributable to an isolated event that is beyond the Bank's control, is non-recurring and could not have been reasonably anticipated by the Bank.

Reclassification of fair value through profit or loss financial asset to loans and receivables is recorded at cost or amortized cost. Unrealized gain or loss that has been recognized as profit or loss shall not be reversed.

Reclassification of available-for-sale financial asset to loans and receivables is recorded at cost or amortized cost. Any previous gain or loss which has been recognized direcly in equity shall be accounted for as follows:

a) In the case of a financial asset with a fixed maturity, the gain or loss shall be amortized to profit or loss over the remaining life of the investment using the EIR.

b) In the case of a financial asset that does not have a fixed maturity, the gain or loss shall remain in equity until the financial asset is sold or otherwhise disposed of, when it shall be recognized in statement of profit or loss and other comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

Reklasifikasi aset keuangan dari kelompok yang dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi diakui dalam ekuitas sampai aset keuangan tersebut dihentikan pengakuannya dan pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Investasi pada Sukuk

Efek-efek dan obligasi Pemerintah syariah, kecuali Reksadana, diklasifikasikan berdasarkan model usaha yang ditentukan oleh Bank pada saat pembelian surat berharga tersebut didasarkan atas klasifikasi yang sesuai dengan PSAK No. 110 (Revisi 2015) tentang "Akuntansi Sukuk" sebagai berikut:

a. Surat berharga diukur pada biaya perolehan disajikan sebesar biaya perolehan (termasuk biaya transaksi) yang disesuaikan dengan premi dan/atau diskonto yang belum diamortisasi. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.

b. Surat berharga diukur pada nilai wajar melalui laba rugi, yang dinyatakan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam laporan laba rugi tahun yang bersangkutan.

c. Surat berharga yang diukur pada nilai wajar melalui penghasilan komprehensif lainnya. Surat berharga disajikan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam penghasilan komprehensif lain. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Reclassification of Financial Instruments (continued)

Reclassification of held-to-maturity financial asset to available-for-sale is recorded at fair value. The unrealized gain or loss is recognized in equity until the time financial assets is derecognized and at the time the cumulative gain or loss previously recognized in equity shall be recognized in the statement of profit or loss and other comprehensive income.

Investment in Sukuk

Sharia securities and Government bonds, except for Reksadana, are classified based on business model, determined by the Bank at the date of purchase in accordance with SFAS No. 110 (Revised 2015) on "Accounting for Sukuk" as follows:

a. At cost securities are stated at cost (including transaction costs), adjusted by unamortised premium and/or discount. Premium and discount are amortised over the period until maturity.

b. At fair value securities are stated at fair values through profit or loss. Unrealised gains or losses from the increase or decrease in fair values are presented in current year profit or loss.

c. At fair value through other comprehensive income securities are measured at fair value. Unrealized gains or losses from the increase or decrease in fair value are presented in other comprehensive income. Premium and discount are amortized over the period until maturity.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

d. Giro pada Bank Indonesia dan Bank Lain

Giro pada Bank Indonesia dan bank lain setelah perolehan awal diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode EIR. Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

e. Penempatan pada Bank Indonesia dan Bank Lain

Penempatan pada Bank Indonesia dan bank lain merupakan penempatan dana dalam bentuk *call money*, Fasilitas Simpanan Bank Indonesia, deposito berjangka dan lain-lain.

Penempatan pada Bank Indonesia dinyatakan sebesar saldo penempatan.

Penempatan pada bank lain dinilai berdasarkan nilai wajar ditambah biaya transaksi tambahan langsung, jika ada, dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Cadangan kerugian penurunan nilai diukur bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

f. Efek-efek yang diperdagangkan

Efek-efek yang diperdagangkan terdiri dari Surat Utang Negara, Surat Perbendaharaan Negara, dan Sertifikat Bank Indonesia yang dikategorikan sebagai dimiliki untuk diperdagangkan dan dicatat di laporan posisi keuangan sebesar nilai wajar.

Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajar disajikan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan. Pendapatan bunga dari efek hutang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain sesuai dengan persyaratan dalam kontrak. Pada saat penjualan portofolio efek yang diperdagangkan, selisih antara harga jual dengan harga perolehan diakui sebagai keuntungan atau kerugian penjualan pada tahun dimana efek tersebut dijual.

2. Summary of Significant Accounting Policies (continued)

d. Current Accounts with Bank Indonesia and Other Banks

Subsequent to initial recognition, current accounts with Bank Indonesia and other banks are measured at their amortized cost using the EIR method. Allowance for impairment losses is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2k.

e. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and other banks consist of call money, Bank Indonesia Deposit Facilities, time deposits and others.

Placements with Bank Indonesia are stated in outstanding balances.

Placements with other banks are initially measured at fair value plus incremental direct transaction cost, if any, and subsequently measured at their amortized cost using EIR. Allowances for impairment losses are assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

f. Trading securities

Trading securities comprises of Government Bonds, State Treasury Notes, and Certificates of Bank Indonesia that are classified as held for trading; these are recorded at fair value in the statement of financial position.

Unrealized gains or losses resulting from the increase or decrease in fair value are recognized in the current year statement of profit or loss and other comprehensive income. The interest income from debt securities is recorded in the statement of profit or loss and other comprehensive income according to the terms of the contract. At the time of sale of trading securities portfolio, the difference between the selling price and the purchase price is recognized as a gain or loss in the year when the securities are sold.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

g. Investasi Keuangan

Investasi keuangan diklasifikasikan sebagai berikut:

Efek-efek yang Tersedia untuk Dijual

Efek-efek yang tersedia untuk dijual diakui dan diukur sebesar nilai wajar dengan memperhitungkan pendapatan dan/atau beban yang dapat diatribusikan langsung pada pembelian efek-efek. Setelah pengakuan awal, keuntungan dan kerugian yang belum direalisasikan dari kenaikan atau penurunan nilai wajar, setelah pajak, diakui dan disajikan sebagai komponen ekuitas.

Ketika investasi tersebut dihapus, keuntungan atau kerugian kumulatif setelah pajak, yang sebelumnya diakui di penghasilan komprehensif lainnya, diakui dalam laporan laba rugi dan penghasilan komprehensif lain. Kerugian yang timbul dari penurunan nilai pada investasi tersebut diakui dalam laporan laba rugi dan penghasilan komprehensif lain dan dikeluarkan dari penghasilan komprehensif lainnya.

Premi dan/atau diskonto diamortisasi sebagai pendapatan bunga dengan menggunakan EIR.

Efek-efek yang Dimiliki Hingga Jatuh Tempo dan Pinjaman yang Diberikan dan Piutang

Efek-efek yang dimiliki hingga jatuh tempo dan pinjaman yang diberikan dan piutang diakui dan diukur sebesar nilai wajar dengan memperhitungkan pendapatan dan/atau beban yang dapat diatribusikan langsung pada pembelian efek-efek. Setelah pengakuan awal, efek-efek diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

h. Instrumen Keuangan Derivatif

Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar, kurs Reuters pada tanggal pelaporan laporan posisi keuangan, diskonto arus kas, model penentu harga atau harga yang diberikan oleh broker (*quoted price*) atas instrumen lain yang memiliki karakteristik atau model penentuan harga serupa.

2. Summary of Significant Accounting Policies (continued)

g. Financial Investments

Financial investments are classified as follows:

Available-for-Sale Securities

Available-for-sale securities are recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, gains and losses from changes in fair value of securities, net of tax, are recognized directly to equity.

When the investment is disposed the cummulative gain or loss, net of tax, previously recognized in other comprehensive income is recognized in the statement of profit or loss and other comprehensive income. The losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income and removed from other comprehensive income.

Premium and/or discount is amortized and reported as interest income using the EIR.

Held-to-Maturity Securities and Loans and Receivables

Held-to-maturity securities and loans and receivables are recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, securities are measured at amortized acquisition cost using EIR.

h. Derivatives Financial Instruments

All derivative instruments are recognized in statement of financial position at fair value. The fair value is based on the market rate, Reuters exchange rate at statement of financial position date, discounted cash flows and price valuation or broker quoted price on other instruments with similar characteristics or price model.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

h. Instrumen Keuangan Derivatif (lanjutan)

Keuntungan atau kerugian dari kontrak derivatif yang tidak ditujukan untuk lindung nilai (atau tidak memenuhi kriteria untuk dapat diklasifikasikan sebagai lindung nilai) diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Instrumen derivatif melekat dipisahkan dari kontrak utama non-derivatif dan diperlakukan sebagai instrumen derivatif jika seluruh kriteria berikut terpenuhi:

1. Risiko dan karakteristik ekonomi dari derivatif melekat tidak secara erat berhubungan dengan karakteristik dan risiko kontrak utama.
2. Instrumen terpisah dengan kondisi yang sama dengan instrumen derivatif melekat memenuhi definisi dari derivatif, dan
3. Instrumen hibrid (kombinasi) tidak diukur pada harga wajar dengan perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain (yaitu derivatif melekat dalam aset keuangan atau liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi tidak dipisahkan).

Akuntansi Lindung Nilai

Bank menerapkan akuntansi lindung nilai untuk beberapa transaksi derivatif ketika memenuhi kriteria dibawah ini:

1. Pada awal hubungan lindung nilai, Bank secara formal mendokumentasikan hubungan antara item yang dilindung nilai dengan instrumen lindung nilainya, jenis risiko, tujuan dan strategi dalam melaksanakan lindung nilai serta metodologi yang digunakan untuk menilai keefektifan lindung nilai tersebut.
2. Selanjutnya, penilaian dilakukan untuk meyakinkan bahwa instrumen lindung nilai tersebut diharapkan untuk sangat efektif untuk mencapai saling-hapus perubahan atas nilai wajar atau arus kas yang terkait dengan risiko yang dilindungnilaikan. Lindung nilai dinilai setiap kuartal.

2. Summary of Significant Accounting Policies (continued)

h. Derivatives Financial Instruments (continued)

Gain or loss on a derivative contract not designated as a hedging instrument (or does not qualify as a hedging instrument) is recognized in the current year statement of profit or loss and comprehensive income.

Embedded derivatives instruments are separated from their host non-derivative contract and accounted for as a derivative instrument if all of the following criteria are met:

1. *The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.*
2. *A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and*
3. *The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in statement of profit or loss and other comprehensive income (i.e a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated).*

Hedge Accounting

The Bank applies hedge accounting on certain derivative transactions when it meets the specified criterias below:

1. *At the beginning of a hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess hedging effectiveness.*
2. *Subsequently, an assessment is done to ensure that the hedging instrument is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk. Hedges are assessed quarterly.*

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

h. Instrumen Keuangan Derivatif (lanjutan)

Akuntansi Lindung Nilai (lanjutan)

Lindung nilai diharapkan menjadi sangat efektif jika perubahan nilai wajar atau arus kas dari item yang dilindungnilaikan terkait dengan risiko yang dilindungnilaikan saling hapus dengan perubahan nilai wajar atau arus kas dari instrumen lindung nilai, dalam kisaran 80% sampai dengan 125% selama periode lindung nilai. Pada situasi dimana *item* yang dilindung nilai merupakan suatu prakiraan transaksi, Bank akan mengevaluasi apakah transaksi tersebut memiliki kemungkinan terjadi yang tinggi dan menimbulkan paparan variasi arus kas yang akan pasti mempengaruhi laporan laba rugi dan penghasilan komprehensif lain.

Lindung nilai atas nilai wajar

Keuntungan atau kerugian dari suatu kontrak derivatif yang ditujukan dan memenuhi syarat sebagai instrumen lindung nilai atas nilai wajar, dan keuntungan atau kerugian atas revaluasi lindung nilai aset atau liabilitas, diakui sebagai laba atau rugi yang dapat saling hapus dalam periode akuntansi yang sama. Setiap selisih yang terjadi yang menunjukkan akibat ketidakefektifan lindung nilai secara langsung diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

i. Kredit yang Diberikan

Kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan EIR dikurangi cadangan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Cadangan kerugian atas penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

2. Summary of Significant Accounting Policies (continued)

h. Derivatives Financial Instruments (continued)

Hedge Accounting (continued)

A hedge is expected to be highly effective if the changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument in a range of 80% to 125% during the period for which the hedge is designated. In the situation where the hedged item is a forecasted transaction, the Bank will make an assessment whether the transaction has high probability of occurrence and presents an exposure to variation in cash flows that definitely will affect the statement of profit on loss and other comprehensive income.

Fair value hedge

Gains or losses on the derivative contract designated and meet the requirements of fair value hedge, and the gains or losses on the fair value changes of hedged assets or liabilities are recognized in profit or loss in the same accounting period. Gains or losses arising from such fair value changes may be offset. Any difference that arises representing the effect of hedge ineffectiveness is recognized in the statement of profit or loss and other comprehensive income.

i. Loans

Loans are measured at amortized cost using the EIR less allowance for impairment losses. The amortized cost of loan is the amount at which the loan is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The amortization is recognized in the statement of profit or loss and other comprehensive income.

The allowance for impairment losses are assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

i. Kredit yang Diberikan (lanjutan)

Kredit sindikasi dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

Restrukturisasi Kredit

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit hanya diakui bila nilai tunai penerimaan kas masa depan yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai kredit yang diberikan yang tercatat sebelum restrukturisasi.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya adalah kurang dari nilai tercatat kredit yang diberikan.

Saat ini hanya terdapat restrukturisasi kredit dengan menggunakan metode perpanjangan jangka waktu kredit.

j. Tagihan dan Liabilitas Akseptasi

Tagihan akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR, dikurangi dengan cadangan kerugian penurunan nilai. Liabilitas akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

Cadangan kerugian penurunan nilai dilakukan bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

2. Summary of Significant Accounting Policies (continued)

i. Loans (continued)

Syndicated loans are stated at the loan principal amount based on the risk participation by the Bank.

Loan Restructuring

Losses on loan restructuring in respect of modification of the terms of the loans are recognized only if the cash value of total future cash receipt specified in the new terms of the loans, including both receipt designated as interest and those designated as loan principal, are less than the recorded amounts of loans before restructuring.

For loan restructuring which involve a conversion of loans into equity or other financial instruments, a loss on loan restructuring is recognized only if the fair value of the equity or other financial instruments received, reduced by estimated costs to sell the equity or other financial instruments, is less than the carrying value of loan.

Currently, there was only loan restructuring using extension terms of loans method.

j. Acceptances Receivable and Payable

Acceptances receivable are measured at amortized cost using the EIR, less allowance for impairment losses. Acceptance liabilities are measured at amortized cost by using the EIR.

The allowance for impairment losses are assessed if there is an objective evidence of impairment by using the impairment methodology as disclosed in Note 2k.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti yang objektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai terjadi jika, dan hanya jika, terdapat bukti yang objektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang menyebabkan penurunan nilai), yang berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang diestimasi secara andal.

Bukti penurunan nilai meliputi indikasi kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam, wanprestasi atau tunggakan pembayaran pokok atau bunga, kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya dan data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, misalnya perubahan tunggakan atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Jika terdapat bukti objektif bahwa penurunan nilai telah terjadi, jumlah kerugian diukur sebesar selisih antara nilai tercatat aset dan nilai sekarang dari estimasi arus kas masa depan (tidak termasuk kerugian kredit di masa datang yang diharapkan tapi belum terjadi).

Estimasi periode antara terjadinya peristiwa dan identifikasi kerugian ditentukan oleh Manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 (tiga) sampai 12 (dua belas) bulan, untuk kasus tertentu diperlukan periode yang lebih lama.

Untuk aset keuangan yang dicatat pada biaya perolehan diamortisasi, Bank pada awalnya menentukan apakah terdapat bukti objektif penurunan nilai secara individual atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets

The Bank assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired and impairment losses incurred if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The estimated period between the occurrence of the event and identification of loss is determined by Management for each identified portfolio. In general, the periods used vary between 3 (three) months to 12 (twelve) months; in exceptional cases, longer periods are warranted.

For financial assets carried at amortized cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Penilaian secara individual dilakukan atas aset keuangan yang signifikan yang memiliki bukti objektif penurunan nilai. Aset keuangan yang tidak signifikan dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan dilakukan penilaian secara kolektif.

Jika Bank menyimpulkan tidak terdapat bukti objektif penurunan nilai aset keuangan yang dinilai secara individual, maka Bank memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan menilai penurunan nilai kelompok tersebut secara kolektif.

Bank menetapkan kredit yang dievaluasi penurunan nilainya secara individual, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual memiliki nilai signifikan tertentu dan memiliki bukti obyektif penurunan nilai;
2. Kredit yang direstrukturisasi yang secara individual memiliki nilai signifikan.

Cadangan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows)*.

Bank menetapkan bahwa kredit dievaluasi penurunan nilainya secara kolektif, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual bernilai signifikan dan tidak memiliki bukti obyektif penurunan nilai.
2. Kredit yang secara individual bernilai tidak signifikan.
3. Kredit yang telah direstrukturisasi yang secara individual bernilai tidak signifikan.

Bank menerapkan cadangan penurunan nilai secara kolektif yang dihitung dengan menggunakan metode statistik atas data historis berupa *probability of default* di masa lalu, waktu pemulihan dan jumlah kerugian yang terjadi (*Loss Given Default*) yang selanjutnya disesuaikan lagi dengan pertimbangan manajemen terkait kondisi ekonomi dan kredit saat ini.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

Individual assessment is performed on the significant financial assets that had objective evidence of impairment. The insignificant financial assets includes in the group of financial assets with similar credit risk characteristics and assessed collectively.

However, if the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, the Bank includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The Bank determines loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. *Loans which individually have certain significant value and objective evidence of impairment;*
2. *Restructured loans which individually have significant value.*

Allowance for impairment losses on impaired financial assets that was assessed individually by using discounted cash flows method.

The Bank determines that loans to be evaluated for impairment through collective evaluation if one of the following criteria is met:

1. *Loans which individually have significant value and there is no objective evidence of impairment.*
2. *Loans which individually have insignificant value.*
3. *Restructured loans which individually have insignificant value.*

The Bank provides allowance for impairment on impaired financial assets that was assessed collectively, using statistical method of the historical data such as the probability of defaults, time of recoveries, the amount of loss incurred (Loss Given Default), and by considering management's judgment of current economic and credit conditions.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Bank menggunakan *statistical model analysis method*, yaitu *roll rates analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

Bank menggunakan nilai wajar agunan (*fair value of collateral)* sebagai dasar dari arus kas masa datang apabila salah satu kondisi berikut terpenuhi:

1. Kredit bersifat tergantung pada agunan (*collateral dependent)*, yaitu jika pelunasan kredit hanya bersumber dari agunan;
2. Pengambilalihan agunan kemungkinan besar terjadi dan didukung dengan perjanjian pengikatan agunan.

Kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan setelah amortisasi diukur sebesar selisih antara nilai tercatat aset keuangan dengan nilai kini estimasi arus kas masa datang yang didiskonto menggunakan suku bunga efektif awal dari aset keuangan tersebut. Jika pinjaman yang diberikan atau surat-surat berharga dan Obligasi Pemerintah dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku saat ini yang ditetapkan dalam kontrak.

Sebagai panduan praktis, Bank dapat mengukur penurunan nilai berdasarkan nilai wajar instrumen dengan menggunakan harga pasar yang dapat diobservasi, perhitungan nilai kini dari estimasi arus kas masa datang dari aset keuangan agunan (*collateralized financial asset*) yang mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi biaya-biaya untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak. Kerugian yang terjadi diakui pada laporan laba rugi dan penghasilan komprehensif lain dan dicatat pada akun cadangan kerugian penurunan nilai sebagai pengurang terhadap aset keuangan yang dicatat pada biaya perolehan diamortisasi.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

The Bank uses statistical model analysis method, i.e., roll rate analysis method to assess financial asset impairment collectively.

The Bank uses the fair value of collateral as the basis for future cash flows if one of the following conditions is met:

1. *Loans are collateral dependent, i.e. if the source of loans repayment is made only from the collateral;*
2. *Foreclosure of collateral is most likely to occur and supported by binding collateral agreement.*

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and present value of estimated future cash flows discounted at the financial assets original effective interest rate. If a loan or held-to-maturity securities and Government Bonds have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical guideline, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price, the calculation of the present value of the estimated future cash flows of a collateralized financial assets which reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Pendapatan bunga dari aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai. Jika terjadi peristiwa setelah tanggal laporan posisi keuangan menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Untuk aset keuangan yang tersedia untuk dijual, pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar investasi dalam instrumen ekuitas yang diklasifikasikan sebagai tersedia untuk dijual di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Kerugian penurunan nilai atas surat-surat berharga yang tersedia untuk dijual diakui dengan memindahbukukan kerugian kumulatif yang telah diakui secara langsung dalam ekuitas ke laporan laba rugi dan penghasilan komprehensif lain.

Jumlah kerugian kumulatif yang dipindahbukukan dari ekuitas dan diakui pada laporan laba rugi dan penghasilan komprehensif lain merupakan selisih antara biaya perolehan (setelah dikurangi dengan nilai pelunasan pokok dan amortisasi) dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Kerugian penurunan nilai yang diakui pada laporan laba rugi dan penghasilan komprehensif lain atas investasi instrumen ekuitas yang diklasifikasikan sebagai instrumen ekuitas yang tersedia untuk dijual tidak dipulihkan.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

Interest income on the impaired financial assets continues to be recognized using the original rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized is reversed through the statement of profit or loss and other comprehensive income.

For financial assets classified as available-for-sale, the Bank assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available-for-sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statement of profit or loss and other comprehensive income.

The cumulative loss that has been removed from equity and recognized in statement of profit or loss and other comprehensive income is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in statement of profit or loss and other comprehensive income.

Impairment losses recognized in statement of profit or loss and other comprehensive income on investments in equity instruments classified as available-for-sale shall not be reversed.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Jika pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian nilai pada laporan laba rugi dan penghasilan komprehensif lain maka kerugian penurunan nilai tersebut dipulihkan melalui laporan laba rugi dan penghasilan komprehensif lainnya.

Jika persyaratan pinjaman yang diberikan, piutang atau surat-surat berharga yang dimiliki hingga jatuh tempo dinegosiasi ulang atau dimodifikasi karena debitur atau penerbit mengalami kesulitan keuangan, maka penurunan nilai diukur dengan suku bunga efektif awal yang digunakan sebelum persyaratan diubah.

Jika, pada suatu periode berikutnya, jumlah cadangan kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur atau penerbit), maka kerugian penurunan nilai yang sebelumnya diakui akan dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Penerimaan kembali pada tahun berjalan aset keuangan yang telah dihapusbukukan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai.

Penerimaan kembali pinjaman yang telah dihapusbukukan pada tahun-tahun sebelumnya dicatat sebagai pendapatan operasional selain pendapatan bunga.

l. Penurunan Nilai Aset Non-Keuangan

Pada setiap tanggal pelaporan, Bank melakukan penilaian apakah terdapat indikasi bahwa aset non-keuangan mungkin mengalami penurunan nilai sesuai dengan PSAK No. 48 (Revisi 2014) tentang "Penurunan Nilai Aset". Ketika sebuah indikator penurunan nilai ada atau ketika sebuah pengujian penurunan nilai tahunan untuk aset diperlukan, Bank membuat estimasi resmi atas jumlah terpulihkan.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in statement of profit or loss and other comprehensive income.

If the terms of the loans and receivables or held-to-maturity marketable securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the terms are modified.

If, in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occured after the recognition of the impairment losses (i.e. upgrade debtor's or issuer's collectability), the impairment loss that was previously recognized shall be reversed, by adjusting the allowance account. The reversal amount of financial assets is recognized in the statement of profit or loss and other comprehensive income.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts.

Recoveries of written-off loans from previous years are recorded as operational income other than interest income.

l. Impairment of Non-Financial Assets

At each reporting date, the Bank assesses whether there is any indication that its non-financial assets may be impaired in accordance with PSAK No. 48 (Revised 2014), "Impairment of Asset Value". When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimation of the recoverable amount.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Nilai yang dapat dipulihkan adalah sebesar jumlah yang lebih tinggi dari nilai wajar aset (atau unit penghasil kas) dikurangi besarnya biaya untuk menjual dibandingkan dengan nilai pakai yang ditentukan untuk aset individu, kecuali aset tersebut menghasilkan arus kas masuk yang tidak tergantung lagi dari aset yang lain atau kumpulan aset, yang dalam hal jumlah terpulihkan dinilai sebagai bagian dari unit penghasil kas. Apabila nilai tercatat suatu aset (atau unit penghasil kas) melebihi jumlah terpulihkan, maka aset (atau unit penghasil kas) tersebut dianggap mengalami penurunan nilai dan diturunkan menjadi sebesar nilai yang dapat dipulihkan. Dalam menilai nilai pakai suatu aset, estimasi terhadap arus kas dipulihkan di masa depan akan didiskontokan menjadi nilai kini dengan menggunakan tingkat suku bunga diskonto sebelum pajak yang mencerminkan penilaian pasar terhadap nilai waktu dari kas dan risiko spesifik aset (atau unit penghasil kas) tersebut.

Kerugian penurunan nilai akan dibebankan pada periode yang bersangkutan, kecuali aset tersebut telah dicatat sebesar jumlah yang direvaluasi, dalam hal ini kerugian penurunan nilai tersebut akan dibebankan langsung ke dalam selisih penilaian kembali aset bersangkutan.

Bank melakukan evaluasi pada setiap tanggal pelaporan apakah terdapat indikasi bahwa pengakuan kerugian penurunan nilai sebelumnya mungkin tidak lagi ada atau telah menurun. Bila terdapat indikasi tersebut, maka jumlah terpulihkan akan diestimasi. Kerugian penurunan nilai yang sebelumnya telah diakui akan dibalik hanya jika telah terjadi perubahan dalam estimasi yang digunakan untuk menentukan jumlah terpulihkan aset sejak kerugian penurunan nilai terakhir diakui. Jika demikian, nilai tercatat aset akan ditingkatkan sejumlah nilai terpulihkan.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Non-Financial Assets (continued)

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. When the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. For assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations on the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

An assessment is made at each reporting date as to whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amounts are estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

l. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Peningkatan nilai aset setelah penilaian kembali oleh Bank tidak dapat melebihi nilai tercatat yang seharusnya diakui, setelah dikurangi penyusutan jika diasumsikan tidak terdapat penurunan nilai pada tahun sebelumnya. Pembalikan tersebut diakui di dalam laporan laba rugi dan penghasilan komprehensif lain kecuali jika aset tersebut dicatat sebesar nilai yang dipulihkan dimana pembalikannya akan diakui sebagai peningkatan revaluasi. Setelah pembalikan tersebut dicatat, beban penyusutan akan disesuaikan ke depan untuk mengalokasikan nilai tercatat aset yang telah direvaluasi setelah dikurangi nilai sisa yang diperhitungkan secara sistematis sepanjang masa manfaat aset tersebut.

m. Efek-efek yang dibeli/dijual dengan janji dijual/dibeli kembali

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar jumlah penjualan kembali dikurangi dengan pendapatan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan, dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual menggunakan suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar di muka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali diperlakukan sebagai bunga dibayar di muka dan diakui sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

2. Summary of Significant Accounting Policies (continued)

l. Impairment of Non-Financial Assets (continued)

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, minus any residual value, on a systematic basis over its remaining life.

m. Securities purchased/sold under agreements to resell/repurchase

Securities purchased under agreements to resell are classified as loans and receivables.

Securities purchased under agreements to resell are presented as assets in the statement of financial position, at the resale price net of unamortized interest income and allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income, and recognized as income over the period starting from when those securities are purchased until they are sold using effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities measured at amortized cost.

Securities sold under agreements to repurchase are presented as liabilities in the statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as interest expense over the period starting from when those securities are sold until they are repurchased using effective interest rate method.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

n. Aset Tetap

Aset tetap dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat pemeriksaan yang signifikan dilakukan, biaya pemeriksaan itu diakui ke dalam jumlah tercatat *(carrying amount)* aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Penyusutan dihitung dengan menggunakan metode garis lurus selama umur manfaat aset tetap yang diestimasi sebagai berikut:

	Tahun/ *Years*	
Bangunan dan prasarana bangunan	10-20	*Buildings and building improvements*
Perabot kantor, peralatan kantor dan kendaraan	3-10	*Furniture and fixtures, office equipment and vehicles*
	Persentase/ *Percentage*	
Bangunan dan prasarana bangunan	5-10	*Buildings and building improvements*
Perabot kantor, peralatan kantor dan kendaraan	10-33	*Furniture and fixtures, office equipment and vehicles*

Pada tahun 2016, komputer, dengan kategori *end-user computer*, mengalami perubahan masa manfaat dari 5 tahun menjadi 3 tahun. Manajemen berkeyakinan bahwa tidak ada dampak signifikan atas perubahan yang terjadi. Perubahan yang diterapkan secara prospektif.

Biaya pengurusan hak legal atas tanah dalam bentuk Hak Guna Usaha (“HGU”), Hak Guna Bangunan (“HGB”) dan Hak Pakai (“HP”) ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun “Aset Tetap” dan tidak diamortisasi.

Sementara biaya pengurusan atas perpanjangan atau pembaruan hak legal atas tanah dalam bentuk HGU, HGB dan HP dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya karena nilainya tidak signifikan.

2. Summary of Significant Accounting Policies (continued)

n. Fixed Assets

Fixed assets are stated at cost minus accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria is satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

In 2016, useful life for computer, with categories of end-user computer, changed from 5 years to 3 years. Management believe that there is no significant impact from this changed. The changed was applied prospectively.

Legal cost of land rights in the form of Business Usage Rights (“Hak Guna Usaha” or “HGU”), Building Usage Rights (“Hak Guna Bangunan” or “HGB”) and Usage Rights (“Hak Pakai” or “HP”) when the land was acquired initially are recognized as part of the cost of the land under the “Fixed Assets” account and not amortized.

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP is charged to the statement of profit or loss and other comprehensive income as incurred because its value is insignificant.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

n. Aset Tetap (lanjutan)

Nilai residu, umur manfaat dan metode penyusutan ditelaah, dan jika sesuai dengan keadaan, disesuaikan secara prospektif pada setiap akhir periode.

Bank melakukan penelaahan untuk menentukan adanya indikasi terjadinya penurunan nilai aset setiap kuartalan. Bank menentukan taksiran jumlah yang dapat direalisasi kembali atas semua asetnya jika terdapat suatu peristiwa atau kondisi yang mengindikasikan adanya penurunan nilai aset.

o. Agunan yang Diambil alih

Agunan yang diambil alih sehubungan dengan penyelesaian pinjaman yang diberikan disajikan sebagai bagian dari akun "Aset Lain-lain". Pada saat pengakuan awal, agunan yang diambil alih dibukukan pada nilai wajar setelah dikurangi perkiraan biaya untuk menjualnya maksimum sebesar liabilitas debitur di laporan posisi keuangan. Setelah pengakuan awal, agunan yang diambil alih dibukukan sebesar nilai yang lebih rendah antara nilai tercatat dengan nilai wajarnya setelah dikurangi dengan biaya untuk menjualnya. Selisih lebih saldo kredit diatas nilai realisasi bersih dari agunan yang diambil alih dibebankan ke dalam akun cadangan kerugian.

Beban-beban yang berkaitan dengan pemeliharaan agunan yang diambil alih dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Laba atau rugi yang diperoleh atau berasal dari penjualan agunan yang diambil alih disajikan sebagai bagian dari "Pendapatan (Beban) *Non-Operasional* - Neto" dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

p. Biaya Dibayar di Muka

Biaya dibayar di muka dibebankan pada usaha sesuai dengan masa manfaatnya dan disajikan sebagai bagian dari akun "Aset Lain-lain".

2. Summary of Significant Accounting Policies (continued)

n. Fixed Assets (continued)

The residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively when appropriate, at each period end.

The Bank evaluates any indication of asset impairment in quarterly basis. The Bank determines the estimated realizable amount of its assets if there is an event or condition which indicates impairment of the asset.

o. Foreclosed Assets

Collaterals acquired through loan foreclosures related to the loans settlement are presented as part of "Other Assets" account. At initial recognition, foreclosed assets are stated at fair value, net of estimated costs to sell at the maximum at the borrower's liabilities as stated the in statement of financial position. After initial recognition, foreclosed assets are recorded at the amount whichever is lower of the carrying amount and fair value, net of estimated costs to sell. The excess of the uncollectible loan balance over the value of the collateral is charged to allowance for impairment losses.

Maintenance expenses of foreclosed assets are charged to the statement of profit or loss and other comprehensive income as incurred.

Gains or losses earned or incurred from the sale of foreclosed assets are presented as part of "Non-Operating Income (Expense) - Others - Net" in the statement of profit or loss and other comprehensive income for the current year.

p. Prepaid Expenses

Prepaid expenses are charged to operations over the period benefited and presented as part of "Other Assets" account.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

q. Simpanan

Simpanan adalah dana yang dipercayakan oleh nasabah (di luar bank lain) kepada Bank berdasarkan perjanjian penyimpanan dana. Simpanan terdiri dari giro, tabungan dan deposito berjangka.

Giro, tabungan dan deposito berjangka diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal simpanan dan biaya transaksi yang merupakan bagian yang tak terpisahkan dari EIR.

r. Simpanan dari Bank Lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, dan *interbank call money* dengan periode jatuh tempo menurut perjanjian kurang dari atau sama dengan 90 hari dan deposito berjangka.

Simpanan dari bank lain diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan diskonto atau premi yang terkait dengan pengakuan awal simpanan dari bank lain dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

s. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar nilai biaya perolehan diamortisasi dengan menggunakan metode EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal efek hutang yang diterbitkan dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

2. Summary of Significant Accounting Policies (continued)

q. Deposits

Deposits are deposits of customers (excluding other banks) with the Bank based on deposit agreements. Deposits consist of demand deposits, saving deposits and time deposit.

Demand deposits, saving deposits and time deposits are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits and transaction costs that are an integral part of the EIR.

r. Deposits from Other Banks

Deposits from other banks represent liabilities to other domestic and overseas banks, in the form of demand deposits, saving deposits, and interbank call money with maturity period based on agreement less than or equal to 90 days and time deposits.

Deposits from other banks are initially recognized at fair value and subsequently measured at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits from other bank and transaction costs that are an integral part of the EIR.

s. Debt Securities Issued

Debt securities issued are initially recognized at fair value and subsequently measured at amortized cost using EIR method. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of debt securities issued and transaction costs that are an integral part of EIR.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

t. Pendapatan dan Beban Bunga

Instrumen keuangan yang diukur pada biaya perolehan diamortisasi, aset dan liabilitas keuangan yang diklasifikasikan sebagai tersedia untuk dijual, pendapatan maupun beban bunganya diakui dengan menggunakan EIR, yaitu suku bunga yang akan mendiskonto secara tepat estimasi pembayaran atau penerimaan kas di masa datang sepanjang perkiraan umur instrumen keuangan tersebut atau, jika lebih tepat untuk masa yang lebih singkat, sebagai nilai tercatat bersih dari aset atau liabilitas keuangan tersebut. Perhitungan dilakukan dengan mempertimbangkan seluruh syarat dan ketentuan kontraktual instrumen keuangan termasuk *fee*/biaya tambahan yang terkait secara langsung dengan instrumen tersebut yang merupakan bagian tidak terpisahkan dari EIR.

Nilai tercatat aset atau liabilitas keuangan disesuaikan jika Bank merevisi estimasi pembayaran atau penerimaan. Nilai tercatat yang disesuaikan tersebut dihitung dengan menggunakan EIR awal dan perubahan nilai tercatat dibukukan pada laporan laba rugi dan pendapatan komprehensif lainnya. Tetapi untuk aset keuangan yang telah direklasifikasi, dimana pada tahun berikutnya Bank meningkatkan estimasi pemulihan kas sebagai hasil dari peningkatan pengembalian penerimaan kas, dampak peningkatan pemulihan tersebut diakui sebagai penyesuaian EIR sejak tanggal perubahan estimasi.

Ketika nilai tercatat aset keuangan atau kelompok aset keuangan serupa telah diturunkan akibat kerugian penurunan nilai, pendapatan bunga tetap diakui pada tingkat suku bunga yang digunakan untuk mendiskontokan arus kas masa mendatang dalam pengukuran kerugian penurunan nilai.

Pinjaman yang diberikan dan aset produktif lainnya (tidak termasuk efek-efek) diklasifikasikan sebagai *non-performing* jika telah masuk dalam klasifikasi kurang lancar, diragukan atau macet. Sedangkan efek-efek diklasifikasikan sebagai *non-performing,* jika penerbit efek mengalami wanprestasi dalam memenuhi pembayaran bunga dan/atau pokok atau memiliki peringkat paling kurang 1 (satu) tingkat di bawah peringkat investasi.

2. Summary of Significant Accounting Policies (continued)

t. Interest Income and Expense

All financial instruments measured at amortized cost, financial assets and liabilities classified as available-for-sale, its interest incomes and expenses are recognized using the EIR, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and included any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.

The carrying amount of the financial asset or liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated using the original EIR and the change in carrying amount is recorded in the statements of profit or loss and other comprehensive income. However, for a reclassified financial asset for which the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loans and other earning assets (excluding securities) are considered as non-performing when they are classifed as substandard, doubtful, or loss. Securities are categorized as non-performing when the issuer of securities defaults on its interest and/or principal payments or if they are rated at least 1 (one) level below investment grade.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

u. Pendapatan dan Beban Provisi dan Komisi

Pendapatan dan beban provisi dan komisi yang jumlahnya material yang berkaitan langsung dengan kegiatan pemberian asset keuangan diakui sebagai bagian/(pengurang) atau penambah dari biaya perolehan asset keuangan yang bersangkutan dan akan diakui sebagai pendapatan dengan cara diamortisasi berdasarkan EIR sepanjang perkiraan umur aset atau liabilitas keuangan.

Saldo beban yang ditangguhkan dan pendapatan komisi atas pinjaman yang diberikan yang diakhiri atau diselesaikan sebelum jatuh tempo diakui sebagai pendapatan dari penyelesaian.

2. Summary of Significant Accounting Policies (continued)

u. Fees and Commissions Income and Expense

Fees and commissions that have material amount directly related with the acquisition of financial assets are recognized as part/(deduction) or addition of acquisition cost of related financial assets and will be recognized as income and amortized using the EIR during the expected life of financial assets or liabilities.

The outstanding balances of deferred fees and commission income, on loans receivable that are terminated or settled prior to maturity are recognized as income on settlement.

v. Transaksi dan Saldo dalam Mata Uang Asing

Kebijakan akuntansi atas transaksi dan saldo dalam mata uang asing didasarkan pada peraturan BAPEPAM-LK No. VIII.G.7 dan Pedoman Akuntansi Perbankan Indonesia ("PAPI"). Bank mengacu pada PAPI dimana transaksi dalam mata uang asing dicatat dalam Rupiah dengan menggunakan kurs laporan (penutupan) yang ditetapkan oleh Bank Indonesia yaitu kurs tengah yang merupakan rata-rata kurs beli dan kurs jual berdasarkan Reuters masing-masing pada tanggal 31 Desember 2016 dan 2015 pada pukul 16:00 WIB pada tanggal laporan posisi keuangan.

Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Pada tanggal 31 Desember 2016 dan 2015, kurs tengah mata uang asing adalah sebagai berikut:

v. Foreign Currency Transactions and Balances

Accounting policy for transaction and balances in foreign transaction is based on BAPEPAM-LK rule No. VIII.G.7 and Guidelines for Indonesian Bank Accounting ("PAPI"). The Bank refers to PAPI when transactions involving foreign currencies are recorded in Rupiah using the reporting (closing) rate set by Bank Indonesia that is the middle rate, the average of bid rate and ask rate based on Reuters on 31 December 2016 and 2015, respectively, at 16:00 hours Western Indonesian Time prevailing at statement of financial position date.

The resulting gains or losses are credited or charged to the statement of profit or loss and other comprehensive income for the current year.

As of 31 December 2016 and 2015, the middle rates of the foreign currencies are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Dinar Kuwait	44.068,14	45.417,12	*Kuwait Dinar*
Pound Sterling Inggris	16.555,01	20.439,02	*Great Britain Pound Sterling*
Euro Eropa	14.175,77	15.056,67	*European Euro*
Franc Swiss	13.208,98	13.919,33	*Swiss Franc*
Dolar Amerika Serikat	13.472,50	13.785,00	*United States Dollar*
Dolar Kanada	9.986,29	9.924,41	*Canadian Dollar*
Dolar Australia	9.723,11	10.083,73	*Australian Dollar*
Dolar Selandia Baru	9.362,72	9.444,80	*New Zealand Dollar*
Dolar Brunei Darussalam	9.311,29	9.759,29	*Brunei Darussalam Dollar*
Dolar Singapura	9.311,93	9.758,95	*Singapore Dollar*

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

v. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)

Pada tanggal 31 Desember 2016 dan 2015, kurs tengah mata uang asing adalah sebagai berikut: (lanjutan)

2. Summary of Significant Accounting Policies (continued)

v. Foreign Currency Transactions and Balances (continued)

As of 31 December 2016 and 2015, the middle rates of the foreign currencies are as follows: (continued)

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Riyal Arab Saudi	3.591,90	3.672,47	*Saudi Arabian Riyal*
Ringgit Malaysia	3.003,23	3.210,67	*Malaysian Ringgit*
Yuan China Renminbi	1.939,19	2.122,84	*Chinese Yuan Renminbi*
Dolar Hong Kong	1.737,34	1.778,70	*Hong Kong Dollar*
Kroner Swedia	1.482,52	1.641,11	*Swedish Croner*
Yen Jepang	115,07	114,52	*Japanese Yen*

w. Imbalan Kerja

Beban pensiun berdasarkan program dana pensiun manfaat pasti ditentukan melalui perhitungan aktuaria secara periodik dengan menggunakan metode *projected-unit-credit* dan menerapkan asumsi atas tingkat diskonto, hasil yang diharapkan atas aset dana pensiun dan tingkat kenaikan manfaat pasti pensiun tahunan.

Seluruh pengukuran kembali, terdiri atas keuntungan dan kerugian aktuarial dan hasil atas aset dana pensiun (tidak termasuk bunga bersih) diakui langsung melalui penghasilan komprehensif lainnya dengan tujuan agar aset atau kewajiban pensiun bersih diakui dalam laporan posisi keuangan untuk mencerminkan nilai penuh dari defisit dan surplus dana pensiun. Pengukuran kembali tidak mengreklasifikasi laba atau rugi pada periode berikutnya.

Seluruh biaya jasa lalu diakui pada saat yang lebih dulu antara ketika amandemen /kurtailmen terjadi atau ketika biaya restrukturisasi atau pemutusan hubungan kerja diakui. Sebagai akibatnya, biaya jasa lalu yang belum *vested* tidak lagi dapat ditangguhkan dan diakui selama periode *vesting* masa depan.

w. Employee Benefits

Pension costs defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensations.

All re-measurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit and surplus. Re-measurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs is recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

w. Imbalan Kerja (lanjutan)

Beban bunga dan pengembalian aset dana pensiun yang diharapkan sebagaimana digunakan dalam PSAK No. 24 (revisi 2013) digantikan dengan beban bunga - bersih, yang dihitung dengan menggunakan tingkat diskonto untuk mengukur kewajiban manfaat pasti - bersih atau aset pada saat awal dari tiap periode pelaporan tahunan.

Bank memiliki program pensiun iuran pasti. Imbalan yang akan diterima karyawan ditentukan berdasarkan jumlah iuran yang dibayarkan pemberi kerja dan karyawan ditambah dengan hasil investasi iuran tersebut.

x. Pajak Penghasilan

Bank menerapkan PSAK No. 46 (Revisi 2014), "Pajak Penghasilan", yang mengharuskan Perusahaan untuk memperhitungkan konsekuensi pajak kini dan pajak masa depan atas pemulihan di masa depan (penyelesaian) dari jumlah tercatat aset (liabilitas) yang diakui dalam laporan posisi keuangan dan transaksi-transaksi serta peristiwa lain yang terjadi dalam periode berjalan.

Bank menerapkan metode aset dan liabilitas dalam menghitung beban pajaknya. Dengan metode ini, aset dan liabilitas pajak tangguhan diakui pada setiap tanggal pelaporan sebesar perbedaan temporer aset dan liabilitas untuk tujuan akuntansi dan tujuan pajak. Metode ini juga mengharuskan pengakuan manfaat pajak di masa akan datang, jika kemungkinan realisasi manfaat tersebut di masa mendatang cukup besar (*probable*). Tarif pajak yang berlaku atau yang secara substansial telah berlaku digunakan dalam menentukan pajak penghasilan tangguhan.

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aset pajak tangguhan tersebut.

2. Summary of Significant Accounting Policies (continued)

w. Employee Benefits (continued)

The interest costs and expected return on plan assets used in the previous version of PSAK No. 24 (revised 2013) are replaced with a net-interest amount, which are calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

The Bank has a defined contribution plan. The benefit to be received by employees is determined based on the amount of contribution paid by the employer and employee and the investment earnings of the fund.

x. Income Tax

The Bank applied PSAK No. 46 (Revised 2014), "Accounting for Income Tax", which requires the Company to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the statements of financial position and transactions and other events of the current period.

The Bank adopts the asset and liability method in determining its income tax expense. Under this method, deferred tax assets and liabilities are recognized at each reporting date for temporary differences between the financial and tax bases of assets and liabilities. This method also requires the recognition of future tax benefits, to the extent that realization of such benefits is probable. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to compensate the temporary differences which result in such deferred tax assets.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

x. Pajak Penghasilan (lanjutan)

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara asset pajak kini dengan liabilitas pajak kini dan apabila asset dan liabilitas tangguhan terkait pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Perubahan terhadap kewajiban perpajakan dicatat pada saat diterimanya surat ketetapan, atau apabila dilakukan banding, ketika hasil banding diterima.

y. Transaksi restrukturisasi antara entitas sepengendali

Bank menerapkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", yang menggantikan PSAK No. 38 (Revisi 2004), "Akuntansi Restrukturisasi Entitas Sepengendali", kecuali atas saldo selisih nilai transaksi restrukturiasi entitas sepengendali yang diakui sebelumnya, disajikan sebagai bagian dari "Tambahan Modal Disetor" dalam bagian ekuitas. PSAK No. 38 mengatur tentang akuntansi kombinasi bisnis entitas sepengendali, baik untuk entitas yang menerima bisnis maupun untuk entitas yang melepas bisnis.

Dalam PSAK No. 38, pengalihan bisnis antara entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi kepemilikan atas bisnis yang dialihkan dan tidak dapat menimbulkan laba atau rugi bagi Bank secara keseluruhan ataupun bagi entitas individual dalam Bank tersebut. Karena pengalihan bisnis antara entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi, bisnis yang dipertukarkan dicatat pada nilai buku sebagai kombinasi bisnis dengan menggunakan metode penyatuan kepemilikan.

2. Summary of Significant Accounting Policies (continued)

x. Income Tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amendments to taxation obligations are recorded when an assessment is received, or if an appeal is applied, when the results of the appeal are received.

y. Restructuring transactions among entities under common control

The Bank prospectively adopted PSAK No. 38,"Business Combinations of Entities Under Common Control", which supersedes PSAK No. 38 (Revised 2004), "Accounting for Restructuring of Entities Under Common Control", except for the previously recognized difference in value of restructuring transactions of entities under common control, are presented as "Additional Paid-in Capital" in the equity section. PSAK No. 38 prescribes the accounting for business combinations of entities under common control, for both the entity which receiving the business and the entity which disposing the business.

Under PSAK No. 38 transfer of business within entities under common control does not result in a change of the economic substance of ownership of the business being transferred and would not result in a gain or loss to the Bank or to the individual entity within the Bank. Since the transfer of business of entities under common control does not result in a change of the economic substance, the business being exchanged is recorded at book values as a business combination using the pooling-of-interests method.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

y. Transaksi restrukturisasi antara entitas sepengendali (lanjutan)

Dalam menerapkan metode penyatuan kepemilikan, komponen laporan keuangan dimana terjadi kombinasi bisnis dan untuk periode lain yang disajikan untuk tujuan perbandingan, disajikan sedemikian rupa seolah-olah kombinasi bisnis telah terjadi sejak awal periode terjadi sepengendalian. Selisih antara nilai tercatat transaksi kombinasi bisnis dan jumlah imbalan yang dialihkan diakui dalam akun "Tambahan Modal Disetor - Neto".

z. Informasi Segmen

Segmen operasi adalah komponan Bank yang terlibat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban, yang hasil operasinya dikaji ulang secara regular oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya serta menyediakan informasi keuangan yang dapat dipisahkan. Segmen operasi terbagi dalam kelompok *wholesale, retail* dan lainnya.

aa. Perubahan kebijakan akuntansi dan pengungkapan

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2016 yang dianggap relevan dengan Bank:

a. Amandemen PSAK 16: Aset Tetap tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi, berlaku efektif 1 Januari 2016.

   Amandemen ini mengklarifikasi prinsip yang terdapat dalam PSAK 16 Aset Tetap dan PSAK 19 bahwa pendapatan mencerminkan suatu pola manfaat ekonomik yang dihasilkan dari pengoperasian usaha (yang mana aset tersebut adalah bagiannya) daripada manfaat ekonomik dari pemakaian melalui penggunaan aset.

2. Summary of Significant Accounting Policies (continued)

y. Restructuring transactions among entities under common control (continued)

For applying the pooling-of-interests method, the components of the financial statements for the period during which the business combination occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the business combination has already happened since the beginning of the periods during which the entities were under common control. The difference between the carrying amounts of the business combination transaction and the consideration transferred is recognized under the account "Additional Paid-in Capital - Net".

z. Segment Information

An operating segment is a Bank's component that is involved business activities which derives income and incur expenses, which the operating results is reviewed regularly by operational decision maker for making decisions related to resources that is allocated to the segment and evaluates the performance and provide separable financial information. The operating segment has been determined to be wholesale, retail and others.

aa. Change in accounting policies and disclosure

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2016:

a. Amendments to SFAS 16: Property, Plant and Equipment on Clarification of the Accepted Method for Depreciation and Amortization, effective 1 January 2016.

   The amendments clarify the principle in SFAS 16 Property, Plant and Equipment and SFAS 19 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2016 yang dianggap relevan dengan Bank: (lanjutan)

Sebagai kesimpulan bahwa penggunaan metode penyusutan aset tetap yang berdasarkan pada pendapatan adalah tidak tepat dan hanya dapat digunakan dalam situasi yang sangat terbatas untuk amortisasi aset tak berwujud.

b. Amandemen PSAK 24: Imbalan Kerja tentang Program Imbalan Pasti: Iuran Pekerja, berlaku efektif 1 Januari 2016.

PSAK 24 mengharuskan entitas untuk mempertimbangkan iuran dari pekerja atau pihak ketiga ketika memperhitungkan program manfaat pasti. Ketika iuran tersebut sehubungan dengan jasa, iuran tersebut harus diatribusikan pada periode jasa sebagai imbalan negatif. Amandemen ini mengklarifikasi bahwa, jika jumlah iuran tidak bergantung pada jumlah tahun jasa, entitas diperbolehkan untuk mengakui iuran tersebut sebagai pengurang dari biaya jasa dalam periode ketika jasa terkait diberikan, daripada mengalokasikan iuran tersebut pada periode jasa.

c. PSAK 5 (Penyesuaian 2015): Segmen Operasi, berlaku efektif 1 Januari 2016.

Penyesuaian ini mengklarifikasi:

- Entitas mengungkapkan pertimbangan yang dibuat oleh manajemen dalam penerapan kriteria agregasi PSAK 5 paragraf 12 termasuk penjelasan singkat mengenai segmen operasi yang digabungkan dan karakteristik ekonomi.
- Pengungkapan rekonsiliasi aset segmen terhadap total aset jika rekonsiliasi dilaporkan kepada pengambil keputusan operasional, demikian juga untuk pengungkapan liabilitas segmen.

2. Summary of Significant Accounting Policies (continued)

aa. Change in accounting policies and disclosure (continued)

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2016: (continued)

As a result, a revenue-based method cannot be used to depreciate the property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

b. Amendments to SFAS 24: Employee Benefits on Defined Benefit Plans: Employee Contributions, effective 1 January 2016.

SFAS 24 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of service years, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

c. SFAS 5 (2015 Improvement): Operating Segments, effective 1 January 2016.

The improvement clarifies that:

- *An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of SFAS 5 including a brief description of operating segments that have been aggregated and the economic characteristics.*
- *Disclose the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.*

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2016 yang dianggap relevan dengan Bank: (lanjutan)

d. PSAK 7 (Penyesuaian 2015): Pengungkapan Pihak-pihak Berelasi, berlaku efektif 1 Januari 2016.

Penyesuaian ini mengklarifikasi bahwa entitas manajemen (entitas yang menyediakan jasa personil manajemen kunci) adalah pihak berelasi yang dikenakan pengungkapan pihak berelasi. Di samping itu, entitas yang memakai entitas manajemen mengungkapkan biaya yang terjadi untuk jasa manajemennya.

e. PSAK 16 (Penyesuaian 2015): Aset Tetap, berlaku efektif 1 Januari 2016.

Penyesuaian ini mengklarifikasi bahwa dalam PSAK 16 dan PSAK 19 aset dapat direvaluasi dengan mengacu pada data pasar yang dapat diobservasi terhadap jumlah tercatat bruto ataupun neto. Dan akumulasi penyusutan atau amortisasi adalah perbedaan antara jumlah tercatat bruto dan jumlah tercatat aset tersebut. Jumlah tercatat aset tersebut disajikan kembali pada jumlah revaluasiannya.

f. PSAK 25 (Penyesuaian 2015): Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan.

Penyesuaian ini memberikan koreksi editorial pada PSAK 25 paragraf 27.

g. PSAK 68 (Penyesuaian 2015): Pengukuran Nilai Wajar, berlaku efektif 1 Januari 2016.

Penyesuaian ini mengklarifikasi bahwa pengecualian portofolio dalam PSAK 68 dapat diterapkan tidak hanya pada kelompok aset keuangan dan liabilitas keuangan, tetapi juga diterapkan pada kontrak lain dalam ruang lingkup PSAK 55.

2. Summary of Significant Accounting Policies (continued)

aa. Change in accounting policies and disclosure (continued)

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2016: (continued)

d. SFAS 7 (2015 Improvement): Related Party Disclosures, effective 1 January 2016.

The improvement clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

e. SFAS 16 (2015 Improvement): Property, Plant and Equipment, effective 1 January 2016.

The improvement clarifies that in SFAS 16 and SFAS 19 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. Carrying amounts of the asset is restated by revaluated amounts.

f. SFAS 25 (2015 Improvement): Accounting Policies, Changes in Accounting Estimates and Errors.

