PT BANK UOB INDONESIA | Annual Report 2013

Gazing 山 (Mountain)
Tan Rui Rong

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Gazing 山 (Mountain)

by Tan Rui Rong
Oil on Canvas

Mr Tan Rui Rong's Gazing 山 is the design inspiration for this year's Annual Report. The painting received the Silver Award in the 2013 UOB Painting of the Year (Singapore) Competition.

Mr Tan was moved by the philosophy of Buddhist Master, Qing Yuan Wei Xin, who said 见山是山 ("a mountain is a mountain"), 见山不是山 ("a mountain is not a mountain"), 见山还是山 ("a mountain is still a mountain"). The saying's deeper meaning reflects the changing perspectives people have as they progress through different stages in their lives.

Referencing Master Qing's philosophy, the artist uses the character 山 to represent the mountain. To the young boy standing at its foot, the immense mountain represents the promise of the future. With knowledge and resilience he will be able to scale its heights. It is a journey that will see him gain the wisdom to seize the many opportunities that will present themselves over time.

The UOB Painting of the Year Competition, now in its 32nd year, promotes awareness and the appreciation of the arts, while challenging artists to produce work that will inspire audiences across Southeast Asia.

To be the premier bank in Indonesia committed to providing quality products and excellent customer services

To provide top quality banking service required by the retail market, improve human resources professionalism and increase added value for all stakeholders in a sustainable manner

UOB Indonesia at a Glance

PT Bank UOB Indonesia (UOB Indonesia) was founded on 31 August 1956 under the name PT Bank Buana Indonesia. In May 2011, the Bank changed its name to PT Bank UOB Indonesia.

UOB Indonesia's service network comprises 41 branch offices, 168 sub-branch offices and 189 ATMs across 30 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are also accessible through its regional ATM network, the ATM Prima and ATM Bersama networks, and the Visa network.

UOB Indonesia is rated AAA (idn) by the independent rating agency Fitch Ratings. The Bank has also won the Platinum Award for Exceptional Financial Performance from *Infobank* Magazine for 10 consecutive years.

UOB Indonesia is well known for its focus on small and medium enterprises, and strong retail customer base. The Bank has built a consumer as well as corporate banking business which offers treasury and cash management products and services.

With its extensive network of services, information technology systems, sound capital structure and highly qualified staff, UOB Indonesia aims to create sustainable long-term value for its stakeholders. UOB Indonesia's focus remains on transforming UOB Indonesia into a Premier Bank through disciplined growth and stability.

UOB Indonesia understands the importance of corporate social responsibility through its focus on promoting arts and education as well as helping children. For the past three years, UOB Indonesia has organised the prestigious Painting of the Year Competition and Exhibition. UOB Indonesia also encourages active participation from all of its employees in its corporate social responsibility programmes through regular volunteer activities. This includes the annual UOB Heartbeat Run which is held simultaneously in Indonesia, Singapore, Malaysia, Thailand and mainland China.