The improvement provides editorial correction for paragraph 27 of SFAS 25.

g. SFAS 68 (2015 Improvement): Fair Value Measurement, effective 1 January 2016.

The improvement clarifies that the portfolio exception in SFAS 68 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of SFAS 55.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2016 yang dianggap relevan dengan Bank: (lanjutan)

h. PSAK No. 110 (Revisi 2015): Akuntansi Sukuk.

Penyesuaian ini mengklarifikasi bahwa pengecualian portofolio dalam PSAK 68 dapat diterapkan tidak hanya pada kelompok aset keuangan dan liabilitas keuangan, tetapi juga diterapkan pada kontrak lain dalam ruang lingkup PSAK 55.

Bank telah mengevaluasi penyesuaian terhadap standar akuntansi tersebut tidak menimbulkan dampak yang signifikan terhadap laporan keuangan.

ab. Pertimbangan dan Estimasi Akuntansi yang Signifikan

Dalam proses penerapan kebijakan akuntansi Bank, Manajemen telah melakukan pertimbangan dan estimasi profesional dalam menentukan jumlah yang diakui dalam laporan keuangan. Pertimbangan dan estimasi profesional yang signifikan adalah sebagai berikut:

Usaha yang berkelanjutan

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk melanjutkan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk melanjutkan usahanya di masa mendatang.

Selain itu, Manajemen menyadari bahwa tidak ada ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk melanjutkan kelangsungan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

2. Summary of Significant Accounting Policies (continued)

aa. Change in accounting policies and disclosure (continued)

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2016: (continued)

h. SFAS No. 110 (Revised 2015): Sukuk Accounting.

The improvement clarifies that the portfolio exception in SFAS 68 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of SFAS 55.

The Bank has evaluated the amendment of these accounting standards did not have significant impact on the financial statements.

ab. Judgments and Significant Accounting Estimates

In the process of applying the Bank's accounting policies, Management has exercised professional judgment and made estimates in determining the amounts recognized in the financial statements. The most significant uses of the professional judgment and estimates are as follows:

Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future.

Furthermore, the Management realized that there are no material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ab. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan

Bila nilai wajar aset keuangan dan liabilitas keuangan yang tercatat pada laporan posisi keuangan tidak tersedia di pasar aktif, nilainya ditentukan dengan menggunakan berbagai teknik penilaian termasuk penggunaan model matematika. Masukan (*input*) untuk model ini berasal dari data pasar yang bisa diamati sepanjang data tersebut tersedia, namun bila data pasar yang bisa diamati tersebut tidak tersedia, digunakan pertimbangan manajemen untuk menentukan nilai wajar.

Pertimbangan manajemen tersebut mencakup pertimbangan likuiditas dan masukan model seperti volatilitas untuk transaksi derivatif yang berjangka panjang dan tingkat diskonto, tingkat pelunasan dipercepat dan asumsi tingkat gagal bayar.

Bank menampilkan nilai wajar atas instrumen keuangan berdasarkan hirarki nilai wajar sebagai berikut:

- Tingkat 1
  harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- Tingkat 2
  input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung; dan
- Tingkat 3
  input untuk aset dan liabilitas yang bukan berdasarkan pada pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Nilai wajar atas instrumen derivatif yang dinilai menggunakan teknik penilaian dengan menggunakan komponen yang dapat diamati di pasar terutama adalah *swap* suku bunga, *swap* mata uang dan kontrak pertukaran mata uang. Teknik penilaian yang paling banyak digunakan meliputi model penilaian *forward* dan *swap* yang menggunakan perhitungan nilai kini. Model tersebut menggabungkan berbagai komponen yang meliputi kualitas kredit dari *counterparty*, nilai *spot* dan kontrak berjangka serta kurva tingkat suku bunga.

2. Summary of Significant Accounting Policies (continued)

ab. Judgments and Significant Accounting Estimates (continued)

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management judgment is required to establish fair values.

Management judgments include considerations of liquidity and model inputs such as volatility for long term derivatives and discount rates, early payment rates and default rate assumptions.

The Bank presents fair value of financial instruments based on the following fair value hierarchy:

- *Level 1*
  quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*
  inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly; and
- *Level 3*
  inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ab. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan (lanjutan)

Teknik penilaian termasuk model nilai tunai dan arus kas yang didiskontokan, dan perbandingan dengan instrumen yang sejenis dimana terdapat harga pasar yang dapat diobservasi. Asumsi dan input yang digunakan dalam teknik penilaian termasuk suku bunga bebas risiko (*risk-free*) dan suku bunga acuan, c*redit spread* dan variabel lainnya yang digunakan dalam mengestimasi tingkat diskonto, harga obligasi, kurs valuta asing, serta tingkat kerentanan dan korelasi harga yang diharapkan. Tujuan dari teknik penilaian adalah penentuan nilai wajar yang mencerminkan harga dari instrumen keuangan pada tanggal pelaporan yang akan ditentukan oleh para partisipan di pasar dalam suatu transaksi yang wajar.

Penurunan nilai kredit yang diberikan

Pada setiap tanggal laporan posisi keuangan, Bank menelaah kredit yang diberikan untuk menilai apakah penurunan nilai harus dicatat dalam laporan laba rugi dan penghasilan komprehensif lain. Secara khusus, pertimbangan manajemen diperlukan dalam estimasi jumlah dan waktu arus kas di masa mendatang ketika menentukan penurunan nilai.

Dalam estimasi arus kas tersebut, Bank melakukan penilaian atas kondisi keuangan peminjam dan nilai realisasi bersih agunan. Estimasi tersebut didasarkan pada asumsi dari sejumlah faktor dan hasil aktual mungkin berbeda, sehingga mengakibatkan perubahan penyisihan di masa mendatang.

Penurunan nilai aset yang tersedia untuk dijual dan tagihan akseptasi

Bank menelaah aset yang diklasifikasikan sebagai tersedia untuk dijual dan tagihan akseptasi pada setiap tanggal laporan posisi keuangan untuk menilai apakah telah terjadi penurunan nilai. Penilaian tersebut menggunakan pertimbangan yang sama seperti yang diterapkan pada penilaian secara individual atas kredit yang diberikan.

2. Summary of Significant Accounting Policies (continued)

ab. Judgments and Significant Accounting Estimates (continued)

Fair value of financial instruments (continued)

Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arms length.

Impairment losses on loans

The Bank reviews its loans at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

In estimating these cash flows, the Bank makes judgment about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ in future changes to the allowance.

Impairment in value of available-for-sale asset and acceptances receivable

The Bank reviews assets which are classified as available-for-sale and acceptances receivables at each financial position date to assess whether impairment has occurred. The assessment uses the same considerations as applied to individual assessment on loans.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ab. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Penurunan nilai aset non keuangan

Bank mengevaluasi penurunan nilai aset apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan kembali. Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

a) performa yang tidak tercapai secara signifikan terhadap ekspektasi historis atau proyeksi hasil operasi di masa yang akan datang;
b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
c) industri atau tren ekonomi yang secara signifikan bernilai negatif.

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurang biaya untuk menjual dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan perkiraan waktu dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan.

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 (Revisi 2014) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada Catatan 2c.

2. Summary of Significant Accounting Policies (continued)

ab. Judgments and Significant Accounting Estimates (continued)

Impairment of non-financial assets

The Bank assesses impairment of assets whenever events or changes in circumstances that would indicates that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

a) significant underperformance relative to expected historical or projected future operating results;

b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
c) significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating units) fair value less costs to sell and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future tax planning strategy.

Classification of financial assets and liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in Note 2c.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ab. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Imbalan kerja

Penentuan liabilitas imbalan kerja Bank bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dan manajemen Bank dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian.

Penyusutan aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 3 sampai dengan 20 tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi.

Pajak penghasilan

Bank mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

2. Summary of Significant Accounting Policies (continued)

ab. Judgments and Significant Accounting Estimates (continued)

Employee benefits

The Bank's employee benefits liabilities is determined dependent on its selection of certain assumptions used by the independent actuaries and the Bank's management in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate.

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line method over its estimated useful life. Management estimates the useful life of these fixed assets to be between 3 to 20 years.

Changes in the expected level of usage and technological development could impact the economic useful life and the residual value of these fixed assets, and therefore future depreciation charges could be revised.

Income tax

The Bank recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

3. Kas

Akun ini terdiri dari:

3. Cash

This account consists of:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Rupiah	333.881	426.001	*Rupiah*
Mata uang asing			*Foreign currencies*
Dolar Amerika Serikat	103.011	55.134	*United States Dollar*
Dolar Singapura	98.625	35.109	*Singapore Dollar*
Total	**535.517**	**516.244**	***Total***

Kas dalam Rupiah termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) sejumlah Rp14.615 dan Rp20.487 masing-masing pada tanggal 31 Desember 2016 dan 2015.

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp14,615 and Rp20,487 as of 31 December 2016 and 2015, respectively.

4. Giro pada Bank Indonesia

Akun ini terdiri dari:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah	3.789.110	3.891.588	*Rupiah*
Dolar Amerika Serikat ($AS143.640.728 dan $AS113.362.000, masing-masing pada tanggal 31 Desember 2016 dan 2015)	1.935.200	1.562.695	*United States Dollar (US$143,640,728 and US$113,362,000 as of 31 December 2016 and 2015, respectively)*
Total	**5.724.310**	**5.454.283**	***Total***

Pada tanggal 10 Maret 2016, Bank Indonesia menerbitkan PBI No. 18/3/PBI/2016 tentang Perubahan Ketiga atas PBI No. 15/15/PBI/2013 tentang Giro Wajib Minimum Bank Umum (GWM) dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional. Berdasarkan peraturan tersebut, GWM Primer dalam Rupiah ditetapkan sebesar 6,5% dari dana pihak ketiga dalam Rupiah dan GWM Sekunder sebesar 4% dari dana pihak ketiga dalam Rupiah dan GWM dalam mata uang asing ditetapkan sebesar 8% dari dana pihak ketiga dalam mata uang asing.

Sebelumnya, berdasarkan PBI No. 17/21/PBI/2015 tanggal 26 November 2015 tentang Perubahan Kedua atas PBI No. 15/15/PBI/2013 tentang Giro Wajib Minimum Bank Umum dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional. Berdasarkan peraturan tersebut, GWM Primer dalam Rupiah ditetapkan sebesar 7,5% dari dana pihak ketiga dalam Rupiah dan GWM Sekunder sebesar 4% dari dana pihak ketiga dalam Rupiah dan GWM dalam mata uang asing ditetapkan sebesar 8% dari dana pihak ketiga dalam mata uang asing.

Rasio GWM pada tanggal 31 Desember 2016 dan 2015, dihitung berdasarkan PBI tersebut di atas.

GWM Bank adalah sebagai berikut:

4. Current Accounts with Bank Indonesia

This account consists of:

On 10 March 2016, Bank Indonesia issued PBI No. 18/3/PBI/2016 regarding Third Amendment to PBI No. 15/15/PBI/2013 regarding Minimum Reserve Requirement (GWM) of Commercial Banks in Rupiah and Foreign Currency for Conventional Commercial Bank. In accordance with such regulation, the minimum primary reserve in Rupiah is designated at 6.5% of third party funds in Rupiah and minimum secondary reserve in Rupiah is designated at 4% of third party funds in Rupiah. GWM in foreign currency is set at 8% from total third party funds in foreign currency.

Previously, based on PBI No. 17/21/PBI/2015 dated 26 November 2015 regarding Second Amendment to PBI No. 15/15/PBI/2013 regarding Minimum Reserve Requirement of Commercial Banks in Rupiah and Foreign Currency for Conventional Commerical Bank. In accordance with such regulation, the minimum primary reserve in Rupiah is designated at 7.5% of third party funds in Rupiah and minimum secondary reserve in Rupiah is designated at 4% of third party funds in Rupiah. GWM in foreign currency is set at 8% from total third party funds in foreign currency.

The GWM ratio as of 31 December 2016 and 2015 is calculated based on above mentioned PBI.

The Bank's GWM are as follows:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah Primer	6,84%	7,59%	*Primary Rupiah*
Rupiah Sekunder	14,79%	15,45%	*Secondary Rupiah*
Valuta Asing	8,85%	8,10%	*Foreign Currencies*

5. Giro pada Bank Lain

5. Current Accounts with Other Banks

Giro pada bank lain terdiri dari:

Current accounts with other banks consist of:

Jenis Giro pada Bank Lain	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	*Types of Current Accounts with Others Bank*
Pihak ketiga			*Third parties*
Rupiah:			*Rupiah:*
PT Bank Central Asia Tbk	5.252	4.883	*PT Bank Central Asia Tbk*
Lain-lain (masing-masing di bawah Rp2.000)	956	841	*Others (below Rp2,000 each)*
Sub-total - Pihak ketiga - Rupiah	6.208	5.724	*Sub-total - Third parties - Rupiah*
Mata uang asing:			*Foreign currencies:*
JP Morgan Chase Bank, Amerika Serikat	219.431	134.694	*JP Morgan Chase Bank, United States of America*
Bank of Tokyo - Mitsubishi UFJ, Jepang	113.434	48.090	*Bank of Tokyo - Mitsubishi UFJ, Japan*
Barclays Bank, London	42.525	-	*Barclays Bank, London*
ANZ Bank Ltd., Australia	42.393	36.118	*ANZ Bank Ltd., Australia*
PT Bank Central Asia Tbk	30.766	39.911	*PT Bank Central Asia Tbk*
PT Bank Mandiri (Persero) Tbk	30.182	45.063	*PT Bank Mandiri (Persero) Tbk*
ANZ National Bank, Selandia Baru	23.660	13.197	*ANZ National Bank, New Zealand*
UBS AG, Zurich	17.212	2.783	*UBS AG, Zurich*
National Australia Bank, Australia	9.149	2.127	*National Australia Bank, Australia*
Canadian Imperial Bank of Commerce, Toronto	8.634	8.474	*Canadian Imperial Bank of Commerce, Toronto*
Deutsche Bank, Frankfurt	6.453	87.498	*Deutsche Bank, Frankfurt*
Deutsche Bank AG, Amerika Serikat	5.993	7.450	*Deutsche Bank AG, United States of America*
Danske Stockholm Bank, Swedia	762	3.798	*Danske Stockholm Bank, Sweden*
Citibank N.A., Amerika Serikat	-	2.404	*Citibank N.A., United States of America*
Lain-lain (masing-masing di bawah Rp2.000)	3.674	5.057	*Others (below Rp2,000 each)*
Sub-total - Pihak ketiga - Mata uang asing	554.268	436.664	*Sub-total - Third parties - Foreign currencies*
Total - Pihak ketiga	560.476	442.388	*Total - Third parties*
Pihak berelasi (Catatan 35)			*Related parties (Note 35)*
Mata uang asing:			*Foreign Currencies:*
United Overseas Bank Ltd., Singapura	515.426	183.723	*United Overseas Bank Ltd., Singapore*
United Overseas Bank, Jepang	19.055	19.611	*United Overseas Bank Ltd., Japan*
United Overseas Bank, Hong Kong	2.744	1.073	*United Overseas Bank Ltd., Hong Kong*
United Overseas Bank, Australia	555	576	*United Overseas Bank Ltd., Australia*
United Overseas Bank, Malaysia	38	40	*United Overseas Bank Ltd., Malaysia*
United Overseas Bank, Inggris	-	56.398	*United Overseas Bank Ltd., Great Britain*
Total - Pihak berelasi	537.818	261.421	*Total - Related parties*
Total giro pada bank lain	**1.098.294**	**703.809**	***Total current accounts with other banks***

5. Giro pada Bank Lain (lanjutan)

Giro pada bank lain terdiri dari: (lanjutan)

Suku bunga rata-rata untuk giro pada bank lain adalah sebagai berikut:

5. Current Accounts with Other Banks (continued)

Current accounts with other banks consist of: (continued)

The average interest rate for current accounts with other banks are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	0,05%	0,33%	*Rupiah*
Mata uang asing	0,00%	0,00%	*Foreign currency*

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2016 dan 2015, giro pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

The Bank's management believes that as of 31 December 2016 and 2015, current accounts with other banks are classified as current and not impaired.

6. Penempatan pada Bank Indonesia dan Bank Lain

Penempatan pada Bank Indonesia dan bank lain terdiri dari:

6. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and other banks consist of:

Jenis Penempatan	**31 Desember/ *31 December 2016***	**31 Desember/ *31 December 2015***	***Description***
Pihak ketiga			*Third parties*
Rupiah:			*Rupiah:*
Fasilitas Simpanan Bank Indonesia	1.648.949	150.000	*Deposit Facilities of Bank Indonesia*
Call Money:			*Call Money:*
PT Bank CIMB Niaga Tbk	300.000	-	*PT Bank CIMB Niaga Tbk*
Bank HSBC *Limited*	300.000	-	*Bank HSBC Limited*
PT Citibank Indonesia	120.000	-	*PT Citibank Indonesia*
PT OCBC NISP Tbk	100.000	-	*PT Bank OCBC NISP Tbk*
PT Bank Danamon Tbk	100.000	-	*PT Bank Danamon Tbk*
PT Bank CTBC Indonesia	75.000	-	*PT Bank CTBC Indonesia*
Pihak ketiga			*Third parties*
Rupiah:			*Rupiah:*
Call Money:			*Call Money:*
PT Bank Sumitomo Mitsui Indonesia	-	300.000	*PT Bank Sumitomo Mitsui Indonesia*
PT Bank Rakyat Indonesia (Persero) Tbk	-	10.000	*PT Bank Rakyat Indonesia (Persero)Tbk*
Sub-total - Pihak ketiga - Rupiah	2.643.949	460.000	*Sub-total - Third parties - Rupiah*
Mata uang asing:			*Foreign currencies:*
Term Deposit Bank Indonesia	-	2.067.750	*Term Deposits of Bank Indonesia*
Call Money:			*Call Money:*
PT Bank ICBC Indonesia	336.812	-	*PT Bank ICBC Indonesia*
Bank of New York, Amerika Serikat	149.545	151.635	*Bank of New York, United States of America*
Citibank N.A., Amerika Serikat	-	6.892	*Citibank N.A., United States of America*
Sub-total - Pihak ketiga - Mata uang asing	486.357	2.226.277	*Sub-total - Third parties - Foreign currencies*
Total - Pihak ketiga	3.130.306	2.686.277	*Total - Third parties*

6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Penempatan pada Bank Indonesia dan bank lain terdiri dari: (lanjutan)

6. Placements with Bank Indonesia and Other Banks (continued)

Placements with Bank Indonesia and other banks consist of: (continued)

Jenis Penempatan	**31 Desember/** ***31 December 2016***	**31 Desember/** ***31 December 2015***	***Description***
Pihak berelasi (Catatan 35)			*Related party (Note 35)*
Mata uang asing:			*Foreign currencies:*
Call Money :			*Call Money:*
United Overseas Bank Ltd., Singapura	190.848	169.378	*United Overseas Bank Ltd., Singapore*
Total - Pihak berelasi	190.848	169.378	*Total - Related party*
Total penempatan pada Bank Indonesia dan Bank Lain	**3.321.154**	**2.855.655**	***Total placements with Bank Indonesia and Other Banks***

Suku bunga rata-rata untuk penempatan pada Bank Indonesia dan bank lain adalah sebagai berikut:

The average interest rate for placement with Bank Indonesia and other banks are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ ***Year Ended 31 December***		
	2016	**2015**	
Rupiah	4,47%	6,06%	*Rupiah*
Mata uang asing	1,22%	1,11%	*Foreign currency*

Rincian penempatan pada Bank Indonesia dan bank lain berdasarkan jenis penempatan dan sisa umur sampai dengan jatuh tempo adalah sebagai berikut:

The details of placements with Bank Indonesia and other banks based on the type of placements and remaining maturities are as follows:

	31 Desember/*31 December* 2016			
	Penempatan/ ***Placements***	***Call Money***	**Total**	
Rupiah				*Rupiah*
< 1 bulan	1.648.949	995.000	2.643.949	*< 1 month*
Mata uang asing				*Foreign currencies*
< 1 bulan	-	340.393	340.393	*< 1 month*
≥ 1 bulan ≤ 3 bulan	-	336.812	336.812	*≥1 month ≤ 3 months*
Total Penempatan pada Bank Indonesia dan Bank Lain	**1.648.949**	**1.672.205**	**3.321.154**	***Total Placements with Bank Indonesia and Other Banks***

6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Penempatan pada Bank Indonesia dan bank lain terdiri dari: (lanjutan)

6. Placements with Bank Indonesia and Other Banks (continued)

Placements with Bank Indonesia and other banks consist of: (continued)

	31 Desember/*31 December* 2015			
	Penempatan/ *Placements*	***Call Money***	**Total**	
Rupiah				*Rupiah*
< 1 bulan	150.000	10.000	160.000	*< 1 month*
≥ 1 bulan ≤ 3 bulan	-	300.000	300.000	*≥1 month ≤ 3 months*
Mata uang asing				*Foreign currencies*
< 1 bulan	2.067.750	327.905	2.395.655	*< 1 month*
Total Penempatan pada Bank Indonesia dan Bank Lain	**2.217.750**	**637.905**	**2.855.655**	***Total Placements with Bank Indonesia and Other Banks***

Tidak terdapat penempatan pada bank lain yang diblokir pada tanggal-tanggal 31 Desember 2016 dan 2015.

There were no placement with other banks pledged as of 31 December 2016 and 2015.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2016 dan 2015, penempatan pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

The Bank's management believes that as of 31 December 2016 and 2015, placements with other banks are classified as current and not impaired.

Rincian penempatan pada Bank Indonesia dan bank lain berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 38.

The details of placements with Bank Indonesia and other banks based on remaining maturities are shown in Note 38.

7. Efek-efek yang Diperdagangkan

Efek-efek yang diperdagangkan terdiri dari:

7. Trading Securities

Trading securities consist of:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang diperdagangkan				*Trading securities*
Negotiable Certificate of Deposit	839.868	-	839.868	*Negotiable Certificate of Deposit*
Obligasi Pemerintah	93.268	1.293	94.561	*Government Bonds*
Sukuk Ritel	10.675	-	10.675	*Retail Islamic Bonds*
Total efek-efek yang diperdagangkan	**943.811**	**1.293**	**945.104**	***Total trading securities***

7. Efek-efek yang Diperdagangkan (lanjutan)

Efek-efek yang diperdagangkan terdiri dari: (lanjutan)

7. Trading Securities (continued)

Trading securities consist of: (continued)

	31 Desember/*31 December* 2015			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang diperdagangkan				*Trading securities*
Negotiable Certificate of Deposit	796.461	-	796.461	*Negotiable Certificate of Deposit*
Sertifikat Deposito Bank Indonesia	296.624	-	296.624	*Certificates Deposit of Bank Indonesia*
Obligasi Pemerintah	230.419	29.454	259.873	*Government Bonds*
Sukuk Ritel	203.540	-	203.540	*Retail Islamic Bonds*
Total efek-efek yang diperdagangkan	**1.527.044**	**29.454**	**1.556.498**	***Total trading securities***

Pada tanggal 31 Desember 2016, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa *negotiable certificate of deposit*, obligasi pemerintah, dan sukuk ritel.

As of 31 December 2016, trading securities are the securities issued by the government and categorized as non-rated, in the form of negotiable certificate of deposit, government bonds, and retail islamic bonds.

Pada tanggal 31 Desember 2015, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa *negotiable certificate of deposit*, Sertifikat Deposito Bank Indonesia, obligasi pemerintah, dan sukuk ritel.

As of 31 December 2015, trading securities are the securities issued by the government and categorized as non-rated, in the form of negotiable certificate of deposit, Certificate Deposit of Bank Indonesia, government bonds, and retail islamic bonds.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2016 dan 2015, seluruh efek-efek yang diperdagangkan digolongkan lancar dan tidak mengalami penurunan nilai.

The Bank's management believes that as of 31 December 2016 and 2015, all trading securities are classified as current and not impaired.

Rincian efek-efek diperdagangkan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 38.

The details of trading securities based on remaining maturities are shown in Note 38.

8. Investasi Keuangan

Investasi keuangan terdiri dari:

8. Financial Investments

Financial investments consist of:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang tersedia untuk dijual				*Available-for-sale securities*
Sertifikat Bank Indonesia	3.014.237	-	3.014.237	*Certificates of Bank Indonesia*
Obligasi Pemerintah	2.655.844	1.210.593	3.866.437	*Government Bonds*
Sukuk Retail	1.642.986	-	1.642.986	*Retail Islamic Bonds*
Sertifikat Deposito Bank Indonesia	299.163	-	299.163	*Certificates Deposit of Bank Indonesia*
Surat Perbendaharaan Negara	283.935	-	283.935	*State Treasury Notes*
Medium Term Notes	209.468	-	209.468	*Medium Term Notes*
Total efek-efek yang tersedia untuk dijual	8.105.633	1.210.593	9.316.226	*Total available-for-sale securities*

8. Investasi Keuangan (lanjutan)

8. Financial Investments (continued)

Investasi keuangan terdiri dari: (lanjutan)

Financial investments consist of: (continued)

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang dimiliki hingga jatuh tempo				*Held-to-maturity securities*
Wesel Ekspor Berjangka	813.508	1.874.714	2.688.222	*Export bills*
Total investasi keuangan	8.919.141	3.085.307	12.004.448	*Total financial investments*
Cadangan kerugian penurunan nilai	(9.962)	(21.715)	(31.677)	*Allowance for impairment losses*
Neto	**8.909.179**	**3.063.592**	**11.972.771**	***Net***

	31 Desember/*31 December* 2015			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang tersedia untuk dijual				*Available-for-sale securities*
Sertifikat Bank Indonesia	2.624.321	-	2.624.321	*Certificates of Bank Indonesia*
Obligasi Pemerintah	2.478.159	1.179.048	3.657.207	*Government Bonds*
Surat Perbendaharaan Negara	978.591	-	978.591	*State Treasury Notes*
Sertifikat Deposito Bank Indonesia	703.135	-	703.135	*Certificates Deposit of Bank Indonesia*
Sukuk Retail	359.359	-	359.359	*Retail Islamic Bonds*
Medium Term Notes	203.663	-	203.663	*Medium Term Notes*
Total efek-efek yang tersedia untuk dijual	7.347.228	1.179.048	8.526.276	*Total available-for-sale securities*
Efek-efek yang dimiliki hingga jatuh tempo				*Held-to-maturity securities*
Wesel Ekspor Berjangka	279.916	1.582.029	1.861.945	*Export Bills*
Total investasi keuangan	7.627.144	2.761.077	10.388.221	*Total financial investments*
Cadangan kerugian penurunan nilai	(1.156)	(7.849)	(9.005)	*Allowance for impairment losses*
Neto	**7.625.988**	**2.753.228**	**10.379.216**	***Net***

a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

a. The available-for-sale financial investments as of 31 December 2016 and 2015 are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Nilai Wajar			*Fair Value*
Rupiah			*Rupiah*
Sertifikat Bank Indonesia	3.014.237	2.624.321	*Certificates of Bank Indonesia*
Obligasi Pemerintah	2.655.844	2.478.159	*Government Bonds*
Sukuk Ritel	1.642.986	359.359	*Retail Sukuk*
Sertifikat Deposito Bank Indonesia	299.163	703.135	*Certificate Deposit of Bank Indonesia*
Surat Perbendaharaan Negara	283.935	978.591	*State Treasury Notes*
Medium Term Notes	209.468	203.663	*Medium Term Notes*
Sub - Total	8.105.633	7.347.228	*Sub - Total*

8. Investasi Keuangan (lanjutan)

a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut: (lanjutan)

8. Financial Investments (continued)

b. The available-for-sale financial investments as of 31 December 2016 and 2015 are as follows: (continued)

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Nilai Wajar			*Fair Value*
Mata Uang Asing			*Foreign Currencies*
Obligasi Pemerintah	1.210.593	1.179.048	*Government Bonds*
Total	**9.316.226**	**8.526.276**	***Total***

b. Investasi keuangan yang tersedia untuk dijual Pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

b. The available-for-sale financial investments as of 31 December 2016 and 2015 are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Harga Perolehan	9.327.724	8.756.066	*Cost*
Premi (diskonto) yang belum diamortisasi	31.300	(94.991)	*Unamortized premium (discount)*
Kerugian yang belum direalisasi	(42.798)	(134.799)	*Unrealized loss*
Total	**9.316.226**	**8.526.276**	***Total***

Pada tanggal 10 Oktober 2014, Bank melakukan transaksi *swap* suku bunga dengan JP Morgan Chase Bank, N.A dengan nilai nosional sebesar USD91.000.000 (nilai penuh) dengan jangka waktu 8 (delapan) tahun yang akan berakhir pada tanggal 15 Oktober 2022. Untuk transaksi tersebut, Bank membayar tingkat suku bunga tetap dan menerima tingkat suku bunga mengambang sampai dengan jatuh tempo. Transaksi tersebut bertujuan untuk melakukan lindung nilai atas nilai wajar investasi keuangan yang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual - Obligasi Pemerintah. Nilai wajar atas transaksi diatas pada tanggal 31 Desember 2016 dan 2015 masing-masing mengalami kerugian sebesar Rp5.690 dan Rp23.903.

On 10 October 2014, the Bank entered into interest rate swap transaction with JP Morgan Chase Bank, N.A with notional value amounting to USD91,000,000 (full amount) with tenor of 8 (eight) years which will mature on 15 October 2022. For this transaction, the Bank pays fixed interest rate and receive floating rate until maturity date. This transaction is intended to hedge the fair value of financial assets classified as available-for-sale - Government Bonds. Fair value of the said transaction as of 31 December 2016 and 2015 showed a loss amounting to Rp5,690 and Rp23,903, respectively.

c. *Medium term note* per 31 Desember 2016 dan 2015 merupakan obligasi dari PT Tunas Baru Lampung masing-masing dengan peringkat idA- dan idA.

c. The medium-term notes as of 31 December 2016 and 2015 were issued by PT Tunas Baru Lampung and have idA- and idA rating, respectively.

8. Investasi Keuangan (lanjutan)

Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut:

8. Financial Investments (continued)

The classification of held-to-maturity financial investments based on the remaining maturities before allowance for impairment losses is as follows:

	31 Desember/*31 December* 2016			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
< 1 bulan	150.932	577.948	728.880	*< 1 month*
≥ 1 bulan ≤ 3 bulan	316.349	985.524	1.301.873	*≥1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	339.785	311.242	651.027	*> 3 months ≤6 months*
> 6 bulan	6.442	-	6.442	*> 6 months*
Total	**813.508**	**1.874.714**	**2.688.222**	***Total***

	31 Desember/*31 December* 2015			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
< 1 bulan	50.514	471.763	522.277	*< 1 month*
≥ 1 bulan ≤ 3 bulan	165.168	498.800	663.968	*≥1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	63.193	495.431	558.624	*> 3 months ≤6 months*
> 6 bulan	1.041	116.035	117.076	*> 6 months*
Total	**279.916**	**1.582.029**	**1.861.945**	***Total***

Rincian investasi keuangan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 38.

The details of financial investment based on remaining maturities are shown in Note 38.

Ikhtisar perubahan cadangan kerugian penurunan nilai investasi keuangan adalah sebagai berikut:

The changes in the allowance for impairment losses on financial investments are as follows:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Saldo awal tahun	9.005	1.353	*Beginning balance*
Penambahan selama tahun berjalan	22.752	6.936	*Provision during the year*
Selisih kurs penjabaran	(80)	716	*Foreign exchange translation*
Saldo akhir tahun	**31.677**	**9.005**	***Ending balance***

Pada tanggal 31 Desember 2016, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual digolongkan lancar. Sedangkan kolektibilitas investasi keuangan yang diklasifikasikan sebagai dimiliki hingga jatuh tempo digolongkan lancar dan dalam perhatian khusus.

As of 31 December 2016, the collectibility of financial investments which are classified as available for sale is current. Meanwhile, the collectibility of financial investments which are classified as held to maturity are current and special mention.

Pada tanggal 31 Desember 2015, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual digolongkan lancar. Sedangkan kolektibilitas investasi keuangan yang diklasifikasikan sebagai dimiliki hingga jatuh tempo digolongkan lancar dan macet.

As of 31 December 2015, the collectibility of financial investments which are classified as available for sale is current. Meanwhile, the collectibility of financial investments which are classified as held to maturity are current and loss.

8. Investasi Keuangan (lanjutan)

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian penurunan nilai atas tidak tertagihnya investasi keuangan.

Suku bunga efektif rata-rata investasi keuangan adalah sebagai berikut:

8. Financial Investments (continued)

The Bank's management believes that the allowance for impairment losses is adequate to cover possible impairment losses from uncollectible financial investments.

The average effective interest rates of financial investments are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	6,29% - 10,58%	3,71% - 10,58%	*Rupiah*
Mata uang asing	2,18 - 11,06%	0,79% - 11,62%	*Foreign currency*

9. Tagihan dan Liabilitas Derivatif

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut:

9. Derivatives Receivable and Payable

The summary of derivatives receivable and payable are as follows:

	31 Desember/*31 December* 2016			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Forward jual				*Forward sold*
$AS	4.077.863	9.551	13.214	*US$*
Forward beli				*Forward bought*
$AS	4.689.224	11.435	15.617	*US$*
Swap suku bunga jual				*Interest rate swap sold*
Rp	40.870	19	27	*IDR*
$AS	9.765.256	29.294	17.132	*US$*
Swap suku bunga beli				*Interest rate swap bought*
Rp	40.870	41	-	*IDR*
$AS	9.765.256	7.249	9.870	*US$*
Swap pertukaran valas dan suku bunga jual				*Cross currency interest rate swap sold*
Rp	687.678	23.528	-	*IDR*
$AS	2.898.421	17.020	135.936	*US$*
Swap pertukaran valas dan suku bunga beli				*Cross currency interest rate swap bought*
Rp	671.141	1.255	1.756	*IDR*
$AS	2.922.767	102.720	776	*US$*
Total		**202.112**	**194.328**	***Total***

	31 Desember/*31 December* 2015			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Forward jual				*Forward sold*
$AS	2.336.770	23.495	6.529	*US$*
Forward beli				*Forward bought*
$AS	1.056.529	10.097	6.918	*US$*

9. Tagihan dan Liabilitas Derivatif (lanjutan)

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut: (lanjutan)

9. Derivatives Receivable and Payable (continued)

The summary of derivatives receivable and payable are as follows: (continued)

	31 Desember/*31 December* 2015			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Swap suku bunga jual				*Interest rate swap sold*
Rp	31.943	196	51	*IDR*
$AS	3.812.931	6.838	38.141	*US$*
Swap suku bunga beli				*Interest rate swap bought*
Rp	31.943	-	-	*IDR*
$AS	3.812.931	-	36	*US$*
Swap pertukaran valas dan suku bunga jual				*swap sold*
Rp	209.322	45.230	-	*IDR*
$AS	2.919.170	16.139	91.543	*US$*
Swap pertukaran valas dan suku bunga beli				*Cross currency interest rate swap bought*
Rp	204.407	-	-	*IDR*
$AS	2.932.819	39.732	-	*US$*
Total		**141.727**	**143.218**	***Total***

Rincian tagihan dan liabilitas derivatif berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 38.

The details of derivatives receivable and payable based on remaining maturities are shown in Note 38.

Dalam kegiatan normal bisnis, Bank melakukan transaksi derivatif tertentu untuk memenuhi kebutuhan spesifik nasabahnya dan dalam rangka pengelolaan likuiditas dan posisi lindung nilai. Bank memiliki kebijakan pengelolaan risiko dan limit yang ditentukan untuk mengendalikan risiko nilai tukar dan suku bunga. Perubahan variabel risiko pasar dimonitor secara aktif dalam rapat ALCO (*Asset and Liability Committee*) yang dijadikan acuan dalam menentukan strategi Bank.

In the normal course of the business, the Bank enters into some derivatives transaction to meet the specific needs of its customers as well as to manage its liquidity and hedging position. The Bank has its own risk management policy and the risk amount limit for controlling the foreign exchange and interest rate risks. The changes in variable market risk are actively monitored in the ALCO (Asset and Liability Committee) meeting, whereby the changes serve as the benchmark in determining the Bank's strategies.

Pada tanggal 31 Desember 2016 dan 2015, Bank memiliki posisi di beberapa tipe instrumen derivatif sebagai berikut:

As of 31 December 2016 and 2015, the Bank has positions in the following types of derivative instruments:

Pertukaran *forward*

Kontrak pertukaran *forward* adalah perjanjian untuk membeli atau menjual suatu mata uang asing pada kurs dan tanggal tertentu. Transaksi tersebut dilakukan di *over-the-counter market*. Secara spesifik, Bank mengadakan transaksi ini dengan tujuan untuk mengendalikan risiko nilai tukar. Jangka waktu perjanjian untuk transaksi pertukaran *forward* yang dilakukan oleh Bank berkisar antara 5 hari - 10 bulan.

Forward exchange

Forward exchange contracts are contractual agreements to buy or sell a foreign currency at specified rates and on certain dates. These transactions are conducted in the over-the-counter market. Specifically, the Bank enters into this transaction with the objective to control the exchange rate risk. The period of contract for forward exchange transactions undertaken by the Bank ranges between 5 days - 10 months.

9. Tagihan dan Liabilitas Derivatif (lanjutan)

***Swap* suku bunga**

Perjanjian *swap* suku bunga merupakan perjanjian kontraktual antara dua pihak untuk menukarkan pergerakan tingkat suku bunga dan untuk melakukan suatu pembayaran yang didasarkan pada suatu situasi tertentu dan jumlah nosional tertentu. Secara spesifik, Bank mengadakan transaksi tersebut dengan tujuan untuk melindungi nilai pergerakan arus kas di masa depan, terkait dengan pendapatan bunga atas pinjaman yang diberikan kepada debitur (debitur perusahaan dan debitur perorangan yang telah digabungkan) dalam Rupiah dan pendapatan bunga dari efek tersedia untuk dijual dalam mata uang Dolar Amerika Serikat. Periode perjanjian untuk *swap* suku bunga yang dilakukan oleh Bank berkisar antara 1 tahun - 10 tahun.

***Swap* valuta asing dan suku bunga**

Perjanjian *swap* valuta asing suku bunga merupakan perjanjian kontraktual antara dua pihak untuk menukarkan aliran kas dari pokok kredit dan pembayaran bunganya dalam denominasi mata uang yang berbeda. Periode perjanjian untuk *swap* valuta asing suku bunga yang dilakukan oleh Bank berkisar antara 1 tahun - 5 tahun.

Transaksi-transaksi tersebut di atas tidak diperlakukan sebagai transaksi lindung nilai yang efektif untuk tujuan akuntansi. Perubahan nilai wajar dari instrumen derivatif tersebut dikreditkan atau dibebankan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Pada tanggal 31 Desember 2016, seluruh tagihan derivatif digolongkan lancar dan tidak mengalami penurunan nilai. Pada tanggal 31 Desember 2015, seluruh tagihan derivatif digolongkan lancar, kecuali 1 transaksi *swap* suku bunga dikategorikan sebagai macet.

9. Derivatives Receivable and Payable (continued)

Interest rate swap

Interest rate swap contracts are contractual agreements between two parties to exchange movements of interest rates and to make payments with respect to defined credit events based on specified notional amount. Specifically, the Bank has entered into these contracts to hedge its future interest cash flows on its interest income from Rupiah loan receivables from customers (corporate and individual at a pool basis) and its interest income from United States Dollar denominated available-for-sale securities. The contract period for the interest rate swap transacted by the Bank is between 1 year - 10 years.

Cross currency interest rate swap

Cross currency interest rate swap are contractual agreements between two parties to exchange cash flows from loan principal and interest payments which are in different denominations. The contract period for the cross currency interest rate swap transacted by the Bank is between 1 year - 5 years.

The above transactions are not treated as effective hedging for accounting purposes. The changes in the fair value of the derivative instruments are credited or charged to the statements of profit or loss and other comprehensive income in the current year.

As of 31 December 2016, all derivatives receivable are classified as current and not impaired. As of 31 December 2015, all derivatives receivable are classified as current, except for 1 (one) interest rate swap transaction classified as loss.

10. Kredit yang Diberikan / *10. Loans*

1) Jenis kredit yang diberikan / *1) By type of loan*

31 Desember/*31 December* 2016

	Pihak Ketiga/ *Third Parties*	Pihak Berelasi (Catatan 35)/ *Related Parties (Note 35)*	Total	
Rupiah				*Rupiah*
Rekening koran	12.010.116	5.769	12.015.885	*Overdraft*
Investasi	10.869.401	2.778	10.872.179	*Investment*
Promes	8.890.210	-	8.890.210	*Promissory notes*
Pemilikan rumah	4.756.428	59.748	4.816.176	*Housing*
Angsuran	4.135.929	-	4.135.929	*Installment*
Multiguna	2.093.034	7.836	2.100.870	*Multi-purpose*
Kartu kredit	1.491.015	3.820	1.494.835	*Credit card*
Sindikasi	737.127	-	737.127	*Syndicated*
Tetap	39.800	-	39.800	*Fixed*
Kendaraan bermotor	20.514	5.116	25.630	*Motor vehicles*
Lain-lain	4.562.911	-	4.562.911	*Others*
	49.606.485	85.067	49.691.552	
Mata uang asing				*Foreign currencies*
Promes	4.211.860	-	4.211.860	*Promissory notes*
Investasi	2.242.633	284.607	2.527.240	*Investment*
Angsuran	2.400.952	-	2.400.952	*Installment*
Sindikasi	1.268.281	-	1.268.281	*Syndicated*
Lain-lain	5.689.179	-	5.689.179	*Others*
	15.812.905	284.607	16.097.512	
Total	65.419.390	369.674	65.789.064	*Total*
Cadangan kerugian penurunan nilai	(1.086.547)	(3.519)	(1.090.066)	*Allowance for impairment losses*
Neto	**64.332.843**	**366.155**	**64.698.998**	***Net***

31 Desember/*31 December* 2015

	Pihak Ketiga/ *Third Parties*	Pihak Berelasi (Catatan 35)/ *Related Parties (Note 35)*	Total	
Rupiah				*Rupiah*
Investasi	11.504.929	7.299	11.512.228	*Investment*
Promes	11.023.821	-	11.023.821	*Promissory notes*
Rekening koran	10.821.837	46	10.821.883	*Overdraft*
Pemilikan rumah	4.530.862	57.398	4.588.260	*Housing*
Angsuran	4.017.072	-	4.017.072	*Installment*
Multiguna	1.817.299	5.472	1.822.771	*Multi-purpose*
Kartu kredit	1.397.049	3.733	1.400.782	*Credit card*
Sindikasi	713.746	-	713.746	*Syndicated*
Tetap	60.346	-	60.346	*Fixed*
Kendaraan bermotor	17.511	8.090	25.601	*Motor vehicles*
Lain-lain	3.746.117	-	3.746.117	*Others*
	49.650.589	82.038	49.732.627	

10. Kredit yang Diberikan (lanjutan) / *10. Loans (continued)*

1) Jenis kredit yang diberikan (lanjutan) / *1) By type of loan (continued)*

	31 Desember/*31 December* 2015			
	Pihak Ketiga/ *Third Parties*	**Pihak Berelasi (Catatan 35)/ *Related Parties (Note 35)***	**Total**	
Mata uang asing				*Foreign currencies*
Investasi	2.275.231	313.540	2.588.771	*Investment*
Promes	1.866.797	-	1.866.797	*Promissory notes*
Angsuran	1.314.618	-	1.314.618	*Installment*
Sindikasi	628.355	-	628.355	*Syndicated*
Lain-lain	5.224.383	-	5.224.383	*Others*
	11.309.384	313.540	11.622.924	
Total	60.959.973	395.578	61.355.551	*Total*
Cadangan kerugian penurunan nilai	(779.929)	(2.099)	(782.028)	*Allowance for impairment losses*
Neto	**60.180.044**	**393.479**	**60.573.523**	***Net***

2) Sektor ekonomi / *2) By economic sector*

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Industri pengolahan	20.108.402	19.309.749	*Processing industry*
Perdagangan besar dan eceran	15.824.643	15.591.788	*Wholesale and retail*
Rumah tangga	8.694.936	7.996.288	*Household*
Real estate dan jasa usaha	4.554.721	4.822.468	*Real estate and business service*
Penyedia akomodasi	3.747.499	4.138.264	*Accommodation provider*
Konstruksi	3.599.893	3.746.834	*Construction*
Pertanian, perburuan dan kehutanan	3.072.565	897.085	*Agriculture, hunting and forestry*
Transportasi, pergudangan, dan komunikasi	2.983.740	2.897.579	*Transportation, warehousing, and communication*
Perantara keuangan	1.703.839	594.491	*Financial intermediaries*
Pertambangan dan penggalian	701.837	537.277	*Mining and excavation*
Listrik, air dan gas	374.177	343.740	*Electricity, water and gas*
Jasa kemasyarakatan	209.617	262.704	*Social service*
Jasa kesehatan	77.853	104.146	*Health service*
Jasa pendidikan	57.483	44.825	*Educational service*
Perikanan	55.359	57.354	*Fishery*
Jasa perorangan	7.094	10.829	*Personal service*
Lainnya	15.406	130	*Others*
Total	65.789.064	61.355.551	*Total*
Cadangan kerugian penurunan nilai	(1.090.066)	(782.028)	*Allowance for impairment losses*
Neto	**64.698.998**	**60.573.523**	***Net***

10. Kredit yang Diberikan (lanjutan) / ***10. Loans (continued)***

3) Jangka waktu / ***3) By Terms***

a. Berdasarkan perjanjian kredit / ***a. Based on loan agreement***

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
≤ 1 tahun	10.052.825	12.063.285	*≤ 1 year*
> 1 tahun ≤ 2 tahun	15.569.044	13.607.006	*> 1 year ≤ 2 years*
> 2 tahun ≤ 5 tahun	3.446.947	4.758.987	*> 2 years ≤ 5 years*
> 5 tahun	20.622.736	19.303.349	*> 5 years*
	49.691.552	49.732.627	
Mata uang asing			*Foreign currencies*
≤ 1 tahun	7.155.689	6.499.631	*≤ 1 year*
> 1 tahun ≤ 2 tahun	2.725.649	670.124	*> 1 year ≤ 2 years*
> 2 tahun ≤ 5 tahun	2.276.460	1.511.732	*> 2 years ≤ 5 years*
> 5 tahun	3.939.714	2.941.437	*> 5 years*
	16.097.512	11.622.924	
Total	65.789.064	61.355.551	*Total*
Cadangan kerugian penurunan nilai	(1.090.066)	(782.028)	*Allowance for impairment losses*
Neto	**64.698.998**	**60.573.523**	***Net***

b. Berdasarkan sisa umur jatuh tempo / ***b. Based on remaining maturities***

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
≤ 1 tahun	25.946.942	26.259.760	*≤ 1 year*
> 1 tahun ≤ 2 tahun	2.754.252	1.852.861	*> 1 year ≤ 2 years*
> 2 tahun ≤ 5 tahun	8.428.147	9.768.468	*> 2 years ≤ 5 years*
> 5 tahun	12.562.211	11.851.538	*> 5 years*
	49.691.552	49.732.627	
Mata uang asing			*Foreign currencies*
≤ 1 tahun	10.016.548	7.581.861	*≤ 1 year*
> 1 tahun ≤ 2 tahun	1.455.869	348.488	*> 1 year ≤ 2 years*
> 2 tahun ≤ 5 tahun	4.188.509	2.551.826	*> 2 years ≤ 5 years*
> 5 tahun	436.586	1.140.749	*> 5 years*
	16.097.512	11.622.924	
Total	65.789.064	61.355.551	*Total*
Cadangan kerugian penurunan nilai	(1.090.066)	(782.028)	*Allowance for impairment losses*
Neto	**64.698.998**	**60.573.523**	***Net***

10. Kredit yang Diberikan (lanjutan)

10. Loans (continued)

4) Kolektibilitas menurut Peraturan Bank Indonesia

4) Collectibility based on Bank Indonesia Regulation

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Rupiah			*Rupiah*
Lancar	45.817.015	46.908.677	*Current*
Dalam perhatian khusus	1.969.460	1.348.606	*Special mention*
Kurang lancar	232.679	333.572	*Sub-standard*
Diragukan	245.406	109.168	*Doubtful*
Macet	1.426.992	1.032.604	*Loss*
	49.691.552	49.732.627	
Mata uang asing			*Foreign currencies*
Lancar	15.606.393	11.197.368	*Current*
Dalam perhatian khusus	264.927	254.404	*Special mention*
Kurang lancar	114.516	72.673	*Sub-standard*
Diragukan	-	-	*Doubtful*
Macet	111.676	98.479	*Loss*
	16.097.512	11.622.924	
Total	65.789.064	61.355.551	*Total*
Cadangan kerugian penurunan nilai	(1.090.066)	(782.028)	*Allowance for impairment losses*
Neto	**64.698.998**	**60.573.523**	***Net***

Pada tanggal 29 Juni 2015, Bank melakukan penjualan kredit yang diberikan dengan Junipa Pte., Ltd., (pihak berelasi). Nilai bersih yang diperoleh oleh Bank atas penjualan kredit yang diberikan sebesar Rp1.506.684 dan pengalihan atas hak-hak yang dialihkan berlaku efektif pada tanggal efektif transaksi. Nilai wajar dari kredit yang diberikan yang dijual ditentukan berdasarkan evaluasi dari penilai independen yang ditunjuk oleh Bank.

On 29 June 2015, the Bank sold loans to Junipa Pte., Ltd., (related party). The net proceeds obtained by the Bank from the sale of loans amounted to Rp1,506,684 and the transfer of the assigned right was effective from the effective date of the transaction. Fair value from loans sold is determine based on the evaluation from independent appraisal appointed by the Bank.

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan:

The significant informations relating to loans are as follows:

a. Kredit yang diberikan dijamin dengan deposito, agunan yang diikat dengan hak tanggungan atau surat kuasa untuk menjual atau mencairkan dan jaminan lain yang umumnya dapat diterima oleh Bank.

a. Loans are secured by time deposits, registered mortgages over collateral or power of attorney to sell or to liquidate and by other guarantees generally acceptable to the Bank.

b. Giro sejumlah Rp181.104 dan Rp122.346 masing-masing pada tanggal 31 Desember 2016 dan 2015, digunakan sebagai jaminan atas kredit yang diberikan dan fasilitas bank lainnya (Catatan 16).

b. Demand deposits amounting to Rp181,104 and Rp122,346 as of 31 December 2016 and 2015, respectively, are pledged as collateral for loans and other bank facilities (Note 16).

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

c. Tabungan sejumlah Rp170.982 dan Rp105.802 masing-masing pada tanggal 31 Desember 2016 dan 2015, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 17).

d. Deposito berjangka sejumlah Rp4.644.031 dan Rp5.239.583 masing-masing pada tanggal 31 Desember 2016 dan 2015, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 18).

e. Suku bunga kontraktual rata-rata untuk kredit adalah sebagai berikut:

10. Loans (continued)

The significant informations relating to loans are as follows: (continued)

c. Saving deposits amounting to Rp170,982 and Rp105,802 as of 31 December 2016 and 2015, respectively, are pledged as collateral for loans (Note 17).

d. Time deposits amounting to Rp4,644,031 and Rp5,239,583 as of 31 December 2016 and 2015, respectively, are pledged as collateral for loans (Note 18).

e. The average contractual interest rate for loans are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	11,68%	12,14%	*Rupiah*
Mata uang asing	4,42%	5,23%	*Foreign currency*

f. Kredit yang diberikan kepada karyawan antara lain merupakan kredit untuk pembelian rumah dan kendaraan. Kredit kepada karyawan tersebut dikenakan bunga sesuai ketentuan Bank yang lebih rendah dari suku bunga kredit yang diberikan Bank kepada nasabah bukan karyawan dengan jumlah masing-masing sebesar Rp308.011 dan Rp303.139 pada tanggal 31 Desember 2016 dan 2015.

g. Pada tanggal 31 Desember 2016 dan 2015, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp3.575.817 dan Rp1.063.347, dengan cadangan kerugian penurunan nilai yang dibentuk masing-masing sebesar Rp265.306 dan Rp89.483. Bentuk restrukturisasi kredit merupakan perpanjangan jatuh tempo. Tidak ada kerugian yang timbul dari restrukturisasi kredit tersebut dan Bank tidak memiliki komitmen untuk memberikan tambahan kredit kepada nasabah-nasabah tersebut.

f. Loans to employees represent, among others, housing and car loans. These loans granted to employees bear a lower interest rates than interest rate charged to non-employee which amounted to Rp308,011 and Rp303,139 as of 31 December 2016 and 2015, respectively.

g. As of 31 December 2016 and 2015, total restructured loans amounting to Rp3,575,817 and Rp1,063,347, respectively, are provided with allowance for impairment losses of Rp265,306 and Rp89,483, respectively. The restructuring of loans represents extension of maturity dates. There are no losses resulting from those loans restructured and the Bank does not have any commitments to grant additional loans to these customers.

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

Restrukturisasi kredit berdasarkan jenis kredit yang diberikan:

10. Loans (continued)

The significant informations relating to loans are as follows: (continued)

Restructured loan by type of loan:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
Investasi	2.026.831	405.914	*Investment*
Angsuran	614.385	224.003	*Installment*
Promes	164.300	2.300	*Promissory notes*
Rekening koran	125.126	45.571	*Overdraft*
Pemilikan rumah	10.832	-	*Housing*
Multiguna	3.933	-	*Multi-purpose*
Kartu kredit	2.339	9.876	*Credit card*
	2.947.746	687.664	
Mata uang asing			*Foreign currencies*
Investasi	544.558	336.280	*Investment*
Angsuran	14.744	-	*Installment*
Promes	-	26.996	*Promissory notes*
Lain-lain	68.769	12.407	*Others*
	628.071	375.683	
Total	3.575.817	1.063.347	*Total*
Cadangan kerugian penurunan nilai	(265.306)	(89.483)	*Allowance for impairment losses*
Neto	**3.310.511**	**973.864**	***Net***

Restrukturisasi kredit berdasarkan kolektibilitas menurut Peraturan Bank Indonesia:

Restructured loan by collectibility based on Bank Indonesia Regulation:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
Lancar	1.746.672	339.674	*Current*
Dalam perhatian khusus	719.731	287.808	*Special mention*
Kurang lancar	141.365	50.306	*Sub-standard*
Diragukan	19.403	55	*Doubtful*
Macet	320.575	9.821	*Loss*
	2.947.746	687.664	
Mata uang asing			*Foreign currencies*
Lancar	406.848	343.044	*Current*
Dalam perhatian khusus	77.279	25.160	*Special mention*
Kurang lancar	114.516	-	*Sub-standard*
Diragukan	-	-	*Doubtful*
Macet	29.428	7.479	*Loss*
	628.071	375.683	
Total	3.575.817	1.063.347	*Total*
Cadangan kerugian penurunan nilai	(265.306)	(89.483)	*Allowance for impairment losses*
Neto	**3.310.511**	**973.864**	***Net***

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

h. Kredit bermasalah (kredit *non-performing*/NPL) pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp2.131.269 dan Rp1.646.496.