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

Financial and Operational Highlights

Balance Sheets

Items (in IDR billion)	31 December				
	2009	2010	2011	2012	2013
Assets					
Cash	352	377	377	418	662
Current Accounts with Bank Indonesia	1,056	1,798	3,553	4,047	4,760
Current Accounts with Other Banks	1,122	608	666	897	1,161
Placements with Bank Indonesia and other Banks	1,313	2,123	3,090	2,750	3,120
Trading Securities and Financial Investments - Net	5,332	4,703	4,688	3,964	6,224
Securities Sold Under Repurchased Agreement	-	-	1,164	-	-
Derivatives Receivable	5	41	83	113	350
Loans - Net	22,980	27,044	38,866	44,476	51,871
Acceptances Receivable - Net	232	367	1,457	1,407	1,843
Investments - Net	-	-	-	-	-
Deferred Tax Assets - Net	11	31	13	-	-
Fixed Assets - Net book value	707	798	817	882	984
Others Assets - Net	334	412	474	419	407
Total Assets	**33,444**	**38,302**	**55,248**	**59,373**	**71,382**
Liabilities and Equity					
Current Liabilites	90	88	80	218	68
Demand Deposits	5,227	3,203	4,841	4,987	5,336
Savings Deposits	4,047	7,309	7,805	8,165	9,289
Time Deposits	16,881	17,751	30,257	33,387	42,653
Deposits from Other Banks	436	1,976	1,317	1,682	1,598
Taxes Payable	54	59	70	85	131
Derivatives Payable	20	47	82	116	354
Obligation on Securities Sold Under Repurchased Agreements	-	-	1,190	-	-
Interests Payable	40	53	174	151	196
Acceptances Liabilities	234	371	1,472	1,390	1,845
Fund Borrowing	5	-	-	-	-
Subordinated Bonds	-	-	-	-	-
Estimated Losses on Commitments and Contigencies	10	11	-	-	-
Deferred Tax Liability - Net	-	-	-	40	40
Liabilities for Employees' Benefits	25	38	52	70	79
Other Liabilities	275	490	440	500	525
Total Liabilities	**27,344**	**31,396**	**47,780**	**50,791**	**62,114**
Total Equity	**6,100**	**6,906**	**7,468**	**8,582**	**9,268**
Total Liabilities and Equity	**33,444**	**38,302**	**55,248**	**59,373**	**71,382**

Income Statements

Items (in IDR billion)	31 December 2009	2010	2011	2012	2013
Interest Income	3,498	3,234	4,113	4,866	5,430
Interest Expense	(1,501)	(1,191)	(1,775)	(2,061)	(2,584)
Interest Income - Net	**1,997**	**2,043**	**2,338**	**2,805**	**2,846**
Other Operating Income - Net	359	490	473	474	558
Provision for Impairment Losses on Financial Assets and Estimated Losses on Commitments and Contingencies	(128)	(127)	(209)	(69)	73
Provision for Decline in Value of Foreclosed Assets	(13)	(13)	20	(6)	9
Other Operating Expenses	(1,205)	(1,221)	(1,568)	(1,788)	(1,996)
Income From Operations	**1,010**	**1,172**	**1,054**	**1,416**	**1,490**
Non Operating Income (Expenses) - Net	3	(18)	21	73	49
Income Before Tax Expense	**1,013**	**1,154**	**1,075**	**1,489**	**1,539**
Tax Expense	(290)	(289)	(282)	(377)	(393)
Income including pre-merger Net Income of ex PT Bank UOB Indonesia	**723**	**865**	**793**	**1,112**	**1,146**
Net Income of merged Bank	**279**	**(159)**	**-**	**-**	**-**
Net Income for the year	**444**	**706**	**793**	**1,112**	**1,146**
Other Comprehensive Income (loss) for the year - Net of tax	**82**	**(63)**	**16**	**32**	**(213)**
Total Comprehensive Income for the year - Net of tax	**526**	**643**	**809**	**1,144**	**933**
Net Income per share (full amount)	**67**	**87**	**83**	**116**	**120**

Items (in IDR billion)	31 December 2009	2010	2011	2012	2013
Financial Ratios					
Capital					
Capital Adequacy Ratio (CAR)*	26.25%	22.27%	17.61%	16.77%	14.94%
- Total Capital	5,869,755	6,724,620	7,394,259	8,100,744	8,780,556
a) Core Capital	5,563,447	6,409,273	6,951,746	7,593,355	8,167,433
b) Supplementary Capital	306,308	315,347	442,513	507,389	613,123
- Risk Weighted Assets	22,361,066	30,193,418	41,980,133	44,061,564	58,776,128
a) Credit	21,888,377	27,532,248	37,693,549	43,525,036	53,287,174
b) Market	117,574	111,407	131,321	60,125	179,537
c) Operational	-	2,549,763	4,155,263	4,706,403	5,309,417
CAR Tier I	24.88%	21.23%	16.56%	15.72%	13.90%
CAR Tier II	1.37%	1.04%	1.05%	1.05%	1.04%
Fixed Assets to Capital	20.55%	20.23%	18.99%	18.28%	18.66%
- Fixed Assets	1,206,343	1,360,164	1,404,238	1,480,451	1,638,634
- Capital	5,869,755	6,724,620	7,394,259	8,100,744	8,780,556
Assets Quality					
Non-Performing Earning Assets	2.26%	2.27%	1.24%	1.56%	1.34%
Non-Performing Earning Assets and Non Earning Assets to Total Earning Assets	2.13%	2.08%	1.19%	1.41%	1.02%
Allowance for Impairment Losses for Financial Assets to Earning Assets	-	-	1.05%	0.97%	0.55%
Non-Performing Loans	3.02%	2.78%	1.53%	1.81%	1.63%
Non-Performing Loans - Net	**2.28%**	**2.24%**	**1.17%**	**1.13%**	**1.15%**