Rasio NPL kotor (*NPL Gross*) pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 3,24% dan 2,68% dari total kredit, sedangkan rasio NPL neto (NPL Net) masing-masing sebesar 2,61% dan 2,17% dari jumlah kredit. Rasio NPL neto dihitung sesuai dengan peraturan Bank Indonesia. Berdasarkan peraturan Bank Indonesia No.15/2/PBI/2013 tanggal 20 Mei 2013, rasio kredit bermasalah bank umum secara neto adalah maksimal sebesar 5% dari jumlah kredit.

i. Ikhtisar perubahan cadangan kerugian penurunan nilai kredit yang diberikan adalah sebagai berikut:

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

h. Non-Performing Loans (NPL) amounted to Rp2,131,269 and Rp1,646,496 as of 31 December 2016 and 2015, respectively.

Gross NPL ratio as of 31 December 2016 and 2015 represents 3.24% and 2.68% of the total loans, respectively, and net NPL ratio represents 2.61% and 2.17% of the total loans, respectively. Net NPL ratio is calculated in accordance with Bank Indonesia Regulation. Based on Bank Indonesia Regulation No. 15/2/PBI/2013 dated 20 May 2013, the maximum net NPL ratio is 5% of a Bank's total loans.

i. The changes in the allowance for impairment losses of loans are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Saldo awal tahun	782.028	653.835	*Beginning balance*
Penyisihan selama tahun berjalan	944.098	624.665	*Provision during the year*
Penerimaan kembali kredit yang telah dihapusbukukan	35.145	29.840	*Recovery of loans previously written-off*
Penghapusbukuan selama tahun berjalan	(667.076)	(231.788)	*Loans written-off during the year*
Selisih kurs penjabaran	(4.129)	5.231	*Foreign exchange translation*
Penyelesaian cadangan kerugian terkait penjualan kredit yang diberikan	-	(299.755)	*Settlement of allowance related to loans sold*
Saldo akhir tahun	**1.090.066**	**782.028**	***Ending balance***

Penyisihan kerugian penurunan nilai untuk kredit yang diberikan untuk kelompok individual dan kolektif adalah sebagai berikut:

Allowance for impairment losses of loans for individual and collective are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Individual	379.087	275.218	*Individual*
Kolektif	710.979	506.810	*Collective*
Saldo akhir tahun	**1.090.066**	**782.028**	***Ending balance***

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya kredit yang diberikan.

The Bank's management believes that the allowance for impairment losses on loans is adequate to cover any possible losses on uncollectible loans.

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

j . Keikutsertaan Bank sebagai anggota sindikasi terhadap jumlah seluruh kredit sindikasi yang diberikan berkisar antara 5,56% sampai dengan 20,00% untuk tahun 2016 dan 7,41% sampai dengan 20,00% untuk tahun 2015.

k. Rasio kredit usaha kecil terhadap jumlah kredit yang diberikan adalah 0,38% pada tahun 2016 dan 0,79% pada tahun 2015.

l. Pada tanggal 31 Desember 2016 dan 2015, Bank menilai penurunan nilai secara individual untuk kategori kredit *non-performing*/NPL dan debitur non NPL dengan nilai baki debet di atas Rp20 miliar dan *fully secured*, kecuali kartu kredit.

m. Pada tanggal 31 Desember 2016 dan 2015, Bank telah mematuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik terhadap pihak-pihak berelasi maupun kepada pihak yang tidak berelasi.

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

j. The participation of the Bank as a member of a syndicated loans in the total syndicated loans ranged from 5.56% to 20.00% for 2016 and 7.41% to 20.00% for 2015.

k. The ratio of loans to small businesses to the total loans is 0.38% in 2016 and 0.79% in 2015.

l. As of 31 December 2016 and 2015, the Bank assessed the individual impairment for credit non-performing/NPL category and non NPL debtor with outstanding amount above Rp20 billion and fully secured, except for credit card.

m. As of 31 December 2016 and 2015, the Bank is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

11. Tagihan atas Surat Berharga yang Dibeli dengan Janji Dijual Kembali

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2016, terdiri dari:

11. Receivables on Securities Purchased with Agreements to Resell

Receivables on securities purchased with agreements to resell as of 31 December 2016 consists of:

Nasabah/ *Counterparty*	Jenis Obligasi Pemerintah/ *Type of Government Bonds*	Nilai Nominal/ *Nominal Amount*	Tanggal Dimulai/ *Starting Date*	Jatuh Tempo/ *Due Date*	Nilai Tercatat/ *Carrying Value*
Bank Indonesia/ *Bank of Indonesia*	FR0069	500.000	27 Desember 2016/ *27 December 2016*	3 Januari 2017/ *3 January 2017*	486.082
Bank Indonesia/ *Bank of Indonesia*	SPN	500.000	28 Desember 2016/ *28 December 2016*	4 Januari 2017/ *4 January 2017*	472.190
Bank Indonesia/ *Bank of Indonesia*	SPN	500.000	28 Desember 2016/ *28 December 2016*	4 Januari 2017/ *4 January 2017*	472.190
Bank Indonesia/ *Bank of Indonesia*	SPN	400.000	28 Desember 2016/ *28 December 2016*	4 Januari 2017/ *4 January 2017*	377.752
Bank Indonesia/ *Bank of Indonesia*	SPN	100.000	28 Desember 2016/ *28 December 2016*	4 Januari 2017/ *4 January 2017*	94.005
Sub-Jumlah/ *Sub - Total*		**2.000.000**			**1.902.219**

Suku bunga efektif untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembali adalah 7,88%.

The effective interest rate for receivables on securities purchased with agreements to resell is 7.88%.

12. Tagihan dan Liabilitas Akseptasi

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan:

12. Acceptances Receivable and Payable

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows:

1. Berdasarkan mata uang / *1. Based on type of currency*

a. Tagihan Akseptasi / *a. Acceptances Receivable*

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Dolar Amerika Serikat	1.332.591	1.662.546	*United States Dollar*
Rupiah	256.552	694.196	*Rupiah*
Euro Eropa	95.950	202.903	*European Euro*
Yen Jepang	78.384	83.179	*JapaneseYen*
Dolar Singapura	7.211	459	*Singapore Dollar*
Yuan China	-	290	*Chinese Yuan*
Total	1.770.688	2.643.573	*Total*
Cadangan kerugian penurunan nilai	(21.751)	(30.461)	*Allowance for impairment losses*
Neto	**1.748.937**	**2.613.112**	***Net***

b. Liabilitas Akseptasi / *b. Acceptances Payable*

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Dolar Amerika Serikat	1.332.591	1.662.546	*United States Dollar*
Rupiah	256.552	694.196	*Rupiah*
Euro Eropa	95.950	202.903	*European Euro*
Yen Jepang	78.384	83.179	*JapaneseYen*
Dolar Singapura	7.211	459	*Singapore Dollar*
Yuan China	-	290	*Chinese Yuan*
Total	**1.770.688**	**2.643.573**	***Total***

2. Berdasarkan jangka waktu / *2. Based on period*

a. Tagihan Akseptasi / *a. Acceptances Receivable*

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
≤ 1 bulan	12.827	8.350	*≤ 1 month*
> 1 bulan ≤ 3 bulan	60.914	367.969	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	182.811	317.877	*> 3 months ≤ 6 months*
	256.552	694.196	

12. Tagihan dan Liabilitas Akseptasi (lanjutan)

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan: (lanjutan)

2. Berdasarkan jangka waktu (lanjutan)

a. Tagihan Akseptasi (lanjutan)

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Mata uang asing			*Foreign currencies*
≤ 1 bulan	28.247	29.070	*≤ 1 month*
> 1 bulan ≤ 3 bulan	254.731	335.304	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	1.061.190	1.126.093	*> 3 months ≤ 6 months*
> 6 bulan	169.968	458.910	*> 6 months*
	1.514.136	1.949.377	
Total	1.770.688	2.643.573	*Total*
Cadangan kerugian penurunan nilai	(21.751)	(30.461)	*Allowance for impairment losses*
Neto	**1.748.937**	**2.613.112**	***Net***

b. Liabilitas Akseptasi

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
≤ 1 bulan	12.827	8.350	*≤ 1 month*
> 1 bulan ≤ 3 bulan	60.914	367.969	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	182.811	317.877	*> 3 months ≤ 6 months*
	256.552	694.196	
Mata uang asing			*Foreign currencies*
≤ 1 bulan	28.247	29.070	*≤ 1 month*
> 1 bulan ≤ 3 bulan	254.731	335.304	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	1.061.190	1.126.093	*> 3 months ≤ 6 months*
> 6 bulan	169.968	458.910	*> 6 months*
	1.514.136	1.949.377	
Total	**1.770.688**	**2.643.573**	***Total***

Ikhtisar perubahan cadangan penurunan nilai tagihan akseptasi adalah sebagai berikut:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Saldo awal tahun	30.461	2.938	*Beginning balance*
(Pemulihan) pembentukan cadangan kerugian penurunan nilai	(8.419)	25.291	*(Reversal of) provision for allowance for impairment losses*
Selisih kurs penjabaran	(291)	2.232	*Foreign exchange translation*
Saldo akhir tahun	**21.751**	**30.461**	***Ending balance***

12. Acceptances Receivable and Payable (continued)

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows: (continued)

2. Based on period (continued)

a. Acceptances Receivable (continued)

b. Acceptances Payable

12. Tagihan dan Liabilitas Akseptasi (lanjutan)

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai yang dibentuk pada tanggal 31 Desember 2016 dan 2015, adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya tagihan akseptasi.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2016 dan 2015, tagihan akseptasi digolongkan lancar.

12. Acceptances Receivable and Payable (continued)

The Bank's management believes that the allowance for impairment losses as of 31 December 2016 and 2015 is adequate to cover any possible losses on uncollectible acceptances receivable.

The Bank's management believes that as of 31 December 2016 and 2015, acceptances receivable are classified as current.

13. Aset Tetap

Akun ini terdiri dari:

13. Fixed Assets

This account consists of:

31 Desember 2016	Saldo Awal/ *Beginning Balance*	Perubahan Selama Satu Tahun/ *Changes During the Year*: Penambahan dan Reklasifikasi/ *Additions and Reclassification*	Pengurangan dan Reklasifikasi/ *Deductions and Reclassification*	Saldo Akhir/ *Ending Balance*	*31 December 2016*
Biaya Perolehan					***Cost***
Tanah	148.720	-	4.175	144.545	*Land*
Bangunan	565.018	-	3.961	561.057	*Buildings*
Prasarana	177.769	9.532	-	187.301	*Infrastructure*
Peralatan Kantor	930.987	198.740	12.670	1.117.057	*Office equipments*
Kendaraan	14.364	-	2.333	12.031	*Vehicles*
Aset dalam penyelesaian	105.770	66.519	145.063	27.226	*Construction in progress*
Total biaya perolehan	1.942.628	274.791	168.202	2.049.217	*Total cost*
Akumulasi Penyusutan					***Accumulated Depreciation***
Bangunan	225.000	28.035	2.802	250.233	*Buildings*
Prasarana	56.734	42.218	-	98.952	*Infrastructure*
Peralatan kantor	512.968	94.576	12.203	595.341	*Office equipments*
Kendaraan	12.610	1.003	2.238	11.375	*Vehicles*
Total akumulasi penyusutan	807.312	165.832	17.243	955.901	*Total accumulated depreciation*
Nilai Buku	**1.135.316**			**1.093.316**	***Net Book Value***

31 Desember 2015	Saldo Awal/ *Beginning Balance*	Perubahan Selama Satu Tahun/ *Changes During the Year*: Penambahan dan Reklasifikasi/ *Additions and Reclassification*	Pengurangan dan Reklasifikasi/ *Deductions and Reclassification*	Saldo Akhir/ *Ending Balance*	*31 December 2015*
Biaya Perolehan					***Cost***
Tanah	154.166	-	5.446	148.720	*Land*
Bangunan	572.857	-	7.839	565.018	*Buildings*
Prasarana	169.666	8.103	-	177.769	*Infrastructure*
Peralatan Kantor	762.355	173.185	4.553	930.987	*Office equipments*
Kendaraan	17.425	-	3.061	14.364	*Vehicles*
Aset dalam penyelesaian	-	105.770	-	105.770	*Construction in progress*
Total biaya perolehan	1.676.469	287.058	20.899	1.942.628	*Total cost*
Akumulasi Penyusutan					***Accumulated Depreciation***
Bangunan	202.409	28.359	5.768	225.000	*Buildings*
Prasarana	39.697	17.037	-	56.734	*Infrastructure*
Peralatan kantor	431.573	85.839	4.444	512.968	*Office equipments*
Kendaraan	13.915	1.756	3.061	12.610	*Vehicles*
Total akumulasi penyusutan	687.594	132.991	13.273	807.312	*Total accumulated depreciation*
Nilai Buku	**988.875**			**1.135.316**	***Net Book Value***

13. Aset Tetap (lanjutan)

Rincian aset dalam penyelesaian beserta persentase penyelesaian terhadap nilai kontrak adalah sebagai berikut:

13. Fixed Assets (continued)

The details of the construction in progress with the percentage of completion of the contract values are as follows:

31 December/*31 December 2016*

	Persentase penyelesaian/ *Percentage of completion*	**Akumulasi Biaya/ *Accumulated Cost***	**Estimasi penyelesaian/ *Estimated completion***	
Prasarana	57%	590	2017	*Leasehold Improvements*
Peralatan kantor	37%	26.636	2017	*Office Equipment*
		27.226		

31 December/*31 December 2015*

	Persentase penyelesaian/ *Percentage of completion*	**Akumulasi Biaya/ *Accumulated Cost***	**Estimasi penyelesaian/ *Estimated completion***	
Prasarana	37%	2.035	2016	*Leasehold Improvements*
Peralatan kantor	75%	103.735	2016	*Office Equipment*
		105.770		

Seluruh aset tetap yang dimiliki oleh Bank berasal dari kepemilikan langsung.

All fixed assets owned by the Bank are from direct ownership.

Nilai tercatat bruto dari aset tetap yang telah disusutkan penuh dan masih digunakan adalah sebagai berikut (tidak diaudit):

Gross carrying amount of fixed assets which were fully depreciated and still used are as follows (unaudited):

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Bangunan dan prasarana	3.217	1.945	*Buildings and infrastructure*
Peralatan kantor	334.626	247.355	*Office equipments*
Kendaraan	7.630	5.597	*Vehicles*
Total	**345.473**	**254.897**	***Total***

Rekonsiliasi penambahan aset tetap yang berasal dari pembelian dan reklasifikasi adalah sebagai berikut:

Reconciliation of addition to fixed assets which comes from purchase and reclassification are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Penambahan melalui pembelian aset tetap	129.728	287.058	*Addition through purchase of fixed assets*
Penambahan aset tetap melalui reklasifikasi aset dalam penyelesaian	145.063	-	*Addition of fixed assets through reclassification construction in progress*
Total	**274.791**	**287.058**	***Total***

13. Aset Tetap (lanjutan)

Rekonsiliasi pengurangan aset tetap yang berasal dari penjualan dan reklasifikasi adalah sebagai berikut:

13. Fixed Assets (continued)

Reconciliation of deduction to fixed assets which comes from disposal and reclassification are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Pengurangan melalui penjualan aset tetap	4.813	4.766	*Deduction through sales of fixed assets*
Penghapusan aset tetap	12.015	3.930	*Write-off of fixed assets*
Pengurangan aset dalam penyelesaian melalui reklasifikasi aset tetap	145.063	-	*Deduction of construction in progress through reclassification*
Reklasifikasi ke properti terbengkalai	6.311	12.203	*Reclassification to abandoned property*
Total	**168.202**	**20.899**	***Total***

Penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain masing-masing sebesar Rp165.832 dan Rp132.991 untuk tahun yang berakhir pada 31 Desember 2016 dan 2015 (Catatan 29).

Depreciation charged to statement of profit or loss and other comprehensive income amounted to Rp165,832 and Rp132,991 for the year ended 31 December 2016 and 2015, respectively (Note 29).

Manajemen juga berpendapat bahwa tidak terdapat penurunan nilai atas aset tersebut yang harus dicatat pada tanggal-tanggal 31 Desember 2016 dan 2015.

Management believes that there is no impairment that should be recorded in value of the aforementioned assets as of 31 December 2016 and 2015.

Pada tanggal 31 Desember 2016, seluruh aset tetap (kecuali tanah), diasuransikan terhadap risiko kebakaran dan risiko lainnya berdasarkan paket polis tertentu kepada perusahaan-perusahaan asuransi pihak ketiga Bank yaitu PT Asuransi Central Asia dan PT Asuransi Adira Dinamika dengan nilai pertanggungan sebesar Rp1.867.560 dan $AS49.646.940 (nilai penuh). Manajemen Bank berkeyakinan bahwa nilai pertanggungan asuransi telah mencukupi untuk menutupi kemungkinan kerugian dari risiko yang ada.

As of 31 December 2016, all fixed assets (except land), are covered by insurance against fire and other risks under blanket policies with the Bank's third parties insurance companies, which are PT Asuransi Central Asia dan PT Asuransi Adira Dinamika with sum insured amounting to Rp1,867,560 and US$49,646,940 (full amount). The Bank's management believes that insurance coverage is adequate to cover possible losses arising from such risks.

Hasil penjualan aset tetap adalah masing-masing sebesar Rp17.211 dan Rp5.860 untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

The proceeds from the sale of fixed assets amounted to Rp17,211 and Rp5,860 for the year ended 31 December 2016 and 2015, respectively.

Nilai buku aset tetap yang dijual adalah masing-masing sebesar Rp1.648 dan Rp193 untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

Book value from the sale of fixed assets amounted to Rp1,648 and Rp193 for the year ended 31 December 2016 and 2015, respectively.

Keuntungan atas penjualan aset tetap masing-masing sebesar Rp15.563 dan Rp5.667 untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015, dibukukan sebagai bagian dari "Pendapatan non-operasional - keuntungan penjualan aset tetap dan agunan yang diambil alih - neto" selama tahun berjalan.

The related gain on sales of fixed assets of Rp15,563 and Rp5,667 for the year ended 31 December 2016 and 2015, respectively, are presented as part of "Non-operating income - gain on sale of fixed assets and foreclosed assets - net" during the year.

14. Aset Lain-lain

Akun ini terdiri dari:

14. Other Assets

This account consists of:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Piutang bunga	292.690	275.672	*Interest receivables*
Klaim pengembalian pajak	169.439	-	*Claim for tax refund*
Biaya dibayar di muka	120.515	96.187	*Prepaid expenses*
Agunan yang diambil alih (setelah dikurangi cadangan penurunan nilai masing-masing sebesar Rp9.900 dan Rp9.662 pada tanggal 31 Desember 2016 dan 2015)	41.693	48.938	*Foreclosed assets (net of allowance for decline in value of Rp9,900 and Rp9,662 as of 31 December 2016 and 2015, respectively)*
ATM bersama	32.373	15.970	*Shared ATM*
Setoran jaminan	10.960	14.843	*Security deposits*
Properti terbengkalai - neto	9.583	6.639	*Abandoned property - net*
Uang muka	2.998	16.629	*Advances*
Pembelian aset dari penyelesaian piutang - neto	-	148.479	*Assets purchase from settlement of receivable - net*
Lain-lain	134.959	94.585	*Others*
Neto	**815.210**	**717.942**	***Net***

Ikhtisar perubahan cadangan kerugian penurunan nilai agunan yang diambil alih adalah sebagai berikut:

The changes in the allowance for the decline in value of foreclosed assets are as follows:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Saldo awal tahun	9.662	10.175	*Beginning balance*
(Pemulihan) pembentukan cadangan kerugian penurunan nilai	238	(513)	*(Reversal of) provision for allowance for impairment losses*
Saldo akhir tahun	**9.900**	**9.662**	***Ending balance***

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai atas agunan yang diambil alih telah memadai dan nilai tercatat agunan yang diambil alih tersebut merupakan nilai bersih yang dapat direalisasi.

The Bank's management believes that the allowance for the decline in value of foreclosed assets is adequate and the carrying value of foreclosed assets is stated at net realizable value.

15. Liabilitas Segera

Akun ini adalah sebesar Rp101.348 dan Rp61.920 masing-masing pada tanggal 31 Desember 2016 dan 2015 terdiri dari kiriman uang/wesel akan dibayar, titipan dana nasabah, transaksi kliring/transfer yang belum diselesaikan dan liabilitas-liabilitas jangka pendek lainnya.

15. Current Liabilities

This account amounting to Rp101,348 and Rp61,920 as of 31 December 2016 and 2015 represent cash remittances/draft payables, customers' funds, unsettled clearing/transfer transactions and other short-term liabilities.

16. Giro

Akun ini terdiri dari:

16. Demand Deposits

This account consists of:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Pihak ketiga	8.996.783	472.506	9.469.289	*Third parties*
Pihak berelasi (Catatan 35)	18.816	96	18.912	*Related parties (Note 35)*
Total	**9.015.599**	**472.602**	**9.488.201**	***Total***

	31 Desember/*31 December* 2015			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Pihak ketiga	6.392.314	491.634	6.883.948	*Third parties*
Pihak berelasi (Catatan 35)	3.302	100	3.402	*Related parties (Note 35)*
Total	**6.395.616**	**491.734**	**6.887.350**	***Total***

Giro dalam mata uang asing terdiri dari Dolar Singapura, Dolar Amerika Serikat dan Yuan China Renminbi.

Foreign currency demand deposits consist of Singapore Dollar, United States Dollar and Chinese Yuan Renminbi.

Suku bunga rata-rata untuk giro adalah sebagai berikut:

The average interest rates for demand deposits are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	3,53%	3,27%	*Rupiah*
Mata uang asing	0,00%	0,11%	*Foreign currency*

Pada tanggal 31 Desember 2016 dan 2015, giro yang digunakan sebagai jaminan untuk kredit masing-masing sebesar Rp181.104 dan Rp122.346. Giro yang dijaminkan ini diblokir sepanjang jangka waktu fasilitas kredit. (Catatan 10).

As of 31 December 2016 and 2015, demand deposits amounting to Rp181,104 and Rp122,346, are pledged as collateral for loan facilities. The pledged demand deposits are blocked throughout the loan period (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang dijaminkan dengan giro.

There are no loan facilities to related parties secured with demand deposits as collateral.

17. Tabungan

Tabungan berdasarkan hubungan transaksi dengan Bank terdiri dari:

17. Saving Deposits

Saving deposits based on relationship transaction with the Bank consist of:

	31 Desember/*31 December* 2016			
Produk	**Pihak Ketiga/ *Third Parties***	**Pihak Berelasi (Catatan 35)/ *Related Parties (Note 35)***	**Total**	***Product***
Valas Produktif	9.752.825	18.605	9.771.430	*Valas Produktif*
U-Save	4.333.109	5.347	4.338.456	*U-Save*
UOB High Yield	882.747	1.477	884.224	*UOB High Yield*
BizSaver88	348.581	-	348.581	*BizSaver88*
U-Plan	230.764	1.250	232.014	*U-Plan*
UOB Gold	223.460	-	223.460	*UOB Gold*
TabunganKu	185.004	82	185.086	*TabunganKu*
UOB Staff Account	125.164	35.395	160.559	*UOB Staff Account*
Simpanan Pelajar	84	-	84	*Simpanan Pelajar*
Total	**16.081.738**	**62.156**	**16.143.894**	***Total***

	31 Desember/*31 December* 2015			
Produk	**Pihak Ketiga/ *Third Parties***	**Pihak Berelasi (Catatan 35)/ *Related Parties (Note 35)***	**Total**	***Product***
Valas Produktif	6.353.126	41.139	6.394.265	*Valas Produktif*
U-Save	4.462.401	4.711	4.467.112	*U-Save*
UOB High Yield	575.051	2.874	577.925	*High Yield*
U-Plan	363.491	1.235	364.726	*U-Plan*
BizSaver88	309.892	-	309.892	*Biz88*
UOB Gold	249.176	310	249.486	*UOB Gold*
TabunganKu	134.043	178	134.221	*Tabunganku*
UOB Staff Account	92.678	33.266	125.944	*Staff Account*
Simpanan Pelajar	7	-	7	*Simpanan Pelajar*
Total	**12.539.865**	**83.713**	**12.623.578**	***Total***

Tabungan berdasarkan jenis mata uang terdiri dari:

Saving deposits based on currencies consist of:

	31 Desember/*31 December* 2016			
Produk	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	***Product***
Valas Produktif	-	9.771.430	9.771.430	*Valas Produktif*
U-Save	4.338.456	-	4.338.456	*U-Save*
UOB High Yield	884.224	-	884.224	*UOB High Yield*
BizSaver88	348.581	-	348.581	*BizSaver88*
U-Plan	232.014	-	232.014	*U-Plan*
UOB Gold	223.460	-	223.460	*UOB Gold*
TabunganKu	185.086	-	185.086	*TabunganKu*
UOB Staff Account	160.559	-	160.559	*UOB Staff Account*
Simpanan Pelajar	84	-	84	*Simpanan Pelajar*
Total	**6.372.464**	**9.771.430**	**16.143.894**	***Total***

17. Tabungan (lanjutan)

Tabungan berdasarkan jenis mata uang terdiri dari: (lanjutan)

17. Saving Deposits (continued)

Saving deposits based on currencies consist of: (continued)

	31 Desember/*31 December* 2015			
Produk	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	***Product***
Valas Produktif	-	6.394.265	6.394.265	*Valas Produktif*
U-Save	4.467.112	-	4.467.112	*U-Save*
High Yield	577.925	-	577.925	*High Yield*
U-Plan	364.726	-	364.726	*U-Plan*
Biz88	309.892	-	309.892	*Biz88*
UOB Gold	249.486	-	249.486	*UOB Gold*
Tabunganku	134.221	-	134.221	*Tabunganku*
Staff Account	125.944	-	125.944	*Staff Account*
Simpanan Pelajar	7	-	7	*Simpanan Pelajar*
Total	**6.229.313**	**6.394.265**	**12.623.578**	***Total***

Tabungan dalam mata uang asing terdiri dari Pound Sterling Inggris, Euro Eropa, Franc Swiss, Dolar Australia, Dolar Amerika, Dolar Kanada, Dolar Selandia Baru, Dolar Singapura, Dolar Hong Kong, Yen Jepang dan Kroner Swedia.

Foreign currency saving deposits consist of Great Britain Pound Sterling, European Euro, Swiss Franc, Australian Dollar, United States Dollar, Canadian Dollar, New Zealand Dollar, Singapore Dollar, Hong Kong Dollar, Japanese Yen and Swedish Croner.

Suku bunga rata-rata untuk tabungan adalah sebagai berikut:

The average interest rates for saving deposits are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	3,96%	3,37%	*Rupiah*
Mata uang asing	0,41%	0,62%	*Foreign currencies*

Pada tanggal 31 Desember 2016 dan 2015, tabungan yang diblokir untuk jaminan fasilitas kredit adalah masing-masing sebesar Rp170.982 dan Rp105.802 (Catatan 10).

As of 31 December 2016 and 2015, saving deposits pledged as collateral for loan facilities amounted to Rp170,982 and Rp105,802, respectively (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang dijaminkan dengan tabungan.

There are no loan facilities to related parties secured with saving deposits as collateral.

18. Deposito Berjangka

Akun ini terdiri dari:

18. Time Deposits

This account consists of:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Pihak ketiga	37.802.495	9.426.722	47.229.217	*Third parties*
Pihak berelasi (Catatan 35)	77.975	65.614	143.589	*Related parties (Note 35)*
Total	**37.880.470**	**9.492.336**	**47.372.806**	***Total***

18. Deposito Berjangka (lanjutan)

18. Time Deposits (continued)

Akun ini terdiri dari: (lanjutan)

This account consists of: (continued)

	31 Desember/*31 December* 2015			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Pihak ketiga	38.468.238	6.389.700	44.857.938	*Third parties*
Pihak berelasi (Catatan 35)	61.764	26.663	88.427	*Related parties (Note 35)*
Total	**38.530.002**	**6.416.363**	**44.946.365**	***Total***

Rincian deposito berjangka berdasarkan jangka waktu kontrak adalah sebagai berikut:

The details of time deposits based on contractual maturities are as follows:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
≤ 1 bulan	283.633	30.720	314.353	*≤ 1 month*
> 1 bulan ≤ 3 bulan	19.074.022	5.451.504	24.525.526	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	10.941.377	600.544	11.541.921	*> 3 months ≤ 6 months*
> 6 bulan	7.581.438	3.409.568	10.991.006	*> 6 months*
Total	**37.880.470**	**9.492.336**	**47.372.806**	***Total***

	31 Desember/*31 December* 2015			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
≤ 1 bulan	13.337.627	3.284.628	16.622.255	*≤ 1 month*
> 1 bulan ≤ 3 bulan	13.934.769	1.462.233	15.397.002	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	9.592.659	869.931	10.462.590	*> 3 months ≤ 6 months*
> 6 bulan	1.664.947	799.571	2.464.518	*> 6 months*
Total	**38.530.002**	**6.416.363**	**44.946.365**	***Total***

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut:

The details of time deposits based on remaining maturities are as follows:

	31 Desember/*31 December* 2016			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
≤ 1 bulan	20.624.040	4.334.607	24.958.647	*≤ 1 month*
> 1 bulan ≤ 3 bulan	14.176.634	2.192.323	16.368.957	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	2.174.246	1.572.456	3.746.702	*> 3 months ≤ 6 months*
> 6 bulan ≤ 12 bulan	905.550	1.392.950	2.298.500	*> 6 months ≤ 12 months*
Total	**37.880.470**	**9.492.336**	**47.372.806**	***Total***

18. Deposito Berjangka (lanjutan)

Akun ini terdiri dari: (lanjutan)

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut: (lanjutan)

18. Time Deposits (continued)

This account consists of: (continued)

The details of time deposits based on remaining maturities are as follows: (continued)

	31 Desember/*31 December* 2015			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
≤ 1 bulan	19.501.514	4.324.816	23.826.330	*≤ 1 month*
> 1 bulan ≤ 3 bulan	14.342.688	1.167.242	15.509.930	*> 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	3.879.910	454.988	4.334.898	*> 3 months ≤ 6 months*
> 6 bulan ≤ 12 bulan	805.890	469.317	1.275.207	*> 6 months ≤ 12 months*
Total	**38.530.002**	**6.416.363**	**44.946.365**	***Total***

Deposito berjangka dalam mata uang asing terdiri dari Pound Sterling Inggris, Euro Eropa, Dolar Australia, Dolar Amerika, Dolar Kanada, Dolar Selandia Baru, Dolar Singapura, Dolar Hong Kong dan Yen Jepang.

Foreign currency time deposits consist of Great Britain Pound Sterling, European Euro, Australian Dollar, United States Dollar, Canadian Dollar, New Zealand Dollar, Singapore Dollar, Hong Kong Dollar and Japanese Yen.

Deposito berjangka yang diblokir untuk jaminan atas fasilitas kredit yang diberikan kepada nasabah berjumlah Rp4.644.031 dan Rp5.239.583 masing-masing pada tanggal 31 Desember 2016 dan 2015. Deposito berjangka yang dijaminkan ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

Time deposits pledged as collateral for loan facilities granted amounted to Rp4,644,031 and Rp5,239,583 as of 31 December 2016 and 2015, respectively. The pledged time deposits are blocked throughout the loan period (Note 10).

Suku bunga rata-rata untuk deposito berjangka adalah sebagai berikut:

The average interest rate for time deposits are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	2015	
Rupiah	7,66%	8,84%	*Rupiah*
Mata uang asing	0,84%	0,75%	*Foreign currency*

19. Simpanan dari Bank Lain

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari:

19. Deposits from Other Banks

Deposits from other banks based on type and currency consist of:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
Deposito berjangka	13.045	8.840	*Time deposits*
Giro	37.315	33.322	*Demand deposits*
Tabungan	9.527	12.270	*Saving deposits*
Call money	-	300.000	*Call money*
	59.887	354.432	

19. Simpanan dari Bank Lain (lanjutan)

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari: (lanjutan)

19. Deposits from Other Banks (continued)

Deposits from other banks based on type and currency consist of: (continued)

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Mata uang asing			*Foreign currency*
Call money	3.566.171	5.059.095	*Call money*
Tabungan	15.606	92.993	*Saving deposits*
	3.581.777	5.152.088	
Total	**3.641.664**	**5.506.520**	***Total***

Simpanan dari bank lain berdasarkan hubungan transaksi dengan Bank terdiri dari:

Deposits from other banks based on its relationship transaction with the Bank consist of:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Rupiah			*Rupiah*
Pihak Ketiga	46.244	349.090	*Third Parties*
Pihak Berelasi	13.643	5.342	*Related Parties*
	59.887	354.432	
Mata uang asing			*Foreign currency*
Pihak Ketiga	433.254	603.038	*Third Parties*
Pihak Berelasi	3.148.523	4.549.050	*Related Parties*
	3.581.777	5.152.088	
Total	**3.641.664**	**5.506.520**	***Total***

Jangka waktu simpanan dari bank lain dalam *call money* adalah kurang dari enam bulan dan jangka waktu deposito *on-call* dari bank lain adalah kurang dari satu bulan, sedangkan jangka waktu deposito berjangka dari bank lain adalah kurang dari satu tahun.

The terms of deposits from other banks in call money are less than six month, on-call from other banks are less than one month, and from other banks are less than one year.

Tidak terdapat simpanan dari bank lain yang diblokir atau dijaminkan pada tanggal-tanggal 31 Desember 2016 dan 2015.

There were no deposits from other banks blocked or collateralized as of 31 December 2015 and 2016.

Suku bunga rata-rata tahunan untuk simpanan dari bank lain adalah sebagai berikut:

The average annual interest rates for deposits from other banks are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Rupiah	4,01%	3,66%	*Rupiah*
Mata uang asing	0,16%	0,11%	*Foreign currency*

20. Perpajakan

20. Taxation

Utang pajak terdiri dari:

Taxes payable consists of:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Utang pajak penghasilan			*Income taxes payable*
Pasal 4 (2)	53.687	59.787	*Aticle 4 (2)*
Pasal 21	27.278	25.729	*Article 21*
Pasal 23 dan 26	2.051	1.680	*Article 23 and 26*
Pasal 29	61.140	122.957	*Article 29*
Pajak Pertambahan Nilai	1.195	1.248	*Value Added Taxes*
Total utang pajak	**145.351**	**211.401**	***Total taxes payable***

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi dan penghasilan komprehensif lain dengan penghasilan kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

The reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income, and taxable income for the year ended 31 December 2016 and 2015, is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Laba sebelum beban pajak sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain	669.737	638.372	*Income before tax expense as stated in the statement of profit or loss and other comprehensive income*
Beda temporer:			***Temporary differences:***
Pemulihan atas cadangan penurunan nilai agunan yang diambil alih	238	(513)	*Reversal of decline in value of foreclosed assets*
Cadangan atas imbalan kerja	11.204	12.039	*Provision for employees'benefits*
Keuntungan yang belum direalisasi atas efek-efek yang diperdagangkan - neto	5.645	3.707	*Unrealized gain on trading securities - net*
Penyusutan aset tetap	(21.972)	(29.563)	*Depreciation of fixed assets*
Pembentukan cadangan atas kerugian penurunan nilai aset produktif dan non-produktif	351.769	257.735	*Provision for allowance for impairment losses on earning assets and non-earning assets*
Keuntungan penjualan aset tetap - neto	(377)	1.899	*Gain on sale of fixed assets - net*
Beda tetap:			***Permanent differences:***
Penyusutan aset tetap	406	568	*Depreciation of fixed assets*
Keuntungan penjualan aset tetap dan properti terbengkalai - neto	(27.886)	(6.210)	*Gain on sale of fixed assets and abandoned property - net*
Pendapatan sewa	-	(90)	*Rental income*
Lain-lain - neto	119.598	68.545	*Others - net*
Penghasilan kena pajak - Bank	**1.108.362**	**946.489**	***Taxable income - Bank***

20. Perpajakan (lanjutan)

Perhitungan beban pajak - tahun berjalan dan beban pajak - tangguhan - neto untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

20. Taxation (continued)

The computation of tax expense - current and tax expense - deferred - net for the year ended 31 December 2016 and 2015, is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Penghasilan kena pajak	**1.108.362**	**946.489**	***Taxable income***
Beban pajak penghasilan - tahun berjalan	277.090	236.622	*Income tax expense - current*
Beban pajak penghasilan - tangguhan			*Income tax expense - deferred*
Pemulihan atas adanya penurunan nilai agunan yang diambil alih	59	(128)	*Recovery of decline in value of foreclosed assets*
Cadangan atas imbalan kerja - neto	2.801	3.010	*Provision for employees'benefits - net*
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	1.411	927	*Unrealized gain (loss) on trading securities - net*
Penyusutan aset tetap	(5.493)	(7.391)	*Depreciation of fixed assets*
Keuntungan penjualan aset tetap - neto	(94)	474	*Gain on sale of fixed assets - net*
Pemulihan atas kerugian penurunan nilai aset produktif dan non produktif	87.942	64.434	*Reversal for impairment losses on earning assets and non-earning assets*
Beban pajak penghasilan - tangguhan - neto	86.626	61.326	*Income tax expense - deferred - net*
Beban pajak - neto	**190.464**	**175.296**	***Tax expense - net***

Rekonsiliasi antara beban pajak yang dihitung dengan menggunakan tarif pajak yang berlaku dari laba sebelum beban pajak, dengan beban pajak seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

The reconciliation between tax expense calculated by using the applicable tax rate from income before tax expense, and tax expense presented in the statement of profit or loss and other comprehensive income for the year ended 31 December 2016 and 2015, is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Laba sebelum beban pajak	669.737	638.372	*Income before tax expense*
Beban pajak penghasilan berdasarkan tarif pajak yang berlaku	167.434	159.593	*Income tax expense at applicable tax rate*
Pengaruh beda tetap atas beban pajak penghasilan			*Effects of permanent differences on income tax expense*
Penyusutan aset tetap	102	142	*Depreciation of fixed assets*
Keuntungan penjualan asset tetap dan properti terbengkalai - neto	(6.971)	(1.552)	*Gain on sale of fixed assets and abandoned property - net*
Pendapatan sewa	-	(23)	*Rental income*
Lain-lain - neto	29.899	17.136	*Others - net*
Beban pajak - neto	**190.464**	**175.296**	***Tax expense - net***

20. Perpajakan (lanjutan)

Perhitungan beban pajak - tahun berjalan dan utang pajak penghasilan adalah sebagai berikut:

20. Taxation (continued)

The computations of tax expense - current and income tax payable are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Beban pajak penghasilan - tahun berjalan	277.090	236.622	*Tax expense - current*
Pembayaran pajak penghasilan di muka	(215.950)	(113.665)	*Pre-payments of income taxes*
Utang pajak penghasilan	**61.140**	**122.957**	***Income tax payable***

Rincian (liabilitas) aset pajak tangguhan adalah sebagai berikut:

The details of deferred tax (liabilities) assets are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Cadangan penurunan nilai agunan yang diambil alih	2.475	2.415	*Allowance for decline in value of foreclosed assets*
Cadangan kerugian penurunan nilai aset produktif dan non produktif	(3.756)	(91.697)	*Allowance for impairment losses on earning assets and non-earning assets*
Liabilitas atas imbalan kerja	52.291	46.565	*Liability for employees' benefits*
Penyusutan aset tetap	(26.688)	(21.195)	*Depreciation of fixed assets*
Keuntungan penjualan aset tetap	(933)	(839)	*Gain on sale of fixed assets - net*
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual	12.227	39.653	*Unrealized gain on available-for-sale securities*
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	290	(1.121)	*Unrealized gain (loss) on trading securities - net*
Total	**35.906**	**(26.219)**	***Total***

Pada tahun 2011, Bank telah menyampaikan Surat Keberatan Pajak kepada Kantor Pajak atas Surat Ketetapan Pajak Kurang Bayar (SKPKB) Pajak Pertambahan Nilai sebesar Rp2.214 atas penjualan agunan diambil alih. Keberatan tersebut telah dikabulkan sebagian oleh Kantor Pajak berdasarkan Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 tanggal 30 Agustus 2012 dan telah mendapat pengembalian pajak sebesar Rp1.040. Atas keputusan ini, Bank menyampaikan permohonan banding ke Pengadilan atas Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 berdasarkan Surat No. 12/DIR/0743 sebesar Rp1.174. Pada tanggal 7 Juli 2014, pengadilan pajak memutuskan untuk menolak permohonan banding Bank berdasarkan surat putusan No.53881/PP/M.XIIB/16/2014.

On 2011, the Bank has submitted a Tax Objection Letter to the Tax Office for Tax Underpayment Assessment Letter (SKPKB) of Value Added Tax on sale of foreclosed assets amounting to Rp2,214. The objection has been partially granted by Tax Office based on decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 dated 30 August 2012 and has received as a tax refund amounting to Rp1,040. Following this decision, the Bank has submitted an appeal for the objection to Court regarding decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 with Letter No. 12/DIR/0743 amounting to Rp1,174. On 7 July 2014, the tax court decided to reject the Bank's appeal as stated on decision letter No.53881/PP/M.XIIB/16/2014.

Sehubungan dengan Keputusan Pengadilan Pajak tersebut, pada tanggal 20 Oktober 2014, Bank menyampaikan Permohonan Peninjauan Kembali (PK) berdasarkan surat No. 14/DIR/0457.

Following the decision of the tax court, on 20 October 2014, the Bank has submitted an appeal for Judicial Review (PK) with letter No.14/DIR/0457.

20. Perpajakan (lanjutan)

Sampai dengan tanggal penyelesaian laporan keuangan ini, belum ada keputusan terkait pemeriksaan permohonan peninjauan kembali.

Pada tanggal 1 Juni 2016, Bank menerima Surat Ketetapan Kurang Bayar Pajak Penghasilan Badan (SKPKB PPh Badan) tertanggal 12 Mei 2016 untuk tahun pajak 2011 dengan nomor 00013/206/11/091/16 sebesar Rp74.245 dan SKPKB Pajak Pertambahan Nilai (PPN) dengan nomor 00122/207/11/091/16 sampai dengan 00127/207/11/091/16 sebesar Rp15.911.

Dari hasil SKPKB tersebut, Bank telah menyetujui sejumlah Rp5.872 dan telah dibukukan dalam laporan laba rugi komprehensif tahun berjalan. Bank telah mengajukan keberatan atas hasil SKPKB sejumlah Rp84.284 pada tanggal 10 Agustus 2016.

Sampai dengan tanggal penyelesaian laporan keuangan ini, belum ada keputusan terkait pengajuan keberatan ini.

Pada tanggal 5 Desember 2016, Bank menerima Surat Ketetapan Kurang Bayar Pajak Penghasilan Badan (SKPKB PPh Badan) tertanggal 29 November 2016 untuk tahun pajak 2012 dengan No. 00005/206/12/091/16 sebesar Rp111.061, SKPKB Pajak Penghasilan (PPh) Pasal 21 dengan No. 0003/201/12/091/16 sebesar Rp385, PPh Pasal 23 dengan No. 00012/203/12/091/16 sebesar Rp375, PPh Pasal 4 ayat (2) dengan No. 00015/240/12/091/16 sebesar Rp7.762, PPh Pasal 26 dengan No. 00001/245/12/091/16 sampai dengan 00012/245/12/091/16 sebesar Rp611, dan SKPKB Pajak Pertambahan Nilai (PPN) dengan No. 00022/207/12/091/16 sampai dengan 00033/207/12/091/16 dan 00069/107/12/091/16 sebesar Rp14.514.

Dari hasil SKPKB tersebut, Bank telah menyetujui sejumlah Rp8.688 dan telah dibukukan dalam laporan laba rugi komprehensif tahun berjalan. Sampai dengan tanggal penyelesaian laporan keuangan ini, Bank sedang dalam proses untuk mengajukan keberatan atas hasil SKPKB tersebut.

Untuk Pemeriksaan Pajak Tahun Pajak 2013 sampai saat ini masih tahap permintaan data sehingga belum ada keputusan.

20. Taxation (continued)

As of the date of completion of these financial statements, there is no decision yet related to this appeal for the tax audit judicial review.

On 1 June 2016, the Bank received Corporate Income Tax Underpayment Assessment Letter (SKPKB PPh Badan) No. 00013/206/11/091/16 dated 12 May 2016 fiscal 2011 amounting to Rp74,245 and Value Added Tax (PPN) Underpayment Assessment Letters number 00122/207/11/091/16 up to 00127/207/11/091/16 amounting to Rp15,911.

Based on the SKPKB, Bank has agreed amounting Rp5,872 and charged to the current year statement of comprehensive income. Bank has filed objection on SKPKB amounted Rp84,284 on 10 August 2016.

As of the date of completion of this financial statement, there is no decision yet related to these objections.

On 5 December 2016, the Bank received Tax Underpayment Assessment Letter dated 29 November 2016 for Fiscal Year 2012 No. 00005/206/12/091/16 amounting of Rp111,061. Tax Underpayment Assessment Letter on WHT Art. 21 No. 0003/201/12/091/16 amounting of Rp385, WHT Art. 23 No. 00012/203/12/091/16 amounting of Rp375, WHT Art 4(2) No. 00015/240/12/091/16 amounting of Rp7,762, WHT Art. 26 No. 00001/245/12/091/16 up to 00012/245/12/091/16 amounting of Rp611, and VAT Assessment Letter No. 00022/207/12/091/16 up to 00033/207/12/091/16 and 00069/107/12/091/16 totalling of Rp14,514.

Based on the Tax Assessment Letters, the Bank has agreed to Rp8,688 and booked them in current year comprehensive financial statement. As of the date of completion of this financial statements, the Bank is in the process of filed an objection on the said SKPKB.

While for the fiscal year 2013, currently is on the requesting data stage, and therefore no decision has been made.

21. Liabilitas atas Surat Berharga yang Dijual dengan Janji Dibeli Kembali

Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2016, terdiri dari:

21. Liabilities on Securities Sold under Repurchase Agreements

Liabilities on securities sold under repurchase agreements as of 31 December 2016 consists of:

Nasabah/ *Counterparty*	Jenis Obligasi Pemerintah/ *Type of Government Bonds*	Nilai Nominal/ *Nominal Amount*	Tanggal Dimulai/ *Starting Date*	Jatuh Tempo/ *Due Date*	Nilai Tercatat/ *Carrying Value*
United Overseas Bank Ltd., Singapura/*United Overseas Bank Ltd., Singapore*	RI-23	336.813	14 November 2016/ *14 November 2016*	13 Januari 2017/ *13 January 2017*	339.412
Sub-Jumlah/ *Sub - Total*		**336.813**			**339.412**

Suku bunga efektif untuk liabilitas atas surat berharga yang dijual dengan janji dibeli kembali adalah 3,38%.

The effective interest rate for Liabilities on Securities Sold under Repurchase Agreements is 3.38%.

22. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan pada tanggal 31 Desember 2016 dan 2015, terdiri dari:

22. Debt Securities Issued

Debt securities issued as of 31 December 2016 and 2015 consist of:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016			*Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016*
Pihak Berelasi (Catatan 35)			*Related Parties (Note 35)*
Obligasi Seri B	1.000	-	*Bonds Series B*
Pihak ketiga			*Third parties*
Obligasi Seri A	300.000	-	*Bonds Series A*
Obligasi Seri B	599.000	-	*Bonds Series B*
Obligasi Seri C	100.000	-	*Bonds Series C*
Total nominal Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	**1.000.000**	**-**	***Total nominal Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016***
Beban emisi obligasi yang belum diamortisasi	(4.832)	-	*Unamortized bonds issuance cost*
Total Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	**995.168**	**-**	***Total Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016***
Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016			*Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016*
Pihak ketiga	100.000	-	*Third Parties*
Total nominal Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	**100.000**	**-**	***Total nominal Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016***
Beban emisi obligasi yang belum diamortisasi	(1.745)	-	*Unamortized bonds issuance cost*
Total Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	**98.255**	**-**	***Total Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016***

22. Efek Hutang yang Diterbitkan (lanjutan)

Efek hutang yang diterbitkan pada tanggal 31 Desember 2016 dan 2015, terdiri dari: (lanjutan)

22. Debt Securities Issued (continued)

Debt securities issued as of 31 December 2016 and 2015 consist of: (continued)

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Obligasi I Bank UOB Indonesia Tahun 2015			*Bonds I Bank UOB Indonesia Year 2015*
Pihak Berelasi (Catatan 35)			*Related Parties (Note 35)*
Obligasi Seri B	6.000	6.000	*Bonds Series B*
Obligasi Seri C	2.000	-	*Bonds Series C*
Pihak ketiga			*Third parties*
Obligasi Seri A	-	400.000	*Bonds Series A*
Obligasi Seri B	594.000	594.000	*Bonds Series B*
Obligasi Seri C	498.000	500.000	*Bonds Series C*
Total nominal Obligasi I Bank UOB Indonesia Tahun 2015	**1.100.000**	**1.500.000**	***Total nominal Bonds I Bank UOB Indonesia year 2015***
Beban emisi obligasi yang belum diamortisasi	(3.802)	(6.620)	*Unamortized bonds issuance cost*
Total Obligasi I Bank UOB Indonesia Tahun 2015	**1.096.198**	**1.493.380**	***Total Bonds I Bank UOB Indonesia year 2015***
Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014			*Subordinated Bonds I Bank UOB Indonesia year 2014*
Pihak Berelasi (Catatan 35)	605.000	605.000	*Related Parties (Note 35)*
Pihak ketiga	395.000	395.000	*Third Parties*
Total nominal Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	**1.000.000**	**1.000.000**	***Total nominal Subordinated Bonds I Bank UOB Indonesia year 2014***
Beban emisi obligasi yang belum diamortisasi	(4.493)	(5.507)	*Unamortized bonds issuance cost*
Total Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	**995.507**	**994.493**	***Total Subordinated Bonds I Bank UOB Indonesia year 2014***
Total efek hutang yang diterbitkan	**3.185.128**	**2.487.873**	***Total debt securities issued***

Wali amanat dari penerbitan Obligasi I Bank UOB Indonesia Tahun 2015 dan Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 adalah Bank Permata Tbk.

The trustee for issuance of Bonds I Bank UOB Indonesia Year 2015 and Subordinated Bonds I of Bank UOB Indonesia Year 2014 was Bank Permata Tbk.

Wali amanat dari penerbitan Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 adalah PT Bank Mandiri (Persero) Tbk.

The trustee for issuance of Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 and Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 was PT Bank Mandiri (Persero) Tbk.

Tidak terdapat keterkaitan usaha antara wali amanat dengan Bank.

There is no business relationship between the trustee and the Bank.

Pada bulan November 2016, Bank melakukan Penawaran Umum Obligasi Berkelanjutan I Bank UOB Indonesia dan Penawaran Umum Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia dengan target total dana yang dihimpun masing-masing sebesar Rp2.000.000.000.000 (nilai penuh) dan Rp1.000.000.000.000 (nilai penuh).

On November 2016, Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering I and Bank UOB Indonesia Subordinate Debt Shelf Offering I with total fund of Rp2,000,000,000,000 (full amount) and Rp1,000,000,000,000 (full amount), respectively.

22. Efek Hutang yang Diterbitkan (lanjutan)

Dalam rangka penawaran umum tersebut, Bank menerbitkan Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016. Obligasi ini ditawarkan sebesar nilai nominal, dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 17 November 2016.

Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp300.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp600.000.000.000 (nilai penuh) dan Obligasi Seri C sebesar Rp100.000,000.000 (nilai penuh) yang dikenakan tingkat bunga tetap per tahun masing-masing sebesar 7,20%, 8,00%, dan 8,25%, yang dibayarkan setiap tiga bulan dan akan jatuh tempo masing-masing pada tanggal 5 Desember 2017, 25 November 2019, dan 25 November 2021.

Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 diterbitkan dikenakan suku bunga tetap sebesar 9,40% per tahun yang dibayarkan setiap tiga bulan dan jangka waktu selama tujuh tahun dan akan jatuh tempo pada tanggal 25 November 2023.

Obligasi Subordinasi tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank.

Bank telah mengajukan surat permohonan kepada Otoritas Jasa Keuangan untuk dapat memperhitungkan Obligasi Subordinasi tersebut sebagai Komponen Modal Pelengkap Level Bawah *(Lower Tier 2).*

Pada tanggal 31 Desember 2016 dan 2015, peringkat Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 menurut Fitch Ratings masing-masing adalah idAAA dan idAA.

Pada tanggal 1 April 2015, Bank menerbitkan Obligasi I Bank UOB Indonesia Tahun 2015 yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C. Obligasi ini ditawarkan sebesar nilai nominal, dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 24 Maret 2015.

22. Debt Securities Issued (continued)

Regarding the public offering, Bank issued Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 and Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016. The bonds were offered at their nominal value, listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 17 November 2016.

Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 totalling to Rp1,000,000,000,000 (full amount) consist of Bonds Series A amounting to IDR300,000,000,000 (full amount), Series B amounting to IDR600,000,000,000 (full amount) and Series C amounting to IDR100,000,000,000 (full amount) which with fix interest rate of 7.20%, 8.00%, and 8.25%, respectively which is repayable every three months and are due on 5 December 2017, 25 November 2019, and 25 November 2021, respectively.

Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 issued bear a fixed interest rate of 9.40% per annum which is payable every three months; with a seven-year term; and are due on 25 November 2023.

Subordinated bonds are not secured by specific collateral, but are secured by all assets of the Bank.

Bank has submitted the letter to Otoritas Jasa Keuangan requesting these Subordinated Bonds to be calculated as part of Lower Supplementary Capital (Lower Tier 2).

As of 31 December 2016 and 2015, the rating of Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 based on Fitch Ratings was idAAA and idAA, respectively.

On 1 April 2015, the Bank issued Bonds I of Bank UOB Indonesia Year 2015 which consist of Bond Series A, Bond Series B, and Bond Series C. The bonds were offered at their nominal value, listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 24 March 2015.

22. Efek Hutang yang Diterbitkan (lanjutan)

Obligasi I Bank UOB Indonesia Tahun 2015 Seri A, Seri B dan Seri C dikenakan suku bunga tetap per tahun masing-masing sebesar 8,60%, 9,40% dan 9,60%, yang dibayarkan setiap tiga bulan dan akan jatuh tempo masing-masing pada tanggal 11 April 2016, 1 April 2018, dan 1 April 2020.

Bank telah melakukan pelunasan pokok atas Obligasi I Bank UOB Indonesia Tahun 2015 Seri A dengan nilai nominal Rp400.000.000.000 (nilai penuh) yang jatuh tempo pada tanggal 11 April 2016.