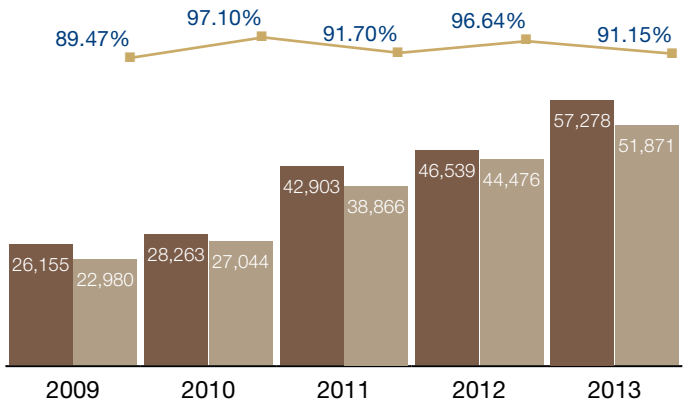
* Starting 2010 onwards, CAR is calculated for credit risk, market risk and operational risk.

Financial and Operational Highlights

Items	31 December				
	2009	2010	2011	2012	2013
Rentability					
Return on Assets (ROA)	3.03%	3.31%	2.30%	2.60%	2.38%
Return on Equity (ROE)	12.97%	14.48%	11.43%	14.97%	14.29%
Liabilities to Equity	448.98%	454.62%	639.81%	591.86%	670.15%
Liabilities to Assets	81.78%	81.97%	86.48%	85.55%	87.02%
Net Interest Margin (NIM)	5.85%	6.17%	5.14%	5.07%	4.55%
Fee Income Ratio	21.45%	23.02%	27.68%	24.72%	24.15%
Cost to Income	53.41%	50.89%	56.90%	55.93%	61.82%
Operating Expense to Operating Income	75.51%	70.85%	77.55%	74.61%	77.70%
Liquidity					
Loans to Deposits Ratio (LDR)	89.47%	97.10%	91.70%	96.64%	91.15%
Low Cost Fund (CASA) Ratio	35.46%	37.19%	29.48%	28.26%	25.53%
Compliance					
Violation of the Legal Lending Limit	-	-	-	-	-
Lending in excess of the Legal Lending Limit	-	-	-	-	-
Statutory Reserves - IDR					
Primary	5.08%	8.11%	8.10%	8.10%	8.12%
Secondary	24.50%	16.66%	13.74%	7.75%	9.06%
Statutory Reserves - Foreign Currency	1.03%	1.03%	8.31%	8.10%	8.22%
Net Open Position	0.54%	1.22%	0.58%	0.26%	1.75%
Growth Ratios					
Net Interest Income	19.51%	2.30%	14.44%	19.95%	1.45%
Operating Income	29.16%	12.38%	(10.07%)	34.30%	5.23%
Net Income	31.69%	19.64%	(8.21%)	40.09%	3.14%
Total Assets	0.29%	14.56%	44.24%	7.47%	20.23%
Total Liabilities	(1.95%)	14.82%	52.18%	6.30%	22.29%
Total Equity	11.76%	13.40%	8.14%	14.91%	7.99%
Others Ratios					
Loans Receivable to net Earning Assets	74.24%	77.52%	77.71%	87.95%	82.38%
Loans Receivable to Third Party Funds	89.47%	97.10%	91.70%	96.64%	91.16%
Allowances for Possible Losses to Total Loans Receivable	1.76%	1.48%	1.25%	1.12%	0.66%
Capital Adequacy Ratio (CAR) for Credit Risk*	26.39%	24.42%	19.62%	18.61%	16.48%
Capital Adequacy Ratio (CAR) for Credit Risk and Market Risk*	26.25%	24.33%	19.55%	18.59%	16.42%
Capital Adequacy Ratio (CAR) for Credit Risk, Market Risk and Operational Risk*	26.25%	22.27%	17.61%	16.77%	14.94%
Others					
Total Employees	4,761	4,974	5,301	5,314	5,317
Total Office Network	213	213	213	213	209
Total ATMs	129	132	137	173	189
Total Cost of Fund (IDR billion)	1,379	1,070	1,677	1,950	2,431
Total Share Issued (share)	**6,653,357,004**	**9,553,885,804**	**9,553,885,804**	**9,553,885,804**	**9,553,885,804**