Pada tanggal 31 Desember 2016 dan 2015, peringkat Obligasi I Bank UOB Indonesia Tahun 2015 menurut Fitch Ratings adalah idAAA.

Pada tanggal 28 Mei 2014, Bank menerbitkan Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014. Obligasi ini ditawarkan sebesar nilai nominal, dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 20 Mei 2014.

Bank memperhitungkan Obligasi Subordinasi I ini sebagai Komponen Modal Pelengkap Level Bawah (*Lower Tier 2*) berdasarkan Surat Persetujuan Otoritas Jasa Keuangan No. S-86/PB.321/2014 pada tanggal 18 Juni 2014.

Obligasi Subordinasi diterbitkan dikenakan suku bunga tetap sebesar 11,35% per tahun yang dibayarkan setiap tiga bulan dan jangka waktu selama tujuh tahun dan akan jatuh tempo pada tanggal 28 Mei 2021.

Obligasi Subordinasi tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank.

Pada tanggal 31 Desember 2016 dan 2015, peringkat Obligasi Subordinasi menurut Fitch Ratings adalah idAA.

Selama jangka waktu obligasi tersebut diatas, tanpa ijin tertulis dari wali amanat, Bank tidak diperkenankan untuk:

1) Mengagunkan sebagian maupun seluruh pendapatan atau harta kekayaan Bank yang ada pada saat ini maupun di masa yang akan datang di luar kegiatan usaha Bank;

2) Mengurangi modal dasar, modal ditempatkan dan modal disetor, kecuali pengurangan tersebut dilakukan berdasarkan permintaan dan/atau perintah dari otoritas berwenang (termasuk tetapi tidak terbatas pada OJK);

22. Debt Securities Issued (continued)

The Bonds of Bank UOB Indonesia Year 2015 Series A, Series B, and Series C issued bear fixed interest rate per annum of 8.60%, 9.40%, and 9.60%, respectively, which is repayable every three months; and are due on 11 April 2016, 1 April 2018, and 1 April 2020, respectively.

Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A with a nominal value Rp400,000,000,000 (full amount) maturing on 11 April 2016.

As of 31 December 2016 and 2015, the rating of the Bonds I Bank UOB Indonesia Year 2015 based on Fitch Ratings was idAAA.

On 28 May 2014, the Bank issued Subordinated Bonds I Bank UOB Indonesia Year 2014. The bonds were offered at their nominal value, listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 20 May 2014.

The Bank calculates these Subordinated Bonds I as part of Lower Supplementary Capital (Lower Tier 2) based on Approval Letter from Otoritas Jasa Keuangan No.S-86/PB.321/2014 dated 18 June 2014.

The Subordinated Bonds issued bear a fixed interest rate of 11.35% per annum which is payable every three months; with a seven-year term; and are due on 28 May 2021.

Subordinated bonds are not secured by specific collateral, but are secured by all assets of the Bank.

As of 31 December 2016 and 2015, the rating of the Subordinated Bonds based on Fitch Ratings was idAA.

During the term of above mentioned bonds, without written permission from trustee, the Bank is not allowed to:

1) Securing part or all of the income or asset of the Bank that exist in the present or in the future, other than for the Bank's business activity;

2) Reduce the authorized capital, issued capital and paid-up capital, unless the reduction is carried out based on the request and/or order of the authorized regulator (including but not limited to OJK);

22. Efek Hutang yang Diterbitkan (lanjutan)

Selama jangka waktu obligasi tersebut diatas, tanpa ijin tertulis dari wali amanat, Bank tidak diperkenankan untuk: (lanjutan)

3) Melakukan penggabungan dan/atau peleburan yang menyebabkan bubarnya Bank atau yang akan mempunyai akibat negatif secara material terhadap kelangsungan usaha Perseroan;
4) Melakukan pinjaman atau mengeluarkan obligasi yang pembayarannya dan hak tagihnya didahulukan dari Obligasi Subordinasi I Tahun 2014 dan Obligasi I Bank UOB Indonesia Tahun 2015.

Informasi mengenai transaksi dengan pihak berelasi dan jatuh tempo terdapat pada Catatan 35 dan 38.

Per 31 Desember 2016 dan 2015, Bank telah mengamortisasi biaya emisi obligasi masing-masing sebesar Rp4.331 dan Rp4.091 yang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain.

Selama 2016 dan 2015, Bank tidak melanggar persyaratan-persyaratan dalam penerbitan efek hutang tersebut.

22. Debt Securities Issued (continued)

During the term of above mentioned bonds, without written permission from trustee, the Bank is not allowed to: (continued)

3) Perform any merger and/or acquisition which causes the liquidation of the Bank or would have a material adverse due to the continuation of the Bank's businesses;
4) Receive any borrowings or issue bonds which have a precedence right to claim from Subordinated Bonds I Year 2014 and Bonds I Bank UOB Indonesia Year 2015.

Information on related parties and maturities are disclosed in Notes 35 and 38.

As of 31 December 2016 and 2015, the Bank has amortized the bonds issuance cost amounting to Rp4,331 and Rp4,091, respectively, which is recorded in the statement of profit or loss and other comprehensive income.

During 2016 and 2015, the Bank did not breach any covenants of the debt securities issued above.

23. Liabilitas Lain-lain

Akun ini terdiri dari:

23. Other Liabilities

This account consists of:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Biaya yang masih harus dibayar	160.199	115.378	*Accrued expenses*
Pendapatan diterima di muka	150.864	172.845	*Unearned income*
Setoran jaminan	44.557	44.881	*Guarantee deposits*
Lain-lain	113.927	78.564	*Others*
Total	**469.547**	**411.668**	***Total***

24. Modal Saham

Susunan pemegang saham Bank dan persentase kepemilikannya pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut (Catatan 1):

24. Share Capital

The Bank's shareholders and percentage of ownership as of 31 December 2016 and 2015 are as follows (Note 1):

	31 Desember 2016 dan 2015/ *31 Desember 2016 and 2015*			
Pemegang Saham	**Jumlah Saham Ditempatkan dan Disetor Penuh/ *Issued and Fully Paid Shares***	**Persentase Pemilikan/ *Percentage of Ownership***	**Total Modal/ *Total Capital***	***Shareholders***
UOB International Investment Private Limited, Singapura	6.586.706.877	68,943 %	1.646.676	*UOB International Investment Private Limited, Singapore*
United Overseas Bank Limited, Singapura	2.871.523.512	30,056 %	717.881	*United Overseas Bank Limited, Singapore*
Sukanta Tanudjaja	95.539.288	1,000 %	23.885	*Sukanta Tanudjaja*
Lain-lain (masing-masing di bawah 1%)	116.127	0,001%	29	*Others (below 1% each)*
Total	**9.553.885.804**	**100,000%**	**2.388.471**	***Total***

24. Modal Saham (lanjutan)

Pengelolaan Modal

Tujuan utama pengelolaan modal Bank adalah untuk memastikan pemeliharaan rasio modal yang sehat untuk mendukung usaha dan memaksimalkan imbalan bagi pemegang saham.

Selain itu, Bank dipersyaratkan oleh Undang-undang Perseroan Terbatas efektif tanggal 16 Agustus 2007 untuk mengkontribusikan sampai dengan 20% dari modal saham ditempatkan dan disetor penuh dalam bentuk dana cadangan yang tidak boleh didistribusikan. Persyaratan permodalan tersebut dipertimbangkan oleh Bank pada Rapat Umum Pemegang Saham (“RUPS”).

Bank mengelola struktur permodalan dan melakukan penyesuaian terhadap perubahan kondisi ekonomi. Untuk memelihara dan menyesuaikan struktur permodalan, Bank dapat menyesuaikan pembayaran dividen kepada pemegang saham, menerbitkan saham baru atau mengusahakan pendanaan melalui pinjaman. Tidak ada perubahan atas tujuan, kebijakan maupun proses pada tanggal 31 Desember 2016 dan 2015.

Kebijakan Bank adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

24. Share Capital (continued)

Capital Management

The primary objective of the Bank’s capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

In addition, the Bank is also required by the Corporate Law effective 16 August 2007 to contribute and maintain a non-distributable reserve fund until the said reserve reaches 20% of the issued and fully paid up share capital. This capital requirements are considered by the Bank at the Annual General Shareholders’ Meeting (“AGM”).

The Bank manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Bank may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes as of 31 December 2016 and 2015.

The Bank’s policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

25. Tambahan Modal Disetor-Agio Saham

Terkait dengan penerapan PSAK No. 38, “Kombinasi Bisnis Entitas Sepengendali”, yang menggantikan PSAK No. 38 (Revisi 2004), “Akuntansi Restrukturisasi Entitas Sepengendali”, per 31 Desember 2016 dan 2015, akun ini terdiri dari:

25. Additional Paid-in Capital

Related to the adoption of PSAK No. 38,“Business Combinations of Entities Under Common Control”, which supersedes PSAK No. 38 (Revised 2004), “Accounting for Restructuring of Entities Under Common Control”, as of 31 December 2016 and 2015, this account consists of:

	31 Desember 2016 dan 2015/ *31 December 2016 and 2015*	
Agio Saham		*Paid-in capital*
Penawaran umum terbatas III tahun 2006	576.625	*Limited Public Offering III year 2006*
Dividen saham	238.276	*Stock dividend*
Biaya emisi efek ekuitas		*Issuance cost*
Penawaran umum terbatas III tahun 2006	(2.306)	*Limited Public Offering III year 2006*
Selisih nilai transaksi restrukturisasi entitas sepengendali	1.289.647	*Difference in the value of restructuring transactions of entities under common control*
Total	**2.102.242**	***Total***

26. Saldo Laba

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 24 Mei 2016 yang berita acaranya diaktakan dengan Akta Ashoya Ratam, S.H. MKn, No. 52 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp4.631 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2015 setelah dikurangi cadangan sebagai laba ditahan.

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 28 April 2015 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 45 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp7.000 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2014 setelah dikurangi cadangan sebagai laba ditahan.

Rapat Umum Pemegang Saham Tahunan juga menyetujui pembagian dividen tunai untuk tahun buku 2014 sebesar Rp135.952 yang telah dibagikan pada tanggal 30 April 2015.

26. Retained Earnings

At the Annual General Shareholders' Meeting held on 24 May 2016, the minutes of which were notarized under Deed No. 52 of Ashoya Ratam, S.H. MKn., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp4,631 to comply with Article 70 of the Corporation Law and Article 20 of the Bank's Articles of Association and registered the entire net profit earned in 2015 after deduction against reserve as retained earnings.

At the Annual General Shareholders' Meeting held on 28 April 2015, the minutes of which were notarized under Deed No. 45 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp7,000 to comply with Article 70 of the Corporation Law and Article 20 of the Bank's Articles of Association and registered the entire net profit earned in 2014 after deduction against reserve as retained earnings.

The Annual General Shareholders' Meeting also agreed to the distribution of total dividends for 2014 fiscal year amounting to Rp135,952 which were paid on 30 April 2015.

27. Pendapatan Bunga

Akun ini diperoleh dari:

27. Interest Income

This account is derived from the following:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Kredit yang diberikan	6.566.049	6.581.647	*Loans*
Investasi keuangan dan penempatan pada Bank Indonesia	753.608	528.154	*Financial investments and placements with Bank Indonesia*
Giro pada Bank Indonesia dan bank lain	52.256	47.930	*Current accounts with Bank Indonesia and other banks*
Penempatan pada bank lain	32.379	35.141	*Placements with other banks*
Total	**7.404.292**	**7.192.872**	***Total***

Provisi dan komisi yang diamortisasi dan diakui sebagai pendapatan untuk tahun yang berakhir Pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp315.784 dan Rp343.772.

Pendapatan bunga yang diperoleh dari pihak-pihak yang berelasi atas kredit yang diberikan untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 0,27% dan 0,38% dari jumlah pendapatan bunga pada masing-masing tahun yang bersangkutan.

Provison and commission which are amortized and recognized as interest income for the year ended 31 December 2016 and 2015 amounted to Rp315,784 and Rp343,772, respectively.

Interest income earned from related parties from loans for the year ended 31 December 2016 and 2015 are 0.27% and 0.38%, respectively, of the total interest income for each year.

28. Beban Bunga

Akun ini merupakan beban bunga yang timbul atas:

28. Interest Expense

This account represents interest expense incurred on the following:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Deposito berjangka	2.916.425	3.326.065	*Time deposits*
Giro	272.566	197.326	*Demand deposits*
Tabungan	264.948	197.449	*Saving deposits*
Efek utang yang diterbitkan	242.367	224.237	*Debt securities issued*
Premi penjaminan Pemerintah (Catatan 34)	124.594	134.918	*Premium on Government guarantee (Note 34)*
Simpanan dari bank lain	41.908	36.222	*Deposits from other banks*
Lain-lain	4.336	180	*Others*
Total	**3.867.144**	**4.116.397**	***Total***

Beban bunga atas transaksi dengan pihak-pihak yang berelasi masing-masing sebesar 2,05% dan 1,73% dari jumlah beban bunga untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

Interest expense on transactions with related parties is 2.05% and 1.73% of the total interest expense for the year ended 31 December 2016 and 2015, respectively.

29. Beban Umum dan Administrasi

Akun ini terdiri dari:

29. General and Administrative Expenses

This account consists of:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Telekomunikasi, listrik dan air	199.856	181.389	*Telecommunication, electricity and water*
Penyusutan aset tetap (Catatan 13)	165.832	132.991	*Depreciation of fixed assets (Note 13)*
Jasa outsourcing	144.317	160.117	*Outsourcing service*
Pemeliharaan dan perbaikan (Catatan 35)	137.186	119.634	*Repairs and maintenance (Note 35)*
Iklan dan promosi	99.547	97.980	*Advertising and promotion*
Sewa	96.573	95.679	*Rental*
Pendidikan dan pelatihan	68.179	56.295	*Education and training*
Pajak lain-lain	59.671	2.496	*Miscellaneous taxes*
Jasa tenaga ahli	56.535	49.780	*Professional fees*
Pungutan OJK	41.961	38.321	*OJK levy*
Barang cetakan dan keperluan kantor	22.384	23.865	*Printed materials and office supplies*
Keamanan	15.650	14.252	*Security*
Asuransi	8.983	8.908	*Insurance*
Lain-lain	23.318	18.930	*Others*
Total	**1.139.992**	**1.000.637**	***Total***

30. Beban Gaji dan Kesejahteraan Karyawan

30. Salaries and Employee Benefits Expenses

Akun ini terdiri dari:

This account consists of:

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Gaji, upah dan tunjangan hari raya	1.138.298	1.021.014	*Salaries, wages and lebaran bonus*
Tunjangan pajak PPh 21	118.241	121.264	*Taxable allowance PPh 21*
Makan, transportasi dan tunjangan lainnya	62.100	58.989	*Meals, transportation and other allowance*
Pengobatan	50.948	56.256	*Medical*
Jaminan Sosial Tenaga Kerja	48.561	39.719	*Obligatory employee insurance (Jamsostek)*
Insentif	45.250	32.015	*Incentive*
Imbalan kerja (Catatan 33)	44.047	40.851	*Employee benefits (Note 33)*
Gratifikasi	33.207	64.087	*Gratification*
Lembur	6.790	8.127	*Overtime*
Lain-lain	25.033	27.903	*Others*
Total	**1.572.475**	**1.470.225**	***Total***

31. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing

31. Spot Foreign Currency Bought and Sold

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (*spot*) per 31 Desember 2016 dan 2015, adalah sebagai berikut:

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2016 and 2015 are as follows:

	31 Desember/*31 December* 2016			
	Mata Uang Asing/ *Foreign Currencies*		**Rupiah**	
Pembelian tunai mata uang asing				*Spot foreign currency bought*
Pihak ketiga	USD	47.422.338	638.875	*Third parties*
	EUR	770.000	10.897	
	GBP	60.000	992	
	AUD	190.000	1.847	
			652.611	
Penjualan tunai mata uang asing				*Spot foreign currency sold*
Pihak ketiga	USD	14.211.909	191.418	*Third parties*
	EUR	402.160	5.699	
	NZD	1.310.000	12.264	
			209.381	

	31 Desember/*31 December* 2015			
	Mata Uang Asing/ *Foreign Currencies*		**Rupiah**	
Pembelian tunai mata uang asing				*Spot foreign currency bought*
Pihak ketiga	USD	10.706.626	147.607	*Third parties*
	EUR	2.920.000	43.989	
	NZD	178.000	1.682	
	AUD	163.356	1.643	
	GBP	70.000	1.434	
			196.355	

31. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing (lanjutan)

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (*spot*) per 31 Desember 2016 dan 2015, adalah sebagai berikut: (lanjutan)

31. Spot Foreign Currency Bought and Sold (continued)

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2016 and 2015 are as follows: (continued)

	31 Desember/*31 December* 2015			
	Mata Uang Asing/ *Foreign Currencies*		Rupiah	
Penjualan tunai mata uang asing				*Spot foreign currency sold*
Pihak ketiga	USD	6.567.979	90.565	*Third parties*
	AUD	466.361	4.694	
	EUR	49.197	741	
			96.000	

32. Komitmen dan Kontinjensi

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi sebagai berikut:

32. Commitments and Contingencies

The Bank's commitments and contingencies are as follows:

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Komitmen			*Commitments*
Tagihan komitmen	193.814	794	*Commitment receivables*
Liabilitas komitmen			*Commitment liabilities*
Fasilitas kredit yang belum digunakan	(24.805.258)	(23.753.579)	*Unused loan facilities granted*
Irrevocable letters of credit yang masih berjalan	(2.163.681)	(1.739.913)	*Outstanding irrevocable letters of credit*
Liabilitas komitmen - neto	**(26.775.125)**	**(25.492.698)**	***Commitment liabilities - net***
Kontinjensi			*Contingencies*
Tagihan kontinjensi			*Contingent receivables*
Pendapatan bunga dalam penyelesaian	642.184	582.246	*Interest on non-performing loans*
Liabilitas kontinjensi			*Contingent liabilities*
Bank garansi	(3.424.738)	(2.168.341)	*Bank guarantees*
Standby letters of credit	(1.042.455)	(436.786)	*Standby letters of credit*
Liabilities kontinjensi - neto	**(3.825.009)**	**(2.022.881)**	***Contingent liabilities - net***
Liabilitas komitmen dan kontinjensi - neto	**(30.600.134)**	**(27.515.579)**	***Commitments and contingent liabilities - net***

33. Liabilitas atas Imbalan Kerja

Bank memiliki program pensiun iuran pasti dan juga mencatat liabilitas estimasi imbalan kerja atas uang pesangon, uang penghargaan masa kerja dan ganti kerugian kepada karyawan untuk menutupi kemungkinan kekurangan, sesuai dengan UU No. 13/2003 dan perjanjian ketenagakerjaan Bank.

Program pensiun iuran pasti Bank dikelola oleh Dana Pensiun Lembaga Keuangan Manulife Indonesia (pihak ketiga).

33. Liability for Employee Benefits

The Bank has defined contribution retirement plan and also recognized estimated liability for termination, gratuity and compensation benefits to cover any deficiency as provided under Law No. 13/2003 and the Bank's labor agreement.

The Bank's defined contribution retirement plan is managed by Dana Pensiun Lembaga Keuangan Manulife Indonesia (a third party).

33. Liabilitas atas Imbalan Kerja (lanjutan)

Iuran pensiun ditetapkan sebesar 16% dari gaji karyawan peserta dana pensiun, dimana 10% ditanggung Bank dan sisanya sebesar 6% ditanggung oleh karyawan. Beban pensiun Bank pada tahun yang berakhir pada 31 Desember 2016 dan 2015 masing-masing berjumlah Rp44.047 dan Rp40.851 (Catatan 30).

Estimasi liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2016 dan 2015 dicatat berdasarkan penilaian aktuaria yang dilakukan oleh PT Sienco Aktuarindo Utama, aktuaris independen, berdasarkan laporannya masing-masing bertanggal 4 Januari 2017 dan 4 Januari 2016, dengan menggunakan metode "*Projected Unit Credit*". Asumsi-asumsi penting yang digunakan dalam penilaian tersebut adalah sebagai berikut:

33. Liability for Employee Benefits (continued)

The contribution is determined at 16% of the employees' salary who joined the pension plan, of which 10% is contributed by the Bank and the remaining 6% is contributed by the employee. The Bank's pension expense for the year ended 31 December 2016 and 2015 amounted to Rp44,047 and Rp40,851, respectively (Note 30).

The estimated liabilities for employee benefits as of 31 December 2016 and 2015 were determined based on the actuarial valuations performed by PT Sienco Aktuarindo Utama, an independent actuary, in its reports dated 4 January 2017 and 4 January 2016, respectively, using the "Projected Unit Credit" method. The principal assumptions used in the valuations are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Tingkat bunga diskonto	8,20%	9,00%	*Discount interest rate*
Tingkat proyeksi kenaikan gaji	6%	6%	*Salary increase projection rate*
Tabel kematian	TMI 2011	TMI 2011	*Mortality table*
Tingkat cacat	1% of mortality rate	1% of mortality rate	*Disability rate*
Usia pensiun (tahun)	55	55	*Retirement age (years old)*

Beban imbalan kerja - neto / *Employee benefits expenses - net*

	Tahun yang Berakhir pada Tanggal 31 Desember/ *Year Ended 31 December*		
	2016	**2015**	
Beban jasa kini	28.354	25.287	*Current service cost*
Beban bunga	15.286	15.274	*Interest cost*
Beban jasa lalu	407	290	*Past service cost*
Beban imbalan kerja - neto (Catatan 30)	**44.047**	**40.851**	***Employee benefits expense - net (Note 30)***

Nilai kini liabilitas imbalan kerja / *Present value of benefit obligations*

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Nilai kini liabilitas imbalan kerja, awal tahun	186.262	207.743	*Present value of benefit obligation, beginning of the year*
Beban jasa kini	28.354	25.287	*Current service cost*
Beban bunga	15.286	15.274	*Interest cost*
Beban jasa lalu	407	290	*Past service cost*
Pembayaran manfaat	(32.843)	(28.812)	*Payments of benefits*
Kerugian (keuntungan) aktuarial	11.698	(33.520)	*Actuarial loss (gain)*
Nilai kini liabilitas imbalan kerja, akhir tahun	**209.164**	**186.262**	***Present value of benefit obligations, end of year***

33. Liabilitas atas Imbalan Kerja (lanjutan)

Jumlah penyesuaian yang timbul pada liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan posisi empat tahun sebelumnya adalah sebagai berikut:

33. Liability for Employee Benefits (continued)

The amounts of experience adjustments arising on the plan liabilities for the year ended 31 December 2016 and previous four years are as follows:

	31 Desember/*31 December*					
	2016	**2015**	**2014**	**2013**	**2012**	
Nilai kini liabilitas	209.164	186.262	207.743	147.184	103.204	*Present value of benefit obligation*
Penyesuaian liabilitas	(4.876)	(97)	39.571	20.272	(5.488)	*Experience adjustment on liability*

Perubahan liabilitas atas imbalan kerja untuk tahun yang berakhir pada 31 Desember 2016 dan 2015 adalah sebagai berikut:

The movements of employee benefits liability for year ended 31 December 2016 and 2015 are as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Saldo awal tahun	186.262	207.743	*Beginning balance*
Beban imbalan kerja tahun berjalan	44.047	40.851	*Employee benefit expense during the year*
Total yang diakui di penghasilan komprehensif lainnya	11.698	(33.520)	*Total amount recognized in other comprehensive income*
Pembayaran manfaat	(32.843)	(28.812)	*Payments of benefits*
Saldo akhir tahun	**209.164**	**186.262**	***Ending balance***

Tabel berikut menunjukan analisa sensitivitas nilai kini liabilitas imbalan kerja dan biaya jasa kini diasumsikan terdapat perubahan atas tingkat diskonto dan tingkat kenaikan upah:

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate and salary increment rate:

Tingkat Diskonto

Discount Rate

31 Desember/*31 December* 2016

Perubahan Persentase/ *Percentage Change*	**Pengaruh terhadap nilai kini liabilitas/ *Impact to present value of employee benefit obligation***	**Perubahan Persentase/ *Percentage Change***	**Pengaruh terhadap biaya jasa kini/ *Impact to current service cost***
+1%	180.183	+1%	24.154
-1%	244.797	-1%	33.637

31 Desember/*31 December* 2015

Perubahan Persentase/ *Percentage Change*	**Pengaruh terhadap nilai kini liabilitas/ *Impact to present value of employee benefit obligation***	**Perubahan Persentase/ *Percentage Change***	**Pengaruh terhadap biaya jasa kini/ *Impact to current service cost***
+1%	161.356	+1%	21.828
-1%	216.453	-1%	29.572

Tingkat Kenaikan Upah

Salary Increment Rate

31 Desember/*31 December* 2016

Perubahan Persentase/ *Percentage Change*	**Pengaruh terhadap nilai kini liabilitas/ *Impact to present value of employee benefit obligation***	**Perubahan Persentase/ *Percentage Change***	**Pengaruh terhadap biaya jasa kini/ *Impact to current service cost***
+1%	247.506	+1%	33.966
-1%	177.568	-1%	23.842

33. Liabilitas atas Imbalan Kerja (lanjutan)

Tabel berikut menunjukan analisa sensitivitas nilai kini liabilitas imbalan kerja dan biaya jasa kini diasumsikan terdapat perubahan atas tingkat diskonto dan tingkat kenaikan upah: (lanjutan)

Tingkat Kenaikan Upah (lanjutan)

33. Liability for Employee Benefits (continued)

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate and salary increment rate: (continued)

Salary Increment Rate (continued)

31 Desember/*31 December* 2015			
Perubahan Persentase/ *Percentage Change*	**Pengaruh terhadap nilai kini liabilitas/ *Impact to present value of employee benefit obligation***	**Perubahan Persentase/ *Percentage Change***	**Pengaruh terhadap biaya jasa kini/ *Impact to current service cost***
+1%	219.109	+1%	29.887
-1%	158.851	-1%	21.537

Jatuh tempo dari liabilitas imbalan kerja pada tanggal 31 Desember 2016 dan 2015 (tidak diaudit) adalah sebagai berikut:

The maturity of the benefits obligation as of 31 December 2016 and 2015 (unaudited) is as follows:

	31 Desember/ *31 December 2016*	**31 Desember/ *31 December 2015***	
Dalam waktu 12 bulan berikutnya	14.285	11.717	*Within the next 12 months*
Antara 1 dan 2 tahun	19.984	15.378	*Between 1 and 2 years*
Antara 2 dan 5 tahun	84.253	85.580	*Between 2 and 5 years*
Antara 5 dan 10 tahun	228.494	227.439	*Between 5 and 10 years*
Di atas 10 tahun	429.934	423.091	*Beyond 10 years*
Total	**776.950**	**763.205**	***Total***

Durasi rata-rata liabilitas imbalan kerja pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah masing-masing 11,38 tahun dan 11,27 tahun.

The average duration of employees' benefits liability as of 31 December 2016 and 2015 are 11.38 years and 11.27 years, respectively.

34. Jaminan Pemerintah terhadap Liabilitas Pembayaran Bank Umum

Sehubungan dengan liabilitas bank umum yang dijamin oleh Program Penjaminan Pemerintah, Pemerintah Republik Indonesia telah mendirikan, sebuah lembaga independen berdasarkan Undang-undang Republik Indonesia No. 24 tahun 2004 tanggal 22 September 2004. Berdasarkan peraturan ini, Lembaga Penjamin Simpanan (LPS) menjamin dana masyarakat termasuk dana dari bank lain dalam bentuk giro, deposito, sertifikat deposito, tabungan dan/atau bentuk lainnya yang dipersamakan dengan itu.

Pada tanggal 13 Oktober 2008, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 66 Tahun 2008 tentang besaran nilai simpanan yang dijamin LPS. Berdasarkan peraturan tersebut, nilai simpanan yang dijamin untuk setiap nasabah pada satu Bank yang semula berdasarkan Undang-undang No. 24 Tahun 2004 ditetapkan maksimum Rp100.000.000 (nilai penuh) diubah menjadi maksimum Rp2.000.000.000 (nilai penuh).

34. The Government Guarantee for The Payment of Obligations of Commercial Banks

In connection with the obligations guaranteed by commercial bank under the Government Guarantee Program, the Indonesian Government has established an independent institution in accordance with the Republic of Indonesia Law No. 24 year 2004 dated 22 September 2004. Under this Law, The Deposit Guarantee Institution (Lembaga Penjamin Simpanan/LPS) guarantees third party deposits, including deposits from other banks, in the form of demand deposits, time deposits, certificates of deposit, saving deposits and/or other equivalent forms.

On 13 October 2008, the President of the Republic of Indonesia approved Government Regulation No. 66 Year 2008 regarding the amount of guarantee on deposits guaranteed by LPS. Based on such Regulation, the guaranteed customers' deposit amount in a Bank which was previously based Law No. 24 Year 2004 amounted to a maximum of Rp100,000,000 (full amount) was amended to a maximum of Rp2,000,000,000 (full amount).

35. Sifat dan Transaksi dengan Pihak Berelasi

35. Nature and Transaction Balances with Related Parties

Pihak berelasi/ ***Related parties***	**Sifat dari hubungan/** ***Nature of relationship***	**Sifat dari transaksi/** ***Nature of transaction***
Dewan komisaris dan Direksi/ *Boards of Commissioners and Directors*	Karyawan kunci dan pengurus/*Key management and Management*	Kredit yang diberikan/*Loans*, Simpanan/*Deposits*
United Overseas Bank Ltd, Singapura/ *United Overseas Bank Ltd, Singapore*	Pemegang saham akhir/*Ultimate shareholder*	Giro pada bank lain/*Current account with other banks*, Penempatan pada bank lain/*Placement with other banks*, tagihan dan liabilitas derivative/*Derivatives receivable and payable*, Simpanan dari bank lain/*Deposits from other Banks*, Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali/ *Liabilities on securities sold under repurchase agreements*, Efek hutang yang diterbitkan/*Debt securities issued*, Biaya yang masih harus dibayar/*Accrued expense*, Biaya *outsourcing*/*Outsourcing Cost*.
United Overseas Bank Ltd, Inggris/ *United Overseas Bank Ltd, Great Britain*	Mempunyai induk yang sama/*Owned by the same shareholder*	Giro pada bank lain/*Current account with other banks*
United Overseas Bank Ltd, Jepang/ *United Overseas Bank Ltd, Japan*	Mempunyai induk yang sama/*Owned by the same shareholder*	Giro pada bank lain/*Current account with other banks*
United Overseas Bank Ltd, Hong Kong/ *United Overseas Bank Ltd, Hong Kong*	Mempunyai induk yang sama/*Owned by the same shareholder*	Giro pada bank lain/*Current account with other banks*
United Overseas Bank Ltd, Australia/ *United Overseas Bank Ltd, Australia*	Mempunyai induk yang sama/*Owned by the same shareholder*	Giro pada bank lain/*Current account with other banks*
United Overseas Bank Ltd, Malaysia/ *United Overseas Bank Ltd, Malaysia*	Mempunyai induk yang sama/*Owned by the same shareholder*	Giro pada bank lain/*Current account with other banks,* Simpanan dari bank lain/*Deposits from other banks*
United Overseas Bank Ltd, Thailand/ *United Overseas Bank Ltd, Thailand*	Mempunyai induk yang sama/*Owned by the same shareholder*	Tagihan derivatif/*Derivatives receivable*
Cabang United Overseas Bank Ltd, Singapura, Bandar Seri Begawan/ *United Overseas Bank Ltd, Singapore Branch Bandar Seri Begawan*	Mempunyai induk yang sama/*Owned by the same shareholder*	Simpanan dari bank lain/*Deposits from other banks*
UOB Kay Hian Pte Ltd/ *UOB Kay Hian Pte Ltd*	Mempunyai induk yang sama/*Owned by the same shareholder*	Efek hutang yang diterbitkan/*Debt securities issued,* Tagihan derivatif/*Derivatives receivable*.
Junipa Pte Ltd/ *Junipa Pte Ltd*	Mempunyai induk yang sama/*Owned by the same shareholder*	Penjualan kredit yang diberikan/*Sale of loans*.
UOB Property Investment Pte Ltd./ *UOB Property Investment Pte Ltd.*	Mempunyai induk yang sama/*Owned by the same shareholder*	Efek hutang yang diterbitkan/*Debt securities issued*.
PT UOB Property/PT *UOB Property*	Mempunyai induk yang sama/*Owned by the same shareholder*	Kredit yang diberikan/*Loans*, Tagihan derivatif/*Derivatives receivable, Management fee*.

35. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Dalam kegiatan usaha normal, Bank melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi.

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut:

35. Nature and Transaction Balances with Related Parties (continued)

In the Bank's normal operations, the Bank has operational and financial transactions with related parties.

The details of transactions with related parties are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Aset			***Assets***
Giro pada bank lain (Catatan 5)			*Current accounts with other banks (Note 5)*
United Overseas Bank Ltd., Singapura	515.426	183.723	*United Overseas Bank Ltd., Singapore*
United Overseas Bank, Jepang	19.055	19.611	*United Overseas Bank Ltd., Japan*
United Overseas Bank, Hong Kong	2.744	1.073	*United Overseas Bank Ltd., Hong Kong*
United Overseas Bank, Australia	555	576	*United Overseas Bank Ltd., Australia*
United Overseas Bank, Malaysia	38	40	*United Overseas Bank Ltd., Malaysia*
United Overseas Bank, Inggris	-	56.398	*United Overseas Bank Ltd., Great Britain*
	537.818	261.421	
Persentase terhadap jumlah aset	0,57%	0,30%	*Percentage to total assets*
Penempatan pada bank lain (Catatan 6)			*Placements with other banks (Note 6)*
Call Money :			*Call Money:*
United Overseas Bank Ltd., Singapura	190.848	169.378	*United Overseas Bank Ltd., Singapore*
Persentase terhadap jumlah aset	0,20%	0,20%	*Percentage to total assets*
Tagihan derivatif			*Derivatives Receivable*
United Overseas Bank Ltd., Singapura	45.102	6.561	*United Overseas Bank Ltd., Singapore*
PT UOB Property	6.007	-	*PT UOB Property*
United Overseas Bank, Thailand	77	-	*United Overseas Bank Ltd., Thailand*
	51.186	6.561	
Persentase terhadap jumlah aset	0,05%	0,01%	*Percentage to total assets*
Kredit yang diberikan (Catatan 10)	369.674	395.578	*Loans (Note 10)*
Persentase terhadap jumlah aset	0,39%	0,46%	*Percentage to total assets*
Liabilitas			***Liabilities***
Simpanan:			*Deposits:*
Giro (Catatan 16)	18.912	3.402	*Demand deposits (Note 16)*
Tabungan (Catatan 17)	62.156	83.713	*Saving deposits (Note 17)*
Deposito berjangka (Catatan 18)	143.589	88.427	*Time deposits (Note 18)*
	224.657	175.542	
Persentase terhadap jumlah liabilitas	0,27%	0,23%	*Percentage to total liabilities*

35. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

35. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Liabilitas (lanjutan)			***Liabilities (continued)***
Simpanan dari bank lain:			*Deposits from other banks*
(Catatan 19)			*(Note 19)*
Call Money			*Call Money*
United Overseas Bank Ltd., Singapura	3.148.523	4.549.050	*United Overseas Bank Ltd., Singapore*
Giro dari bank lain			*Demand deposits from other banks*
United Overseas Bank Ltd., Singapura	13.244	4.635	*United Overseas Bank Ltd., Singapore*
United Overseas Bank Ltd., Singapura, Bandar Seri Begawan	214	154	*United Overseas Bank Ltd., Singapore, Bandar Seri Begawan*
United Overseas Bank Ltd., Malaysia	185	553	*United Overseas Bank Ltd., Malaysia*
	3.162.166	4.554.392	
Persentase terhadap jumlah liabilitas	3,80%	5,96%	*Percentage to total liabilities*
Liabilitas derivatif			*Derivatives payable*
United Overseas Bank Ltd., Singapura	93.827	59.051	*United Overseas Bank Ltd., Singapore*
Persentase terhadap jumlah liabilitas	0,11%	0,08%	*Percentage to total liabilities*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali			*Liabilities on securities sold under repurchase agreements*
United Overseas Bank Ltd., Singapura	339.412	-	*United Overseas Bank Ltd., Singapore*
Persentase terhadap jumlah liabilitas	0,41%	-	*Percentage to total liabilities*
Efek hutang yang diterbitkan			*Debt securities issued*
UOB Property Investment Pte Ltd.	567.000	-	*UOB Property Investment Pte Ltd.*
UOB Kay Hian Pte Ltd	47.000	44.000	*UOB Kay Hian Pte Ltd*
United Overseas Bank Ltd., Singapura	-	567.000	*United Overseas Bank Ltd., Singapore*
	614.000	611.000	
Persentase terhadap jumlah liabilitas	0,73%	0,80%	*Percentage to total liabilities*
Liabilitas lain-lain			*Other liabilities*
Biaya yang masih harus dibayar			*Accrued expenses*
United Overseas Bank Ltd., Singapura	40.382	38.502	*United Overseas Bank Ltd., Singapore*
Persentase terhadap jumlah liabilitas	0,05%	0,05%	*Percentage to total liabilities*
Beban			***Expenses***
Biaya *outsourcing*			*Outsourcing cost*
United Overseas Bank Ltd., Singapura			*United Overseas Bank Ltd., Singapore*
Dikapitalisasi ke aset tetap			*Capitalized to fixed assets*
Peralatan kantor	58.387	58.680	*Office equipment*
Persentase terhadap jumlah aset	0,06%	0,07%	*Percentage to total assets*

35. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

35. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ *31 December 2016*	31 Desember/ *31 December 2015*	
Beban (lanjutan)			***Expenses (continued)***
Dibebankan atas aplikasi			*Charged for software*
Cardlink	12.520	11.807	*Cardlink*
Wallstreet	7.944	6.894	*Wallstreet*
CACS	6.359	5.007	*CACS*
IBranch	3.734	-	*IBranch*
SAP/CARS	3.622	1.801	*SAP/CARS*
RBK	3.512	3.798	*RBK*
Merva	1.982	2.801	*Merva*
CDMS/Loan	1.628	1.806	*CDMS/Loan*
EPM/VBM	1.554	-	*EPM/VBM*
Fitas	348	330	*Fitas*
	43.203	34.244	
Management fee			*Management fee*
PT UOB Property	11.721	10.844	*PT UOB Property*
	54.924	45.088	
Persentase terhadap jumlah beban umum dan administrasi	4,82%	4,51%	*Percentage to general and administrative expenses*

Keterangan:

a. Persentase dari giro pada bank lain, penempatan pada bank lain, tagihan derivatif, dan kredit yang diberikan dihitung terhadap total aset pada masing-masing tanggal laporan posisi keuangan.

b. Persentase dari giro, tabungan, deposito berjangka, simpanan dari bank lain, liabilitas derivatif, liabilitas atas surat berharga yang dijual dengan janji dibeli kembali, efek hutang yang diterbitkan dan biaya yang masih harus dibayar dihitung terhadap total liabilitas pada masing-masing tanggal laporan posisi keuangan.

c. Persentase dari beban pemeliharaan gedung dihitung terhadap total beban umum dan administrasi untuk masing-masing tahun yang bersangkutan. Beban pemeliharaan gedung merupakan beban pemeliharaan atas gedung UOB Plaza - Thamrin Nine yang dibayarkan ke PT UOB Property.

d. Persentase dari beban umum dan administrasi lainnya dihitung terhadap total beban umum dan administrasi untuk masing-masing tahun yang bersangkutan.

Notes:

a. The percentages of current accounts with other banks, placements with other banks, derivatives receivable, and loans are computed based on the total assets at statement of financial position dates.

b. The percentages of demand deposits, saving deposits, time deposits, deposits from other banks, derivatives payable, Liabilities on securities sold under repurchase agreements, debt securities issued and accrued expenses are computed based on the total liabilities at statement of financial position dates.

c. The percentages of building maintenance expenses are computed based on the total general and administrative expenses in each related year. The building maintenance expense represents the maintenance expenses of UOB Plaza - Thamrin Nine which was paid to PT UOB Property.

d. The percentage of other general and administrative expenses is computed based on the total general and administrative expenses for each year.

35. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan: (lanjutan)

e. Persentase dari biaya *outsourcing* yang dikapitalisasi ke aset tetap dihitung terhadap jumlah aset pada masing-masing tanggal laporan posisi keuangan, sedangkan persentase dari biaya *outsourcing* yang dibebankan pada usaha dihitung terhadap jumlah beban operasional lainnya untuk masing-masing tahun yang bersangkutan. Biaya *outsourcing* merupakan biaya yang dibebankan United Overseas Bank Limited (UOB) kepada Bank sehubungan dengan perubahan *Master Outsourcing Agreement* tertanggal 1 April 2008. UOB akan memberikan jasa peningkatan sistem dan teknologi informasi sehubungan dengan kartu kredit, tresuri dan aplikasi sistem umum di Bank.

   Sebagai imbalan atas jasa ini, Bank wajib membayar *one time cost* atas beban aktual dan *recurring cost* atas beban pemeliharaan serta biaya peningkatan sistem dan aplikasi teknologi informasi (*enhancement cost*) seperti yang diungkapkan dalam perjanjian tersebut.

   Perjanjian ini berlaku untuk satu tahun sejak tanggal efektif perjanjian dan akan secara otomatis diperbaharui untuk satu tahun berikutnya, kecuali jika salah satu pihak memberikan pemberitahuan tertulis untuk tidak memperbaharui perjanjian tersebut dalam waktu enam bulan sebelum berakhirnya perjanjian. Transaksi ini telah mendapat persetujuan dari pemegang saham independen Bank pada tanggal 20 Juni 2008.

f. Pendapatan dan beban bunga dari/kepada pihak-pihak berelasi, yang dihasilkan/menjadi beban Bank berjumlah kurang dari 10% dari jumlah pendapatan dan beban bunga Bank untuk masing-masing tahun yang bersangkutan.

35. Nature and Transaction Balances with Related Parties (continued)

Notes: (continued)

e. The percentage of outsourcing costs capitalized to fixed assets is computed based on total assets at statements of financial position, while the percentage of outsourcing costs charged to operations is computed based on the total other operational expenses for each related year. Outsourcing costs represent costs charged by United Overseas Bank Limited (UOB) to the Bank in connection with the amended Master Outsourcing Agreement dated 1 April 2008. UOB renders system enhancement and information technology related services on credit card, treasury and common systems applications in the Bank.

   As compensation to the services, the Bank is obliged to pay one time cost and recurring costs such as development and enhancement costs on the application stated in the agreement.

   This agreement shall remain in force for a period of one year commencing from the effective date of the agreement and shall be automatically renewed for another one year unless either party shall gives the other party a written notice of intention not to renew the agreement at least six months prior to expiry date. These transactions have been approved by the Bank's independent shareholders on 20 June 2008.

f. Interest incomes and expenses from/to related parties, which are received/incurred by the Bank is less than 10% of the Bank's total interest incomes and expenses, respectively, for each related year.

36. Posisi Devisa Neto

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

36. Net Open Position

The Net Open Positions (NOP) as of 31 December 2016 and 2015 are as follows:

31 Desember/*31 December* 2016

	Mata Uang Asing (dalam jumlah penuh)/ *Foreign Currencies (in full amount)*		Ekuivalen Rupiah/ *Rupiah Equivalent*			
	Aset/ *Assets*	**Liabilitas/ *Liabilities***	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto/ *Net Open Position***	
Keseluruhan (laporan posisi keuangan dan rekening administratif)						*Aggregate (statement of financial position and and administrative accounts)*
Dolar Amerika Serikat	3.732.708.171	3.727.904.104	50.288.911	50.224.188	64.723	*United States Dollar*
Dolar Singapura	622.758.976	623.209.848	5.799.089	5.803.286	4.197	*Singapore Dollar*
Dolar Australia	45.913.132	46.050.612	446.419	447.755	1.336	*Australian Dollar*
Euro Eropa	32.103.227	32.192.152	455.089	456.348	1.259	*European Euro*
Yen Jepang	3.194.867.598	3.211.214.216	367.617	369.498	1.881	*Japanese Yen*
Franc Swiss	2.572.427	2.609.336	33.979	34.467	488	*Swiss Franc*
Swedish Kroner	992.113	967.092	1.471	1.434	37	*Swedish Kroner*
Dolar Kanada	2.003.490	2.024.897	20.007	20.221	214	*Canadian Dollar*
Dolar Selandia Baru	4.431.097	4.490.363	41.487	42.042	555	*New Zealand Dollar*
Ringgit Malaysia	12.364		37	-	37	*Malaysian Ringgit*
Dolar Hong Kong	2.819.012	2.599.623	4.898	4.516	382	*Hong Kong Dollar*
Pound Sterling Inggris	7.653.100	7.684.429	126.698	127.216	518	*Great Britain Pound Sterling*
Yuan Cina	1.526.736	568.959	2.961	1.103	1.858	*Chinese Yuan*
Total	**7.650.361.443**	**7.661.515.631**	**57.588.663**	**57.532.074**	**77.485**	***Total***
Total Modal Desember 2016					**12.439.951**	***Total Capital December 2016***
Rasio PDN atas modal Desember 2016 (Keseluruhan)					0,62%	*Percentage of NOP to December 2016 capital (Aggregate)*

31 Desember/*31 December* 2015

	Mata Uang Asing (dalam jumlah penuh)/ *Foreign Currencies (in full amount)*		Ekuivalen Rupiah/ *Rupiah Equivalent*			
	Aset/ *Assets*	**Liabilitas/ *Liabilities***	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto/ *Net Open Position***	
Keseluruhan (laporan posisi keuangan dan rekening administratif)						*Aggregate (statement of financial position and and administrative accounts)*
Dolar Amerika Serikat	2.402.591.005	2.406.303.373	33.119.717	33.170.892	51.175	*United States Dollar*
Dolar Singapura	326.397.577	326.634.283	3.185.296	3.187.606	2.310	*Singapore Dollar*
Dolar Australia	33.833.512	33.952.020	341.168	342.363	1.195	*Australian Dollar*
Euro Eropa	36.368.334	35.327.001	547.586	531.907	15.679	*European Euro*
Yen Jepang	1.989.608.348	2.008.356.984	227.840	229.987	2.147	*Japanese Yen*
Franc Swiss	389.387	383.424	5.420	5.337	83	*Swiss Franc*
Swedish Kroner	4.611.513	4.623.090	7.568	7.587	19	*Swedish Kroner*
Dolar Kanada	1.893.614	1.893.312	18.793	18.790	3	*Canadian Dollar*
Dolar Selandia Baru	3.087.944	3.081.380	29.165	29.103	62	*New Zealand Dollar*
Ringgit Malaysia	12.458	-	40	-	40	*Malaysian Ringgit*
Dolar Hong Kong	2.557.486	2.395.570	4.549	4.261	288	*Hong Kong Dollar*
Pound Sterling Inggris	11.535.387	11.580.007	235.772	236.684	912	*Great Britain Pound Sterling*
Yuan Cina	361.308	379.679	767	806	39	*Chinese Yuan*
Total			**37.723.681**	**37.765.323**	**73.952**	***Total***
Total Modal Desember 2015					**11.815.778**	***Total Capital December 2015***
Rasio PDN atas modal Desember 2015 (Keseluruhan)					0,63%	*Percentage of NOP to December 2015 capital (Aggregate)*

36. Posisi Devisa Neto (lanjutan)

Berdasarkan peraturan BI mengenai PDN sebagaimana telah direvisi melalui Peraturan BI No. 6/20/PBI/2004 pada tanggal 15 Juli 2004, yang terakhir diperbaharui dengan Peraturan BI No. 17/5/PBI/2015 tanggal 29 Mei 2015, PDN bank setinggi-tingginya adalah 20% dari modal. PDN merupakan jumlah absolut dari selisih antara aset dan liabilitas dalam mata uang asing, baik yang terdapat di laporan posisi keuangan maupun rekening administratif. PDN Bank pada tanggal 31 Desember 2016 dan 2015 telah memenuhi ketentuan BI.

36. Net Open Position (continued)

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on 15 July 2004 and as further amended by BI Regulation No. 17/5/PBI/2015 dated 29 May 2015, the maximum NOP of banks should be 20% of capital. NOP represents an absolute amount arising from the differences between the assets and liabilities in foreign currencies in the statements of financial position and administrative accounts. The NOP of the Bank as of 31 December 2016 and 2015 is in compliance with BI regulations.

37. Informasi Penting

Rasio Kewajiban Penyediaan Modal Minimum

Pada tanggal 31 Desember 2016 rasio Kewajiban Penyediaan Modal Minimum (KPMM) Bank dihitung berdasarkan POJK No.34/POJK.03/2016 tanggal 22 September 2016 dan 2015 disusun berdasarkan PBI No.14/18/PBI/2012 tanggal 28 November 2012 dan No.15/12/PBI/2013 tanggal 12 Desember 2013 dengan perhitungan sebagai berikut:

37. Significant Information

Capital Adequacy Ratio

As of 31 December 2016 and 2015, the Bank's Capital Adequacy Ratio (CAR) is computed in accordance with POJK No.34/POJK.03/2016 dated 22 September 2016 and 2015 is computed in accordance BI Regulation No.14/18/PBI/2012 dated 28 November 2012 and BI regulation No.15/12/PBI/2013 dated 12 December 2013, as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Modal inti	10.823.052	10.152.969	*Core capital*
Modal pelengkap	1.616.899	1.662.809	*Supplementary capital*
Total modal	12.439.951	11.815.778	*Total capital*
Aset Tertimbang Menurut Resiko Kredit	68.229.273	65.545.033	*Credit Risk Weighted Assets*
Aset Tertimbang Menurut Resiko Pasar	610.188	915.975	*Market Risk Weighted Assets*
Aset Tertimbang Menurut Resiko Operasional	6.848.213	6.470.348	*Operational Risk Weighted Assets*
Rasio CET1	14,30%	13,92%	*CET1 Ratio*
Rasio Tier1	14,30%	13,92%	*Tier1 Ratio*
Rasio Tier2	2,14%	2,28%	*Tier2 Ratio*
Rasio Total	16,44%	16,20%	*Total Ratio*
Rasio KPMM yang diwajibkan sesuai dengan profil risiko	9,00%	9,00%	*Required Capital Adequacy Ratio Capital Adequacy Ratio for Credit Risk*

37. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Bank wajib menyediakan modal minimum sesuai dengan profil resiko, sebagai berikut:

a. 8% dari ATMR untuk Bank dengan profil resiko peringkat 1
b. 9% s.d kurang dari 10% dari ATMR untuk Bank dengan profil resiko peringkat 2
c. 10% s.d kurang dari 11% dari ATMR untuk Bank dengan prodil resiko peringkat 3
d. 11% s.d 14% dari ATMR untuk Bank dengan profil resiko peringkat 4 atau peringkat 5

Berdasarkan POJK No.34/POJK.03/2016 tanggal 22 September 2016 tentang Kewajiban Penyediaan Modal Minimum, Bank wajib membentuk tambahan modal sebagai penyangga (*buffer*), sebagai berikut:

a. *Capital Conversation Buffer* adalah tambahan modal yang berfungsi sebagai penyangga (*buffer*) apabila terjadi kerugian pada periode krisis;
b. *Countercyclical Buffer* adalah tambahan modal yang berfungsi untuk mengantisipasi kerugian apabila terjadi pertumbuhan kredit perbankan yang berlebihan sehingga berpotensi mengganggu stabilitas sistem keuangan;
c. *Capital Surcharge* untuk *Domestic Systemically Important Bank* (D-SIB) adalah tambahan modal yang berfungsi untuk mengurangi dampak negatif terhadap stabilitas sistem keuangan dan perekonomian apabila terjadi kegagalan Bank yang berdampak sistemik melalui peningkatan kemampuan Bank dalam menyerap kerugian.

Tambahan modal sebagai penyangga (*buffer*) yang wajib dibentuk oleh Bank adalah:

a. *Capital Conversation Buffer* sebesar 2,5% dari ATMR untuk Bank yang tergolong dalam Bank Umum Kegiatan Usaha BUKU 3 dan BUKU 4 yang pemenuhannya secara bertahap:
   - 0,625% dari ATMR mulai 1 Januari 2016
   - 1,25% dari ATMR mulai 1 Januari 2017
   - 1,875% dari ATMR mulai 1 Januari 2018
   - 2,5% dari ATMR mulai 1 Januari 2019
b. *Countercyclical Buffer* sebesar 0% (nol persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR bagi seluruh Bank.
c. *Capital Surcharge* untuk D-SIB sebesar 1% (satu persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR Bank yang berdampak sistemik.

Pemenuhan modal sebagai penyangga (*buffer*) harus dipenuhi dengan menggunakan komponen modal inti Utama (*Common Equity Tier 1*).

37. Significant Information (continued)

Capital Adequacy Ratio (continued)

Bank provides the minimum capital required according to the risk profile, as follows:

a. 8% of the RWA for bank with a rating of 1 profile
b. 9% until less than 10% of the RWA for bank witk a risk profile rating 2
c. 10% until less than 11% of the RWA for bank with a risk profile rating 3
d. 11% until less than 14% for bank with a risk profile ratings of 4 and 5

Based on POJK No.34/POJK.03/2016 dated 22 September 2016 concerning Capital Adequacy Ratio, the Bank is required to establish additional capital as a buffer, as follows:

a. Capital Conversation Buffer is additional capital which serves as a buffer in the event of a loss in the period of crisis;

b. Countercyclical Buffer is additional capital which serves to anticipated losses in the event of excessive credit growth and thus potentially disrupt the stability of the financial system;

c. Capital Surcharge for Domestic Systemically Important Banks (D-SIB) is additional capital which serves to reduce the negative impact on the stability of the financial system and economy in the event of Bank failure is a systemic effect through an increase in the Bank's ability to absorb losses.

Additional capital as a buffer which shall be established by the Bank are:

a. Capital Conversation Buffer amounted to 2.5% of RWA to the Bank classified to BUKU 3 and BUKU 4 whose fulfillment gradually:
   - *0.625% from RWA since 1 January 2016*
   - *1.25% from RWA since 1 January 2017*
   - *1.875% from RWA since 1 January 2018*
   - *2.5% from RWA since 1 January 2019*
b. Countercyclical Buffer in the amount of 0% (zero percent) up to 2.5% (two coma five percent) from RWA for the whole Bank.
c. Capital Surcharge for D-SIB in the amount of 1% (one percent) to 2.5% (two coma five percent) from RWA of Banks with systemic impact.

Fulfillment of capital as a buffer should be met by using components of Common Equity Tier 1.

37. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Berdasarkan PBI No. 17/22/PBI/2015 tanggal 23 Desember 2015 tentang Kewajiban Pembentukan *Countercyclical Buffer* (CCB) ditetapkan bahwa besaran CCB yang ditetapkan oleh Bank Indonesia untuk pertama kali, yaitu mulai 1 Januari 2016 adalah sebesar 0% dan berlaku untuk seluruh bank, baik bank umum konvensional dan bank umum syariah, termasuk kantor cabang dari bank yang berkedudukan di luar negeri.

Evaluasi terhadap besaran CCB akan dilakukan secara berkala, yaitu paling kurang 1 kali dalam 6 bulan. Dalam hal berdasarkan hasil evaluasi ditetapkan bahwa besaran CCB tidak berubah maka Bank Indonesia akan mengeluarkan pengumuman di website Bank Indonesia dan apabila ditetapkan ada perubahan, maka Bank Indonesia akan menerbitkan Surat Edaran mengenai perubahan tersebut.

Berdasarkan POJK No. 46/POJK.03/2015 tanggal 23 Desember 2015 tentang Penetapan *Systemically Important Bank* dan *Capital Surcharge*, ditetapkan bahwa Otoritas Jasa Keuangan berkoordinasi dengan Bank Indonesia akan menetapkan SIB dan *Capital Surcharge* untuk SIB. Bank yang ditetapkan sebagai SIB wajib membentuk *Capital Surcharge* untuk SIB.

Penetapan SIB dan *Capital Surcharge* untuk SIB dilakukan secara semesteran setiap tahun pada:

a. Bulan Maret dengan menggunakan data pada bulan Desember tahun sebelumnya; dan
b. Bulan September dengan menggunakan data posisi bulan Juni tahun sebelumnya.

Otoritas Jasa Keuangan menetapkan *Capital Surcharge* untuk SIB dalam 5 kelompok *bucket*:

a. 1% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 1;
b. 1,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 2;
c. 2% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 3;
d. 2,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 4;
e. 3,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 5.

37. Significant Information (continued)

Capital Adequacy Ratio (continued)

Based on PBI No. 17/22/PBI/2015 dated 23 December 2015 concerning the Establishment of Countercyclical Buffer Obligation stipulated that the amount of CCB set by Bank Indonesia for the first time, starting 1 January 2016 amounted to 0% and apply to all banks, both conventional commercial bank and islamic banks, including branches of banks domiciled abroad.

The evaluation of the amount of CCB would be done regularly, ie at least 1 time within 6 months. In the case based on the evaluation determined that the magnitude of the CCB does not change then Bank Indonesia will issue an announcement on the website of Bank Indonesia and, if specified changes, then Bank Indonesia will issue a Circular Letter regarding the change.

According to POJK No. 46/POJK.03/2015 dated 23 December 2015 concerning the Stipulation of Systemically Important Banks and Capital Surcharge, established that the Financial Services Authority in coordination with Bank Indonesia will set SIB and Capital Surcharge for SIB. Banks are defined as SIB is required to establish Capital Surcharge for SIB.

Determination of SIB and Capital Surcharge for SIB conducted biannually on:

a. March using data in December of the previous year; and
b. September using data in June of the previous year.

Financial Services Authority establish Capital Surcharge for SIB in 5 groups of bucket:

a. 1% from RWA for SIB, which classified as bucket 1;
b. 1.5% from RWA for SIB, which classified as bucket 2;
c. 2% from RWA for SIB, which classified as bucket 3;
d. 2.5% from RWA for SIB, which classified as bucket 4;
e. 3.5% from RWA for SIB, which classified as bucket 5.

37. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Untuk pertama kali, OJK akan menetapkan SIB dalam 4 kelompok dimana pemenuhannya dilakukan secara bertahap:

1. SIB bagi kelompok (*bucket*) 1 sebesar:
   a. 0,25% dari ATMR sejak tanggal 1 Januari 2016;
   b. 0,5% dari ATMR sejak tanggal 1 Januari 2017;
   c. 0,75% dari ATMR sejak tanggal 1 Januari 2018;
   d. 1% dari ATMR sejak tanggal 1 Januari 2019.
2. SIB bagi kelompok (*bucket*) 2 sebesar:
   a. 0,375% dari ATMR sejak tanggal 1 Januari 2016;
   b. 0,75% dari ATMR sejak tanggal 1 Januari 2017;
   c. 1,125% dari ATMR sejak tanggal 1 Januari 2018;
   d. 1,5% dari ATMR sejak tanggal 1 Januari 2019.
3. SIB bagi kelompok (*bucket*) 3 sebesar:
   a. 0,5% dari ATMR sejak tanggal 1 Januari 2016;
   b. 1% dari ATMR sejak tanggal 1 Januari 2017;
   c. 1,5% dari ATMR sejak tanggal 1 Januari 2018;
   d. 2% dari ATMR sejak tanggal 1 Januari 2019.
4. SIB bagi kelompok (*bucket*) 4 sebesar:
   a. 0,625% dari ATMR sejak tanggal 1 Januari 2016;
   b. 1,25% dari ATMR sejak tanggal 1 Januari 2017;
   c. 1,875% dari ATMR sejak tanggal 1 Januari 2018;
   d. 2,5% dari ATMR sejak tanggal 1 Januari 2019.

37. Significant Information (continued)

Capital Adequacy Ratio (continued)

For the first time, the FSA will set the SIB into 4 groups where fulfillment is done gradually:

1. SIB for bucket 1 amounted to:
   a. 0.25% from RWA since 1 January 2016;
   b. 0.5% from RWA since 1 January 2017;
   c. 0.75% from RWA since 1 January 2018;
   d. 1% from RWA since 1 January 2019.
2. SIB for bucket 2 amounted to:
   a. 0.375% from RWA since 1 January 2016;
   b. 0.75% from RWA since 1 January 2017;
   c. 1.125% from RWA since 1 January 2018;
   d. 1.5% from RWA since 1 January 2019.
3. SIB for bucket 3 amounted to:
   a. 0.5% from RWA since 1 January 2016;
   b. 1% from RWA since 1 January 2017;
   c. 1.5% from RWA since 1 January 2018;
   d. 2% from RWA since 1 January 2019.
4. SIB for bucket 4 amounted to:
   a. 0.625% from RWA since 1 January 2016;
   b. 1.25% from RWA since 1 January 2017;
   c. 1.875% from RWA since 1 January 2018;
   d. 2.5% from RWA since 1 January 2019.

38. Jatuh Tempo Aset dan Liabilitas Bank

Aset dan liabilitas Bank pada tanggal 31 Desember 2016 dan 2015 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut:

38. Remaining Maturity Periods of Bank's Assets and Liabilities

As of 31 December 2016 and 2015, the Bank's assets and liabilities based on the remaining period of maturities are as follows:

	31 Desember/*31 December* 2016							
Keterangan	**Tanpa Jangka Waktu/ *No Contractual Maturity***	**Sampai dengan 1 Bulan/ *up to 1 Month***	**Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months***	**Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months***	**Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years***	**Lebih dari 5 Tahun/ *More than 5 Years***	**Total**	***Description***
Aset								***Assets***
Kas	535.517	-	-	-	-	-	535.517	*Cash*
Giro pada Bank Indonesia	5.724.310	-	-	-	-	-	5.724.310	*Current accounts with Bank Indonesia*
Giro pada bank lain	1.098.294	-	-	-	-	-	1.098.294	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	2.984.342	336.812	-	-	-	3.321.154	*Placements with Bank Indonesia and other banks*
Efek-efek yang diperdagangkan	-	349.889	198.422	291.658	15.421	89.714	945.104	*Trading securities*
Investasi keuangan - neto	-	1.532.564	2.526.063	3.778.181	2.722.599	1.413.364	11.972.771	*Financial investments - net*
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	-	1.902.219	-	-	-	-	1.902.219	*Receivables on securities purchased with agreements to resell*
Tagihan derivatif	-	12.456	6.613	45.910	137.133	-	202.112	*Derivatives receivable*
Kredit yang diberikan - neto	-	4.126.957	8.340.564	22.919.455	16.457.269	12.854.753	64.698.998	*Loans - net*
Tagihan akseptasi - neto	-	341.743	876.241	496.397	34.556	-	1.748.937	*Acceptances receivable - net*
Aset pajak tangguhan - neto	35.906	-	-	-	-	-	35.906	*Deferred tax assets - net*
Aset tetap	1.093.316	-	-	-	-	-	1.093.316	*Fixed assets*
Aset lain-lain - neto	478.106	326.144	-	10.960	-	-	815.210	*Other assets - net*
Total Aset	**8.965.449**	**11.576.314**	**12.284.715**	**27.542.561**	**19.366.978**	**14.357.831**	**94.093.848**	***Total Assets***

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PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2016 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2016 and
for the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

38. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2016 dan 2015 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

38. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2016 and 2015, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

31 Desember/*31 December* 2016

Keterangan	Tanpa Jangka Waktu/ *No Contractual Maturity*	Sampai dengan 1 Bulan/ *up to 1 Month*	Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months*	Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months*	Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years*	Lebih dari 5 Tahun/ *More than 5 Years*	Total	*Description*
Liabilitas								***Liabilities***
Liabilitas segera	-	101.348	-	-	-	-	101.348	*Current liabilities*
Simpanan	25.400.081	24.965.594	16.384.560	6.104.162	129.780	20.724	73.004.901	*Deposits*
Simpanan dari bank lain	62.448	1.307.836	1.960.554	310.826	-	-	3.641.664	*Deposits from other banks*
Bunga yang masih harus dibayar	-	211.247	-	-	-	-	211.247	*Interest payable*
Utang pajak	-	145.351	-	-	-	-	145.351	*Tax payable*
Liabilitas derivatif	-	24.544	6.186	41.389	113.655	8.554	194.328	*Derivatives payable*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	-	339.412	-	-	-	-	339.412	*Liabilities on securities sold under repurchase agreements*
Liabilitas atas Imbalan kerja	-	-	-	13.141	70.387	125.636	209.164	*Liabilities for employee benefit*
Liabilitas akseptasi	-	346.031	887.003	502.692	34.962	-	1.770.688	*Acceptance liabilities*
Liabilitas lain-lain	246.530	178.459	-	44.558	-	-	469.547	*Other liabilities*
Efek hutang yang diterbitkan	-	-	-	298.677	2.788.196	98.255	3.185.128	*Debt securities issued*
Total Liabilitas	**25.709.059**	**27.619.822**	**19.238.303**	**7.315.445**	**3.136.980**	**253.169**	**83.272.778**	***Total Liabilities***
Neto	**(16.743.610)**	**(16.043.508)**	**(6.953.588)**	**20.227.116**	**16.229.998**	**14.104.662**	**10.821.070**	***Net***

38. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2016 dan 2015 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

38. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2016 and 2015, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

31 Desember/*31 December* 2015

Keterangan	Tanpa Jangka Waktu/ *No Contractual Maturity*	Sampai dengan 1 Bulan/ *up to 1 Month*	Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months*	Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months*	Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years*	Lebih dari 5 Tahun/ *More than 5 Years*	Total	*Description*
Aset								***Assets***
Kas	516.244	-	-	-	-	-	516.244	*Cash*
Giro pada Bank Indonesia	5.454.283	-	-	-	-	-	5.454.283	*Current accounts with Bank Indonesia*
Giro pada bank lain	703.809	-	-	-	-	-	703.809	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	2.555.655	300.000	-	-	-	2.855.655	*Placements with Bank Indonesia and other banks*
Efek-efek yang diperdagangkan	-	34.884	420.710	637.492	401.734	61.678	1.556.498	*Trading securities*
Investasi keuangan - neto	-	980.184	1.258.540	5.448.761	1.410.903	1.280.828	10.379.216	*Financial investments - net*
Tagihan derivatif	-	21.709	10.551	16.874	92.593	-	141.727	*Derivatives receivable*
Kredit yang diberikan - neto	-	2.916.623	9.346.409	21.145.951	14.285.028	12.879.512	60.573.523	*Loans - net*
Tagihan akseptasi - neto	-	703.913	1.332.976	562.363	13.860	-	2.613.112	*Acceptances receivable - net*
Aset tetap	1.135.316	-	-	-	-	-	1.135.316	*Fixed assets*
Aset lain-lain - neto	427.083	276.016	-	14.843	-	-	717.942	*Other assets - net*
Total Aset	**8.236.735**	**7.488.984**	**12.669.186**	**27.826.284**	**16.204.118**	**14.222.018**	**86.647.325**	***Total Assets***

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2016 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2016 and
for the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

38. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2016 dan 2015 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

38. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2016 and 2015, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

31 Desember/*31 December* 2015

Keterangan	Tanpa Jangka Waktu/ *No Contractual Maturity*	Sampai dengan 1 Bulan/ *up to 1 Month*	Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months*	Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months*	Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years*	Lebih dari 5 Tahun/ *More than 5 Years*	Total	*Description*
Liabilitas								***Liabilities***
Liabilitas segera	-	61.920	-	-	-	-	61.920	*Current liabilities*
Simpanan	19.107.570	23.835.312	15.561.130	5.768.398	138.022	46.861	64.457.293	*Deposits*
Simpanan dari bank lain	138.585	3.349.319	2.013.616	5.000	-	-	5.506.520	*Deposits from other banks*
Bunga yang masih harus dibayar	-	243.086	-	-	-	-	243.086	*Interest payable*
Utang pajak	-	211.401	-	-	-	-	211.401	*Tax payable*
Liabilitas derivatif	-	7.335	6.059	15.361	85.615	28.848	143.218	*Derivatives payable*
Liabilitas pajak tangguhan - neto	26.219	-	-	-	-	-	26.219	*Deferred tax liabilities - net*
Liabilitas atas Imbalan kerja	-	-	-	10.850	63.706	111.706	186.262	*Liabilities for employee benefit*
Liabilitas akseptasi	-	722.879	1.341.509	565.236	13.949	-	2.643.573	*Acceptance liabilities*
Liabilitas lain-lain	250.951	115.836	-	44.881	-	-	411.668	*Other liabilities*
Efek hutang yang diterbitkan	-	-	-	399.074	1.094.306	994.493	2.487.873	*Debt securities issued*
Total Liabilitas	**19.523.325**	**28.547.088**	**18.922.314**	**6.808.800**	**1.395.598**	**1.181.908**	**76.379.033**	***Total Liabilities***
Neto	**(11.286.590)**	**(21.058.104)**	**(6.253.128)**	**21.017.484**	**14.808.520**	**13.040.110**	**10.268.292**	***Net***

38. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan Bank berdasarkan pada arus kas yang tidak didiskonto:

38. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

The table below shows the remaining contractual maturities of financial Bank's liabilities based on undiscounted cash flow:

31 Desember/*31 December* 2016

Keterangan	Tanpa Jangka Waktu/ *No Contractual Maturity*	Sampai dengan 1 Bulan/ *up to 1 Month*	Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months*	Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months*	Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years*	Lebih dari 5 Tahun/ *More than 5 Years*	Total	*Description*
Liabilitas segera	-	101.348	-	-	-	-	101.348	*Current liabilities*
Simpanan	25.400.081	25.148.318	16.252.573	6.162.793	163.612	34.770	73.162.147	*Deposits*
Simpanan dari bank lain	62.448	1.309.729	1.965.581	313.067	-	-	3.650.825	*Deposits from other banks*
Bunga yang masih harus dibayar	-	211.247	-	-	-	-	211.247	*Interest payable*
Liabilitas derivatif	-	24.544	6.186	41.389	113.655	8.554	194.328	*Derivatives payable*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	-	339.876	-	-	-	-	339.876	*Liabilities on securities sold under repurchase agreements*
Liabilitas akseptasi	-	346.031	887.003	502.692	34.962	-	1.770.688	*Acceptance liabilities*
Liabilitas lain-lain	246.530	178.459	-	44.558	-	-	469.547	*Other liabilities*
Efek hutang yang diterbitkan	-	25.429	50.858	527.603	3.462.319	118.800	4.185.009	*Debt securities issued*
Total Liabilitas	**25.709.059**	**27.684.981**	**19.162.201**	**7.592.102**	**3.774.548**	**162.124**	**84.085.015**	***Total Liabilities***

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2016 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2016 and
for the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

38. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan Bank berdasarkan pada arus kas yang tidak didiskonto: (lanjutan)

38. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

The table below shows the remaining contractual maturities of financial Bank's liabilities based on undiscounted cash flow: (continued)

	31 Desember/*31 December* 2015							
Keterangan	**Tanpa Jangka Waktu/ *No Contractual Maturity***	**Sampai dengan 1 Bulan/ *up to 1 Month***	**Lebih dari 1 Bulan sampai dengan 3 Bulan/ *More than 1 Month up to 3 Months***	**Lebih dari 3 Bulan sampai dengan 12 Bulan/ *More than 3 Months up to 12 Months***	**Lebih dari 1 Tahun sampai dengan 5 Tahun/ *More than 1 Year up to 5 Years***	**Lebih dari 5 Tahun/ *More than 5 Years***	**Total**	***Description***
Liabilitas								***Liabilities***
Liabilitas segera	-	61.920	-	-	-	-	61.920	*Current liabilities*
Simpanan	19.107.570	24.119.282	15.797.218	5.866.837	150.770	49.421	65.091.098	*Deposits*
Simpanan dari bank lain	138.585	3.350.708	2.015.423	5.000	-	-	5.509.716	*Deposits from other banks*
Bunga yang masih harus dibayar	-	243.086	-	-	-	-	243.086	*Interest payable*
Liabilitas derivatif	-	7.335	6.059	15.361	85.615	28.848	143.218	*Derivatives payable*
Liabilitas akseptasi	-	722.879	1.341.509	565.236	13.949	-	2.643.573	*Acceptance liabilities*
Liabilitas lain-lain	-	115.836	-	44.881	-	-	160.717	*Other liabilities*
Efek hutang yang diterbitkan	-	36.888	28.375	578.587	1.837.225	1.056.750	3.537.825	*Debt securities issued*
Total Liabilitas	**19.246.155**	**28.657.934**	**19.188.584**	**7.075.902**	**2.087.559**	**1.135.019**	**77.391.153**	***Total Liabilities***

39. Kebijakan Manajemen Risiko

Pelaksanaan fungsi manajemen risiko meliputi hal-hal terkait dengan upaya identifikasi, penilaian, pengukuran, evaluasi, pemantauan dan pengendalian risiko termasuk pengembangan teknologi dan sistem informasi manajemen di setiap jenis risiko yang dihadapi oleh Bank, serta peningkatan kualitas sumber daya manusia dalam pengelolaan risiko tersebut.

Secara garis besar, Kebijakan Manajemen Risiko mengacu pada peraturan Regulator, dimana penerapannya mencakup 4 pilar manajemen risiko yang ditetapkan dalam POJK No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum, sebagai berikut:

1. Pengawasan aktif dari Dewan Komisaris dan Direksi;
2. Kecukupan kebijakan dan prosedur Manajemen Risiko serta penetapan limit Risiko;
3. Kecukupan proses identifikasi, pengukuran, pemantauan, dan pengendalian Risiko, serta sistem informasi Manajemen Risiko; dan
4. Sistem pengendalian intern yang menyeluruh.

Dewan Komisaris dan Direksi bertanggung jawab untuk memastikan bahwa penerapan manajemen risiko telah memadai sesuai dengan karakteristik, kompleksitas, dan profil risiko Bank, serta memahami dengan baik jenis dan tingkat risiko yang melekat pada kegiatan bisnis Bank. Untuk mendukung hal tersebut, dibentuk komite-komite untuk mengkaji masalah terkait manajemen risiko, termasuk rencana perbaikan jika dibutuhkan, memberikan persetujuan atas berbagai Kebijakan Manajemen Risiko, mengkaji Laporan Profil Risiko, dan mengevaluasi pelaksanaan sistem pengendalian Bank. Komite yang dibentuk pada level Komisaris salah satunya yaitu Komite Pemantau Risiko (KIPER), sedangkan pada level Direksi antara lain Komite Manajemen Risiko (RMC), Komite Aktiva & Pasiva (ALCO), Komite Kebijakan Kredit (CPC) dan lainnya.

Penetapan Kebijakan Manajemen Risiko sesuai dengan Profil Risiko Bank yaitu mencakup 8 tipe Risiko yang terdiri dari Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Kepatuhan, Risiko Stratejik, Risiko Hukum dan Risiko Reputasi.

Risiko Kredit

Risiko kredit didefinisikan sebagai risiko kerugian yang timbul dari kegagalan debitur atau *counterparty* dalam memenuhi kewajiban keuangannya pada saat jatuh tempo.

39. Risk Management Policies

Implementation of risk management function includes identification, assessment, measurement, evaluation, monitoring and risk controls, including the development of technology and management information system in each risks faced by the Bank, as well as the improvement of human resource quality in order to manage the risks.

Generally, the Risk Management Policy refers to the Regulatory provision, which the implementation includes the 4 pillars of risk management, stipulated in OJK Regulation No. 18/POJK.03/2016 concerning Risk Management Implementation for Commercial Banks, as follows:

1. *Active supervision of the Boards of Commissioners and Directors;*
2. *Adequacy of Risk Management policies, procedures and risk limit stipulation;*
3. *Adequacy of risk identification, measurement, monitoring and controlling process, supported by Risk Management information system; and*
4. *A comprehensive internal control system.*

Boards of Commissioners and Directors are responsible to ensure the adequacy of risk management implementation tailored with the characteristic, complexity, and risk profile of Bank, and have a good understanding on the type and level of risks inherent in the Bank's business activities. To support this, the committees are formed to assess issues related to risk management, including the improvement plan if necessary, give approval for a variety of Risk Management Policy, assess the risk profile report, and evaluate the implementation of the Bank's risk control system. One of related Committee at the Commissioner level is Risk Monitoring Committee (ROC), whereas at the Director level e.g the Risk Management Committee (RMC), Asset & Liability Committee (ALCO), Credit Policy Committee (CPC) etc.

Risk Management Policy is determined in accordance with the Bank's risk profile which includes 8 types of risks, consists of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk and Reputation Risk.

Credit Risk

Credit risk is defined as the risk of loss arising from any failure by a debtor or a counterparty to fulfill its financial obligations as and when they fall due.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut:

1. Pemisahan fungsi Penyetuju Kredit dari Pengaju Kredit

   Terdapat pemisahan tugas antara fungsi kerja Bisnis, fungsi kerja Administrasi Kredit, fungsi kerja Penyetuju Kredit, dan fungsi kerja *Risk Management* untuk menjaga independensi dan integritas dari berbagai fungsi kredit tersebut.

   Bank menetapkan struktur delegasi Batas Wewenang Persetujuan Kredit (CDL), yang meliputi proses eskalasi persetujuan atas penyimpangan, kelebihan, dan perpanjangan kredit di luar pagu yang telah ditetapkan. Selain itu, wewenang persetujuan kredit didelegasikan melalui struktur Batas Wewenang Persetujuan Kredit berdasarkan risiko, dimana persetujuan kredit ditimbang berdasarkan peringkat kredit debitur. Pemberian delegasi Batas Wewenang Persetujuan Kredit dilakukan melalui proses yang ketat dengan mempertimbangkan pengalaman, senioritas, dan rekam jejak dari petugas penyetuju kredit. Divisi *Credit Risk Management* bertindak sebagai pengelola Batas Wewenang Persetujuan Kredit dan juga memastikan bahwa hal ini telah diadministrasikan secara baik.

   Divisi *Credit Risk Management* secara independen melakukan pengawasan terhadap Risiko Kredit dan bertanggung jawab untuk melaporkan dan menganalisa semua elemen Risiko Kredit.

2. Kebijakan dan Prosedur Risiko Kredit

   Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain:

   a. Kebijakan Kredit Umum untuk segmen Korporasi, Komersial, *Business Banking*, Bank (termasuk Institusi Finansial Non-Bank) dan *Sovereign* yang mengatur tata cara pemberian kredit dan berbagai prinsip dan standar kredit yang berlaku secara umum, untuk mengelola risiko kredit Bank.

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows:

1. *Segregation of Credit Approval from Credit Origination*

   There is segregation of duties between Business function, Credit Administration function, Credit Approval function, and Risk Management function to maintain independence and integrity of the various credit functions.

   Bank established a structure for the delegation of Credit Discretionary Limits (CDL), including the escalation process for approval of exception, excesses and credit extension beyond prescribed limits. In addition, credit approval authority is delegated through a risk based CDL structure where the CDL to approve a credit is scaled according to the borrower's credit rating. The delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officer. Credit Risk Management division acts as the custodian of the CDL structure to ensure that the CDL's are properly administered.

   Credit Risk Management division provides independent oversight of Credit Risk and is responsible for the reporting and analysis of all elements of Credit Risk.

2. *Credit Risk Policies and Procedures*

   The Bank has issued several related policies to manage credit risk, amoung others:

   a. General Credit policy for Corporate, Commercial, Business Banking, Bank (including Non-Bank Financial Institution) and Sovereign that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages the credit risk.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

   Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain: (lanjutan)

   b. Kebijakan Kredit Konsumer yang mengatur tata cara pemberian kredit konsumer dan berbagai prinsip dan standar kredit guna mengelola risiko kredit Bank pada segmen konsumer.

   c. Kebijakan Manajemen Risiko Konsentrasi Kredit untuk mengelola risiko konsentrasi kredit.

   d. Kebijakan Mitigasi Risiko Kredit yang menentukan jenis dan persyaratan minimum pada agunan, jaminan dan kredit derivatif guna memenuhi persyaratan modal.

   e. Kebijakan Restrukturisasi Kredit *(Non-Retail)* yang memberikan pedoman restrukturisasi kredit bagi debitur yang mengalami kesulitan dalam memenuhi kewajibannya kepada Bank.

   f. Kebijakan Klasifikasi Aset yang memberikan pedoman atas pengkategorian eksposur ke dalam Kelas Aset Basel II untuk perhitungan Aktiva Tertimbang Menurut Risiko.

   g. Kerangka Kerja Tata Kelola berdasarkan pendekatan *Internal Rating*, yang mengatur mengenai peran dan tanggung jawab dari setiap pihak yang terkait dalam proses *Internal Rating* kredit di Bank.

   h. Kebijakan *Override Rating & Scorecard* untuk Risiko Kredit, yang mengatur keputusan dalam merubah (*override*) hasil Peringkat/*Scorecard* yang dihasilkan dari proses normal, untuk dapat lebih menggambarkan tingkat risiko yang dimiliki debitur.

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

2. Credit Risk Policies and Procedures (continued)

   The Bank has issued several related policies to manage credit risk, amoung others: (continued)

   b. Consumer Credit policy that governs the principles of consumer credit extension, and various credit principles and standards by which the Bank undertakes and manages the credit risk for the consumer segment.

   c. Credit Concentration Risk Management policy to manage credit concentration risk.

   d. Credit Risk Mitigation policy that specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.

   e. Credit Restructuring policy (Non-Retail) that gives guidance on credit restructuring for borrowers who have difficulties to meet their obligation to the Bank.

   f. Asset Classification policy that gives the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.

   g. Governance Framework of Internal Rating-based Approach that governs the roles and responsibilities of the various parties in credit Internal Rating process in the Bank.

   h. Credit Risk Scorecard & Rating Override policy, that governs decisions to change (override) the Rating/Scorecard output from the normal process, in order to have a better risk level of debtors.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

   Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain: (lanjutan)

   i. Alur kerja untuk Proses ECAI (*External Credit Assessment Institutions*) Basel II yang memberikan pedoman untuk menghasilkan dan menjaga peringkat eksternal debitur untuk perhitungan Aktiva Tertimbang Menurut Risiko.

   j. Pedoman Perbankan Ramah Lingkungan, sebagai bentuk peran dari Bank untuk mendukung program Pemerintah akan kelestarian lingkungan hidup dimana selain memperhatikan kemampuan bayar debitur, dan memperhatikan upaya yang telah dilakukan debitur dalam rangka memelihara lingkungan hidup.

3. Pengelolaan dan Pemantauan Portofolio Kredit

   Divisi *Credit Risk Management* menjadi pengawas independen dan melakukan pemantauan portofolio dengan melakukan kaji ulang secara berkala atas risiko internal dan eksternal dan parameter-parameter risiko kredit (seperti: tren *delinquency, special mention, watch list accounts*, risiko konsentrasi, pergerakan kualitas kredit, dan lainnya).

   Salah satu hal yang dilakukan dalam pemantauan penyebaran/diversifikasi portofolio penyediaan dana adalah melalui Laporan *Credit Risk Highlight* yang dilaporkan kepada Direksi.

   Saat ini Bank telah memiliki *Independent Credit Review Unit* (ICRU) yang berada di bawah Divisi *Credit Risk Management* yang secara independen bertugas untuk melakukan *review* terhadap akun-akun *watchlist* dan memastikan bahwa akun-akun tersebut dikelola secara proaktif untuk meminimalkan kerugian Bank serta memiliki kolektibilitas sesuai dengan ketentuan internal Bank dan ketentuan regulator.

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

2. Credit Risk Policies and Procedures (continued)

   The Bank has issued several related policies to manage credit risk, among others: (continued)

   i. The Workflow for Basel II ECAI (External Credit Assessment Institutions) Process that gives the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation.

   j. Green Banking guidelines, as a form of Bank's role to support the Government's program to preserve the environment, in which Bank's concern is not only the debtor's ability to pay but also noted the Debtor's effort to preserve the environment.

3. Management and Monitoring of Credit Portfolio

   Credit Risk Management division provides independent oversight and performs portfolio monitoring by conducting regular reviews of internal and external risk environment and credit risk parameters (i.e delinquency trend, special mention, watch list accounts, concentration risk, loan quality movement, etc).

   One of the example done on portfolio spread/diversification monitoring of fund transaction is by submitting Credit Risk Highlight Report to Board of Directors.

   Currently the Bank has the Independent Credit Review Unit (ICRU) under the Credit Risk Management Division in which the task is to be independently review the watchlist accounts and to ensure that the accounts are proactively managed to minimize the losses of the Bank and has an appropriate collectibility in accordance with the Bank's internal regulations and regulatory provisions.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Bank juga telah membentuk *Credit Management Working Group* (CMWG), yaitu kelompok kerja yang dibentuk dengan tujuan utama untuk melakukan pemantauan atas kualitas kredit yang dimiliki Bank, menerapkan strategi restrukturiasi, dan pemantauan kredit maupun langkah penyelesaian terhadap kredit yang memiliki pemburukan kolektibilitas. Rapat CMWG ini dilaksanakan setiap minggu.

Pengelolaan Risiko Konsentrasi Kredit

Risiko konsentrasi kredit didefinisikan sebagai eksposur tunggal atau kelompok yang berpotensi menghasilkan kerugian yang cukup besar (relatif terhadap modal Bank, total aktiva, atau tingkat risiko secara keseluruhan) yang mungkin mengancam kesehatan Bank atau kemampuan Bank untuk mempertahankan operasi intinya. Karena kredit adalah aktivitas utama Bank, maka risiko konsentrasi kredit termasuk risiko yang sangat material.

Konsentrasi risiko kredit berdasarkan jenis debitur:

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Bank formed a Credit Management Working Group (CMWG), which is working group with key objective of this meeting are to monitor credit quality of Bank, to determine restructuring strategy, and to monitor portfolio performance and discuss account strategies for vulnerable accounts. The CMWG meeting will be held on a weekly basis.

Credit Concentration Risk Management

Credit risk concentration is defined as any single or group exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) which may threaten the Bank's health or ability to maintain its core operations. As lending is the Bank's primary activity, credit risk concentration is concerned as highly material risk.

Concentration of credit risk by type of debtors:

	31 Desember/*31 December 2016*					
	Wholesale	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank/ *Banks***	**Ritel/*Retail***	**Total**	
Giro pada Bank Indonesia	-	5.724.310	-	-	5.724.310	*Current accounts with Bank Indonesia*
Giro pada bank lain	-	-	1.098.294	-	1.098.294	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	1.648.949	1.672.205	-	3.321.154	*Placements with Bank Indonesia and other banks*
Efek-efek yang diperdagangkan	-	105.236	839.868	-	945.104	*Trading securities*
Investasi keuangan - neto	2.866.013	9.106.758	-	-	11.972.771	*Financial investments - net*
Tagihan derivatif	89.916	-	112.196	-	202.112	*Derivatives receivable*
Kredit yang diberikan - neto	52.746.803	-	202.056	11.750.139	64.698.998	*Loans - net*
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	-	1.902.219	-	-	1.902.219	*Receivables on securities purchased with agreements to resell*
Tagihan akseptasi - neto	1.748.937	-	-	-	1.748.937	*Acceptances receivable - net*
Aset lain-lain*)	216.489	-	506	87.161	304.156	*Other assets*)*
Total	**57.668.158**	**18.487.472**	**3.925.125**	**11.837.300**	**91.918.055**	***Total***
Persentase	63%	20%	4%	13%	100%	*Percentage*

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi *spot*.

**) Other assets consist of interest receivables, security deposits and spot transaction.*

39 Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Pengelolaan Risiko Konsentrasi Kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan jenis debitur: (lanjutan)

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit Concentration Risk Management (continued)

Concentration of credit risk by type of debtors: (continued)

	31 Desember/*31 December 2015*					
	Wholesale	**Pemerintah dan Bank Indonesia/ *Government and Bank Indonesia***	**Bank/ *Banks***	**Ritel/*Retail***	**Total**	
Giro pada Bank Indonesia	-	5.454.283	-	-	5.454.283	*Current accounts with Bank Indonesia*
Giro pada bank lain	-		703.809	-	703.809	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	-	2.217.750	637.905	-	2.855.655	*Placements with Bank Indonesia and other banks*
Efek-efek yang diperdagangkan	-	1.556.498	-	-	1.556.498	*Trading securities*
Investasi keuangan - neto	2.056.603	8.322.613	-	-	10.379.216	*Financial investments - net*
Tagihan derivatif	93.524	-	48.203	-	141.727	*Derivatives receivable*
Kredit yang diberikan - neto	55.605.391	-	-	4.968.132	60.573.523	*Loans - net*
Tagihan akseptasi - neto	2.613.112	-	-	-	2.613.112	*Acceptances receivable - net*
Aset lain-lain*)	248.105	-	15.187	27.567	290.859	*Other assets*)*
Total	**60.616.735**	**17.551.144**	**1.405.104**	**4.995.699**	**84.568.682**	***Total***
Persentase	71%	21%	2%	6%	100%	*Percentage*

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi *spot*.

**) Other assets consist of interest receivables, security deposits and spot transaction.*

Eksposur maksimum risiko kredit

Bank menetapkan limit eksposur untuk individual/grup, sektor industri, jangka waktu, nilai tukar asing, wilayah, dan agunan yang telah disesuaikan dengan *risk appetite* dan *risk tolerance* sebagai salah satu alat bagi Bank untuk memonitor dan memitigasi risiko konsentrasi kredit.

Eksposur maksimum aset keuangan Bank untuk risiko kredit sebelum memperhitungkan agunan dan jaminan kredit lainnya adalah sebesar nilai tercatatnya (*carrying value*) (Catatan 40).

Eksposur maksimum dari aset keuangan Bank setelah mempertimbangkan dampak dari jaminan dan pengaturan tambahan lain selain dari kredit yang diberikan dan tagihan atas surat berharga yang dibeli dengan janji dijual kembali sama dengan nilai tercatat.

Maximum exposure to credit risk

The Bank sets the exposure limit for single/group exposure, industry sector, tenor, foreign exchange, region, and collateral which is line with Bank's risk appetite and risk tolerance as one of the tools for Bank to monitor and mitigate credit concentration risk.

The Bank's financial asset's maximum exposure to credit risk before taking into account any collateral and other credit enhancements is its carrying value (Note 40).

The maximum exposure of the Bank's financial asset after considering the impact of collateral and other enhancement arrangement other than loan and receivable and securities purchased with agreement to resell are equal to its carrying value.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Untuk aset keuangan yang diakui pada laporan posisi keuangan, eksposur maksimum terhadap resiko kredit sama dengan nilai tercatat. Untuk bank garansi dan *Irrevocable Letters of Credit*, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika liabilitas atas bank garansi dan *Irrecovable Letters of Credit* tersebut terjadi.

Analisis eksposur maksimum risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya adalah sebagai berikut:

a. Nilai tercatat aset keuangan Bank selain pinjaman mewakili eksposur maksimum risiko kredit.
b. Untuk kredit yang diberikan, Bank menggunakan agunan untuk meminimalkan risiko kredit. Berdasarkan klasifikasi, kredit Bank dapat dibedakan menjadi dua kelompok besar, yaitu:
   1. *Secured loans*
   2. *Unsecured loans*

Untuk *secured loans*, Bank menetapkan jenis dan nilai agunan yang dijaminkan sesuai skema kredit. Jenis dari agunan terdiri dari:

a. *Physical collateral*, antara lain tanah, bangunan dan BPKB kendaraan motor.
b. *Financial collateral*, antara lain simpanan (tabungan, giro dan deposito berjangka), surat berharga dan emas.
c. Lainnya antara lain garansi dan lembaga penjamin.

Apabila terjadi *default* (gagal bayar), Bank akan menggunakan agunan tersebut sebagai pilihan terakhir untuk pemenuhan kewajiban *counterparty.*

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Maximum exposure to credit risk (continued)

For financial assets recognized in the statement of financial position, the carrying amounts of the financial assets best represent the maximum exposure to credit risk. For bank guarantees and Irrevocable Letters of Credit, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the Bank guarantees and Irrevocable Letters of Credit issued are called upon.

Analysis of maximum exposure to credit risk after taking into account the impact of collaterals and other credit risk mitigations are as follows:

a. The carrying amount of the Bank's financial assets other than loans represent the maximum exposure of credit risk.
b. For the loans, Bank uses the collateral to minimize the credit risk. Loans and receivables in Bank are classified into two major categories, as follows:
   1. Secured loans
   2. Unsecured loans

For secured loans, Bank determined the type and value of collateral according to the loan scheme. Types of collateral are as follows :

a. Physical collateral, such as land, buildings and proof of vehicle ownership.
b. Financial collateral, such as deposit (savings, demand deposit and time deposit), securities, and gold.
c. Others, such as guarantees, government guarantees and guarantee institution.

In times of default, Bank will use the collateral as the last resort in recovering the obligation of the counterparty.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Unsecured loans terdiri dari *fully unsecured loans* dan *partially secured loans* seperti kredit untuk karyawan golongan berpenghasilan tetap dan kredit konsumer lainnya. Dalam pembayaran kewajibannya, *partially secured loans* umumnya dilakukan melalui pemotongan penghasilan secara otomatis.

Meskipun kredit tersebut termasuk dalam kategori *unsecured loans,* namun tingkat risiko *partially secured loans* tidak sebesar nilai tercatat kredit. Sedangkan untuk *fully unsecured loans*, tingkat risiko adalah sebesar nilai tercatat kredit.

Kredit menurut sektor industri per 31 Desember 2016 dan 2015 adalah sebagai berikut:

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Maximum exposure to credit risk (continued)

Unsecured loans consist of fully unsecured loans and partially secured loans such as loans for fixed income employees, and other consumer loans. In their payment of obligations, partially secured loans are generally made through automatic payroll deduction.

Although it is included in the unsecured loans category, the risk level of partially secured loans is lower than the carrying value. Meanwhile for fully unsecured loan, the risk level is equal to the carrying value.

Loans based on industrial sector as of 31 December 2016 and 2015, are as follows:

	31 Desember/ ***31 December 2016***	**31 Desember/** ***31 December 2015***	
Industri pengolahan	20.108.402	19.309.749	*Processing industry*
Perdagangan besar dan eceran	15.824.643	15.591.788	*Wholesale and retail*
Rumah tangga	8.694.936	7.996.288	*Household*
Real estate dan jasa usaha	4.554.721	4.822.468	*Real estate and business service*
Penyedia akomodasi	3.747.499	4.138.264	*Accommodation provider*
Konstruksi	3.599.893	3.746.834	*Construction*
Pertanian, perburuan dan kehutanan	3.072.565	897.085	*Agriculture, hunting and forestry*
Transportasi, pergudangan, dan komunikasi	2.983.740	2.897.579	*Transportation, warehousing, and communication*
Perantara keuangan	1.703.839	594.491	*Financial intermediaries*
Pertambangan dan penggalian	701.837	537.277	*Mining and excavation*
Listrik, air dan gas	374.177	343.740	*Electricity, water and gas*
Jasa kemasyarakatan	209.617	262.704	*Social service*
Jasa kesehatan	77.853	104.146	*Health service*
Jasa pendidikan	57.483	44.825	*Educational service*
Perikanan	55.359	57.354	*Fishery*
Jasa perorangan	7.094	10.829	*Personal service*
Lainnya	15.406	130	*Others*
Total	**65.789.064**	**61.355.551**	***Total***

Eksposur terbesar Bank terletak pada sektor industri pengolahan dengan proporsi sebesar 30,56% dari total kredit Bank dan hal tersebut masih sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

The biggest Bank's exposure is to processing industry with proportion around 30.56% from total loan and it is still within the Bank's risk appetite and risk tolerance.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Kredit berdasarkan sisa umur jatuh tempo per 31 Desember 2016 adalah sebagai berikut:

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Maximum exposure to credit risk (continued)

Loans based on remaining maturities as of 31 December 2016, are as follows:

	Baki Debet Kredit/ *Loan Outstanding*	**Persentase (%)/ *Percentage (%)***	
≤ 1 tahun	35.963.490	54,66%	*≤ 1 year*
> 1 tahun ≤ 2 tahun	4.210.121	6,40%	*> 1 year ≤ 2 years*
> 2 tahun ≤ 5 tahun	12.616.656	19,18%	*>2 years ≤ 5 years*
> 5 tahun	12.998.797	19,76%	*> 5 years*
Total	**65.789.064**	**100.00%**	***Total***

Sebagian besar jangka waktu kredit atau 54,66% jatuh tempo dalam kurun waktu kurang dari 1 (satu) tahun dimana untuk kredit yang lebih berisiko dengan jangka waktu lebih besar dari 5 (lima) tahun memiliki porsi 19,76% dan hal ini masih sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

Most of the loan tenor or 54.66% is within less than 1 (one) year where for the riskiest loan which lies in the loan tenor more than 5 (five) years is 19.76% portion and it is still within the Bank's risk appetite and risk tolerance.

Tabel di bawah ini menunjukkan *net maximum exposure* (setelah memperhitungkan agunan) atas risiko kredit untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembail pada tanggal 31 Desember 2016:

The table below shows the net maximum exposure (after considering collateral) to credit risk of receivable on securities purchase with agreement to resell as of December 31, 2016:

	Eksposur maksimum/ *Maximum exposure*	**Agunan/ *Collateral***	**Eksposur - neto/ *Net exposure***	
2016				***2016***
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	1.902.219	2.000.000	-	*Receivable on securities purchased with agreements to resell*

Manajemen Kredit Bermasalah

Kredit bermasalah dikelola secara terpusat oleh divisi independen, *Special Asset Management* (SAM). SAM terdiri dari dua unit:

1. Unit Restrukturisasi yang secara proaktif mengelola kredit bermasalah. Tujuan utamanya adalah untuk menangani kredit bermasalah kembali lancar sehingga akun tersebut dapat ditransfer kembali ke fungsi kerja Bisnis; dan
2. Unit *Recovery* yang mengelola kredit bermasalah dengan tujuan utama memaksimalkan pemulihan hutang.

Managing Non-Performing Loans

Non-performing loans are centrally managed by an independent unit, Special Asset Management (SAM). SAM consists of two units:

1. *The Restructuring Unit which proactively manages the non-performing loans. Its primary goal is to handle non-performing loans back to performing so that these accounts can be transferred back to the Business Units; and*
2. *The Recovery Unit which manages non-performing loans with the primary goal to maximize debt recovery.*

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur Kredit pada Basel II

Saat ini Bank menggunakan Pendekatan Standar berdasarkan Basel II dalam mengukur Aktiva Tertimbang Menurut Risiko (ATMR) untuk risiko kredit. Informasi dan pedoman peringkat ATMR untuk risiko kredit diatur dalam Kebijakan Klasifikasi Aset.

Pada pendekatan standar, eksposur Bank dibagi menjadi 11 klasifikasi aset dan portofolio, sebagai berikut:

a. Pemerintah
b. Entitas Sektor Publik Bukan Pemerintah Pusat
c. Bank Pembangunan *Multilateral*
d. Bank
e. Korporasi
f. Karyawan/Pensiunan
g. Kredit Beragunan Rumah Tinggal
h. Kredit Beragunan *Real Estate* Komersial
i. Klaim yang telah jatuh tempo
j. Aset Lainnya
k. Kredit pada Bisnis Mikro, Bisnis Kecil, dan Portofolio Ritel

Saat ini, Bank hanya mengakui peringkat internasional dari *Moody`s, Standard's and Poor* dan *Fitch*.

Pengembangan Infrastruktur dan Persiapan Penerapan Basel II *Internal Rating*

Bank telah menerapkan penggunaan model *Internal Rating* pada segmen *Wholesale* sebagai langkah awal untuk mempersiapkan penerapan Basel II dengan pendekatan *Internal Rating*. Untuk tujuan ini, perangkat tambahan yang signifikan telah dibuat pada sistem, proses, dan praktik manajemen risiko Bank untuk mencapai kepatuhan terhadap Basel II IRB.

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit exposures under Basel II

Bank currently uses the Standardized Approach under Basel II to measure the Risk Weighted Asset (RWA) for credit risk. The information and guidelines of rating for RWA for credit risk is regulated in the Asset Classification Policy.

Under the Standardized Approach, Bank's exposures are classified into 11 asset classifications and portfolios, as follows:

a. Sovereign
b. Non Central Government Public Sector Entities
c. Multilateral Development Bank
d. Banks
e. Corporate
f. Employee/Retiree
g. Loan Secured by Residential Property
h. Loan Secured by Commercial Real Estate
i. Overdue Claims
j. Other Assets
k. Loan on Micro Business, Small Business, and Retail Portfolio

Currently, the Bank only recognizes international ratings from Moody's, Standard's and Poor and Fitch.

Development of Infrastructures and Preparation of Basel II Internal Rating Based Implementation

The Bank has implemented Internal Rating model on the Wholesale segment as an initiation step to prepare the implementation of Basel II Internal Rating Approach. To this end, significant enhancements have been made to the Bank's risk management systems, processes and practices to achieve Basel II IRB compliance.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Informasi kualitas kredit atas aset keuangan pada tanggal 31 Desember 2016 dan 2015:

39. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

The information on the credit quality of financial assets as of 31 December 2016 and 2015:

31 Desember/*31 December* 2016

	Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ *neither past due not impaired*	Jatuh Tempo dan tidak mengalami penurunan nilai/ *Past-due but not impaired*	Mengalami penurunan nilai/ *Impaired*	Total	
Giro pada Bank Indonesia	5.724.310	-	-	5.724.310	*Current account with Bank Indonesia*
Giro pada bank lain	1.098.294	-	-	1.098.294	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	3.321.154	-	-	3.321.154	*Placements with Bank Indonesia* and *other banks*
Efek-efek yang diperdagangkan	945.104	-	-	945.104	*Trading securities*
Investasi keuangan	12.003.354	1.094	-	12.004.448	*Financial investment*
Tagihan derivatif	202.112	-	-	202.112	*Derivatives receivable*
Kredit yang diberikan	61.423.408	2.234.387	2.131.269	65.789.064	*Loans*
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	1.902.219	-	-	1.902.219	*Receivables on securities purchased with agreements to resell*
Tagihan akseptasi	1.770.688	-	-	1.770.688	*Acceptances receivable*
Aset lain-lain*)	304.156	-	-	304.156	*Other assets*)
Total	88.694.799	2.235.481	2.131.269	93.061.549	*Total*
Cadangan kerugian penurunan nilai	(511.579)	(216.147)	(425.668)	(1.153.394)	*Allowance for impairment losses*
Neto	**88.183.220**	**2.019.334**	**1.705.601**	**91.908.155**	***Net***

31 Desember/*31 December* 2015

	Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ *neither past due not impaired*	Jatuh Tempo dan tidak mengalami penurunan nilai/ *Past-due but not impaired*	Mengalami penurunan nilai/ *Impaired*	Total	
Giro pada Bank Indonesia	5.454.283	-	-	5.454.283	*Current account with Bank Indonesia*
Giro pada bank lain	703.809	-	-	703.809	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	2.855.655	-	-	2.855.655	*Placements with Bank Indonesia* and *other banks*
Efek-efek yang diperdagangkan	1.556.498	-	-	1.556.498	*Trading securities*
Investasi keuangan	10.387.956	-	265	10.388.221	*Financial investment*
Tagihan derivatif	141.725	-	2	141.727	*Derivatives receivable*
Kredit yang diberikan	58.106.045	1.603.010	1.646.496	61.355.551	*Loans*
Tagihan Akseptasi	2.643.573	-	-	2.643.573	*Acceptances receivable*
Aset lain-lain*)	290.859	-	-	290.859	*Other assets*)
Total	82.140.403	1.603.010	1.646.763	85.390.176	*Total*
Cadangan kerugian penurunan nilai	(375.866)	(163.416)	(282.212)	(821.494)	*Allowance for impairment losses*
Neto	**81.764.537**	**1.439.594**	**1.364.551**	**84.568.682**	***Net***

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi *spot*.

*) *Other assets consist of interest receivables, security deposits and spot transaction.*

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Analisis umur kredit yang diberikan yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2016 dan 2015:

39. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

The aging analysis of loans that past due but not impaired as of 31 December 2016 and 2015:

	31 Desember/*31 December* 2016				
	1 sampai 30 hari/ *1 - 30 days*	**31 sampai 60 hari/ *31 to 60 days***	**61 sampai 90 hari/ *61 - 90 days***	**Total**	
Modal kerja	1.211.499	32.263	6.480	1.250.242	*Working capital*
Investasi	668.240	-	274	668.514	*Investment*
Konsumen	314.935	3	452	315.390	*Consumer*
Karyawan	241	-	-	241	*Employee*
Total	2.194.915	32.266	7.206	2.234.387	*Total*
Cadangan kerugian penurunan nilai	(211.120)	(3.937)	(1.076)	(216.133)	*Allowance for impairment losses*
Neto	**1.983.795**	**28.329**	**6.130**	**2.018.254**	***Net***

	31 Desember/*31 December* 2015				
	1 sampai 30 hari/ *1 - 30 days*	**31 sampai 60 hari/ *31 to 60 days***	**61 sampai 90 hari/ *61 - 90 days***	**Total**	
Modal kerja	470.149	93.262	58.429	621.840	*Working capital*
Investasi	151.497	157.012	298.066	606.575	*Investment*
Konsumen	204.759	44.911	121.798	371.468	*Consumer*
Karyawan	3.127	-	-	3.127	*Employee*
Total	829.532	295.185	478.293	1.603.010	*Total*
Cadangan kerugian penurunan nilai	(71.977)	(36.899)	(54.540)	(163.416)	*Allowance for impairment losses*
Neto	**757.555**	**258.286**	**423.753**	**1.439.594**	***Net***

Bank melakukan penilaian terhadap 3 (tiga) pilar dalam menilai aset keuangan yang mengalami pemburukan. Ke-3 (tiga) pilar tersebut adalah prospek bisnis, kinerja debitur dan kemampuan bayar debitur, dimana hal tersebut sesuai dengan kebijakan regulator.

Bank memperhitungkan agunan yang layak dalam menghitung Cadangan Kerugian Penurunan Nilai (CKPN). Agunan yang layak yang diperhitungkan oleh Bank adalah kas/setara kas, tanah & bangunan dan *vessel*.

The Bank uses 3 (three) pillars approach in assessing financial assets that are past due or impaired. Those 3 (three) pillars are business prospect, performance of the borrower and repayment capability which are in line with the regulatory provision.

The Bank takes into account the eligible collaterals in calculating the impairment loss. The eligible collaterals that recognized by Bank are cash/cash equivalents, land & buildings and vessels.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar

Risiko pasar adalah risiko kerugian yang timbul dari pergerakan variabel pasar pada posisi yang dimiliki oleh Bank yang dapat menimbulkan kerugian bagi Bank. Variabel pasar yang mempengaruhi posisi Bank adalah suku bunga dan nilai tukar termasuk perubahan harga *option.*

Kerangka kerja risiko pasar Bank terdiri dari kebijakan dan praktek risiko pasar, pendelegasian wewenang dan limit risiko pasar, validasi atas penilaian dan model risiko, dan lainnya. Kerangka kerja ini juga meliputi proses produk / aktivitas baru untuk memastikan isu-isu risiko pasar telah diidentifikasi secara memadai sebelum diluncurkan.

Direksi mendelegasikan wewenang kepada Komite Aktiva dan Pasiva (ALCO) untuk melakukan pengawasan aktif terhadap manajemen risiko pasar. ALCO melakukan kajian dan memberikan arahan atas seluruh hal terkait risiko pasar.

Bank telah menetapkan tugas dan tanggung jawab pada setiap tingkat pada posisi yang terkait pelaksanaan manajemen risiko pasar disesuaikan dengan tujuan, kebijakan bisnis, ukuran, dan kompleksitas Bank. Tugas dan tanggung jawab ini terdapat pada Kebijakan Manajemen Risiko Pasar.

Bank menggunakan Pendekatan Standar untuk menghitung modal risiko pasar sesuai dengan ketentuan OJK tentang Kewajiban Penyediaan Modal Minimum. Bank memiliki modal yang kuat dengan rasio kecukupan modal sebesar 16,44% pada tanggal 31 Desember 2016. Modal Bank lebih dari cukup untuk menutup potensi kerugian yang mungkin timbul dari fluktuasi tingkat bunga dan nilai tukar.

Secara internal, risiko pasar diukur dan dikendalikan menggunakan model internal. Bank mengadopsi *Value at Risk* (VaR) menggunakan simulasi historis untuk mengukur potensi kerugian pada tingkat kepercayaan 99% dengan menggunakan data historis 300 hari. Perkiraan VaR diuji kembali dengan menggunakan data laba dan rugi pada buku perdagangan untuk memvalidasi keakuratan metodologi tersebut. Proses pengujian kembali ini dilakukan guna menganalisa apakah penyimpangan yang terjadi disebabkan oleh kelemahan pada model perhitungan atau karena pergerakan pasar. Seluruh penyimpangan pada model ditangani dengan penyempurnaan model tersebut.

39. Risk Management Policies (continued)

Market Risk

Market risk is the risk of loss arising from movements in market variables on the position held by the Bank which can result in losses for the Bank. Market variables that influence the position of the Bank are interest rates and exchange rates, including changes in the price of the option.

The Bank's market risk framework comprises market risk policies and practices, delegation of authority and market risk limits, validation of valuation and risk models, etc. This framework also encompasses the new product / service program process to ensure the identified market risk issues are adequately addressed prior to its launch.

The Board of Directors delegates authority to the Assets and Liabilities Committee (ALCO) to conduct active monitoring on market risk management. ALCO reviews and provides direction on all market risk related matters.

The Bank has established the roles and responsibilities on each level of the position which related to the implementation of market risk management tailored with the purpose, business policy, size and complexity of the Bank. These roles and responsibilities are clearly stated in the Market Risk Management Policy.