* Calculated in accordance with Bank Indonesia Regulations.

Net loans	Rp7,395 billion	▲	16.63%
Deposits	Rp10,739 billion	▲	23.07%
LDR	91.15%	▼	5.49%

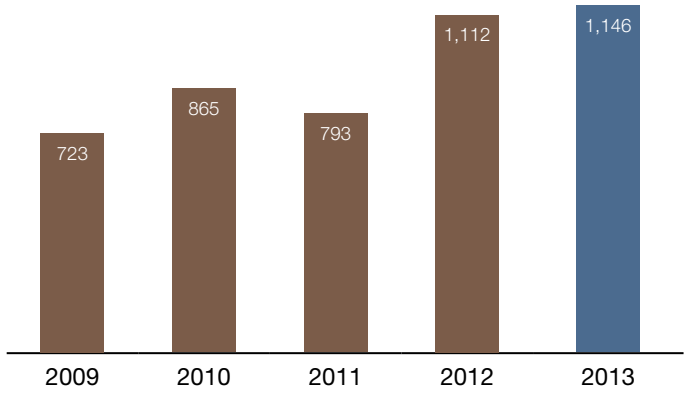


Net loans grew by 16.63 per cent in 2013, partly driven by the growth in loans for investment and working capital.

Deposits grew by 23.07 per cent to IDR57,278 billion, mainly derived from the increase in Time Deposits of 27.75 per cent.

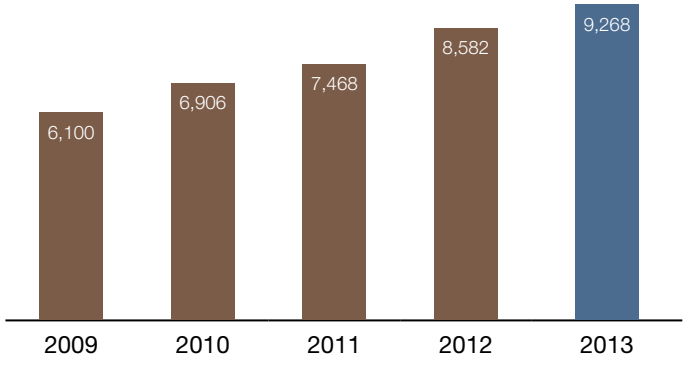
The improvement of Loan to Deposit Ratio (LDR) to 91.15 per cent was due to the higher deposits' growth than net loans.

Net Income	Rp1,146 billion	▲	3.06%



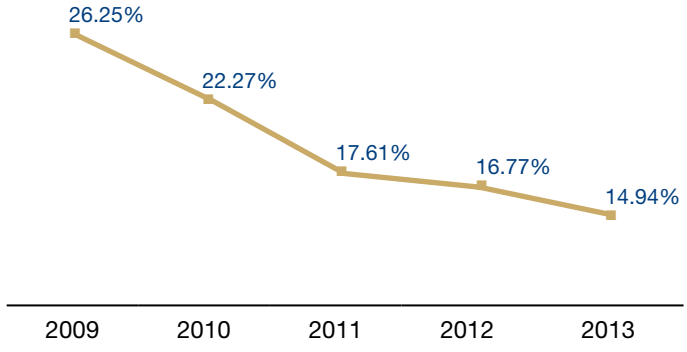
Net Profit rose slightly by 3.06 per cent in 2012 to IDR1,146 billion.