The Bank adopts the Standardized Approach to calculate the regulatory market risk capital in compliance with OJK's regulation on Capital Adequacy Ratio. The Bank has a strong capital base with Capital Adequacy Ratio of 16.44% as of 31 December 2016. The Bank's capital is more than sufficient to cover any potential losses that might arise from interest rate and exchange rate fluctuations.

Internally, the market risk is measured and controlled based on internal models. The Bank adopts the historical simulation Value at Risk (VaR) to measure the potential loss at a 99% confidence level using 300 days historical price changes. VaR estimation are back tested against profit and loss of trading book to validate the robustness of the methodology. The back testing process analyses whether the exceptions are due to model deficiencies or market volatility. All model deficiencies are addressed with appropriate model enhancements.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

Berdasarkan prosedur *back testing* kerugian aktual yang terjadi untuk periode satu tahun telah konsisten dengan model pengukuran VaR. Untuk melengkapi pengukuran VaR, *stress test* dilakukan pada portofolio buku perdagangan untuk mengidentifikasi ketahanan Bank dalam kondisi krisis.

Perhitungan VaR telah memperhitungkan faktor korelasi antar instrumen pada seluruh posisi *trading book* Bank (tidak diaudit).

39. Risk Management Policies (continued)

Market Risk (continued)

Based on back testing procedures, the actual loss for the whole year result is already consistent with the VaR forecast model. To complement the VaR measurement, stress test is performed on the trading portfolio in order to identify the Bank's vulnerability in the event of crisis.

VaR calculation already includes correlation factors cross instruments in trading book portfolios of the Banks (unaudited).

	31 Desember/*31 December* 2016				
	Akhir Tahun/ *Year end*	**Tinggi/ *High***	**Rendah/ *Low***	**Rata-rata/ *Average***	
	SGD Thousand	***SGD Thousand***	***SGD Thousand***	***SGD Thousand***	
Total VaR	**339**	**1.693**	**226**	**881**	***Total VaR***

a. Risiko Nilai Tukar

Risiko nilai tukar adalah risiko pada pendapatan dan nilai ekonomis dari aset, kewajiban, dan derivatif keuangan dalam mata uang asing yang disebabkan oleh fluktuasi nilai tukar.

Risiko nilai tukar dikelola melalui kebijakan dan limit risiko yang disetujui oleh ALCO. Limit tersebut meliputi limit *Value-at-Risk*, limit FX NOP, limit PV01, eksposur berdasarkan mata uang, maksimum tenor, dan lainnya. *Market Risk Management & Control Unit* secara harian memantau aktivitas risiko pasar dan/atau ekposur terhadap limit yang telah disetujui oleh ALCO, dan melaporkan kejadian pelampauan limit kepada pejabat terkait untuk mendapatkan persetujuan/pengesahan.

Risiko nilai tukar Bank dinilai relatif rendah dikarenakan posisi devisa neto (PDN) Bank tercatat rendah, dimana pada akhir Desember 2016 hanya tercatat 0,62% dari permodalan Bank.

b. Risiko Suku Bunga pada *Banking Book*

Risiko Suku Bunga pada *Banking Book* didefinisikan sebagai risiko potensi penurunan atau kerugian pada rentabilitas (pendapatan bunga bersih) dan modal (nilai ekonomis Bank) akibat perubahan dari suku bunga.

a. Foreign Exchange Risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuation in foreign exchange rates.

Foreign exchange risk is managed through policies and risk limits approved by the Asset and Liability Committee (ALCO). The limits include Value-at-Risk limit, FX NOP limit, PV01 limit, exposure by currency, maximum tenures and etc. Market Risk Management & Control Unit on a daily basis monitors market risk activities and/or exposures against the approved ALCO limits, and escalates any excesses to appropriate officers for approval/ratification.

Foreign exchange risk is assessed at low as Bank's Net Open position (NOP) recorded very low, which at end of December 2016 the NOP has recorded only 0.62% from total capital of the Bank.

b. Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book is defined as the risk of potential reduction in or loss of earnings (net interest income) and capital (the economic value of the Bank) due to changes in interest rates.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

b. Risiko Suku Bunga pada *Banking Book (lanjutan)*

Eksposur dinilai secara bulanan menggunakan analisa statis, seperti jadwal *repricing* dan analisa sensitivitas. Perangkat tersebut dapat memberikan indikasi atas dampak potensial perubahan suku bunga pada pendapatan bunga dan harga melalui analisa sensitivitas pada aktiva dan pasiva ketika suku bunga mengalami perubahan. Kesenjangan pada tenor yang lebih panjang akan mengalami perubahan *price-value* yang lebih besar dibandingkan dengan posisi serupa pada tenor yang lebih pendek.

Nilai ekonomis pada ekuitas (EVE) diterapkan untuk mengukur risiko suku bunga dari perubahan suku bunga menggunakan berbagai macam skenario suku bunga, seperti perubahan bentuk pada kurva suku bunga, yang meliputi skenario perubahan suku bunga yang tertinggi dan terendah.

Stress testing dilakukan secara berkala untuk menentukan kecukupan modal dalam memenuhi dampak ekstrim perubahan suku bunga pada laporan posisi keuangan. Tes tersebut juga dilakukan guna memberikan peringatan dini atas potensi kerugian ekstrim, guna mendukung pengelolaan risiko suku bunga secara proaktif dalam menyesuaikan perubahan pada pasar keuangan yang cepat.

EVE banking book per posisi 31 Desember 2016 tercatat sebesar Rp312 miliar, sedangkan PV01 *banking book* sebesar Rp1,25 miliar. Hal ini berarti, setiap kenaikan 1 bps pada suku bunga pasar akan memberikan dampak potensial kerugian pada Bank sebesar Rp1,25 miliar.

Risiko Likuiditas

Risiko likuiditas didefinisikan sebagai risiko terhadap pendapatan atau modal Bank dari ketidakmampuan Bank untuk memenuhi kewajiban keuangannya atau mendanai peningkatan pada aset ketika jatuh tempo, tanpa menimbulkan biaya atau kerugian yang signifikan.

39. Risk Management Policies (continued)

Market Risk (continued)

b. Interest Rate Risk in the Banking Book (continued)

Exposure is quantified on a monthly basis using static analysis tools, such as repricing schedules and sensitivity analysis. They provide indications of the potential impact of interest rate changes on interest income and price value through the analysis of the sensitivity of assets and liabilities from any changes in interest rates. Mismatches in the longer tenor will experience greater change in the price-value of interest rate positions than similar positions in the shorter tenor.

Economic Value of Equity (EVE) is applied to measure the interest rate risk from any changes of interest rate using a variety of interest rate scenarios, such as changes in shape of the curve of interest rates, which include the highest and lowest changes in the interest rate scenario.

Stress testing is performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the statement of financial position. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

EVE banking book as of 31 December 2016 was recorded at Rp312 billion, meanwhile PV01 banking book was recorded at Rp1.25 billion. That means any increment of 1 bps on market interest rate is expected to have an impact on the Bank's potential losses amounting to Rp1.25 billion.

Liquidity Risk

Liquidity risk is defined as the risk to a Bank's earnings or capital from its inability to meet its obligations or fund the increase in assets as they fall due, without incurring significant costs or losses.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Pengukuran utama yang digunakan oleh Bank dalam mengelola risiko likuiditas adalah dengan menggunakan proyeksi arus kas dengan skenario *'business as usual'*, *'bank-specific crisis'* dan *'general market crisis'*, serta memantau rasio-rasio likuiditas sebagai indikator peringatan dini *(early warning indicator)* seperti rasio penurunan simpanan bukan bank, *Loan to Deposit Ratio (LDR)*, rasio 50 dan 20 nasabah terbesar bukan bank, rasio pendanaan melalui *swap*, rasio *undrawn facility*, dan rasio 20 nasabah besar bank. Proyeksi arus kas menggunakan *behavioral modelling* untuk memastikan arus kas telah mencerminkan perilaku kegiatan bisnis dalam kondisi normal. Disamping itu Bank juga melakukan pemantauan secara berkala terhadap stabilitas pendanaan inti (*core deposits*) yang terdiri dari dana-dana stabil bukan bank seperti giro, tabungan, dan deposito berjangka melalui analisa terhadap volatilitasnya.

Per posisi 31 Desember 2016 Bank telah mencatatkan simpanan nasabah sebesar Rp73,00 trilliun atau naik 13,26% dibandingkan dengan simpanan nasabah posisi 31 Desember 2015, dimana Giro meningkat sebesar 37,76% menjadi Rp9,49 triliun, Tabungan meningkat sebesar 27,89% menjadi Rp16,14 triliun, dan Deposito meningkat sebesar 5,40% menjadi Rp47,37 triliun. *Loan Deposit Ratio (LDR)*, yaitu rasio kredit yang diberikan terhadap simpanan nasabah Bank tercatat sebesar 90,11%. Bank secara berkesinambungan akan terus menjaga tingkat LDR agar berada dalam kisaran yang sehat.

Disamping itu pengukuran dan pemantauan terhadap analisa *gap*, limit-limit yang ditetapkan, *stress testing*, dan Rencana Pendanaan Darurat dilaksanakan secara konsisten.

Rencana Pendanaan Darurat menjadi komponen penting dalam kerangka kerja manajemen likuiditas dan berfungsi sebagai perpanjangan atas kebijakan operasional atau manajemen likuiditas sehari-hari. Walaupun Bank memantau kebutuhan likuiditas dan pendanaan secara berkala, penting juga untuk mengetahui kejadian yang tak terduga, kondisi ekonomi dan pasar, masalah pendapatan atau situasi di luar kendali yang dapat menyebabkan krisis likuiditas. Rencana Pendanaan Darurat menguraikan tindakan yang harus diambil oleh Bank pada saat terjadi krisis likuiditas dan akan diaktifkan jika terjadi krisis atau *liquidity stress.*

39. Risk Management Policies (continued)

Liquidity Risk (continued)

The key measures used by the Bank for managing liquidity risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, also by monitoring the liquidity ratios as early warning indicator i.e. percentage decreased in non-bank deposits, Loan to Deposit Ratio (LDR), top 50 and 20 non-bank depositors ratios, swap funding ratio, undrawn facility ratio, and top 20 bank depositor ratio. Cash flow projection is using behavioral modelling to ensure the cash flow reflect the business-as-usual behavior. Besides, the Bank also monitors the stability of its 'core deposits' on regular basis which consist of stable non-bank deposits such as current account, savings account, and time deposit by analyzing their volatility overtime.

At of 31 December 2016 the Bank's has recorded Rp73.00 trillion of customer's deposits or went up by 13.26% compared to 31 December 2015 contributed by Current Account which increased by 37.76% to Rp9.49 trillion, Saving Account which increased by 27.89% to Rp16.14 trillion, and Fixed Deposit which increased by 5.40% to Rp47.37 trillion. Loan Deposit Ratio (LDR), which identifies the extent to which the Bank's loans are funded by customer's deposits was recorded at 90.11%. The Bank will continously maintain the LDR in a soundness range.

In addition to the above measurement and monitoring of the gap analysis, defined limits, stress testing, and Contingency Funding Plan are consistently implemented.

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. Although the Bank periodically monitors liquidity and funding requirements, it is important to recognize the unexpected events, economic or market conditions, earnings problems or situations beyond its control that could cause a liquidity crisis. The CFP outlines the actions to be taken by the Bank in the event of a liquidity crisis and would be activated in the event of a liquidity stress situation.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Hal ini berfungsi untuk mengidentifikasi dan mengetahui potensi krisis likuiditas, menentukan tanggung jawab dan tindakan manajemen yang terkait pada saat krisis, memperbaiki area yang menjadi perhatian, dan memastikan bahwa arus informasi dapat tepat waktu sehingga dapat memfasilitasi pengambilan keputusan secara cepat dan efektif.

Tingkat kerumitan dan detil dari rencana tersebut disesuaikan dengan kompleksitas, eksposur risiko, aktivitas, produk, dan struktur organisasi Bank untuk menentukan indikator yang paling relevan untuk digunakan dalam mengelola likuiditas dan pendanaan. Selain itu, Bank juga telah menetapkan *Liquidity Crisis Management Team* yang bertanggung jawab untuk mengevaluasi posisi likuiditas dan menentukan tindakan yang akan diambil pada saat terjadi krisis.

Analisa mengenai kebutuhan pendanaan bersih melibatkan penyusunan laporan arus kas berdasarkan jatuh tempo (kontraktual) aktual dari arus kas tersebut. Profil arus kas kontraktual mengalokasikan aset-aset, kewajiban-kewajiban, dan rekening administratif ke dalam jangka waktu berdasarkan sisa jatuh tempo aset, kewajiban, dan rekening administratif tersebut.

Selain itu, Bank juga membuat laporan arus kas berdasarkan asumsi *behavioral.* Arus kas ini terkait dengan pola perilaku dari aset, kewajiban, dan rekening administratif yang dimilikinya dan potensi arus kas diproyeksikan berdasarkan asumsi-asumsi yang didapat dari pola perilaku tersebut. Potensi arus kas tersebut secara khusus terkait dengan karakteristik produk, seperti apakah produk tersebut biasanya diperpanjang setelah jatuh tempo, kecenderungan penarikan lebih awal pada deposito berjangka atau pola secara historis perpanjangan deposito berjangka. Dari analisa arus kas secara *behaviour* ini, diperoleh *gap Net Cash Outflow* (NCO) yang diperkirakan akan dihadapi Bank. Selama periode Januari sampai dengan Desember 2016, besarnya *gap* NCO masih berada dalam limit yang telah ditetapkan dan dalam toleransi Bank.

Tabel jatuh tempo aset dan liabilitas Bank berdasarkan jangka waktu kontraktual yang tersisa dapat dilihat pada Catatan 38.

39. Risk Management Policies (continued)

Liquidity Risk (continued)

It serves to identify and recognize a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick and effective decision-making.

The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organization structure of the Bank to identify the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a Liquidity Crisis Management Team which is responsible to evaluate the liquidity position and decide the actions to be taken when crisis occurs.

The cash flow analysis of net funding requirement involves the preparation of cash flow mismatch based on actual contractual maturity. Contractual cash flow profiles allocate the assets, liabilities, and off balance sheet items into time band by remaining maturity of the assets, liabilities and off balance sheet items.

Besides, the Bank also produce the cash flow mismatch report based on behavioral assumption. The cash flow related to behavior analysis of assets, liabilities, off balance sheet and the potential cash flow is projected based on assumptions which derived from the behavior patterns. Potential cash flow are specifically associated with product characteristic, such as whether the product is renewed, tendency of early redemption for time deposit or the historical trend of time deposit's rolled over. From the behaviour cash flow analysis, it is obtained the expected Net Cumulative Outflow (NCO) gap that will be encountered by the Bank. During January until December 2016, the NCO gap is still within the limit and Bank's tolerance.

Table maturity of Bank's asset and liabilities based on contractual can be seen in Note 38.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional

Risiko operasional didefinisikan sebagai risiko yang terjadi sebagai akibat dari ketidakcukupan atau kegagalan proses internal, manusia dan sistem atau dari berbagai peristiwa eksternal. Potensi kerugian dapat berupa kerugian finansial atau dampak buruk lainnya, misalnya, kehilangan reputasi dan kepercayaan publik yang berdampak pada kredibilitas Bank dan kemampuan untuk bertransaksi, menjaga likuiditas dan memperoleh bisnis baru.

Bank telah menetapkan Kerangka kerja Manajemen Risiko Operasional yang mencakup seperangkat Struktur Tata Kelola Risiko Operasional, Kebijakan dan Standar Manajemen Risiko, budaya dan kesadaran risiko, identifikasi risiko, pengukuran risiko, pemantauan risiko, pengendalian risiko, data kerugian, program mitigasi risiko, kaji ulang dan audit risiko, pelaporan risiko, dan modal yang dipersyaratkan. Ambang batas untuk Risiko Operasional telah ditetapkan. Ambang batas meliputi, namun tidak terbatas pada hal-hal berikut: pernyataan kuantitatif dan kualitatif terkait hal-hal yang tidak dapat ditoleransi atau dibiarkan oleh Bank, *Risk Appetite*, *Risk Assessment Criteria Matrix*, *Key Operational Risk Indicators*, *Materiality & Notification Protocol*, GOCEQ *(General Operating & Control Environment Questionnaire)*, *Deductible/Limits* untuk pembelian asuransi, dan lainnya.

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional:

- Meleburkan Komite Manajemen Risiko Operasional ke dalam Komite Manajemen Risiko dan melakukan pertemuan komite tersebut setiap bulan yang berfungsi sebagai forum diskusi untuk membahas berbagai permasalahan terkait risiko operasional lebih intensif di samping pembahasan *Risk Appetite Statement* (RAS), Profil Risiko dan *Risk Based Bank Rating* (RBBR).
- Membuat dan melakukan pengkinian terhadap kebijakan manajemen risiko operasional dan kebijakan serta pedoman lainnya yang berkaitan dengan pengelolaan risiko operasional.
- Merevisi *Operational Risk Management* (ORM) *Risk Assessment Matrix* untuk selalu disesuaikan dengan perkembangan tingkat *risk appetite* Bank.
- Mengembangkan metode pelaporan risiko operasional melalui pengembangan ORM *Risk Dashboard*, ORM *Risk Heat Maps* dan ORM *Business/Support Functions Risk Dashboard.*

39. Risk Management Policies (continued)

Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Potential loss may be in the form of financial loss or other damages, for example, loss of reputation and public confidence that will impact the Bank's creditability and ability to transact, maintain liquidity and obtain new business.

The Bank has established an Operational Risk Management Framework that comprises Operational Risk Governance Structure, Risk Management Policies and Standards, risk culture and awareness, risk identification, assessment, monitoring and control, loss database, risk mitigation program, risk reviews and audit, risk reporting, and regulatory capital. Operational Risk thresholds have been established. The thresholds include, but are not limited to the following: quantative and qualitative statements on what the Bank is not willing to tolerate or condone, Risk Appetite, Risk Assessment Criteria Matrix, Key Operational Risk Indicators, Materiality & Notification Protocol, GOCEQ (General Operating & Control Environment Questionnaire), Deductible/Limits for insurance cover purchased, etc.

The following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk:

- *Merge Operational Risk Management Committee (ORMC) into Risk Management Committee and do the committee meeting every month which serves as a forum to discuss various issues related to operational risk in more intensive beside other discussions on Risk Appetite Statement (RAS), Risk Profile and Risk Based Bank Rating (RBBR).*
- *Develop and review operational risk management policy and other policies and guidelines relating to operational risk management.*
- *Revise Operational Risk Management (ORM) Risk Assessment Matrix to be aligned continually with the Bank's risk appetite.*
- *Develop operational risk reporting method through the development of the ORM Risk Dashboard, ORM Risk Heat Maps and ORM Business/Support Functions Risk Dashboard.*

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional: (lanjutan)

- Implementasi perangkat kerja ORM seperti *Key Risk Control Self Assessment* (KRCSA), *General Operating & Control Environtment Questionnaire (*GOCEQ), *Key Operational Risk Indicator (*KORI*), Management Risk Awareness* (risiko yang dideklarasikan sendiri), *Event Risk Reporting* (ERR) dan *scenario analysis* yang dilakukan untuk mengidentifikasi risiko dan kontrol yang melekat dalam proses operasional utama pada semua unit dan cabang.
- Melakukan validasi hasil penilaian perangkat risiko operasional, terutama KRCSA, GOCEQ dan KORI melalui kaji ulang ke sejumlah unit kerja di kantor pusat dan cabang-cabang yang dijadikan sampling untuk melihat tingkat kepatuhan terhadap prosedur dan kontrol.
- Melakukan pengembangan strategi pemulihan dalam menghadapi bencana yang meluas *(Wide Area Disruption).*
- Memberikan pembekalan dan pelatihan kepada *Quality Assurance* (QA) pada setiap cabang dan menyelenggarakan forum *Line Risk Control Manager* (LRCM) dan *BCP Manager* secara periodik untuk meningkatkan kesadaran risiko secara *bankwide*.
- Membuat ORM *e-Learning*, video anti *fraud* dan *Fraud e-Learning* untuk meningkatkan kesadaran risiko operasional dan kewaspadaan staf atas ancaman tindakan *fraud*.
- Meningkatkan kesadaran akan pentingnya budaya risiko operasional dengan mendistribusikan pesan-pesan singkat melalui email kepada seluruh unit kerja.
- Membantu unit bisnis dalam melakukan kaji ulang atas sejumlah produk/aktivitas/prosedur baru.
- Melakukan pengembangan dan penerapan Manajemen Kelangsungan Bisnis/*Business Continuity Management* seperti:
  a. Secara berkelanjutan terus memperbaiki kualitas *Business Impact Analysis* (BIA) dan *Business Continuity Plan* (BCP) dari lini bisnis dan pendukung.
  b. Simulasi/latihan Rencana Kelangsungan Bisnis (*Business Continuity Plan*/BCP).
  c. *Disaster Recovery Exercise* untuk sistem IT.
  d. Simulasi/latihan *Call Tree* untuk Manajemen dan unit.
  e. *Table top exercise* untuk Komite BCM (*Business Continuity Management*).

39. Risk Management Policies (continued)

Operational Risk (continued)

The following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk: (continued)

- *The implementation of ORM tools e.g Key Risk Control Self Assessment (KRCSA), General Operating & Control Environtment Questionnaire (GOCEQ), Key Operational Risk Indicator (KORI), Management Risk Awareness (self declared risk), Event Risk Reporting (ERR) and scenario analysis to identify the risks and controls in key operational processes for all units and branches.*
- *Validate the assessment results of operational risk tools, particularly KRCSA, GOCEQ and KORI through sample reviews of several sampling from working units in head office and branches to measure the compliance level of procedures and controls.*
- *Develop recovery strategy of Wide Area Disruption.*
- *Conduct briefing and training for Quality Assurance (QA) staff in branches and conduct periodically Line Risk Control Manager (LRCM) and BCP Manager forum to increase bankwide risk awareness.*
- *Develop ORM e-Learning, anti fraud video and Fraud e-Learning to improve operational risk awareness and staff vigilance to prevent/avoid fraud.*
- *Increase operational risk awareness by sending flash message through email to all business/support units.*
- *Assist business units in reviewing new products/activities/procedures.*
- *Develop and implement Business Continuity Management, as follows:*
  a. Continually improving the quality of Business Impact Analysis (BIA) and Business Continuity Plan (BCP) from line of business and support.
  b. Simulation/exercise of Business Continuity Plan (BCP).
  c. Disaster Recovery Exercise for IT system.
  d. Call Tree simulation/exercise for Management and units
  e. Table top exercise for BCM (Business Continuity Management) Committee.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan

Risiko kepatuhan didefinisikan sebagai risiko yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku.

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan:

A. Kebijakan dan Prosedur Kepatuhan

Sejalan dengan Peraturan yang berlaku, Kebijakan Kepatuhan telah dirumuskan untuk menentukan cakupan, prinsip-prinsip dan tanggung jawab untuk pengelolaan yang efektif dari fungsi kepatuhan. Pokok-pokok pengaturan kepatuhan beserta tujuan pengaturannya adalah sebagai berikut:

1. Piagam Kepatuhan Bank

   Mengatur mengenai Kerangka Kerja Fungsi Kepatuhan Bank (*Compliance Framework*) serta peran dan tanggung jawab seluruh *stakeholders*.

2. Prosedur Pengkajian Kepatuhan

   Mengatur mengenai mekanisme identifikasi kekurangan atau kelemahan kontrol pada kebijakan, ketentuan, sistem, dan prosedur internal Bank serta mekanisme pemantauan risiko kepatuhan dengan pendekatan berbasis risiko (*Risk-Based Approach*).

3. Prosedur tentang Mekanisme Pemantauan Data Acuan Keuangan
   Mengatur mengenai mekanisme pemantauan data acuan keuangan (JIBOR dan/atau JISDOR) yang disampaikan oleh Bank kepada Bank Indonesia untuk menghindari adanya kecurangan yang dilakukan oleh pegawai Bank dalam menetapkan dan menyampaikan data acuan keuangan tersebut sehingga data acuan keuangan yang dikirimkan ke Bank Indonesia dapat mencerminkan keadaan pasar yang sebenarnya. Untuk periode tahun 2016, Bank tidak lagi menjadi kontributor JIBOR.

39. Risk Management Policies (continued)

Compliance Risk

Compliance risk is defined as the risk that occurs due to Bank's failure to comply with and/or implement the prevailing laws and regulations.

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk:

A. Compliance Policies and Procedures

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The principal regulations as well as its objectives are as follows:

1. Bank's Compliance Charter

   Regulating the Bank's Compliance Framework as well as the roles and responsibilities of all stakeholders.

2. Procedures for Compliance Review

   Regulating the mechanism to identify control deficiencies or weaknesses in the Bank's internal policies, provisions, systems and procedures as well as the mechanism of risk-based approach compliance risk monitoring.

3. Procedure of Financial Benchmark Data Surveillance Mechanism
   Regulate the mechanism of financial benchmark data surveillance (JIBOR and/or JISDOR) submitted by the Bank to Bank Indonesia to avoid any fraud committed by Bank's employees in setting and submitting the financial benchmark so that financial benchmark data sent to Bank Indonesia may reflect real market condition. For 2016 period, the Bank is no longer act as a contributor in JIBOR.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

4. Prosedur Pemantauan Komitmen Bank dan Tindak Lanjut atas Permintaan dari Regulator Terkait
Mengatur mengenai mekanisme pemenuhan kepatuhan dan pelaksanaan terhadap komitmen yang dibuat oleh Bank kepada Regulator.

5. Prosedur Pengeskalasian dan Pelaporan Kejadian Risiko Kepatuhan
Mengatur mengenai mekanisme pelaporan yang tepat waktu untuk setiap pelanggaran atau ketidakpatuhan terhadap peraturan perundang-undangan dan ketentuan yang berlaku.

6. Ketentuan-Ketentuan yang Terkait dengan Fungsi Kepatuhan
Memberikan informasi mengenai ketentuan-ketentuan yang terkait dengan pelaksanaan Fungsi Kepatuhan Bank.

Fungsi Kerja *Compliance* bekerja sama dengan Fungsi Kerja *Risk Management* dan Fungsi Kerja *Internal Audit* telah menerbitkan Pedoman Penyesuaian Nilai Kinerja Pegawai/*Key Performance Indicator* (KPI) Berdasarkan Risiko untuk memastikan efektivitas dari pelaksanaan manajemen risiko dan *Good Corporate Governance*, sehingga Tingkat Kesehatan Bank dapat terjaga pada peringkat yang baik.

Selain itu, selama periode tahun 2016 Bank juga telah menerbitkan Kebijakan dan Prosedur tentang pelaksanaan fungsi kepatuhan, permintaan opini kepatuhan, pembayaran pungutan OJK, komunikasi dengan *Regulator*, *underlying* transaksi *outgoing* valas, perdagangan pribadi atas surat berharga dan layanan penasihat keuangan & penjualan produk investasi.

39. Risk Management Policies (continued)

Compliance Risk (continued)

A. Compliance Policies and Procedures (continued)

4. Procedures in Monitoring the Bank's Commitment and Follow-up on Requests from Related Regulator
Regulating the mechanism of compliance fulfilment and implementation towards the commitments made by the Bank to Regulator.

5. Procedures in Escalating and Reporting Compliance Risk Events
Regulating the reporting mechanism in a timely manner for each breach or violation towards the prevailing laws, regulations and provisions.

6. Provisions Related to Compliance Function
Provide information on provisions related to the implementation of Bank's Compliance Function.

Compliance Function in cooperation with Risk Management Function and Internal Audit Function has issued Guidelines of Risk Based Employee Performance/Key Performance Indicator (KPI) to ensure the effectiveness of risk management and Good Corporate Governance implementation, so that the Bank Soundness Rating can be maintained at a good rating.

Moreover, during 2016 period the Bank has issued Policies and Procedures regarding implementation of compliance function, compliance opinion request, OJK levies payment, communication with Regulator, underlying for outgoing foreign exchange transaction, personal trading in securities, and financial advisory services & sales of investment products.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

B. Pemantauan Indikator Keuangan

Beberapa indikator kunci seperti rasio persyaratan modal minimum, kualitas aktiva produktif, rasio NPL, batas maksimum pemberian kredit, persyaratan giro wajib minimum, *loan to deposit ratio* dan posisi devisa neto telah dibentuk untuk memantau dan mengidentifikasi potensi risiko kepatuhan yang mungkin timbul jika Bank gagal untuk memenuhinya.

Divisi *Operational Risk Management* bekerja sama dengan Divisi *Compliance Advisory and Monitoring* untuk melaporkan setiap potensi pelanggaran atau pelanggaran atas ketentuan yang berlaku. Secara berkesinambungan, Bank meningkatkan pengelolaan risiko kepatuhan terhadap peraturan. Sampai dengan Desember 2016, masih terdapat pengenaan sanksi dari Regulator atas kesalahan yang bersifat administratif. Kelemahan yang menimbulkan pengenaan sanksi secara umum ialah *human error* dalam penyusunan dan penyampaian laporan-laporan rutin kepada Bank Indonesia, seperti Laporan Harian Bank Umum (LHBU) dan Laporan Sistem Informasi Debitur (SID). Dalam mengelola risiko kepatuhan yang timbul dari pengenaan sanksi tersebut, manajemen Bank senantiasa secara aktif memberikan pengarahan dan himbauan agar Bank memelihara seluruh aktivitas bisnis dan operasionalnya tetap mematuhi ketentuan-ketentuan yang berlaku.

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup:

a) Pengawasan aktif dari Dewan Komisaris dan Direksi, dengan dilakukan:
   a. Penyelenggaraan Komite *Anti Money Laundering* setiap bulannya;
   b. Rapat berkala antara Direktur Utama, Direktur *Compliance*, Kepala Divisi AML/CFT *and Sanctions* dan *Business Heads* untuk membahas antara lain perkembangan, pencapaian dan tindak lanjut yang akan diambil mengenai pengkinian data, pengenaan sanksi terkait *fraud*, dan tindak lanjut untuk meminimalisasi kesalahan pelaporan.

39. Risk Management Policies (continued)

Compliance Risk (continued)

B. Monitoring the Financial Indicator

Several key indicators such as minimum capital adequacy ratio, earning asset quality, NPL ratio, legal lending limit, statutory reserve requirement, loan to deposit ratio and net open position have been established to monitor and identify potential compliance risks that may arise if the Bank fails to comply.

Operational Risk Management division collaborate with Compliance Advisory and Monitoring Division to report any potential violation or breach of the prevailing regulations. On an ongoing basis, the Bank has progressively enhanced the management of regulatory compliance risks. Throughout December 2016, there were still sanctions imposed by Regulator due to administrative errors. Weaknesses that caused the imposing of sanctions in general was due to human error in the preparation and submission of regular reports to Bank Indonesia, such as Commercial Bank Daily Report (LHBU), Commercial Bank Head Office Report (LKPBU), and Debtor Information Report (SID). In managing the compliance risk arising from the imposing of such sanctions, Bank's Management has actively given directives and guidance so that Bank continuously maintains all of its business and operational activities to remain compliant towards the prevailing provisions.

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include:

a) Active supervision of the Board of Commissioners and Directors, by conducting:
   a. Anti Money Laundering Committee every month;
   b. Regular meeting between President Director (CEO), Compliance Director, AML/CFT & Sanctions Division Head and Business Heads to discuss, among other the developments, achievements and the follow-up action to be taken regarding the updating data, the imposition of sanctions related to fraud, and the follow-up to minimize the error in reporting.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup: (lanjutan)

b) Kebijakan dan Prosedur, dengan:
   a. Memformulasikan Program APU-PPT dalam kebijakan internal Bank yang disesuaikan dengan aturan dari regulator dan 40 + 9 rekomendasi FATF;
   b. Implementasi Program APU-PPT dalam bentuk SOP yang mencakup, antara lain:
      - Penerimaan nasabah;
      - *On-going review*;
      - Pelaporan kepada Manajemen;
      - Pemantauan transaksi;
      - Pelaporan kepada regulator

c) Sistem Pengendalian Internal,
   a. Penunjukan petugas/pejabat yang bertugas secara khusus dalam pemantauan pelaksanaan proses dan program APU dan PPT pada setiap unit bisnis dan unit pendukung.
   b. Penyusunan SOP yang lebih rinci terkait proses pelaksanaan program APU dan PPT pada masing-masing unit bisnis dan unit pendukung.
   c. Pengembangan metodologi pengklasifikasian risiko APU dan PPT pada unit bisnis dan kantor cabang.
   d. Pengembangan metodologi pengkajian kepatuhan terhadap implementasi ketentuan APU-PPT.

d) Sistem Informasi Manajemen, dimana Bank telah memiliki:
   a. Sistem untuk pemantauan transaksi nasabah, yang meliputi rekening tabungan/giro, deposito dan kartu kredit.
   b. Sistem untuk melakukan *filtering* transaksi dari SWIFT baik *incoming* maupun *outgoing*;
   c. Sistem untuk melakukan proses *screening* terhadap daftar hitam/sanksi;
   d. Sistem aplikasi yang terkait dengan pelaporan kepada *regulator*.

39. Risk Management Policies (continued)

Compliance Risk (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include: (continued)

b) Policies and procedures, with:
   a. Formulating the AML-CFT program Program to Bank's internal policy which adopting the regulation from the regulator and the FATF recommendations 40 + 9;
   b. Implementation AML-CFT Program in the form of SOP that includes, among others:
      - *Customer acceptance;*
      - *On-going review;*
      - *Management reporting;*
      - *Transaction monitoring;*
      - *Regulatory reporting*

c) Internal Control System,
   a. Appointment of staff/officer specifically tasked in monitoring the implementation of the AML-CFT process and programs in each business units and support units.
   b. Formulating more detailed SOP regarding AML-CFT program implemetation process in each business units and supporting units.
   c. Development of AML-CFT risk classification methodology in the business units and branches.
   d. Development of compliance testing methodology on the implementation of AML-CFT regulation.

d) Management Information System, where Bank has established:
   a. System for transaction monitoring which includes current/saving account, time deposit and credit cards;
   b. System for SWIFT transaction filtering both for incoming and outgoing transaction;
   c. System for screening process against the black list/sanctions list;
   d. Application system related to regulatory reporting.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup: (lanjutan)

e) Sumber daya manusia dan pelatihan, di mana Bank telah:
   a. Melakukan proses *Know Your Employee* (KYE) sebelum penerimaan karyawan;
   b. Melakukan pelatihan terkait dengan APU-PPT, minimal 1 tahun sekali;
   c. menerapkan metode *training* dengan cara:
      i. *Face to face* : Pelatihan *in class*;
      ii. *E-Learning*, dengan penerapan *module Basic, Intermediate* dan *Advance.*

Selain hal di atas, Fungsi Kerja *Compliance* juga berperan penting sebagai penasehat dengan memberikan saran regulasi dan kepatuhan secara berkelanjutan kepada fungsi kerja bisnis dan fungsi kerja lainnya.

Risiko Stratejik

Risiko stratejik didefinisikan sebagai risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan stratejik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis.

Kebijakan Manajemen Risiko Stratejik telah ditetapkan guna memfasilitasi seluruh fungsi kerja dalam melakukan identifikasi, pengukuran, pemantauan, dan pelaporan risiko stratejik.

Pengelolaan risiko stratejik merujuk pada bagaimana Bank membuat suatu keputusan stratejik untuk merespons segala perubahan lingkungan (internal dan eksternal) pada masa kini maupun pada masa yang akan datang, serta bagaimana modal dan sumber daya dialokasikan guna mencapai tujuan stratejik Bank.

39. Risk Management Policies (continued)

Compliance Risk (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include: (continued)

e) Human resource and training, where Bank already have:
   a. Conducted Know Your Emplyee (KYE) process before employee recruitment;
   b. Conducted training related to AML-CFT, minimum once a year;
   c. implemented training method through:
      i. Face to face: in class trainings;
      ii. E-Learning, with Basic, Intermediate and Advance modules application.

Apart from the above, Compliance Function also plays an important advisory role as it provides the business and other units with regulatory and compliance advice on an ongoing basis.

Strategic Risk

Strategic risk is defined as the risk due to poor setting and/or implementation of a strategic decision and failure to anticipate any changes in business environment.

Strategic Risk Management Policy has been established in order to support the identification, measurement, monitoring and reporting of strategic risk.

Strategic risk management refers to how the Bank makes strategic decisions in response to significant changes in the current and prospective environment (internal and external) and how it deploys capital and resources to achieve its Bank strategic goals.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Stratejik (lanjutan)

Secara berkelanjutan, Bank melakukan kaji ulang berkala atas pencapaian target keuangan dan realisasi strategi. Seluruh fungsi kerja bisnis juga bertanggung jawab untuk memantau risiko stratejik pada areanya dan melaporkan secara tepat waktu kepada Direktur atau pejabat eksekutif senior terkait apabila terdapat isu potensial atau masalah yang memiliki implikasi stratejik terhadap Bank.

Seluruh fungsi kerja bertanggungjawab untuk memantau risiko stratejik.

Risiko Hukum

Risiko hukum didefinisikan sebagai risiko yang disebabkan oleh adanya kelemahan aspek yuridis yang antara lain disebabkan adanya tuntutan hukum, ketiadaan peraturan perundang-undangan yang mendukung atau kelemahan perikatan seperti tidak dipenuhinya syarat sahnya perjanjian dan pengikatan agunan yang tidak sempurna.

Bank melakukan pemantauan atas potensi risiko hukum yang mungkin timbul dari ketidakjelasan dalam kontrak/perjanjian, adanya perkara-perkara litigasi dan jaminan, adanya tuntutan hukum, kelemahan sistem hukum dan ketiadaan peraturan perundangan yang jelas. Dalam pengelolaan risiko hukum, Bank melakukan pemantauan komprehensif terhadap seluruh kegiatan operasional, terutama yang melibatkan pihak ketiga, yang berpotensi menimbulkan benturan kepentingan maupun tuntutan hukum. Pemantauan dilakukan dengan mengembangkan standar perjanjian meliputi peraturan dan kebijakan internal, melakukan kaji ulang atas perjanjian transaksional, dan menganalisa potensi risiko hukum pada produk dan aktivitas baru.

Risiko Reputasi

Risiko Reputasi merupakan dampak negatif pada pendapatan, likuiditas, atau modal Bank yang timbul dari persepsi atau opini negatif *stakeholder* terhadap praktik bisnis, kegiatan dan kondisi keuangan Bank.

Pengendalian risiko reputasi dilakukan melalui pencegahan peristiwa yang dapat menyebabkan risiko reputasi, misalnya dengan melakukan komunikasi secara berkala kepada para pemangku kepentingan dan kegiatan tanggung jawab sosial perusahaan.

39. Risk Management Policies (continued)

Strategic Risk (continued)

On an on-going basis, the Bank performs periodic reviews on the achievement of financial targets and realized strategies. All business functions are also responsible for the monitoring of its strategic risks and reporting promptly to related Director or senior executive officers on any potential issues or problems that have strategic implications on the Bank.

All functions are responsible for the monitoring of strategic risk.

Legal Risk

Legal risk is defined as the risk caused by the weakness of the judicial aspect due to lawsuits, the absence of legislation support or weakness in binding such as not fulfilled the terms of agreement and imperfect collateral binding.

Bank has monitored the potential legal risk that might arise from lack of clarity of the contracts/agreements, litigation cases and collaterals, lawsuits, weaknesses of juridical aspects and nonexistence of clear regulations. In managing the legal risk, Bank conducted monitoring in all operational activities, mainly those involving the third parties, which potentially cause conflict of interest as well as lawsuits. Monitoring is conducted by developing standard agreements that include regulations and internal policies, reviewing transactional agreements, and analyzing new products or activities for potential legal risks.

Reputation Risk

Reputation Risk is the adverse impact on the Bank's income, liquidity, or capital arising from negative stakeholder perception or opinion of the Bank's business practices, activities, and financial condition.

Risk controlling for reputation risk is conducted through prevention of events that could lead to reputation risk, for example by conducting a regular communication to stakeholders in the process of creating positive reputation and a series of activities such as corporate social responsibility.

39. Kebijakan Manajemen Risiko (lanjutan)

Risiko Reputasi (lanjutan)

Mitigasi atas risiko reputasi dilakukan melalui pemantauan dan pengelolaan secara intensif atas pemberitaan negatif di media dan semua perangkat *service* oleh Divisi *Strategic Communication and Customer Advocacy* dan Divisi *Brand.*

Kualitas layanan dan penanganan keluhan nasabah telah ditingkatkan melalui pemantauan secara regular dan pengembangan program yang dilakukan oleh Divisi *Strategic Communication and Customer Advocacy.*

Upaya Bank dalam memitigasi risiko reputasi melalui:

- Melakukan revisi atas kebijakan dan pedoman dalam penanganan keluhan nasabah.
- Mensosialisasikan seluruh revisi kebijakan tersebut serta alur kerja penanganan keluhan pada seluruh unit.
- Memaksimalkan peran *Contact Center* dengan meningkatkan mekanisme untuk menangani keluhan serta mendelegasikan beberapa wewenang penyelesaian keluhan nasabah.
- Melakukan evaluasi dan koordinasi secara berkala dengan unit-unit terkait untuk membahas keluhan nasabah, mencari solusinya termasuk penyelesaian keluhan sesuai dengan SLA yang ditentukan.
- Melakukan edukasi kepada nasabah terkait pencegahan atas *fraud* dengan menempatkan poster di cabang dan ATM, serta melalui iklan pada layar ATM.
- Guna meningkatkan kualitas layanan Bank serta mendorong loyalitas nasabah, maka rapat dilakukan secara bulanan melalui *Service Excellence Council.*
- Melakukan *coaching* dan pemantauan *standard* layanan untuk semua *front-liner* oleh PIC *service* wilayah secara periodik.
- Melakukan sosialisasi kepada seluruh bisnis segment dan divisi terkait dengan alur proses penanganan keluhan agar dapat ditindaklanjuti dengan benar.
- Merespon keluhan nasabah secara tertulis dengan segera dan benar baik yang diterima melalui *Contact Center*, Cabang, Media, BI, OJK.

39. Risk Management Policies (continued)

Reputation Risk (continued)

Mitigation of reputation risk was performed through intensive monitoring and management of negative publications in media and all service tools by Strategic Communication and Customer Advocacy Division and Brand Division.

Service quality and handling of customer complaints have been improved through the regular monitoring and development program by Strategic Communication and Customer Advocacy Division.

The Bank's effort in mitigating reputation risk through:

- *Revising and adjusting policy and guidance for complaint handling.*
- *Socializing all revised policies and complaint management procedure to all units.*
- *Maximizing the role of Contact Center by improving the mechanism to handle hard/media threat complaints and delegation of duty regarding customer complaints settlement.*
- *Evaluating and coordinating regularly with related units to discuss customer complaint, find out alternative solution including complaint resolution as per determined SLA.*
- *Educating related customers on the precautionary against fraud by placing posters in branches and ATMs as well as through the display space on the ATM screen.*
- *In order to improve the Bank's service quality and to encourage the customer's loyalty, therefore monthly meeting was conducted through Service Excellence Council.*
- *Coaching and monitoring on the standard service for all frontliners by PIC Service from regional periodically.*
- *Socializing to all business segments and divisions related to process flow of complaint handling, therefore it can be followed up properly.*
- *Responding customer's complaint in writing immediately and properly either received from Contact Center, branches, Media, Central Bank, OJK (Financial Service Authority).*

40. Nilai Wajar Instrumen Keuangan

Tabel di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan.

40. Fair Value of Financial Instruments

The tables below presents the comparison between the carrying values, as reported in the statement of financial position, and the fair values of all financial assets and liabilities.

	31 Desember/ *31 December 2016*		
	Nilai Tercatat/ *Carrying Value*	**Nilai Wajar/ *Fair Value***	
Aset Keuangan			***Financial Assets***
Pinjaman yang diberikan dan piutang			***Loans and receivables***
Kas	535.517	535.517	*Cash*
Giro pada Bank Indonesia	5.724.310	5.724.310	*Currents accounts with Bank Indonesia*
Giro pada bank lain	1.098.294	1.098.294	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	3.321.154	3.321.154	*Placement with Bank Indonesia and other banks*
Kredit yang diberikan - neto	64.698.998	64.698.998	*Loans - net*
Tagihan akseptasi - neto	1.748.937	1.748.937	*Acceptances receivable - net*
Aset lain-lain	304.156	304.156	*Other assets*
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial assets at fair value through profit or loss***
Efek-efek yang diperdagangkan	945.104	945.104	*Trading securities*
Tagihan derivatif	202.112	202.112	*Derivatives receivable*
Aset keuangan tersedia untuk dijual			***Available-for-sale financial assets***
Investasi keuangan tersedia untuk dijual	9.316.226	9.316.226	*Financial investments available-for-sale*
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	1.902.219	1.902.219	*Receivables on securities purchased with agreements to resell*
Aset keuangan yang dimiliki hingga jatuh tempo			***Held-to-maturity financial assets***
Dimiliki hingga jatuh tempo - neto	2.656.545	2.656.545	*Held-to-maturity - net*
Total	**92.453.572**	**92.453.572**	***Total***
Liabilitas Keuangan			***Financial Liabilities***
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial liabilities at fair value through profit or loss***
Liabilitas derivatif	194.328	194.328	*Derivatives payable*
Liabilitas Lain-lain			***Other Liabilities***
Liabilitas segera	101.348	101.348	*Current liabilities*
Simpanan	73.004.901	73.004.901	*Deposits*
Simpanan dari bank lain	3.641.664	3.641.664	*Deposits from other banks*
Bunga yang masih harus dibayar	211.247	211.247	*Interest payable*
Liabilitas akseptasi	1.770.688	1.770.688	*Acceptances payable*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	339.412	339.412	*Liabilities on securities sold under repurchase agreements*
Efek hutang yang diterbitkan - neto	3.185.128	3.268.137	*Debt securities issued - net*
Liabilitas lain-lain	205.203	205.203	*Other liabilities*
Total	**82.653.919**	**82.736.928**	***Total***

40. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan. (lanjutan)

40. Fair Value of Financial Instruments (continued)

The tables below presents the comparison between the carrying values, as reported in the statement of financial position, and the fair values of all financial assets and liabilities. (continued)

	31 Desember/ *31 December 2015*		
	Nilai Tercatat/ *Carrying Value*	**Nilai Wajar/ *Fair Value***	
Aset Keuangan			***Financial Assets***
Pinjaman yang diberikan dan piutang			***Loans and receivables***
Kas	516.244	516.244	*Cash*
Giro pada Bank Indonesia	5.454.283	5.454.283	*Currents accounts with Bank Indonesia*
Giro pada bank lain	703.809	703.809	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	2.855.655	2.855.655	*Placement with Bank Indonesia and other banks*
Kredit yang diberikan - neto	60.573.523	60.573.523	*Loans - net*
Tagihan akseptasi - neto	2.613.112	2.613.112	*Acceptances receivable - net*
Aset lain-lain	290.859	290.859	*Other assets*
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial assets at fair value through profit or loss***
Efek-efek yang diperdagangkan	1.556.498	1.556.498	*Trading securities*
Tagihan derivatif	141.727	141.727	*Derivatives receivable*
Aset keuangan tersedia untuk dijual			***Available-for-sale financial assets***
Investasi keuangan tersedia untuk dijual	8.526.276	8.526.276	*Financial investments available-for-sale*
Aset keuangan yang dimiliki hingga jatuh tempo			***Held-to-maturity financial assets***
Dimiliki hingga jatuh tempo - neto	1.852.940	1.852.940	*Held-to-maturity - net*
Total	**85.084.926**	**85.084.926**	***Total***
Liabilitas Keuangan			***Financial Liabilities***
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial liabilities at fair value through profit or loss***
Liabilitas derivatif	143.218	143.218	*Derivatives payable*
Liabilitas Lain-lain			***Other Liabilities***
Liabilitas segera	61.920	61.920	*Current liabilities*
Simpanan	64.457.293	64.457.293	*Deposits*
Simpanan dari bank lain	5.506.520	5.506.520	*Deposits from other banks*
Bunga yang masih harus dibayar	243.086	243.086	*Interest payable*
Liabilitas akseptasi	2.643.573	2.643.573	*Acceptances payable*
Efek hutang yang diterbitkan	2.487.873	2.587.690	*Debt securities issued*
Liabilitas lain-lain	160.717	160.717	*Other liabilities*
Total	**75.704.200**	**75.804.017**	***Total***

40. Nilai Wajar Instrumen Keuangan (lanjutan)

Nilai wajar aset dan liabilitas keuangan, kecuali efek-efek yang diperdagangkan, tagihan dan liabilitas derivatif, investasi keuangan yang tersedia untuk dijual dan efek hutang yang diterbitkan, mendekati nilai tercatatnya karena aset dan liabilitas keuangan dalam jumlah signifikan memiliki jangka waktu yang pendek dan/atau suku bunganya sering ditinjau ulang. Tagihan dan liabilitas derivatif nilai wajarnya dihitung berdasarkan teknik penilaian. Efek-efek yang diperdagangkan dan investasi keuangan yang tersedia untuk dijual nilai wajarnya berdasarkan harga yang dapat diperoleh atau dapat diobservasi. Nilai wajar dari efek hutang yang diterbitkan dihitung menggunakan diskonto arus kas berdasarkan tingkat suku bunga pasar.

Penilaian atas nilai wajar instrumen keuangan berdasarkan hirarki nilai wajar dapat dilihat pada Catatan 2ab.

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas:

40. Fair Value of Financial Instruments (continued)

The fair value of financial assets and liabilities, except for trading securities, derivatives receivables and liabilities, financial investments available-for-sale and debt securities issued, approximate its carrying values because financial assets and liabilities in significant amount have short-term period and/or the interest rate is frequently reviewed. Derivatives receivables and liabilities fair value is based on valuation technique. Trading securities, and financial investment available-for-sale fair value is based on quoted or observable prices. The fair value of debt securities issued are calculated using discounted cash flows using market interest rate.

Valuation for the fair value of financial instruments based on the fair value hierarchy refer to Note 2ab.

The tables below show the asset and liablities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities:

	31 Desember/ *31 December 2016*				
	Tingkat 1/ *Level 1*	**Tingkat 2/ *Level 2***	**Tingkat 3/ *Level 3***	**Total**	
Aset yang diukur pada nilai wajar					***Assets measured at fair value***
Tagihan derivatif	-	202.112	-	202.112	*Derivatives receivable*
Efek-efek yang diperdagangkan	945.104	-	-	945.104	*Trading securities*
Investasi keuangan tersedia untuk dijual	9.106.758	209.468	-	9.316.226	*Financial investments available-for-sale*
Total aset yang diukur pada nilai wajar	**10.051.862**	**411.580**	**-**	**10.463.442**	***Total assets measured at fair value***
Aset yang nilai wajarnya diungkapkan					***Assets for which fair value are disclosed***
Kredit yang diberikan - neto	-	63.002.742	1.696.256	64.698.998	*Loans - net*
Investasi keuangan dimiliki hingga jatuh tempo - neto	-	2.656.545	-	2.656.545	*Financial investments held-to-maturity - net*
Agunan yang diambil alih - neto	-	-	41.693	41.693	*Foreclosed assets - net*
Properti terbengkalai - neto	-	-	9.583	9.583	*Abandoned property - net*
Total aset yang nilai wajarnya diungkapkan	**-**	**65.659.287**	**1.747.532**	**67.406.819**	***Total assets for which fair value are disclosed***
Total	**10.051.862**	**66.070.867**	**1.747.532**	**77.870.261**	***Total***

40. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas: (lanjutan)

40. Fair Value of Financial Instruments (continued)

The tables below show the asset and liablities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities: (continued)

	31 Desember/ *31 December 2016*				
	Tingkat 1/ *Level 1*	**Tingkat 2/ *Level 2***	**Tingkat 3/ *Level 3***	**Total**	
Liabilitas yang diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas derivatif	-	194.328	-	194.328	*Derivatives liabilities*
Total liabilitas yang diukur pada nilai wajar	**-**	**194.328**	**-**	**194.328**	***Total liabilities measured at fair value***
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value are disclosed***
Efek hutang yang diterbitkan - neto	-	3.268.137	-	3.268.137	*Debt securities issued - net*
Total liabilitas yang nilai wajarnya diungkapkan	**-**	**3.268.137**	**-**	**3.268.137**	***Total liabilities for which fair value are disclosed***
Total	**-**	**3.462.465**	**-**	**3.462.465**	***Total***

	31 Desember/ *31 December 2015*				
	Tingkat 1/ *Level 1*	**Tingkat 2/ *Level 2***	**Tingkat 3/ *Level 3***	**Total**	
Aset yang diukur pada nilai wajar					***Assets measured at fair value***
Tagihan derivatif	-	141.727	-	141.727	*Derivatives receivable*
Efek-efek yang Diperdagangkan	1.556.498	-	-	1.556.498	*Trading securities*
Investasi keuangan tersedia untuk dijual	8.322.613	203.663	-	8.526.276	*Financial investments available-for-sale*
Total aset yang diukur pada nilai wajar	**9.879.111**	**345.390**	**-**	**10.224.501**	***Total assets measured at fair value***
Aset yang nilai wajarnya diungkapkan					***Assets for which fair value are disclosed***
Kredit yang diberikan - neto	-	59.208.977	1.364.546	60.573.523	*Loans - net*
Investasi keuangan dimiliki hingga jatuh tempo - neto	-	1.852.940	-	1.852.940	*Financial investment Held-to-maturity - net*
Agunan yang diambil alih - neto	-	-	48.938	48.938	*Foreclosed assets - net*
Properti terbengkalai - neto	-	-	6.639	6.639	*Abandoned property - net*
Total aset yang nilai wajarnya diungkapkan	**-**	**61.061.917**	**1.420.123**	**62.482.040**	***Total assets for which fair value are disclosed***
Total	**9.879.111**	**61.407.307**	**1.420.123**	**72.706.541**	***Total***

40. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas: (lanjutan)

40. Fair Value of Financial Instruments (continued)

The tables below show the asset and liablities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities: (continued)

	31 Desember/ *31 December 2015*				
	Tingkat 1/ *Level 1*	Tingkat 2/ *Level 2*	Tingkat 3/ *Level 3*	Total	
Liabilitas yang diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas derivatif	-	143.218	-	143.218	*Derivatives liabilities*
Total liabilitas yang diukur pada nilai wajar	**-**	**143.218**	**-**	**143.218**	***Total liabilities measured at fair value***
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value are disclosed***
Efek hutang yang diterbitkan - neto	-	2.587.690	-	2.587.690	*Debt securities issued - net*
Total liabilitas yang nilai wajarnya diungkapkan	**-**	**2.587.690**	**-**	**2.587.690**	***Total liabilities for which fair value are disclosed***
Total	**-**	**2.730.908**	**-**	**2.730.908**	***Total***

41. Informasi Segmen Operasi

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

41. Operating Segment Information

The tables below show the business segment information of the Bank, which are based on operating segment:

	31 Desember/ *31 December 2016*				
	Wholesale	*Retail*	Lainnya/ *Others*	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					***Statement of Profit or Loss and Other Comprehensive Income***
Pendapatan	1.655.693	1.210.093	5.342.231	8.208.017	*Income*
Beban	(302.223)	(793.099)	(5.484.289)	(6.579.611)	*Expenses*
Cadangan kerugian penurunan nilai	(683.194)	(269.664)	(5.811)	(958.669)	*Allowance for impairment losses*
Laba sebelum beban pajak	670.276	147.330	(147.869)	669.737	*Income before tax expense*
Beban pajak				(190.464)	*Tax expense*
Laba tahun berjalan				**479.273**	***Income for the year***
Laporan Posisi Keuangan					***Statement of financial position***
Jumlah aset	65.881.225	24.379.807	3.832.816	**94.093.848**	*Total assets*
Jumlah liabilitas	34.924.401	40.856.643	7.491.734	**83.272.778**	*Total liabilities*

41. Informasi Segmen Operasi (lanjutan)

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

41. Operating Segment Information (continued)

The tables below show the business segment information of the Bank, which are based on operating segment:

	31 Desember/ *31 December 2015*				
	Wholesale	*Retail*	Lainnya/ *Others*	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					***Statement of Profit or Loss and Other Comprehensive Income***
Pendapatan	1.443.571	1.128.658	5.312.650	7.884.879	*Income*
Beban	(92.597)	(858.420)	(5.636.241)	(6.587.258)	*Expenses*
Cadangan kerugian penurunan nilai	(476.547)	(179.396)	(3.306)	(659.249)	*Allowance for impairment losses*
Laba sebelum beban pajak	874.427	90.842	(326.897)	638.372	*Income before tax expense*
Beban pajak				(175.296)	*Tax expense*
Laba tahun berjalan				**463.076**	***Income for the year***
Laporan Posisi Keuangan					***Statement of financial position***
Jumlah aset	62.739.284	22.951.952	956.089	**86.647.325**	*Total assets*
Jumlah liabilitas	35.081.886	38.295.675	3.001.472	**76.379.033**	*Total liabilities*

42. Penitipan Harta

Bank juga memberikan jasa penitipan harta. Total uang jasa yang diterima dari pemberian jasa ini selama tahun 2016 dan 2015 adalah masing-masing sebesar Rp4.576 dan Rp5.234. Pada tanggal 6 Juli 2010, Bank telah memperoleh Surat Keputusan Badan Pengawas Pasar Modal dan Lembaga Keuangan No. KEP-287/BL/2010, tentang Penetapan Penggunaan Persetujuan Bank Umum Sebagai Kustodian Atas Nama PT Bank UOB Indonesia.

42. Custodianship

The Bank engages in the provision of custodial services. Total fees received from custodial services during 2016 and 2015 amounted to Rp4,576 and Rp5,234, respectively. On 6 July 2010, the Bank has obtained a Decree of the Capital Market and Financial Institutions Supervisory Agency No. KEP-287/BL/2010 about the Stipulation of Use Approval of Commercial Bank as Custodian on behalf of PT Bank UOB Indonesia.

43. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Bank namun belum berlaku efektif untuk laporan keuangan tahun 2016:

- Amandemen PSAK 1: Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan. Amandemen ini mengklarifikasi, bukan mengubah secara signifikan, persyaratan PSAK 1, antara lain, mengklasifikasi mengenai materialitas, fleksibilitas urutan sistematis catatan atas laporan keuangan dan pengidentifikasian kebijakan akuntansi signifikan.

43. Accounting Standards Issued but not yet Effective

The following are several accounting standards and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Bank but not yet effective for 2016 financial statements:

- *Amendments to PSAK 1: Presentation of Financial Statements on Disclosures Initiative. This amendments clarify, rather than significantly change, existing PSAK 1 requirements, among others, to clarify the materiality, flexibility as to the order in which they present the notes to financial statements and identification of significant accounting policies.*

43. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Bank namun belum berlaku efektif untuk laporan keuangan tahun 2016: (lanjutan)

- Amandemen PSAK 2: Laporan Arus Kas tentang Prakarsa Pengungkapan, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

  Amandemen ini mensyaratkan entitas untuk menyediakan pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan non-kas.

- Amandemen PSAK 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

  Amandemen ini mengklarifikasi bahwa untuk menentukan apakah laba kena pajak akan tersedia sehingga perbedaan temporer yang dapat dikurangkan dapat dimanfaatkan; estimasi atas kemungkinan besar laba kena pajak masa depan dapat mencakup pemulihan beberapa aset entitas melebihi jumlah tercatatnya.

- PSAK 3 (Penyesuaian 2016): Laporan Keuangan Interim, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan.

  Penyesuaian ini mengklarifikasi bahwa pengungkapan interim yang dipersyaratkan harus dicantumkan dalam laporan keuangan interim atau melalui referensi silang dari laporan keuangan interim seperti komentar manajemen atau laporan risiko yang tersedia untuk pengguna laporan keuangan interim dan pada saat yang sama.

- PSAK 24 (Penyesuaian 2016): Imbalan Kerja, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan.

  Penyesuaian ini mengklarifikasi bahwa pasar obligasi korporasi berkualitas tinggi dinilai berdasarkan denominasi mata uang obligasi tersebut dan bukan berdasarkan negara di mana obligasi tersebut berada.

43. Accounting Standards Issued but not yet Effective (continued)

The following are several accounting standards and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Bank but not yet effective for 2016 financial statements: (continued)

- *Amendments to PSAK 2: Statement of Cash Flows on the Disclosures Initiative, effective 1 January 2018 with earlier application is permitted.*

  This amendments requires entities to provide disclosures that enable the financial statements users to evaluate the changes in liabilities arising from financing activities, including changes from cash flow and non-cash.

- *Amendments to PSAK 46: Income Taxes on the Recognition of Deferred Tax Assets for Unrealized Losses, effective 1 January 2018 with earlier application is permitted.*

  This amendments clarifies that to determine whether the taxable income will be available so that the deductible temporary differences can be utilized; estimates of the most likely future taxable income can include recovery of certain assets of the entity exceeds its carrying amount.

- *PSAK 3 (2016 Improvement): Interim Financial Reporting, effective 1 January 2017 with earlier application is permitted.*

  This improvement clarifies that the interim disclosures required should be included in the interim financial statements or through cross-references of the interim financial statements, such as management commentary or risk management report, that available to users of the interim financial statements and should at the same time.

- *PSAK 24 (2016 Improvement): Employee Benefits, effective 1 January 2017 with earlier application is permitted.*

  This improvement clarifies that the market of high quality corporate bonds is valued by denominated bonds and not based on the country in which the bonds are.

43. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Bank namun belum berlaku efektif untuk laporan keuangan tahun 2016: (lanjutan)

- PSAK 60 (Penyesuaian 2016): Instrumen Keuangan: Pengungkapan, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan.

  Penyesuaian ini mengklarifikasi bahwa entitas harus menilai sifat dari imbalan kontrak jasa untuk menentukan apakah entitas memiliki keterlibatan berkelanjutan dalam aset keuangan dan apakah persyaratan pengungkapan terkait keterlibatan berkelanjutan terpenuhi.

Bank sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan Bank.

43. Accounting Standards Issued but not yet Effective (continued)

The following are several accounting standards and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Bank but not yet effective for 2016 financial statements: (continued)

- *PSAK 60 (2016 Improvement): Financial Instruments, effective 1 January 2017 with earlier application is permitted.*

  This improvement clarifies that an entity must assess the nature of the service contract benefits to determine whether the entity has a continuing involvement in financial assets and whether the disclosure requirements related to the continuing involvement are met.

The Bank is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

44. Penyelesaian Laporan Keuangan

Manajemen bertanggung jawab atas penyajian laporan keuangan yang telah diselesaikan dan diotorisasi untuk terbit oleh Direksi Bank pada tanggal 24 Januari 2017.

44. Completion of the Financial Statements

The management is responsible for the preparation of financial statements which were completed and authorized for issuance by the Bank's Board of Directors on 24 January 2017.

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PT Bank UOB Indonesia

31 December 2016

Corporate Information

327 Corporate Identity
328 Organisational Structure
330 Names and Addresses of Stock Exchange Supporting Institutions
331 Line of Business
332 Profiles of the Board of Commissioners
336 Profiles of the Board of Directors
343 Remuneration and Nomination Committee
344 Audit Committee
345 Risk Monitoring Committee
346 Profiles of Senior Executive Officers
349 Profile of Internal Audit
349 Profile of Corporate Secretary
350 Executive Officers
357 Shares Listing Chronology
358 Securities (Bonds) Listing History
359 Products and Services
360 Office Network

Corporate Identity

Name	PT Bank UOB Indonesia
Nickname	UOB Indonesia (UOBI)
Business Field	Banking Industry
Entity Status	Limited Liability Company
Address	UOB Plaza, Jl. M.H. Thamrin No. 10, Jakarta 10230, Indonesia
Telephone	+62 21 23506000 (Hunting)
Facsimile	+62 21 29936632
Call Centre	14008
Homepage	www.uob.co.id
E-mail	corporateservices@uob.co.id
Date of Incorporation	31 August 1956
Date of Operation	1 November 1956
Legal Basis	• Deed of Establishment No.150, made before Eliza Pondaag, SH, Notary in Jakarta, dated 31 August 1956 • Decision Letter of Ministry of Justice (now Ministry of Law and Human Rights) No. J.A.5/78/4 dated 24 October 1956 • State Gazette No.96 dated 30 November 1956 • Additional State Gazette No.1243/1956
Authorized Capital	IDR9,000,000,000,000,- Consists of 36,000,000,000 shares with nominal value of IDR250 per shares
Paid Up Capital	9.553.885.804 number of shares or equivalent to IDR2.388.471.451.000
Tax Number	01.308.443.9.091.000
Company Registration Number	09.05.1.64.54940
Business License	No. 13/318/dpip/Prz dated 20 May 2011
Number of Office	1 Head Office 41 Branches 137 Supporting Branches
Working Area	All of the territory of Indonesia
Number of Employees	4,650 (2015) 4,349 (2016)
Shareholders	• United Overseas Bank Limited 30.056 per cent • UOB International Investment Private Ltd 68.943 per cent • others 1.001 per cent

Organisational Structure

Board of Directors

Function Head,
Senior Executive Officers

Division Head

Note: Names in this Organisational Structure are available in Good Corporate Governance section, page 85-94

Names and Addresses of Stock Exchange Supporting Institutions

Trustee

PT Bank Permata Tbk
Gedung WTC II
Jln. Jenderal Sudirman Kav. 29-31
Jakarta 12920, Indonesia
Tel : (021) 523 7788
Faks : (021) 250 0529

PT Bank Mandiri (Persero) Tbk
Plaza Mandiri, Lantai 22
Jln. Jenderal Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
Tel : (021) 524 5161, 526 8216
Faks : (021) 526 8201

Public Accountant

Purwantono, Sungkoro&Surja (Ernst & Young Indonesia)
Gedung Bursa Efek Indonesia Tower 2, 7th Floor
Jln. Jenderal Sudirman Kav.52-53
Jakarta 12190, Indonesia
Tel : (021) 5289 5000
Faks : (021) 5289 4100

Legal Counsellor

Hiswara Bunjamin & Tandjung
Gedung BRI II 23rd Floor
Jln. Jenderal Sudirman Kav. 44-46
Jakarta 10210, Indonesia
Tel : (021) 574 4010
Faks : (021) 574 4670

Public Notary

Kantor Notaris Ashoya Ratam, SH, MKn
Jln. Suryo No. 54 Kebayoran Baru
Jakarta 12180, Indonesia
Tel : (021) 2923 6060
Faks : (021) 2923 6070

Share Registrar

PT Sirca Datapro Perdana
Wisma Sirca, Jln. Johar No. 18, Menteng
Jakarta 10340, Indonesia
Tel : (021) 314 0032
Faks : (021) 390 0652

Rating Agency

PT Fitch Ratings Indonesia
DBS Bank Tower 24th, Suite 2403
Jln. Prof Dr. Satrio Kav3-5
Jakarta 12940, Indonesia
Tel : (021) 2988 6800
Faks : (021) 2988 6822

Line of Business

In accordance with the Articles of Association of PT Bank UOB Indonesia, the Bank's detailed business activities are as follows:

a. Collecting funds from the public in the form of current account, time deposits, certified deposits, saving accounts and/or other similar accounts
b. Disbursing loans
c. Issuing bonds
d. Purchasing, selling or guaranteeing on behalf of the Bank's risk or for the customers' interest and order:
    1. Bill letters including the bills accepted by the bank with a maturity no longer than the usual period for trading bills;
    2. Warrants and other equal letters with a maturity no longer than the usual period for trading warrants;
    3. State Treasury Bills and Government Certificates;
    4. Bank Indonesia Certificates (Sertifikat Bank Indonesia - SBI);
    5. Bonds;
    6. Securities;
    7. Other securities instruments.
e. Transferring cash both for the Bank or the customer's interest;
f. Investing funds, borrowing funds from, or lending funds to other banks, either under a letter, means of telecommunication or warrant, cheque or other instruments;
g. Accepting payments of securities' bills and calculating compensation with or among third parties;
h. Providing a place to deposit goods and securities;
i. Provide a place to deposit third parties' goods based on a contract;
j. Placing funds from the customers to other customers as securities which are not listed on the stock exchange;
k. Disbursing financing and/or performing other activities including activity based on sharia principles, based on Bank Indonesia regulations;
l. Performing factoring, credit card business and Trustee activity
m. Performing activity on Foreign Currency by complying with Bank Indonesia Regulations;
n. Performing a capital participation in bank or other financial institutions such as through leasing, venture capital, securities companies, insurance, clearing agencies as well as depository and settlement institutions based on the prevailing Law and Band Indonesia Regulations;
o. Performing temporary capital investment activity to overcome loan defaults, including sharia financing defaults under term that the Bank has to divest its shares, based on prevailing Law and Bank Indonesia Regulations;
p. Acting as a founder of the Pension Fund and Pension Fund Committee according to prevailing Law; and
q. Commencing other business which is usual to be carried by a commercial, conventional or Sharia bank both domestically and internationally.

Profiles of the Board of Commissioners

Wee Cho Yaw
President Commissioner

Dr. Wee is a Singaporean citizen domiciled in Singapore and is 88 years old. Dr. Wee was first appointed as President Commissioner of UOB Indonesia pursuant to AGM dated 14 October 2005 and was most recently re-appointed at the AGM of 28 April 2015. Dr. Wee is a veteran banker with more than 50 years' of banking experience with the UOB Group. He is the former Chairman and CEO of United Overseas Bank Limited (UOB) and is currently the Chairman Emeritus and Adviser of UOB, United Overseas Bank (Malaysia) and Far Eastern Bank.

He also chairs the board of United Overseas Bank (Thai) Public Company and is the Supervisor of United Overseas Bank (China). His other board chairmanships include United Overseas Insurance, Haw Par Corporation, UOL Group, Pan Pacific Hotels Group, United Industrial Corporation, Marina Centre Holdings, Wee Foundation and Chung Cheng High School. Previously he also served as Chairman of Singapore Land. He is the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

Dr. Wee received a Chinese high school education. He had served on numerous school management committees and the Councils of the Nanyang University and National University of Singapore. Since 2004, he has been the Pro-Chancellor of the Nanyang Technological University (NTU). He was conferred Honorary Degrees of Doctor of Letters by the National University of Singapore in 2008 and by the NTU in 2014. Both Honorary Degrees were conferred in recognition of his long standing support of education, community welfare and the business community.

Dr. Wee was named Businessman of the Year twice at the Singapore Business Awards in 2001 and 1990. He received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award in 2006 for his outstanding achievements in the Singapore business community. In 2009, The Asian Banker presented him with its Lifetime Achievement Award.

In 2011, he received the Distinguished Service Order, Singapore's highest National Day Award from the President of Singapore for his outstanding contributions to the economic, education, social, and community development fields in Singapore.

Dr. Wee has family relationship with Wee Ee Cheong who is Deputy President Commissioner of the Bank.

Training programs attended by Dr. Wee in 2016 are Group Strategy by Boston Consulting Group and Banking in the Digital World by UOB Singapore.

Wee Ee Cheong
Deputy President Commissioner

Mr. Wee is a Singapore citizen domiciled in Singapore and is 64 years old.

Mr. Wee was appointed as Commissioner pursuant to AGM dated 22 June 2007 and most recently re-appointed as Deputy President Commissioner pursuant to AGM dated 28 April 2015.

A career banker with more than 35 years of banking experience in the UOB Group, Mr. Wee joined United Overseas Bank Singapore (UOBS) in 1979 and has been a director of UOBS since 1990. He is currently the Deputy Chairman and Chief Executive Officer of UOBS and Chairman of United Overseas Bank (China). His other directorships include United Overseas Insurance, United Overseas Bank (Malaysia) and United Overseas Bank (Thai) Public Company.

Mr. Wee is the current Chairman of The Association of Banks in Singapore, the Vice-Chairman of The Institute of Banking and Finance (IBF) and Chairman of the IBF Standards Committee. In 2013, he was awarded the Singapore Public Service Star by the Singapore Government for his contributions to the financial industry.

He is an honorary council member of the Singapore Chinese Chamber of Commerce & Industry and a member of the Board of Governors of the Singapore-China Foundation, and Visa APCEMEA Senior Client Council. He was previously deputy chairman of the Housing & Development Board and a director of the Port of Singapore Authority, UOL Group, and Pan Pacific Hotels.

A keen art enthusiast, Mr. Wee is the Patron of the Nanyang Academy of Fine Arts. He is also a director of Wee Foundation. Mr. Wee has family relationship with Wee Cho Yaw who is President Commissioner of the Bank.

Training programs attended by Mr. Wee in 2016 are as follows:

- Market Outlook 2016 conducted by Mr. Jimmy Koh, UOB Singapore
- Loan Approval & Review Processes/Internal Rating conducted by Mr. Chan Kok Seong, UOB Singapore
- Globalising Fintech – Smart Financial Centre conducted by Mr. Sopnendu Mohanty, Monetary Authority of Singapore
- Governance, Risk and Compliance System conducted by Mr. Ho Boon Leng, UOB Singapore
- UOB and the New World of Sanctions:New Opportunities Come with Significant Risks, Complexities and Uncertainties conducted by Mr. Adam Smith, Gibson, Dunn & Crutcher LLP
- Training on Cybersecurity & Virtual Tour of Security Operation Centre conducted by Ms Ow Yuen Wan & Mr Daniel Choong, UOB Singapore
- Digital/Tech update - Singapore Payment Roadmap -UOB's response conducted by Ms Susan Hwee, Ms Janet Young & Mr Dennis Khoo, UOB Singapore
- Sustainability Reporting conducted by Mr Eric Lim, UOB Singapore
- IFRS 9/MFRS 9-Financial Instruments conducted by Ms Sue Lightfoot, UOB Singapore

Mr. Wee holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, DC.

Profiles of the Board of Commissioners

Lee Chin Yong Francis
Commissioner

Mr. Lee is a Malaysian citizen, is domiciled in Singapore and is 63 years old. Mr. Lee was first appointed as Commissioner of UOB Indonesia pursuant to AGM dated 14 October 2005 and was most recently re-appointed at the AGM of 28 April 2015, serving also as Member of the Remuneration and Nomination Committee.

Mr. Lee, joined United Overseas Bank Malaysia (UOBM) in 1980 and currently leads the UOB Group's consumer and small business retail divisions. Prior to his appointment in Singapore in 2003, he was the Chief Executive Officer of UOBM.

Mr. Lee does not have any affiliation relationship with fellow members of the Board of Directors or members of the Board of Commissioners of the Bank.

Training programs attended by Mr. Lee in 2016 are:
- Market Outlook 2016
- Loan Approval & Review Processes/Internal Rating
- Globalising Fintech – Smart Financial Centre
- Governance, Risk and Compliance System
- Training on Cybersecurity & Virtual Tour of Security Operation Centre
- Digital/Tech Update - Singapore Payment Roadmap -UOB's response

He holds a Malaysian Certificate of Education and has more than 30 years of experience in the financial industry.

Rusdy Daryono
Independent Commissioner

Mr. Daryono is an Indonesian citizen, is domiciled in Jakarta and is 67 years old. Mr. Daryono was first appointed as Independent Commissioner of UOB Indonesia in June 2006 and was most recently reappointed at the AGM of 28 April 2015, serving also as Chairman of the Remuneration and Nomination Committee.

He started his career at the public accounting firm of Drs. Utomo, Mulia & Co from 1973 to 1978. He joined PT Salim Economic Development Corp as Assistant to the Managing Director from 1978 to 1982, PT Hardy Trading as General Manager from 1982 to 1987 and the public accounting firm of Drs. Mulia Iskandar & Co as Managing Partner from 1983 to 1987. He served as a Partner and Division Head at the public accounting firm of Prasetio, Utomo & Co from 1987 to 2002, and was a Partner at Osman Ramli Satrio & Partner from 2003 to 2006.

Training Courses attended by Mr. Daryono in 2016 is Workshop for Senior Management-AML/CFT Update in Jakarta.

He holds a Bachelor of Economics from the University of Indonesia and has more than 41 years of experience in the financial industry.

Mr. Daryono does not have any affiliation relationship with fellow members of the Board of Commissioners, or members of Board of Directors, or with the controlling shareholders of the Bank.

Aswin Wirjadi
Independent Commissioner

Mr. Wirjadi is an Indonesian citizen, is domiciled in Jakarta and is 69 years old. Mr. Wirjadi was first appointed as Independent Commissioner of UOB Indonesia in June 2009 and was most recently reappointed at the AGM of 28 April 2015, serving also as Chairman of the Risk Monitoring Committee.

He started his career at PT IBM Indonesia in 1972. He joined Chase Manhattan Bank NA from 1977 to 1989 with his last position as a Country Consumer and Private Banking Head, Jakarta Branch. He was appointed as a Director of MIS at PT Indomobil Niaga International in 1989. He joined PT Bank Central Asia in 1990 and last held the position of Vice President Director in 2008. He has been the Chairman of Financial Wealth Pte Ltd since 2008 until now and ever held position as a Commissioner in PT Limawira Wisesa from 2005 to 2009.

He holds a Bachelor of Engineering from the Catholic University of Atmajaya, Jakarta and has more than 37 years of experience in the banking industry.

Mr. Wirjadi does not have any affiliation relationship with fellow members of the Board of Commissioners, or members of Board of Directors, or with the controlling shareholders of the Bank.

Wayan Alit Antara
Independent Commissioner

Mr. Antara is an Indonesian citizen, is domiciled in Jakarta and is 69 years old. Mr. Antara was first appointed as Independent Commissioner of UOB Indonesia in January 2009 and was most recently reappointed at the AGM of 28 April 2015, serving also as Chairman of the Audit Committee.

He started his banking career in PT Bank Rakyat Indonesia in 1976 with last position as Vice President Director and pension in 2006. During his 30 years of career at PT Bank Rakyat Indonesia, he served in several positions namely as Director of Financial and Treasury and Director of Micro and Retail Loan and Sharia. He had been an Independent Commissioner of PT Bhakti Securities from 2007 to 2008 and a Commissioner of PT Sumber Abadi Tirtasentosa from 2008 until present.

Training Courses attended by Mr. Antara in 2016 are Seminar & Executive Roundtable Conglomeration Financial Services in Indonesia and Seminar for Senior Management - AML / CFT Update in Jakarta.

He holds a Bachelor of Agriculture Economy degree from the Agriculture Faculty of University of Gajah Mada, Yogyakarta and has more than 40 years of experience in the banking industry.

Mr. Antara does not have any affiliation relationship with fellow members of the Board of Commissioners, or members of Board of Directors, or with the controlling shareholders of the Bank.

Profiles of the Board of Directors

Lam Sai Yoke
President Director

Mr. Lam Sai Yoke (Kevin Lam) is a Singaporean citizen domiciled in Jakarta and is 48 years old. He was first appointed as President Director of UOB Indonesia pursuant to the EGM dated 2 November 2015.

Mr. Lam Sai Yoke has worked for several large international foreign banks and technology companies in Singapore, USA and Hong Kong for more than a decade before joining UOB Group. In his 25 years of experience in the banking industry, he has held a range of positions in the areas of strategic planning, business management, product development, sales and distribution, technology and banking infrastructure development and other areas of corporate services.

Mr. Lam Sai Yoke has been with UOB since 2005 and served various important positions namely Head of Secured Loans Personal Financial Services at UOB Singapore from 2005 to 2009, Managing Director Head of Sales and Distribution in UOB Singapore from 2009 to 2010, and Managing Director Head of Personal Financial Services in UOB Malaysia from 2011 to 2013. Prior to joining UOB Indonesia, his latest position is Deputy Chief Executive Officer in UOB Malaysia since 2013.

Training Courses attended by Mr. Lam Sai Yoke in 2016 are:
- Asian Financial Leaders Programme in Switzerland, USA, Beijing and Jakarta
- CASA Digital Workshop in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- PFS Kick Off Workshop 2017 - PFS GO! Break My Limit in Bogor
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- Workshop for Senior Management-AML/CFT Update in Jakarta.

Mr. Lam Sai Yoke holds a Business Administration degree from National University of Singapore and has more than 25 years of experience in the banking industry.

Mr. Lam Sai Yoke does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Iwan Satawidinata
Deputy President Director

Mr. Satawidinata is an Indonesian citizen domiciled in Jakarta and is 49 years old. He was first appointed as Deputy President Director of UOB Indonesia pursuant to EGM dated 15 April 2010 and was most recently reappointed at the AGM dated 26 April 2013.

Prior to joining UOB Indonesia, Mr. Satawidinata served as Assistant Manager Panda Export Import Inc, Los Angeles, USA from 1987 to 1989 and Assistant Regional Manager for Southern California Banking Group at United Savings Bank FSB, USA from 1990 to 1991. He joined with ex. UOB Indonesia (previously United Overseas Bank Bali) from 1991 to June 2010 where he last held the position of President Director.

Training Courses attended by Mr. Satawidinata in 2016 are:
- BSC Alignment Strategic Workshop in Jakarta
- Corporate Banking Workshop in Bandung
- HR Strategic Workshop 2016 in Jakarta
- Workshop Operation 2016-Regional 4 in Surabaya
- Workshop Regional 3 in Yogyakarta
- Workshop Scorecard Alignment in Jakarta
- CASA Digital Workshop in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- Workshop DII SND 2016 in Jakarta
- Global Market Mid-Year Review 2016 in Yogyakarta
- Kick Off Business Banking 2017 in Yogyakarta
- PFS Kick Off Workshop 2017 - PFS GO! Break My Limit in Bogor
- Workshop Sales Lending MSL 2016 in Jakarta
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- UOBI Commercial Banking Kickoff 2017 in Bandung
- Workshop for Senior Management-AML/CFT Update in Jakarta.

He earned Bachelor of Science in Business Administration degree from University of Southern California, USA and has more than 26 years of experience in the banking industry.

Mr. Satawidinata does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Profiles of the Board of Directors

Tan Chin Poh
Deputy President Director

Mr. Tan is a Singaporean citizen domiciled in Jakarta and is 59 years old. He was first appointed as Deputy President Director of UOB Indonesia at the AGM of 26 April 2013.

Prior to his assignment in UOB Indonesia, Mr. Tan started his career in the banking and finance industry at the Chase Manhattan Bank for 15 years with his latest position as Vice President Asia Pacific Private Bank and Individual Banking Singapore from 1983 to 1998. From 1998 to 2003, he served as Chief Administrative Officer in Salomon Smith Barney's South-est Asia business, Singapore. He joined Citigroup as Chief Financial Officer in Thailand, Hongkong, and Singapore from 2003 to 2010. Afterwards, Mr. Tan worked in UOB Singapore with his latest position being Managing Director and Head Group of Finance.

Training Courses attended by Mr. Tan in 2016 are:
- BSC Alignment Strategic Workshop in Jakarta
- HR Strategic Workshop 2016 in Jakarta
- Strategic Workshop Collaboration TNO FCS in Bogor
- Training 360 Degree Multirater Follow Up Plan in Jakarta
- Workshop ABS Seminar on Responsible Fianncing in Singapore
- Workshop Business Banking Budget Kick Off 2016 in Bogor
- Workshop SID Launch of the board risk committee guide and Asean Corporate Governance in Singapore
- CASA Digital Workshop in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- Workshop for Senior Management-AML/CFT Update in Jakarta.

He earned his Bachelor of Accounting from the National University of Singapore and has more than 33 years of experience in the field of banking.

Mr. Tan does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Muljono Tjandra
Director

Mr. Tjandra is an Indonesian citizen domiciled in Jakarta and is 51 years old. He was appointed as Director of UOB Indonesia at the AGM of 28 April 2015.

Mr. Tjandra, joined UOB Indonesia in 2015 as Finance and Corporate Services Director. Prior to his assignment in UOB Indonesia, Mr. Tjandra started his career as auditor in KPMG Hanadi, Sudjendro, & Partners and KPMG Australia public accounting firm from 1990 to 1998. Afterwards, he served as Senior Manager at Pricewaterhouse Coopers Indonesia with his specialization in banking and finance industry from 1998 to 2003. His career in banking started when he joined PT Danamon Indonesia Tbk with his latest position as Division Head in several areas from 2003 to 2012. In 2012, he served as Finance Director in PT Asuransi Adira Dinamika until Februari 2015.

Training Courses attended by Mr. Tjandra in 2016 are:
- BSC Alignment Strategic Workshop in Jakarta
- HR Strategic Workshop 2016 in Jakarta
- Strategic Workshop Collaboration TNO FCS in Bogor
- Training 360 Degree Multirater Follow Up Plan in Jakarta
- Workshop Operation 2016-Regional 4 in Surabaya
- Workshop Regional 3 in Yogyakarta
- Workshop Scorecard Alignment in Jakarta
- Awareness Session of IFRS 9 in Jakarta
- Blue Ocean Strategy in Jakarta
- Blue Ocean Strategy Batch 2 in Jakarta
- CASA Digital Workshop in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- Workshop for Senior Management-AML/CFT Update in Jakarta.

He holds a Bachelor of Economy from Trisakti University and has over 21 years of experience in Banking Industry.

Mr. Tjandra does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Profiles of the Board of Directors

Soehadie Tansol
Compliance Director

Mr. Tansol is an Indonesian citizen domiciled in Jakarta and is 58 years old. He was first appointed as Compliance Director pursuant to the GMS dated 25 November 2002 and was most recently reappointed at the AGM of 26 April 2013.

Prior to his appointment as Compliance Director, Mr. Tansol was the Current Account Head of PT Bank Buana Indonesia from 1980 to 1987, Head of Bookkeeping PT Bank Buana Indonesia from 1987 to 1989, Special Authorization Official PT Bank Buana Indonesia from 1989 to 1990, Pontianak Sub-branch Manager PT Bank Buana Indonesia from 1990 to 1991, Batam Branch Manager PT Bank Buana Indonesia from 1991 to 1996, Pontianak Branch Manager from 1996 to 1997, Palembang Branch Manager PT Bank Buana Indonesia from 1997 to 1998, Head of Procedure, Research and Development Division PT Bank Buana Indonesia Tbk from 1999 to 2001, and Associate Director PT Bank Buana Indonesia Tbk from 2001 to 2002.

Training Courses attended by Mr. Tansol in 2016 are:
- Training 360 Degree Multirater Follow Up Plan in Jakarta
- Workshop Scorecard Aligment in Jakarta
- Yuk Kita Sharing (YKS) in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- Workshop Sales Lending MSL 2016 in Jakarta
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- Workshop Compliance in Lombok
- Workshop for Senior Management-AML/CFT Update in Jakarta
- Yuk Kita Sharing (YKS) - Budget Staff Cost in Jakarta.

He participated Pacific Rim Bankers at the University of Washington, Seattle, USA in 2000 and has more than 36 years of experience in the banking industry.

Mr. Tansol does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Pardi Kendy
Director

Mr. Kendy is an Indonesian citizen domiciled in Jakarta and is 58 years old. He was appointed as Director of UOB Indonesia at the EGM of 2 November 2015.

Prior to his appointment, Mr. Kendy started his career in banking from 1977 in Hong Kong and Shanghai Banking Corporation Jakarta, where his latest position was Treasury Executive Officer in 1987. From 1987 to 1988, he was Chief Treasury Dealer in Bangkok Bank Limited Jakarta. From 1993 to 1996, he worked in Bank Mitsubishi Buana with his latest position as Treasury General Manager.

Mr. Kendy joined UOB Indonesia in 1996 in treasury division and held a position as Director of Treasury, Technology and Operation, Electronic Banking, and Consumer Credit from 1999 until 2006. Afterwards, he served as a member of Board of Directors overseeing Human Resources from 2006 to 2012. In 2012, he served as Head of Human Resources until 2015. Subsequently, from May 2015 he served as Head of Channels until his appointment as Director in November 2015.

Training Courses attended by Mr. Kendy in 2016 are:
- BSC Alignment Strategic Workshop in Jakarta
- Strategic Workshop Regional 1 – 2016 in Jakarta
- Strategic Workshop Regional 2 – 2016 in Batam
- Training 360 Degree Multirater Follow Up Plan in Jakarta
- Workshop Operation 2016-Regional 4 in Surabaya
- Workshop Regional 3 in Yogyakarta
- Workshop Scorecard Aligment in Jakarta
- Blue Ocean Strategy in Jakarta
- Blue Ocean Strategy Batch 2 in Jakarta
- CASA Digital Workshop in Jakarta
- CASA Workshop in Jakarta
- CEO Quarterly Update - Q2 (Semester 1) in Jakarta
- Workshop DII SND 2016 in Jakarta
- Kick Off Business Banking 2017 in Yogyakarta
- Workshop Komite PEAK 2016 in Jakarta
- Midyear Workshop Regional 4 & Regional 5 in Surabaya
- PFS Kick Off Workshop 2017 - PFS GO! Break My Limit in Bogor
- Workshop Sales Lending MSL 2016 in Jakarta
- Dissemination on Indonesia Shareholders Requirements in Jakarta
- Strategic Direction Start of The Year 2017 in Surabaya
- UOB Strategic Workshop in Bandung
- Workshop for Senior Management-AML/CFT Update in Jakarta.

He is a certified Wealth Manager from the University of Greenwich, England and has more than 39 years of experience in the banking industry. He is also an active member of the Honorary member of Association Cambiste Internationale, Indonesia and Indonesian Banking Human Capital Forum.

Mr. Kendy does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Profiles of the Board of Directors

Henky Sulistyo

Director

Effective upon approval by Financial Services Authority

Mr Henky Sulistyo is Indonesian citizen domiciled in Jakarta and is 42 years old. He was appointed as Director of UOB Indonesia at the EGM of 7 February 2017. His appointment will become effective upon approval by Financial Services Authority.

Prior to joining UOB Indonesia, he started his career at the American Express Bank Jakarta in 1998 as Treasury Middle Officer. In 2001, he was transferred to American Express Bank Singapore until 2008 with his last position being Director, Regional Risk Manager for Asia Pacific. Afterwards, he joined DBS Bank as Vice President, Head of Risk Management Unit for DBS Indonesia for two years and in 2010, he was transferred to DBS Head Office in Singapore as Vice President, Corporate Treasury for branches and subsidiaries outside Singapore and Greater China. In 2012, he returned to Indonesia and joined Bank CIMB Niaga as Senior Vice President, Head of Risk Management. Subsequently, he joined Maybank Indonesia in 2014 and was appointed as Director of Risk Management.

Mr Sulistyo has more than 18 years of risk management experience in the banking industry and holds a Master's Degree in Business Administration from La Trobe University, Australia.

Mr Sulistyo does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Remuneration and Nomination Committee

Rusdy Daryono
Remuneration and Nomination Committee

He was appointed to the Remuneration and Nomination Committee based on Board of Directors' Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr. Daryono can be found on page 338.

Lee Chin Yong Francis
Commissioner/Member

He was appointed to the Remuneration and Nomination Committee based on Board of Directors' Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr. Lee can be found on page 338.

Roy Fahrizal Permana
Member/ Executive Officer responsible for HR

Mr. Permana is Indonesian citizen, is domiciled in Jakarta and is 41 years old. He currently serves as Performance and Rewards Head UOB Indonesia and a member of Remuneration and Nomination Committee based on Board of Directors' Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee.

Prior joining UOB Indonesia, Mr. Permana started his management career at PT Texmaco Tbk from 1998 to 2003 with served in several positions as Industrial Engineer and Senior Analyst Human Resources System & Development. Joined with PT Bank Niaga Tbk (now become PT Bank CIMB Niaga Tbk) from 2003 to 2008, he has served in several positions including Human Resources Reward Manager, Head Department of Human Resources Performance Management & Administration and Head of Regional Human Resources for East of Indonesia (Kalimantan, Sulawesi, and Papua). Afterwards, he joined with PT Bakrie Telecom Tbk from 2008 to 2009 as Head of Human Resources Compensation & Benefit.

He holds a Bachelor of Industrial Engineering from UPN Veteran, Surabaya and Magister of Industrial Engineering from the Institute of Technology Bandung and has 18 years of experience in human resources.

Audit Committee

Wayan Alit Antara
Independent Commissioner/Chairman of Audit Committee

Mr. Wayan was appointed to the Audit Committee based on Board of Directors' Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee.

The profile of Mr. Antara can be found on page 339.

Thomas Abdon
Member (Independent Party)

Mr. Abdon is Indonesian citizen, is domiciled in Jakarta, and is 74 years old. He is currently appointed as a member of Audit Committee based on Board of Directors' Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee. Aside from being a member of Audit Committee, Mr. Abdon also serves as a member of Risk Monitoring Committee.

He started his career as Auditor at Public Accounting Firm of Drs. B Soenasto from 1965 to 1969. Joined with ABN AMRO Bank Jakarta from 1969 to 2000 and held various positions including Head of Accounting Department and Internal Audit Senior Officer. He joined UOB Indonesia's Accounting and Finance Division from 2001 to 2007.

Mr. Abdon holds a Bachelor of Economics from the University of Indonesia and has 50 years of experience in finance & accounting as well as banking industry.

Winny Widya
Member (Independent Party)

Mrs. Widya is Indonesian citizen, domiciled in Jakarta and is 64 years old. She was appointed to the Audit Committee based on Board of Directors' Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee.

Mrs. Widya started her career as Internal Auditor Staff at Bank Central Asia in 1978. She joined UOB Indonesia as Head of Administration Division from 1981 to 1995. She served as Head of Internal Audit from 1995 to 1996 and was appointed as Head of Accounting and Finance Division from 1996 to 2004.

She holds Bachelor of Economics in Accounting from University of Indonesia and has over 37 years of experience in banking industry.

Risk Monitoring Committee

Aswin Wirjadi
Independent Commissioner/Chairman of the Risk Monitoring Committee

Mr. Wirjadi was appointed to the Risk Monitoring Committee based on Board of Directors' Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee.

The profile of Mr. Wirjadi can be found on page 339.

Thomas Abdon
Member (Independent Party)

Mr. Abdon was appointed to the Risk Monitoring Committee based on Board of Directors' Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee. Aside from being a member of Risk Monitoring Committee, Mr. Abdon also serves as a member of Audit Committee.

The profile of Mr. Abdon can be found on page 348.

Hendry Patria Rosa
Member (Independent Party)

Mr. Hendry is Indonesian citizen, domiciled in Jakarta and is 50 years old. He was appointed to the Risk Monitoring Committee based on Board of Directors' Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee.

Mr. Hendry started his career as Credit Auditor at PT Bank Bintang Manunggal from 1993 to 1994. He joined with Bank Artha Graha from 1994 to 2000 until his last position as Credit Restructuring Crash Program. Afterwards, he joined PT Bank Artha Graha International from 2000 to 2007 with his latest position as Branch Manager. From 2007 until present, he is a Trainer on Banking Risk Management Certification Program.

He holds a Bachelor of Geodetic Engineering from Gadjah Mada University in Yogyakarta and currently attends Islamic Finance Magister Program in Jakarta and has more than 24 years of experience in banking industry and risk management.

Profiles of Senior Executive Officers

Goh Seng Huat, 57
Head of Technology and Operations

Mr Goh joined UOB Indonesia in 2006 and currently serves as the Head of Technology & Operations. In 2005, he served as First Vice President, International UOB, following his tenure in UOB Malaysia from 1981 to 1994. He holds a Banking Diploma from the Associate Chartered Institute of Bankers, United Kingdom, and has over 34 years of experience in the banking industry.

Lynn Ramli, 44
Head of Personal Financial Service

Mrs Ramli joined UOB Indonesia in 2014 and currently serves as the Head of Personal Financial Service. She obtained a degree in Business Administration from the University of Washington, USA, and a Master of Business Administration from the University of San Fransisco, USA. She has over 21 years of experience in the banking industry.

Geoffry Nugraha, 46
Head of Corporate Banking

Mr Nugraha joined UOB Indonesia in 2014 and currently serves as the Head of Corporate Banking. He obtained a Bachelor of Science in Business Administration and a Master of Business Administration from Hawaii Pacific University, USA. He has over 20 years of experience in the banking sector.

Frederikus P. Weoseke, 54
Head of Global Market

Mr Weoseke joined UOB Indonesia in 2009 and currently serves as the Head of Global Market and Investment Management. He holds a BSC degree in Business Administration from Goldey Beacom College and a Master of Business Administration from Wilmington College, Wilmington Delaware, USA, and has over 23 years of experience in the banking industry.

Suryati Budiyanto, 50
Deputy Head of Commercial Banking

Mrs. Budiyanto joined UOB Indonesia in 2010 and currently serves as the Deputy Head of Commercial Banking. Prior to her appointment, she joined with ex. PT Bank UOB Indonesia (previously United Overseas Bank Bali) from 1994 to June 2010. She received a Bachelor Degree from California State University, USA and a Masters Degree from National University. She has more than 20 years of experience in the banking industry.

Wong Kartyono, 40
Head of Transaction Banking

Mr Kartyono joined UOB Indonesia in 2010 and currently serves as the Head of Transaction Banking. He holds a bachelor of Engineering from the Tarumanegara University, Jakarta, and has over 17 years of experience in the banking industry.

Ani Pangestu, 51
Head of Human Resources

Mrs Pangestu joined UOB Indonesia in 2015 and currently serves as the Head of Human Resources. She holds a Master of Science in Management and Organization Development from Kennedy Western University in Wyoming, USA, and has over 26 years of human resources experiences in various industries.

Lawrence Darius Loh Wai Yin, 44
Head of Business Banking

Mr Loh joined UOB Indonesia as Head of Business Banking. Prior to his current role he served as Group Head of Strategy, Portfolio and Sales Performance Management – UOB Business Banking, and Area Manager – UOB Privilege Banking. He holds a Bachelor of Business Management in Commerce from the University of Queensland. He has over 16 years of experience in the banking industry.

Profiles of Senior Executive Officers

Tonny Timor Basry, 42
Head of Commercial Banking

Mr Basry joined UOB Indonesia in 2016 as the Head of Commercial Banking. He has been serving as UOB Executive Director since 2009 and Senior Vice President since 2011, following tenures at Standard Chartered Bank in Indonesia and China (2004-2009), and OCBC Bank Singapore (1997-2004). He graduated with a Bachelor of Science in Finance from Indiana University at Bloomington.

Rudy Widjaja, 45
Head of Retail Credit

Mr Widjaja joined UOB Indonesia as Head of Retail Credit in 2016. Prior to joining UOB Indonesia, Rudy spent over 20 years in the positions of Credit Operations Director for Citibank Indonesia, Credit Operations Director in Citibank Philippines & Guam and Collections Head in Citifinancial Japan. He holds a bachelor degree from Iowa State University and has over 20 years of experience in the banking industry.

Marcio Apm Djatmiko, 44
Financial Institution Head

Mr Djatmiko joined UOB Indonesia on 22 June 2015 and has over 22 years of experience in banking industry.

Denny Setiawan Hanubrata, 44
Head of Business Banking 2

Mr Hanubrata joined UOB Indonesia in 2016 as the Head of Business Banking. He obtained his Bachelor degree in Accounting from the Parahyangan Catholic University, Bandung. He has more than 21 years of experience in the banking industry, particularly in the SME segment.

Profile of Internal Audit

Ridwan Moezwir, 53
Internal Audit Head

Mr Moezwir, joined UOB Indonesia in 2008 and was appointed as Internal Audit Head under BOD Decree No. 08/SKDIR/1326 dated the 12 of August 2008. He has 28 years of experience as an auditor in the financial services industry and holds a Bachelor of Economics in Accounting from the University of Padjajaran, Bandung and Master of Management from the University of Gadjah Mada, Yogyakarta

Profile of Corporate Secretary

Susilowati, 35
Corporate Secretary

Ms Susilowati is an Indonesian citizen domiciled in Jakarta and is 35 years old. Ms. Susilowati joined UOB Indonesia in 2014 and was appointed as Corporate Secretary based on Board of Directors Decree No. 15/DIR/0021 dated 24 June 2015.

Ms. Susilowati started her career from 2004 in PT Bank Victoria International Tbk until her latest position as Corporate Secretary.

She obtained a Bachelor Degree in Management from Tarumanegara University, Jakarta in 2003 and obtained Master Degree in Accounting from Trisakti University, Jakarta in 2009.

Executive Officers

Head Office

Alexander Hansen
Electronic Channel Head
Joined UOB Indonesia on 1 September, 2015, and has over 14 years of experience in the banking industry.

Andreas Eduardo Lazuardi
Wholesale Portfolio Management Head
Joined UOB Indonesia on 1 March, 2013, and has over 6 years of experience in the banking industry.

Ani Pangestu
Human Resources Head
Joined UOB Indonesia on 11 May, 2015, and has over 25 years of experience in various industries.

Antony Charles Usman
Industry Group Surabaya Head
Joined UOB Indonesia on 1 December, 2015, and has over 14 years of experience in the banking industry.

Aznovri Kurniawan
Sales Performance Management Head
Joined UOB Indonesia on 8 December, 2014, and has over 18 years of experience in various industries.

Bambang Eko Karjono Joewono
PLM/Market-Making Head/ Deputy Treasurer
Joined UOB Indonesia on 24 January, 2007, and has over 27 years of experience in the banking industry, in particular the treasury unit.

Bambang Harjono
Credit Analyst Head
Joined UOB Indonesia on 5 January, 2015, and has over 18 years of experience in the banking industry.

Bratha
Middle Market Credit Head
Joined UOB Indonesia on 21 June, 2010, and has over 18 years of experience in the financial industry.

Budi Sanjaya
Trade Product Management, Marketing & Strategy Head
Joined UOB Indonesia on 17 January, 2011, and has over 25 years of experience in the financial industry.

Candra Putra
Market & Balance Sheet Risk Management Head
Joined UOB Indonesia on 5 September, 2011, and has over 11 years of experience in the banking risk management industry.

Christian Yongardi Tandoro Tjhin
Finance Head
Joined UOB Indonesia on 4 January, 2016, and has over 20 years of experience in the banking industry.

Ciauciau Kusumawati
Wholesale Business Finance Head
Joined UOB Indonesia on 12 August, 2010, and has over 12 years of experience in the banking industry.

Dani Hasdani Yambo
National Sales Head – Funding
Joined UOB Indonesia on 12 November, 2012, and has over 22 years of experience in various industries.

Daniel Prabawa
Trade Sales Head
Joined UOB Indonesia on 29 November, 2010, and has over 23 years of experience in the financial industry.

Denny Setiawan Hanubrata
Head of Business Banking 2
Joined UOB Indonesia on 1 June, 2016, and has over 20 years of experience in the banking industry.

Dessy Safitri Masri
Unsecured Business Head
Joined UOB Indonesia on 1 August, 2016, and has over 22 years of experience in various industries.

Dien Moonly
Portfolio Management and MIS Head
Joined UOB Indonesia on 27 February, 2012, and has over 19 years of experience in the financial industry.

Difi S. Damanik
Central Treasury Unit Head
Joined UOB Indonesia on 1 October, 2009, and has over 21 years of experience in the banking industry, particularly in the areas of asset management and banking obligations.

Dwi Sari Suwarman
Corporate Wealth Management Head
Joined UOB Indonesia on 25 April, 2011, and has over 22 years of experience in the banking industry.

Edhy Susanto
National Sales Head - East
Joined UOB Indonesia on 17 March, 1998, and has over 32 years of experience in the banking industry.

Edisono Limin
National Sales Head – West
Joined UOB Indonesia on 1 April, 2013, and has over 19 years of experience in the retail banking industry.

Edwin Kadir
Industry Group Head - Diversified, State Owned Enterprise & Surabaya
Joined UOB Indonesia on 16 November, 2015, and has over 18 years of experience in the banking industry.

Efriel Lydia
Retail Credit Policy and Portfolio Management Head
Joined UOB Indonesia on 2 September, 2013, and has over 15 years of experience in the financial industry, particularly in the area of credit cycle risk.

Eko Sigit Cahyanto
Portfolio Management Head
Joined UOB Indonesia on 17 October, 2011, and has over 16 years of experience in the banking industry, particularly in the area of business planning.

Endang Santi Santi
Global Markets Business Management Head
Joined UOB Indonesia on 31 May, 2010, and has over 15 years of experience in the banking industry, particularly in the area of treasury support.

Erry Erawan Priolaksono
T&O Business Finance and Procurement Head
Joined UOB Indonesia on 1 July, 2011, and has over 16 years of experience in the financial industry.

Evelyn Yuvania
Enterprise Banking West Head
Joined UOB Indonesia on 7 September, 2016, and has over 30 years of experience in the banking industry.

Evilin Kumala Warangian
PFS Training Head
Joined UOB Indonesia on 26 June, 2014, and has over 16 years of experience in the financial industry, particularly the training sector.

Febian Satria Nugraha
Compliance Review and Testing Head
Joined UOB Indonesia on 9 February, 2000, and has over 17 years of experience in the banking industry.

Felicia Recisca Handojo
Industry Group Head 2
Joined UOB Indonesia on 1 September, 2001, and has over 26 years of experience in the financial industry, particularly in the areas of credit and marketing.

Fera Indratie Prajitno
Brand Head
Joined UOB Indonesia on 1 June, 2010, and has over 27 years of experience in the banking industry, particularly in the areas of companies and marketing.

Fransisca Ririn Endang Diatri Nariratih
Client Service Head
Joined UOB Indonesia on 5 December, 2011, and has over 29 years of experience in the banking industry.

Frederikus Primus Pericoloso Weoseke
Head of Global Markets
Joined UOB Indonesia on 10 December, 2009, and has over 28 years of experience in the banking industry.

Fredy Soekendro
Mortgage & Secured Loan Head
Joined UOB Indonesia on 3 December, 2014, and has over 19 years of experience in the banking industry.

Geoffry Nugraha
Head of Corporate Banking
Joined UOB Indonesia on 23 June, 2014, and has over 20 years of experience in the banking industry.

Goh Seng Huat
Head of Technology and Operations
Joined UOB Indonesia on 23 June, 2014, and has over 35 years of experience in the banking industry.

Grace Manuela
Cash Management Sales Head
Joined UOB Indonesia on 16 April, 2015, and has over 17 years of experience in the banking industry.

Gregorius Hany Budi Santoso
Product Management Head
Joined UOB Indonesia on 14 August, 2015, and has over 21 years of experience in the banking industry.

Hendra Hartono
Diversified Financials Head
Joined UOB Indonesia on 3 January, 2011, and has over 22 years of experience in the banking industry.

Hendrik Komandangi
Sales Productivity Head
Joined UOB Indonesia on 10 November, 2014, and has over 14 years of experience in the banking industry.

Howard Lee
Industry Group Head Resources (Mining, Oil & Gas) & Property
Joined UOB Indonesia on 23 November, 2009, and has over 17 years of experience in the financial industry.

Hendy Widjaja
Retail Operations Head
Joined UOB Indonesia on 20 January, 2012, and has over 22 years of experience in the banking industry.

Inarti Tirto
Personal Financial Services Credit Head
Joined UOB Indonesia on 12 October, 2015, and has over 20 years of experience in the banking industry.

Executive Officers

Irvan Gunardwi
Legal Head
Joined UOB Indonesia on 10 November, 2014, and has over 23 years of experience in the banking industry.

Jeanny Halim
Research & Credit Analyst Head
Joined UOB Indonesia on 22 August, 2005, and has over 25 years of experience in the banking industry, particularly the areas of credit and marketing.

Jenny Hadikusuma
CEO Office Head
Joined UOB Indonesia on 25 August, 2008, and has over 25 years of experience in various industries.

Jenny Lukito
Special Asset Management Head
Joined UOB Indonesia on 12 October, 2015, and has over 23 years of experience in the banking industry.

Jeremy Sohan
Banks Head
Joined UOB Indonesia on 27 January, 2016, and has over 12 years of experience in the financial industry.

Jieni
Business Technology Services Head
Joined UOB Indonesia on 5 May, 1999, and has over 26 years of experience in the banking industry.

Johnny Alexander Gunawan
SME Business Center Head
Joined UOB Indonesia on 17 June, 2013, and has over 13 years of experience in the banking industry.

Katarina Chitra
Global Business Development Head
Joined UOB Indonesia on 1 September, 2001, and has over 23 years of experience in the financial industry, particularly the areas of credit and marketing.

Laurentius Eko Purwatmoko
AML/CFT and Sanctions Head
Joined UOB Indonesia on 23 July, 2001, and has over 16 years of experience in the banking industry.

Lawrence Darius Loh Wai Yin
Head of Business Banking
Joined UOB Indonesia on 16 February, 2015, and has over 12 years of experience in the banking industry.

Liany Poedjiono
Wholesale & Global Markets Operations Head
Joined UOB Indonesia on 16 December, 1993, and has over 34 years of experience in the banking industry.

Loo Hun Choy
Bancassurance Business Head
Joined UOB Indonesia on 21 March, 2013 , and has over 17 years of experience in the banking industry and bancassurance.

Lynn Ramli
Head of Personal Financial Services
Joined UOB Indonesia on 27 January, 2014, and has over 22 years of experience in the banking industry.

Marcio Apm Djatmiko
Financial Institution Head
Joined UOB Indonesia on 22 June, 2015, and has over 22 years of experience in the banking industry.

Maya Rizano
Strategic Communications and Customer Advocacy Head
Joined UOB Indonesia on 21 September, 2015, and has over 25 years of experience in the banking industry and other various industries.

Melani Misniwaty
Policy and Operations Assurance Head
Joined UOB Indonesia on 15 November, 1999, and has over 33 years of experience in the financial industry, particularly in the areas of banking systems and procedure.

Pangestu Wibowo
PFS Marketing Head
Joined UOB Indonesia on 2 June, 2014, and has over 14 years of experience in various industries.