Total Equity	Rp9,268 billion	▲	7.99%



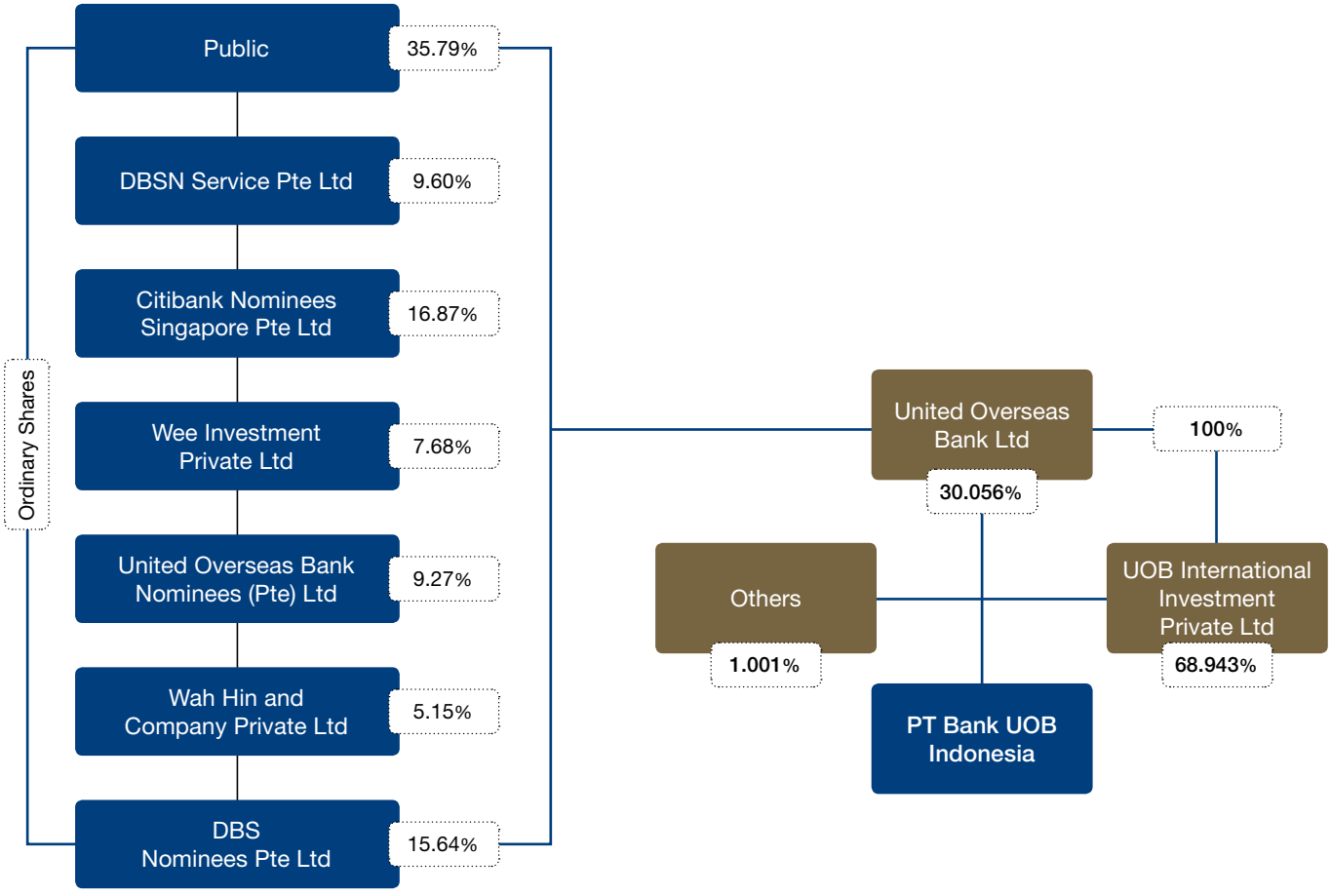
Total Equity increased by 7.99 per cent year on year, mainly due to the increase in net profit.