Putri Kusumatuanku Moeljo Soedjono
Compliance Advisory and Monitoring Head
Joined UOB Indonesia on 22 February, 2010, and has over 8 years of experience in the banking industry.

Ratnasari Kartawiria
Corporate Credit Head
Joined UOB Indonesia on 18 July, 2011, and has over 26 years of experience in the banking industry.

R Andiona Boedisoejoto
Cash Product Management Head
Joined UOB Indonesia on 16 December, 2010, and has over 29 years of experience in the banking industry.

Ratri Setyorini
Middle Office & Support Head
Joined UOB Indonesia on 1 April, 2015, and has over 12 years of experience in the banking industry.

Rd. Ali Akbar
Property and General Services Head
Joined UOB Indonesia on 10 July, 2013, and has over 21 years of experience in various industries.

Ridwan Moezwir
Internal Audit Head
Joined UOB Indonesia on 18 February, 2008, and has over 25 years of experience in the banking industry.

Ritaria Tjokromulio
Business Planning/Control & Enablement Head
Joined UOB Indonesia on 1 September, 2005, and has over 26 years of experience in the financial industry.

Ronald
DII Product Head
Joined UOB Indonesia on 10 March, 2014, and has over 12 years of experience in the banking industry.

Rony Iskandar Kustendro
Information Security and Business Continuity Management Head
Joined UOB Indonesia on 24 September, 2012, and has over 17 years of experience in the financial industry.

Rony Teja Sukmana
Branch Operations Control and Development Head
Joined UOB Indonesia on 4 November, 2013, and has over 29 years of experience in the banking industry.

Roy Fahrizal Permana
Performance & Rewards Head
Joined UOB Indonesia on 5 May, 2009, and has over 18 years of experience in the banking industry and retail.

Salvy Gunawan
Retail Business Finance Head
Joined UOB Indonesia on 1 February, 2012, and has over 15 years of experience in the banking industry.

Samuel Houten
Foreign Direct Investment Head
Joined UOB Indonesia on 3 March, 2014, and has over 15 years of experience in various industries.

Shirley
Commercial Wealth Management Head
Joined UOB Indonesia on 3 March, 2009, and has over 20 years of experience in the banking industry.

Sigit Arnanto
Shared Infrastructure Services Head
Joined UOB Indonesia on 12 December, 2011, and has over 27 years of experience in the banking industry, particularly in the areas of infrastructure and operations.

Suryati Budiyanto
Deputy Head of Commercial Banking
Joined UOB Indonesia on 15 September, 1994, and has over 23 years of experience in the banking industry.

Susan Kwanto
TNO Service Management Head
Joined UOB Indonesia on 17 December, 1992, and has over 25 years of experience in the financial industry.

Susanto Lukman
Industry Group Head (Food & Beverages, Agribusiness, Fast Moving Consumer Goods)
Joined UOB Indonesia on 18 March, 2002, and has over 18 years of experience in the banking industry.

Susilowati
Corporate Services Head
Joined UOB Indonesia on 3 June, 2014, and has over 11 years of experience in the banking industry.

Susy Wulandari Muljanto
Portfolio and Regulatory Management Head
Joined UOB Indonesia on 29 January, 2015, and has over 19 years of experience in the banking industry.

Thay Fong
Credit Risk Management Head
Joined UOB Indonesia on 3 December, 2014, and has over 19 years of experience in the banking industry.

Tunggul Judanto
People Development Head
Joined UOB Indonesia on 24 July, 2012, and has over 21 years of experience in the banking industry.

Valdy
Business Banking Credit Head
Joined UOB Indonesia on 1 September, 2014, and has over 17 years of experience in the banking credit industry.

Vera Hasan
Global Markets Commercial & Retail Sales Head
Joined UOB Indonesia on 22 August, 2014, and has over 20 years of experience in the money market industry.

Victor Teja
DII Sales & Distribution Head
Joined UOB Indonesia on 3 March, 2014, and has over 14 years of experience in the banking industry, particularly in the area of banking products.

Virna Medina
Operational Risk Management Head
Joined UOB Indonesia on 2 November, 2015, and has over 20 years of experience in the banking industry.

W Kartyono
Head of Transaction Banking
Joined UOB Indonesia on 18 November, 2010, and has over 17 years of experience in the banking industry.

Executive Officers

Widodo Adi
Insurance & Funds Specialist Head
Joined UOB Indonesia on 1 May, 2007, and has over 25 years of experience in the banking industry.

Widyarini Utami
Human Resources Business Partner & Organisation Development Head
Joined UOB Indonesia on 19 November, 2008, and has over 21 years of experience in the area of human resources in the financial industry.

Wiradian
Demand Management Head
Joined UOB Indonesia on 14 October, 2010, and has over 23 years of experience in various industries.

Yose Yamani
Middle Office (Commercial Banking) Head
Joined UOB Indonesia on 2 November, 2016, and has over 6 years of experience in the banking industry.

Yutrizal Jacoub
MIS & Planning Head
Joined UOB Indonesia on 12 September, 2011, and has over 22 years of experience in the financial industry.

Regional Managers

Alexis Marzo Tan
Regional Manager 1
Joined UOB Indonesia on 4 January, 2010, and has over 30 years of experience in the banking industry.

Amir Abidin
Regional Manager 5
Joined UOB Indonesia on 25 April, 1981, and has over 36 years of experience in the financial industry, particularly in the areas of commercial banking and retail.

Aries Dawami
Regional Manager 4
Joined UOB Indonesia on 17 January, 2011, and has over 24 years of experience in the financial industry.

Bontor Sitio
Regional Manager 3
Joined UOB Indonesia on 1 December, 2010, and has over 20 years of experience in the financial industry, particularly in the area of managing human resources at the regional level.

Harri Thunardi
Regional Manager 2
Joined UOB Indonesia on 2 July, 2012, and has over 22 years of experience in the banking industry, particularly as a Branch Manager.

Area Managers

Agnes Kristina
Area Manager - Surabaya Manyar Kertoarjo
Joined UOB Indonesia on 15 September, 2008, and has over 16 years of experience in the banking industry.

Aina Widjaja
Area Manager - Asemka
Joined UOB Indonesia on 16 May, 2011, and has over 21 years of experience in the banking industry.

Andi Kurniawan
Area Manager – Jambi
Joined UOB Indonesia on 2 July, 2012, and has over 13 years of experience in the banking industry.

Bambang Siyono
Area Manager – Jember
Joined UOB Indonesia on 25 March, 1998, and has over 19 years of experience in the banking industry, particularly in the area of retail banking.

Chandra Trisna
Area Manager - Bandar Lampung
Joined UOB Indonesia on 13 May, 2014, and has over 21 years of experience in the banking industry.

Cindy Binuan
Area Manager – Bengkulu
Joined UOB Indonesia on 9 July, 1984, and has over 23 years of experience in the banking industry, particularly in the area of operations.

Daniel Irawan Ariesanto Winata
Area Manager – Surabaya
Joined UOB Indonesia on 18 November, 2013, has over 19 years of experience in the banking industry.

Decy Indera Indah Gentania
Area Manager – UOB Plaza
Joined UOB Indonesia on 30 September, 2011, and has over 22 years of experience in the banking industry.

Didi Hermawan
Area Manager – Bandung
Joined UOB Indonesia on 4 January, 2010, and has over 25 years of experience in the banking industry, particularly in the area of retail banking.

Ellen
Area Manager – Tasikmalaya
Joined UOB Indonesia on 1 July, 2015, and has over 18 years of experience in the banking industry.

Eva Lie Hwa
Area Manager – Tegal
Joined UOB Indonesia on 2 January, 2013, and has over 16 years of experience in the banking industry.

Hartoyo
Area Manager – Semarang
Joined UOB Indonesia on 19 February, 2007, and has over 29 years of experience in the banking industry, particularly in the area of retail banking.

I Gusti Ayu Suarningrat
Area Manager - Radio Dalam
Joined UOB Indonesia on 1 August, 2012, and has over 26 years of experience in the banking industry.

Indrianto
Area Manager – Solo
Joined UOB Indonesia on 4 January, 2010, and has over 22 years of experience in the banking industry, particularly in the area of retail banking.

Ira Christie Wisandha
Area Manager - Kelapa Gading
Joined UOB Indonesia on 2 January, 2013, and has over 13 years of experience in the banking industry.

Irfan Iskandar
Area Manager – Malang
Joined UOB Indonesia on 11 March, 2013, and has over 15 years of experience in the banking industry.

Iskandar Dwipayana
Area Manager - Banyuwangi
Joined UOB Indonesia on 6 October, 1995, and has over 25 years of experience in the banking industry.

Janty Wijaya
Area Manager – Pekanbaru
Joined UOB Indonesia on 27 March, 2014, and has over 22 years of experience in the banking industry, particularly as a Branch Manager.

Juliani Hakim
Area Manager – Bogor
Joined UOB Indonesia on 1 August, 2016, and has over 28 years of experience in the banking industry.

July Liman Hermanto
Area Manager – Serang
Joined UOB Indonesia on 15 November, 1993, and has over 25 years of experience in the banking industry, particularly in the area of retail banking.

Junardi
Area Manager – Medan
Joined UOB Indonesia on 1 June, 1992, and has over 25 years of experience in the banking industry, particularly in the area of retail banking.

Ketut Suartini
Area Manager - Bali Renon
Joined UOB Indonesia on 2 July, 2012, and has over 25 years of experience in the banking industry, particularly as an Area Business Manager.

Latip Tanudjaja
Area Manager – Purwokerto
Joined UOB Indonesia on 4 May, 2015, and has over 10 years of experience in the banking industry.

Lie Liu Tjin
Area Manager – Pontianak
Joined UOB Indonesia on 2 January, 1986, and has over 35 years of experience in the banking industry, particularly in the areas of retail banking and operations.

Lilik Soesana
Area Manager - Bukit Darmo
Joined UOB Indonesia on 15 March, 2010, and has over 27 years of experience in the banking industry, particularly in the area of retail banking.

Lindawati Halim
Area Manager - Bandung Rivai
Joined UOB Indonesia on 1 October, 1992, and has over 25 years of experience in the banking industry, particularly in the area of banking operations.

Manhudi Wijaya
Area Manager - Harmoni
Joined UOB Indonesia on 9 March, 1998, and has over 18 years of experience in the banking industry.

Maria Natalia Ristianty
Area Manager - Green Garden
Joined UOB Indonesia on 5 October, 1994, and has over 23 years of experience in the banking industry, particularly in the area of retail banking.

Nugroho Santosa
Area Manager – Jombang
Joined UOB Indonesia on 22 August, 2011, and has over 20 years of experience in the banking industry, particularly in the areas of commercial and retail banking.

Ritawaty Mandata
Area Manager – Samarinda
Joined UOB Indonesia on 12 February, 1990, and has over 27 years of experience in the banking industry, particularly in the area of retail banking.

Executive Officers

Soenji Harijanto
Area Manager – Yogyakarta
Joined UOB Indonesia on 1 June, 2009, and has over 24 years of experience in the banking industry, particularly in the area of retail banking.

Teddy Polandra
Area Manager – Denpasar
Joined UOB Indonesia on 4 January, 2010, and has over 21 years of experience in the banking industry, particularly in the area of retail banking.

Teguh Herri Waskito
Area Manager – Banjarmasin
Joined UOB Indonesia on 3 September, 2012, and has over 20 years of experience in the banking industry, particularly as a Branch Manager.

Theresia Sherry Tjoa
Area Manager - Batam Centre
Joined UOB Indonesia on 24 January, 2005, and has over 25 years of experience in the banking industry, particularly in the area of operations.

Wandy Bernardus Elias
Area Manager – Makassar
Joined UOB Indonesia on 4 August, 2014, and has over 23 years of experience in the banking industry, particularly as a Branch Manager.

Wong Bun Hock
Area Manager – Batam
Joined UOB Indonesia on 1 December, 1999, and has over 18 years of experience in the banking industry, particularly in the area of commercial banking.

Yemmy Priantoro
Area Manager – Magelang
Joined UOB Indonesia on 2 May, 2008, and has over 23 years of experience in the banking industry.

Yopie
Area Manager – Cirebon
Joined UOB Indonesia on 28 August, 1992, and has over 25 years of experience in the banking industry, particularly in the area of retail banking.

Yusda Elfani
Area Manager – Balikpapan
Joined UOB Indonesia on 6 August, 2012, and has over 22 years of experience in the banking industry, particularly in the area of funding.

Yusra
Area Manager - Medan Uniplaza
Joined UOB Indonesia on 6 October, 2010, and has over 25 years of experience in the banking industry, particularly as a Branch Manager.

Yustinus Oswari
Area Manager – Palembang
Joined UOB Indonesia on 2 February, 2009, and has over 8 years of experience in the banking industry.

Shares Listing Chronology

The following is the details of the UOB Indonesia shares listing chronology:

Corporation Activities	Distribution Dates	New Shares (Shares)	Paid Up Capital (Shares)	Nominal Price (IDR)
Shares Initial Public Offering	20 July 2000	-	970,000,000	500
Shares Dividend	17 May 2002	223,689,754	1,193,689,754	500
Shares Bonus	17 May 2002	47,133,917	1,240,823,671	500
Limited Public Offering I	20 – 27 September 2002	248,164,734	1,488,988,405	500
Shares Nominal Value	23 December 2002	1,488,988,405	2,977,976,810	250
Limited Public Offering II	28 May – 5 June 2003	744,494,202	3,722,471,012	250
Shares Dividend	4 November 2003	306,091,338	4,028,562,350	250
Shares Bonus	4 November 2003	959,549,650	4,988,112,000	250
Shares Dividend	12 May 2005	410,821,132	5,398,933,132	250
Shares Bonus	12 May 2005	367,309,605	5,766,242,737	250
Limited Public Offering III	9 – 19 June 2006	887,114,267	6,653,357,004	250
Tender Offer	22 September – 21 October 2008	-	6,653,357,004	250
Deletion of Shares Listed in Stock Exchange	20 November 2008	-	6,653,357,004	250
Business Merger	30 June 2010	2,900,528,800	9,553,885,804	250

Shareholders Composition

	Name	31 December 2016	
		Ownership	
		Number of Shares	Composition
1	UOB International Investment Private Limited	6,586,706,877	68.943%
2	United Overseas Bank Limited	2,871,523,512	30.056%
3	Others	95,655,415	1.001%
	Total	9,553,885,804	100.000%

Shareholders Classification

Classification	Total Shareholders	Composition
Local Institution	2	0.000%
Foreign Institution	6	98.999%
Local Individual	21	1.001%
Foreign Individual	1	0.000%

Shares Options

During 2016, UOB Indonesia did not grant any share options to Commissioners, Directors or Employees.

Securities (Bonds) Listing History

Type	Date of Emission	Maturity	Value (IDR)	Due Date	Coupon	Rating	Listing
Bank Buana Indonesia Self-Registration Bonds I	14 July 2004	10 ears (5th years, purchase option)	300 billion	14 July 2014 (purchase option 14 July 2009) – early settlement on 14 July 2009	13.25% p.a (1st – 6th years); 22.05% p.a (6th-10th)	id A+ (Stable) Pefindo	Indonesian Stock Exchange
Self Registration Bonds I	28 May 2014	7 years	1 trillion	28 May 2021	11.35% p.a	AA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia Seri A 2015	1 April 2015	370 days	400 billion	11 April 2016	8.60% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia Seri B 2015	1 April 2015	3 years	600 billion	1 April 2018	9.40% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia Seri C 2015	1 April 2015	5 years	500 billion	1 April 2020	9.60% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Shelf Regstration Senior Bonds I Bank UOB Indonesia Stage 1 Seri A	25 November 2016	370 days	300 billion	5 December 2017	7.20% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Shelf Registration Senior Bonds I Bank UOB Indonesia Stage I Seri B 2016	25 November 2016	3 years	600 billion	25 November 2019	8.00% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Shelf Registration Senior Bonds I Bank UOB Indonesia Stage I Seri C 2016	25 November 2016	5 years	100 billion	25 November 2021	8.25% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Shelf Registration Subordinated Bonds I Bank UOB Indonesia	25 November 2016	7 years	100 billion	25 November 2023	9.40% p.a	AA(idn) Fitch Rating	Indonesian Stock Exchange

Products and Services

Loan Products

- UOB Housing Loan (KPR)
- UOB Multi-Finance Loan (KMG)
- Current Account Loan (Rupiah and FX)
- Revolving Credit Facility
- Fixed Loan
- Fixed Asset Investment Loan
- Business Vehicle Financing
- Construction Investment Loan
- Heavy Equipment Financing
- Property Business Financing
- Installment Loan (Rupiah and FX)
- Micro Business Financing
- Import-Export Credit
- UOB Credit Card (Visa and MasterCard) for various types of non-cash transactions, such as:
  - UOB PRVI Miles
  - UOB Preferred Platinum
  - UOB Lady's Platinum
  - UOB One Card
  - Corporate Credit Card, such as: Corporate Card, Purchasing/D-Card and Business
- Business Express
- Business Solution
- Letter of Credit (LC)
- Shipping Guarantee
- Bank Guarantee – Standby Letter of Credit
- Invoice Financing
- Trust Receipt
- Pre Export Financing
- Early Payment Discount
- Credit Bills Purchased
- Bill of Exchange Purchase
- Financial Supply Chain Management (FSCM) Products:
  - PO Financing
  - Account Receivable Purchase
  - Dealer Financing
- Contract Financing
- Secured Back to Back

Funding Products

- Time Deposit (Rupiah and FX)
- U-Save
- UOB Gold Saving Account
- UOB High Yield Account
- UOB Staff Account
- TabunganKu
- UOB U-Plan
- Rekening Valas Produktif
- Current Account (Rupiah and Foreign Currency)
- Giro UOB
- UOB FlexiYield
- Giro88
- TabunganBiz88

Services

- Safe Deposit Box
- *Wesel* and *Inkaso* Facility (FX)
- Bills Collection Facility (FX)
- Bank Draft (FX)
- Inward and Outward Transfer (Rupiah and Foreign Currency)
- Inward and Outward Collection
- Transfer LC
- Clearing
- UOB Bill Pay: PLN, Telkom, Telkomsel, Indosat, XL, Esia, Fren and Indovision
- UOB ATM and Debit Card
- Bills Payment Autodebit
- 24 Hours Call Centre (14008)
- Escrow Account
- Cash Pick-up
- Liquidity Management Solution (LMS)
- UOB Virtual Account
- Business Internet Banking Plus (BIB Plus)
- *Pembayaran Pajak/Penerimaan Negara* with MPN Gen 2
- Personal Internet Banking
- Bulk Payment/Payroll
- FX Electronic Dealing System (FEDS)

Investment Products

- Mutual Fund Selling Agent
- Indonesia Retail Bond (ORI) and Retail Islamic Bond (SUKUK) Sales Agent
- UOB Maxi Yield

Insurance Products

- UOB Indonesia teams up with insurance companies to provide financial solution for customers by offering life and health insurance products with single or periodic premium payment

Treasury Products

- Foreign Exchange (FX): Value Today, Value Tomorrow and Value Spot
- Derivative Transactions: Forward, Swap, Interest Rate Swap (IRS) and Cross Currency Swap (CCS), Plain Vanilla FX Options
- Structured Product: UOB MaxiYield
- Indonesian Government Bonds (Retail Bonds): Primary Market and Secondary Market Transactions

Office Network

Head Office
Jln. M.H. Thamrin No. 10, Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta 10230
Tel. +62 21 23506000
Faks. +62 21 29936632

Head Office
Regional Office I
Jakarta
Gedung UOB Plaza Lantai 11,
Jln. M.H. Thamrin No. 10,
Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta, 10230
Tel. +62 21 23506000
Faks. +62 21 29936632

Regional Office II
Medan
Jln. Palang Merah No. 30, Lantai 3,
Kel. Kesawan,
Kec. Medan Barat, Medan
Sumatera Utara, 20231
Tel. +62 61 4156574
Faks. +62 61 4148556, 4154793, 4560116

Regional Office III
Semarang
Menara Suara Merdeka Lantai 2,
Jln. Pandanaran No.30, Kel. Pekunden,
Kec. Semarang Tengah, Semarang
Jawa Tengah, 50137
Tel. +62 24 8644 8000
Faks. +62 24 8644 6066

Regional Office IV
Surabaya
Jln. Panglima Sudirman No. 53, Lantai 3, Kel. Embong Kaliasan, Kec. Genteng
Surabaya
Jawa Timur, 60271
Tel. +62 31 5471772, 5481888
Faks. +62 31 5345026, 5345136, 5345146

Regional Office V
Balikpapan
Kavling 8 Square Blok A6 & A7,
Lantai 3, RT 28
Jln. M.T. Haryono, Kel. Damai,
Kec. Balikpapan Selatan
Kalimantan Timur, 76114
Tel. +62 542 7208888, 7209999
Faks. +62 542 765477

Branch Offices
Harmoni
Jln. Gajah Mada No. 1 A
DKI Jakarta, 10130
Tel. +62 21 63865927, 6330585
Faks. +62 21 6330558, 6335377

UOB Plaza
Jln. M.H. Thamrin No. 10,
Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta, 10230
Tel. +62 21 29936900
Faks. +62 21 29936680-82

Kelapa Gading
Jln. Raya Barat Boulevard
Blok LC 7 No. 1-2,
Kelapa Gading Permai
DKI Jakarta, 14240
Tel. +62 21 4529171
Faks. +62 21 4529179

Green Garden
Komplek Perumahan Green Garden,
Blok A.7 No. 47-50,
Kel. Kedoya Utara, Kec. Kebon Jeruk
DKI Jakarta, 11520
Tel. +62 21 5819005, 5802814
Faks. +62 21 5802776

Asemka
Jln. Asemka No. 32-36
DKI Jakarta, 11110
Tel. +62 21 6922901, 6922045,
2601051, 2601055
Faks. +62 21 6924105, 6925946,
2601013, 2601033

Radio Dalam
Jln. Radio Dalam No. 9 A,
Kebayoran Baru
DKI Jakarta, 12140
Tel. +62 21 7252647
Faks. +62 21 7252648

Serang
Jln. M. Hasanuddin, Serang Plaza Blok II
No. 3-7, Serang, Banten
Banten, 42112
Tel. +62 254 200153, 201566
Faks. +62 254 200692

Bandar Lampung
Jln. Ikan Tenggiri No. 17/A, Teluk Betung,
Bandar Lampung
Bandar Lampung, 35223
Tel. +62 721 482982
Faks. +62 721 482951

Bogor
Jln. Suryakencana No. 260 F, Kel. Gudang,
Kec. Bogor Tengah, Kota Bogor
Jawa Barat, 16151
Tel. +62 251 832 5256
Faks. +62 251 832 5307

Medan
Jln. Palang Merah No. 30, Kel. Kesawan,
Kec. Medan Barat, Medan
Sumatera Utara, 20231
Tel. +62 61 4156574
Faks. +62 61 4148556, 4154793, 4560116

Medan Uniplaza
Uniplaza Building 1st floor, West Tower,
Jln. Let. Jend. M.T. Haryono A-1
Sumatera Utara, 20231
Tel. +62 61 4558656
Faks. +62 61 4558657

Palembang
Jln. Mesjid Lama No. 48-50, Palembang,
Sumatera Selatan
Sumatera Selatan, 30125
Tel. +62 711 310965
Faks. +62 711 313216, 316663, 361150,
357816

Bengkulu
Jln. Let. Jend. Suprapto No. 169-171
Bengkulu, 38221
Tel. +62 736 21705
Faks. +62 736 21110

Pekanbaru
Jln. Jend. Sudirman No. 442,
Pekanbaru, Riau
Riau, 28116
Tel. +62 761 21168, 21116, 20879, 848053
Faks. +62 761 848052

Jambi
Jln. R. Mattaher No. 34 - 35,
Kel. Orang Kayo Hitam, Jambi
Jambi, 36113
Tel. +62 741 20623
Faks. +62 741 7554014

Batam
Komplek Batam Plaza Blok E No. 1-3,
Jln. Imam Bonjol, Batam
Kepulauan Riau, 29444
Tel. +62 778 459691
Faks. +62 778 458601

Batam Centre
Komplek Mahkota Raya Blok D
No. 7 & No. 8,
Jln. Engku Putri, Kel. Teluk Tering,
Kec. Batam Kota,
Kota Batam, Kepulauan Riau
Kepulauan Riau, 29461
Tel. +62 778 7486000
Faks. +62 778 7486025

Solo
Jln. Jend. Urip Sumoharjo No. 13-17,
Solo, Jawa Tengah
Jawa Tengah, 57129
Tel. +62 271 646348
Faks. +62 271 668758, 630620, 646947

Bandung
Jln. Jend. Sudirman No. 55 A, Bandung
Jawa Barat, 40241
Tel. +62 22 4204491
Faks. +62 22 4238906

Bandung Rivai
Jln. Abdul Rivai No. 2 A
Jawa Barat, 40116
Tel. +62 22 4209980
Faks. +62 22 4209970

Semarang
Menara Suara Merdeka (Ground Floor,
Mezzanine Floor, 2nd Floor)
Jln. Pandanaran No.30, Kel. Pekunden,
Kec. Semarang Tengah, Semarang
Jawa Tengah, 50137
Tel. +62 24 8644 8000
Faks. +62 24 8644 6066

Cirebon
Jln. Yos Sudarso No. 29, Cirebon
Jawa Barat, 45111
Tel. +62 231 205040, 206959,
206396, 221541
Faks. +62 231 201989, 248340

Tasikmalaya
Jln. Empang No. 50, Tasikmalaya,
Jawa Barat
Jawa Barat, 46113
Tel. +62 265 310300
Faks. +62 265 332007

Purwokerto
Jln. Jend. Sudirman No. 330, Purwokerto
Jawa Tengah, 53116
Tel. +62 281 631464, 623466, 635996,
630942, 630259, 635950
Faks. +62 281 636747, 640945

Magelang
Jln. Tidar No. 17, Magelang, Jawa Tengah
Jawa Tengah, 56126
Tel. +62 293 362181, 364344, 365261,
364405-06
Faks. +62 293 364271

Yogyakarta
Jln. Jend. Sudirman No. 62, Yogyakarta
D.I. Yogyakarta, 55224
Tel. +62 274 562000, 517410
Faks. +62 274 563433

Tegal
Jln. Kolonel Sugiono No. 56,
RT.003/RW.05,
Kel. Pekauman, Kec. Tegal Barat, Tegal
Jawa Tengah, 52113
Tel. +62 283 325001, 325005
Faks. +62 283 325008

Surabaya
Jln. Panglima Sudirman No. 53
Jawa Timur,60271
Tel. +62 31 5471772, 5481888
Faks. +62 31 5345026, 5345136, 5345146

Surabaya Bukit Darmo
Jln. Raya Bukit Darmo Golf,
Blok R No. 28 – 30,
Kel. Pradah Kalikendal, Kec. Dukuh Pakis
Jawa Timur, 60226
Tel. +62 31 7343949 (Hunting)
+62 31 7326000 (Privilege Banking)
+62 31 5486008 (Call Centre 24 jam)
Faks. +62 31 7343910 (Sekretariat)
+62 31 7348259 (Back Office Lt. 1)
+62 31 7341943 (Back Office Lt. 2)

Surabaya Manyar Kertoarjo
Surabaya Manyar Kertoarjo
Jln. Manyar Kertoarjo No. 50,
Kel. Manyar Sabrangan,
Kec. Sukolilo
Jawa Timur, 60116
Tel. +62 31 599 1168, 599 1428
Faks. +62 31 599 1411, 599 1412

Jember
Jln. Gajah Mada No. 68, Jember
Jawa Timur, 68131
Tel. +62 331) 484545, 424759, 424859
Faks. +62 331) 484980

Denpasar
Jln. Dr. Wahidin No. 39, Denpasar
Bali, 00000
Tel. +62 361 433014
Faks. +62 361 424245

Denpasar Bali Renon
Jln. Raya Puputan Komplek Pertokoan
Niti Mandala Raya No.17, Renon,
Denpasar
Bali, 80235
Tel. +62 361 241888
Faks. +62 361 245978

Banyuwangi
Jln. Jend. Sudirman No. 16, Banyuwangi,
Jawa Timur
Jawa Timur, 68416
Tel. +62 333 426500, 424705, 423061-62,
422270-71, 424070
Faks. +62 333 424260

Jombang
Jln. Merdeka No. 133, Jombang
Jawa Timur, 61413
Tel. +62 321 862500-01, 862337, 874857-
58
Faks. +62 321 862171

Malang
Jln. Basuki Rahmat No. 63, Malang
Jawa Timur, 60261
Tel. +62 341 342333
Faks. +62 341 342572

Makassar
Jln. Sulawesi No. 83
Sulawesi Selatan, 90174
Tel. +62 411 321421
Faks. +62 411 315702, (0411) 319457

Pontianak
Jln. HOS Cokroaminoto No. 266/A,
Kota Pontianak
Kalimantan Barat, 78117
Tel. +62 561 732600, 734656
Faks. +62 561 736282

Balikpapan
Kavling 8 Square Blok A6 & A7, RT 28
Jln. M.T. Haryono, Kel. Damai,
Kec. Balikpapan Selatan
Kalimantan Timur, 76114
Tel. +62 542 7208888, 7209999
Faks. +62 542 765477

Samarinda
Jln. Pangeran Diponegoro No. 68-70,
Samarinda, Kalimantan Timur
Kalimantan Timur, 75112
Tel. +62 541 732492-95-97, 749516-17-18
Faks. +62 541 732490

Banjarmasin
Jln. Lambung Mangkurat No. 17,
Banjarmasin, Kalimantan Selatan
Kalimantan Selatan, 70111
Tel. +62 511 3357172, 3353754, 3365312
Faks. +62 511 3353305

Kantor Cabang Pembantu

Glodok Plaza
Komp. Glodok Plaza Blok F No. 1-2,
Jln. Pinangsia Raya
DKI Jakarta, 11110
Tel. +62 21 6595026, 6596745,
6280943-44
Faks. +62 21 6280944

Pluit
Jln. Pluit Kencana Raya No. 76
DKI Jakarta, 14450
Tel. +62 21 6611770-71
Faks. +62 21 6691163

Petak Baru
Jln. Petak Baru No. 25-26
DKI Jakarta, 11230
Tel. +62 21 6922115, 6922432, 6912224,
6924069, 6901756-57,
6917410-11
Faks. +62 21 6928086

Mangga Dua
Pusat Grosir Pasar Pagi Mangga Dua
Lt. III, Blok BC 011,012,012 A & 014
Jln. Mangga Dua Raya
DKI Jakarta, 11110
Tel. +62 21 6255661, 6127340
Faks. +62 21 6127341

Mangga Dua Plaza
Mangga Dua Plaza Blok F No. 5
Jln. Mangga Dua Raya
DKI Jakarta, 11110
Tel. +62 21 6120086, 6120912,
6129128, 6129129
Faks.+62 21 6129130

Jembatan Dua
Jln. Jembatan Dua No. 139 A
DKI Jakarta, 14450
Tel. +62 21 6631760, +62 21 6631761-62
Faks. +62 21 6610615

Muara Karang
Jln. Muara Karang No. 1, RT. 019/RW. 02,
Kav. Blok Y3 Barat No. 10
DKI Jakarta, 14450
Tel. +62 21 6625967-69, 6601048
Faks. +62 21 6606171

Pluit Village
Pluit Village MG 8-9, Taman Tirta Loka,
Jln. Pluit Permai Raya
DKI Jakarta, 14450
Tel. +62 21 6683682
Faks. +62 21 6683692

Pantai Indah Kapuk
Rukan Exclusive Blok A No.27,
Jln. Marina Raya, Kel. Kamal Muara,
Kec. Penjaringan
DKI Jakarta, 14470
Tel. +62 21 56946227
Faks. +62 21 56946227

Petojo
Jln. A.M Sangaji No. 25 E
DKI Jakarta, 10130
Tel. +62 21 6324562-63
Faks. +62 21 6324562, 63855187

Roxy Mas
Jln. Kyai Haji Hasyim Ashari
Blok D 4 No. 18
DKI Jakarta, 10150
Tel. +62 21 63858204-07
Faks. +62 21 63858207

K.H.M. Mansyur
Jln. KHM Mansyur No. 202 B
DKI Jakarta, 11270
Tel. +62 21 6332755, 6332756
Faks. +62 21 6332759

Sawah Besar
Jln. Sukarjo Wiryopranoto No. 26
DKI Jakarta, 10120
Tel. +62 21 3853677, 231368, 2313479,
3453336, 3453337
Faks. +62 21 3860602

Pasar Baru
Jln. K. H. Samanhudi 40 A,
RT. 006/RW. 02, Pasar Baru, Sawah Besar
DKI Jakarta, 10710
Tel. +62 21 3500523, 3850468, 3866520,
3510587, 3510588
Faks. +62 21 3510589

Central Park
Central Park Mall, 3rd Floor, Shop Unit
No. L3 – 203 A, Jln. Let. Jend. S. Parman
Kav. 28, Kel. Tanjung Duren, Kec. Grogol
Petamburan, Jakarta Barat
DKI Jakarta, 11470
Tel. +62 21 2920 1015 (Hunting),
2920 1013, 2920 1014,
2920 1016
Faks. +62 21 2920 1017

Mangga Besar
Jln. Mangga Besar No. 68 – 68 A
DKI Jakarta, 10730
Tel. +62 21 6594677, 6292150, 6292349
Faks. +62 21 6293113

Pangeran Jayakarta
Jln. Pangeran Jayakarta No. 126-129
Blok A/5, Kel. Mangga Dua Selatan,
Kec. Sawah Besar
DKI Jakarta, 10730
Tel. +62 21 62201905, 62201906,
62201907, 6016574
Faks. +62 21 62201904

Palmerah
Jln. Palmerah Barat No. 39 B, Jakarta
Pusat
DKI Jakarta, 10270
Tel. +62 21 5325479, 5308785
Faks. +62 21 5329249

Tanah Abang
Pusat Perdagangan Tanah Abang Bukit
Blok F No. 6-8, Jln. K.H. Fahruddin,
Jakarta Pusat
DKI Jakarta, 10250
Tel. +62 21 3803320, 3846171
Faks. +62 21 3151787, 38903406

Senen
Pusat Grosir Senen Jaya, Lantai Dasar No.
C8-1, Jln. Senen Raya, Kel. Senen,
Kec. Senen
DKI Jakarta
Tel. +62 21 29939511, 29939513, 29939514,
29939515, 29939516
Faks. +62 21 29939512

Bungur
Ruko Central Bungur, Jln. Bungur Besar 42 B, Gunung Sahari Selatan, Jakarta Pusat
DKI Jakarta, 10610
Tel. +62 21 4250813, 4248841
Faks. +62 21 4248844

Wahid Hasyim
Jln. K.H. Wahid Hasyim No. 89, Jakarta Pusat
DKI Jakarta, 10350
Tel. +62 21 29276200
Faks. +62 21 29276400

Metro Tanah Abang
Pusat Grosir Metro Tanah Abang Banking Center Lantai 7 Unit No.1,
Jln. K.H. Wahid Hasyim No. 187-189, Tanah Abang, Jakarta Pusat
DKI Jakarta, 10250
Tel. +62 21 30036023, 30036024, 30036025
Faks. +62 21 30036026

Rasuna Said
Wisma Tugu II, Jln. H.R. Rasuna Said Kav. C7 No. 9, Kel. Karet, Kec. Setiabudi, Kuningan, Jakarta
DKI Jakarta, 12950
Tel. +62 21 5221107
Faks. +62 21 5221108

Bekasi
Jln. Chairil Anwar Blok C No.18, Kel. Margahayu, Kec. Bekasi Timur, Kota Bekasi
Jawa Barat, 17113
Tel. +62 21 8802926, 8809675, 8812179, 8817127
Faks. +62 21 88348645

Bekasi
Jln. Chairil Anwar Blok C No.18, Kel. Margahayu, Kec. Bekasi Timur, Kota Bekasi
Jawa Barat, 17113
Tel. +62 21 8802926, 8809675, 8812179, 8817127
Faks. +62 21 88348645

Kelapa Gading Boulevard
Jln. Raya Boulevard Blok FW I No. 18, Kelapa Gading Boulevard, Kelapa Gading, Jakarta Utara
DKI Jakarta, 14240
Tel. +62 21 4531069-70
Faks. +62 21 45841059

Tanjung Priok
Jln. Enggano Blok C No.11-G, Kel. Tanjung Priok, Kec. Tanjung Priok, Jakarta Utara
DKI Jakarta
Tel. +62 21 4351460
Faks. +62 21 4366562

Sunter Agung
Jln. Danau Sunter Agung Utara Blok D 1 No. 6 B, Sunter Agung, Jakarta Utara
DKI Jakarta, 14350
Tel. +62 21 6451120-21, 65833281-82
Faks. +62 21 6453821

Alam Sutera
Jln. Jalur Sutera Kav. 29 D, No. 45, Kel. Pakualam, Kec. Serpong Utara
Kota Tangerang Selatan
Banten, 15320
Tel. +62 21 30030524
Faks. +62 21 30030525

Kramat Jati
Jln. Raya Bogor No. 1, Unit RA 2, RT.001/RW.01, Kel. Kramat Jati, Kec. Kramat Jati, Jakarta Timur
DKI Jakarta, 13830
Tel. +62 21 8092417, 8011644, 80878641
Faks. +62 21 8013973

Jatinegara
Jln. Pintu Pasar Utara No. 10-12, Kel. Balimester, Kec. Jatinegara, Jakarta Timur
DKI Jakarta, 13310
Tel. +62 21 8191918, 8193110, 8197726, 2800178
Faks. +62 21 8508919

Bekasi Selatan
Jln. Achmad Yani Kav. A4 No. 7, Ruko Kalimalang Commercial Centre, Desa Kayuringin, Bekasi
Jawa Barat, 17144
Tel. +62 21 88965891-93, 8853521
Faks. +62 21 8896 5890

Cikarang
Komplek Ruko Cikarang Commercial Center, Blok B1 No. 23, Jln. Raya Cikarang Cibarusah Km.40 No.1, Kel. Pasir Sari, Kec. Cikarang Selatan, Bekasi
Jawa Barat, 17550
Tel. +62 21 89835725, 89835726, 89835727
Faks. +62 21 89835724

Cempaka Mas
Ruko Mega Grosir Cempaka Mas, Blok D1 No. 3, Jln. Letjen Suprapto, Kel. Sumur Batu, Kec. Kemayoran, Jakarta Pusat
DKI Jakarta, 10640
Tel. +62 21 42906693, 42906694, 42889441
Faks. +62 21 42889440

Kelapa Gading Boulevard Raya
Jln. Boulevard Raya Blok DG No. 2, Kel. Kelapa Gading Timur, Kelapa Gading
DKI Jakarta, 14240
Tel. +62 21 4527582
Faks. +62 21 4527583

Tebet
Kompleks Rukan Gajah, Jln. Dr. Sahardjo No.111, RT. 001, RW. 01, Persil No.12 & No.13, Kel. Tebet Barat, Kec. Tebet
DKI Jakarta, 12810
Tel. +62 21 83798666, 83788700
Faks. +62 21 83798555

Cimone
Jln. Merdeka No. 320, Kel. Cimone Jaya, Kec. Karawaci, Tangerang
Banten, 15113
Tel. +62 21 5522004
Faks. +62 21 5525017

Green Ville
Komplek Pertokoan Green Ville Blok BG No. 14-15, Kel. Duri Kepa, Kec. Kebon Jeruk, Jakarta Barat
DKI Jakarta, 11510
Tel. +62 21 56957883-84, 56957895, 56957897
Faks. +62 21 56957902

Cengkareng
Komplek Taman Palem Lestari Blok D 10 No.1, Cengkareng Barat, Jakarta Barat
DKI Jakarta, 11730
Tel. +62 21 55957447, 55957448, 55957449
Faks. +62 21 55957446

Tangerang
Jln. Ki Asnawi No. 64 C-D, Tangerang
Banten, 15111
Tel. +62 21 5523081-83-84, 55799082-83
Faks. +62 21 5523082

Duta Mas
Komplek Perumahan Taman Duta Mas,
Blok D8 No. 1, Grogol Petamburan,
Jakarta Barat
DKI Jakarta, 11460
Tel. +62 21 5648262, 5649550
Faks. +62 21 5649464

Teluk Gong
Kompleks Duta Harapan Indah Blok G
No. 10, Jln. Kapuk Muara, Jakarta Utara
DKI Jakarta, 14460
Tel. +62 21 6617577-78, 6622957
Faks. +62 21 6612279

BSD Golden
Ruko BSD Golden Boulevard,
Blok C No. 6, Jln. Pahlawan Seribu,
Kel. Buaran Lengkong Karya,
Kec. Serpong, Tangerang, Banten
Banten, 15322
Tel. +62 21 53160680, 53160681, 53153168, 53153169
Faks. +62 21 53153087

Tanjung Duren
Jln. Tanjung Duren Raya Blok N No. 352
RT.007/RW.03, Kel. Tanjung Duren Utara,
Kec. Grogol Petamburan
DKI Jakarta, 11470
Tel. +62 21 5642027, 5673950, 56969082
Faks. +62 21 5685079

Puri Kencana
Grand Puri Kencana,
Jln. Puri Kencana
Blok K7/2A, Kel. Kembangan Selatan,
Kec. Kembangan
DKI Jakarta, 11610
Tel. +62 21 5823602, 5823603, 5823604, 5823605
Faks. +62 21 5819222

Citra Garden 2
Komplek Rukan Citra Niaga, Blok A
No. 3, Jln. Utan Jati, Kel. Pegadungan,
Kec. Kalideres
DKI Jakarta, 10750
Tel. +62 21 54377025-31
Faks. +62 21 54374621

Kebon Jeruk
Gedung Graha Kencana, Lantai 1,
Jln. Raya Pejuangan No.88, Kebon Jeruk
DKI Jakarta, 11530
Tel. +62 21 5350638
Faks. +62 21 5350639

Gading Serpong
Ruko Graha Boulevard Blok GBVC /
002, Jln. Boulevard Gading Serpong,
Kel. Curug, Kec. Kelapa Dua, Tangerang,
Banten
Banten, 15810
Tel. +62 21 29001081
Faks. +62 21 29001071

Pasar Minggu
Jln. Raya Ragunan No. 11, Pasar Minggu,
Jakarta Selatan
DKI Jakarta, 12520
Tel. +62 21 7804680, 78831562, 7890439
Faks. +62 21 7890438

Pasar Minggu
Jln. Raya Ragunan No. 11, Pasar Minggu,
Jakarta Selatan
DKI Jakarta, 12520
Tel. +62 21 7804680, 78831562, 7890439
Faks. +62 21 7890438

Permata Hijau
Grand ITC Permata Hijau - Emerald
No. 10, Jln. Letjen Soepeno (Arteri
Permata Hijau), Kel. Grogol Utara,
Kec. Kebayoran Lama, Jakarta Selatan
DKI Jakarta, 12210
Tel. +62 21 53663111, 53664376
Faks. +62 21 53663222

Pondok Indah
Jln. Metro Pondok Indah Sektor II,
Blok UA Kav.46-47, Jakarta Selatan
DKI Jakarta, 12310
Tel. +62 21 75906165, 75900178
Faks. +62 21 75900185

Fatmawati
Jln. Fatmawati Raya No. 1, RT.001/RW.04,
Jakarta Selatan
DKI Jakarta, 12410
Tel. +62 21 7504770, 7664823, 7661367
Faks. +62 21 7661333

Depok
Pertokoan ITC Depok No. 48, Jalan
Margonda Raya No.56, Kel. Depok,
Kec. Pancoran Mas, Kota Depok
Jawa Barat, 16431
Tel. +62 21 7765236, 77202916-18
Faks. +62 21 7765237

Panglima Polim
Jln. Panglima Polim Raya No. 18A, B, C,
Jakarta Selatan
DKI Jakarta, 12160
Tel. +62 21 7251603, 7202668, 7251655
Faks. +62 21 7222187

Mampang
Jln. Mampang Prapatan No. 99, Kel.
Duren Tiga, Kec. Pancoran, Jakarta
Selatan
DKI Jakarta, 12790
Tel. +62 21 7991397
Faks. +62 21 7991386

Bintaro Sektor 3A
Rukan Bintaro Blok A.6 (Rukan depan
Bintaro Plaza), Sektor 3A, Kel. Pondok
Karya, Kec. Pondok Aren,
Kota Tangerang Selatan
Banten, 15225
Tel. +62 21 7362898
Faks. +62 21 7362897

Kemang
Jln. Kemang Raya No. 24 A,
Kel. Bangka, Kec. Mampang Prapatan
DKI Jakarta, 12730
Tel. +62 21 71794084, 71794085,
71794086
Faks. +62 21 71794083

Cilegon
Jln. Jend. Ahmad Yani No. 6, Cilegon
Banten, 42411
Tel. +62 254 391033, 391034, 392057
Faks. +62 254 391151

Rangkasbitung
Jln. Sunan Kalijaga No. 62, Rangkasbitung
Banten, 42311
Tel. +62 252 201595, 201596
Faks. +62 252 201703

Tanjung Karang
Jln. Padang Blok B III No. 2,
Tanjung Karang
Bandar Lampung, 35111
Tel. +62 721 261155
Faks. +62 721 241106

Dewi Sartika
Jln. Dewi Sartika No. 54, RT.03/RW.02,
Kel. Pabaton, Kec. Bogor Tengah, Bogor
Jawa Barat, 16121
Tel. +62 251 8311836, 8314257
Faks. +62 251 8314933

Cibubur
Ruko Cibubur Times Square Blok B-1
No.11 & 12, Jln. Alternatif Cibubur KM 3,
Kel. Jatikarya, Kec. Jatisampurna, Kota
Bekasi
Jawa Barat, 17435
Tel. +62 21 84592489, 84302667
Faks. +62 21 84597922

Tajur
Jln. Raya Tajur No. 65 D, Bogor
Jawa Barat, 16141
Tel. +62 251 8392485
Faks. +62 251 8392486

Tomang Elok
Jln. Jend. Gatot Subroto, Kompleks
Tomang Elok Blok A No. 55, Sei
Sikambing, Medan
Sumatera Utara, 11520
Tel. +62 61 8455405, 8455785, 8455635
Faks. +62 61 8455656

Central Pasar
Jln. Letjen Haryono MT , Central Pasar
Medan Lt. 1, Blok I No. 1 – 2 – 17 – 18,
Medan
Sumatera Utara, 20231
Tel. +62 61 4531929, 4531611
Faks. +62 61 4531737

Asia
Jln. Asia No. 132/172, Medan,
Kel. Sei Rengas I, Kec. Medan Kota,
Medan
Sumatera Utara, 20214
Tel. +62 61 7368623, 7368653
Faks. +62 61 7368932

Medan Business Centre
Komplek Medan Business Centre (MBC),
Jln. Let. Jend. S. Parman, Blok A No. 16,
Kel. Petisah Tengah, Kec. Medan Petisah,
Medan
Sumatera Utara, 20112
Tel. +62 61 4148167, 4148724, 4148743
Faks. +62 61 4148295

Pulo Brayan
Jln. K.L. Yos Sudarso No.18 A, Kel. Pulo
Brayan Kota, Kec. Medan Barat, Medan
Sumatera Utara, 20116
Tel. +62 61 6611688, 6611911
Faks. +62 61 6636922

Petisah
Jln. Nibung Utama No. 10, Kel. Petisah
Tengah, Kec. Medan Petisah, Medan
Sumatera Utara, 20112
Tel. +62 61 4554322, 4143383
Faks. +62 61 4530251

Krakatau
Jln. Gunung Krakatau No. 111-C,
Kel. Glugur Darat I, Kec. Medan Timur,
Medan
Sumatera Utara, 20725
Tel. +62 61 6620991, 6623079, 6632211
Faks. +62 61 6643483

Jend. Sudirman
Jln. Jend. Sudirman No. 1031 D-E,
Palembang
Sumatera Selatan, 30126
Tel. +62 711 358682 , 358411, 358572,
364952
Faks. +62 711 354891

R. Sukamto
Jln. R. Sukamto No. 106 C, RT.008/004,
Kel. 8 Ilir, Kec. Ilir Timur II,
Kotamadya Palembang
Sumatera Selatan, 30114
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Faks. +62 711 367072

Nangka
Jln. Nangka/Tuanku Tambusai No. 181,
Pekanbaru, Riau
Riau, 28125
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Faks. +62 761 37317

Nangka
Jln. Nangka/Tuanku Tambusai No. 181,
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Riau, 28125
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Faks. +62 761 37317

Tanjung Uncang
Komplek Pertokoan Fanindo Blok A
No.9-10, Kel. Tanjung Uncang,
Kec. Batu Aji
Kepulauan Riau, 29461
Tel. +62 778 7432468
Faks. +62 778 7432469

Penuin
Komplek Pertokoan Citra Mas, Blok A
No. 8, Penuin, Kec. Lubuk Baja, Batam
Kepulauan Riau, 29432
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Faks. +62 778 452772

Bintan
Jln. Merdeka No. 6C, Kel. Tanjungpinang
Kota, Kec. Tanjungpinang Kota,
Kepulauan Riau
Kepulauan Riau, 29111
Tel. +62 771 314909-10
Faks. +62 771 314916

Achmad Yani
Jln. Jend. Achmad Yani No. 235, Bandung
Jawa Barat, 40271
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Faks. +62 22 7205551

Kopo
Jln. Kopo No. 91, Bandung
Jawa Barat, 40234
Tel. +62 22 5230030, 5204784
Faks. +62 22 5204784, 5227177

Buah Batu
Ruko Buah Batu No.146 A,
Jln. Buah Batu No.1, Kel. Cijagra,
Kec. Lengkong
Jawa Barat, 40274
Tel. +62 22 7315139
Faks. +62 22 7315193

Cimahi
Jln. Raya No. 545, Cimahi
Jawa Barat, 40523
Tel. +62 22 6649530
Faks. +62 22 6657013

Sukajadi
Jln. Sukajadi No. 5, Bandung
Jawa Barat, 40162
Tel. +62 22 2037498, 2039266
Faks. +62 22 2039266

Setiabudi
Jln. Dr. Setiabudi No. 146 B, Lingkungan
Hegarmanah, Kecamatan Cidadap
Jawa Barat, 40141
Tel. +62 22 82066033
Faks. +62 22 82066481

Andir
Jln. Jamika No. 19, Bandung
Jawa Barat, 40231
Tel. +62 22 6023509
Faks. +62 22 6079274

Kopo Bihbul
Jln. Raya Kopo Bihbul No. 69, Bandung
Jawa Barat, 40228
Tel. +62 22 5401131, 5420269
Faks. +62 22 5420466

Pasir Kaliki
Jln. Pasir Kaliki No. 161, Bandung
Jawa Barat, 40173
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Jln. Ir. H. Juanda No.43 (Dago)
Jawa Barat, 40116
Tel. +62 22 4261175, 4261191
Faks. +62 22 4267885

Siliwangi
Jln. Jend. Sudirman No. 131, Semarang
Jawa Tengah, 50141
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Faks. +62 24 7608623

Majapahit
Jln. Brigjend. Sudirato 106, Semarang
Jawa Tengah, 50167
Tel. (024) 6723762
Faks. (024) 6723761

Salatiga
Jln. Jend. Sudirman No.188, Salatiga
Jawa Tengah, 50711
Tel. (0298) 322027
Faks. (0298) 326032

Gang Tengah
Jln. Gang Tengah No. 16, Semarang
Jawa Tengah, 50111
Tel. +62 24 3561800
Faks. +62 24 3561700

Mataram
Ruko Plaza Blok A No. 8 A,
Jln. MT Haryono, Semarang
Jawa Tengah, 50136
Tel. +62 24 3560033, 3560461
Faks. +62 24 3560462

Agus Salim
Kompleks Ruko THD Blok B-21,
Jln. K.H. Agus Salim, Semarang
Jawa Tengah, 50137
Tel. +62 24 3584035, 3584007
Faks. +62 24 3584036

Pasar Klewer
Beteng Trade Center Blok C No. 4,
Kel. Kedunglumbu, Kec. Pasar Kliwon,
Kotamadya Surakarta
Jawa Tengah, 57133
Tel. +62 271 641798
Faks. +62 271 655203

Kratonan
Jln. Yos. Sudarso No. 246
Jawa Tengah, 57153
Tel. +62 271 652626, 654343
Faks. +62 271 655622

Pasar Legi
Jln. Letjen. S. Parman No.83, Kel.
Kestalan, Kec. Banjarsari, Kotamadya
Surakarta, Jawa Tengah
Jawa Tengah, 57133
Tel. +62 271 666536
Faks. +62 271 641177

Sragen
Jln. Raya Sukowati No. 194, Sragen,
Kel. Sragen Kulon, Kec. Sragen,
Kab. Sragen, Jawa Tengah
Jawa Tengah, 57212
Tel. +62 271 891276, 891250
Faks. +62 271 891276

Palur
Jln. Raya Palur No. 59,
Palur, Karanganyar, Solo
Jawa Tengah, 57771
Tel. +62 271 827474, 821733
Faks. +62 271 821166

Palur
Jln. Raya Palur No. 59,
Palur, Karanganyar, Solo
Jawa Tengah, 57771
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Faks. +62 271 821166

Kuningan
Jln. Jend. Sudirman No. 51/55, Kuningan
Jawa Barat, 45511
Tel. +62 232 871738, 871810
Faks. +62 232 876641

Pasar Balong Pekiringan
Jln. Pekiringan No. 113
Jawa Barat, 45117
Tel. +62 231 205625
Faks. +62 231 211423

Temanggung
Jln. KS. Tubun No. 1, Kel. Temanggung I,
Kec. Temanggung
Jawa Tengah,
Tel. +62 293 491555
Faks. +62 293 491155

Muntilan
Komp. Ruko PJKA A. II No. 3,
Muntilan, Magelang
Jawa Tengah, 56411
Tel. +62 293 586508, 587323
Faks. +62 293 587415

Brigjend Katamso
Jln. Brigjend. Katamso No. 278 (lama
280), Yogyakarta
D.I. Yogyakarta, 55152
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Faks. +62 274 378569

Pasar Beringharjo
Jln. Sriwedani, Ruko No. 11, Kel.
Ngupasan, Kec. Gondomanan,
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Kricak
Jln. Magelang No. 81, Yogyakarta
D.I. Yogyakarta, 55242
Tel. +62 274 553385
Faks. +62 274 563672

Pasar Wage
Ruko Gede - Kawasan Pasar Wage
Blok A No. 1, Jln. Jend. Sudirman, Kel.
Purwokerto Lor, Kec. Purwokerto Timur,
Kab. Banyumas, Purwokerto
Jawa Tengah, 53114
Tel. +62 281 625508
Faks. +62 281 625745

Coklat
Jln. Coklat No. 12 – 14, Surabaya
Jawa Timur, 60161
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