Capital Adequacy Ratio (CAR)	14.94%	▼	1.83%



Sufficient Capital Adequacy Ratio (CAR) was maintained at 14.94 per cent.

Shareholder Structure



Corporate Structure

About United Overseas Bank Limited

United Overseas Bank Limited (UOB) is one of the leading banks in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its inception in 1935, UOB has grown organically and through a series of strategic acquisitions. In Asia it operates through its branches and representative offices as well as banking subsidiaries in China, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

UOB is rated among the world's top banks: Aa1 by Moody's and AA- by Standard and Poor's and Fitch Ratings respectively.

UOB provides a wide range of financial services including personal financial services, private banking, business banking, commercial and corporate banking, transaction banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management and insurance.

In Singapore, UOB is a leader in the credit and debit cards business and the private home loans business. It is also a key player in loans to small and medium enterprises. Its fund management arm, UOB Asset Management, is one of Singapore's most awarded fund managers.

UOB also plays an active role in the community, focusing on the arts, education and children. It has, for over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year.

In recognition of its contributions to the arts, UOB was conferred by the National Arts Council's Distinguished Patron of the Arts Award for the ninth consecutive year in 2013. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run, which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

For more information about UOB, visit www.UOBGroup.com.

Global Network

Asia Pacific

Australia	4
Brunei	3
China	17
Hong Kong	2
India	1
Indonesia	211
Japan	2
Malaysia	47
Myanmar	2
The Philippines	1
Singapore	77
South Korea	1
Taiwan	3
Thailand	157
Vietnam	1

North America

Canada	3
USA	3

Western Europe

France	1
United Kingdom	1

UOB Financial Statements

Consolidated Income Statement (Audited) — in SGD million

	Dec 2012	Dec 2013
Interest Income	6,202	6,508
Less: Interest expense	2,285	2,388
Net Interest Income	**3,917**	**4,120**
Fee and commission income	1,508	1,731
Devidend income	135	53
Rental income	110	114
Other operating income	825	703
Non Interest Income	**2,578**	**2,600**
Total Operating Income	**6,495**	**6,720**
Less: Staff costs	1,597	1,712
Other operating expenses	1,151	1,186
Total Operating Expenses	**2,747**	**2,898**
Operating profit before charges	**3,748**	**3,822**
Less: Amortisation/impairment charges		
Intangible assets	7	-
Loans and other assets	476	429
Operating profit after charges	**3,264**	**3,393**
Share of profit of associates and joint ventures	87	191
Profit before tax	**3,351**	**3,584**
Less: Tax	531	559
Profit for the financial period	**2,821**	**3,025**
Attributable to:		
Equity holders of the Bank	**2,803**	**3,008**
Non-controlling interests	17	17
	2,821	3,025
Total Operating Income		
First Half	3,239	3,315
Second Half	3,256	3,405
Profit for the financial year attributed to equity holders of the Bank		
First Half	1,401	1,505
Second Half	1,402	1,503

Consolidated Balance Sheet (Audited) — in SGD million

	Dec 2012	Dec 2013
Equity		
Share capital	5,272	5,333
Retained earnings	10,222	12,003
Other reserves	9,586	9,053
Equity attributable to equity holders of the bank	25,080	26,388
Non-controlling interests	192	189
Total	**25,272**	**26,577**
Liabilities		
Deposits and balances of banks	21,538	26,247
Deposits and balances of non-banks customers	182,029	202,006
Bills and drafts payable	1,572	1,035
Other liabilities	9,689	9,382
Debts issued	12,800	18,981
Total	**227,628**	**257,652**
Total equity and liabilities	**252,900**	**284,229**
Assets		
Cash, balances and placements with central banks	33,056	26,881
Singapore Government treasury bills and securities	11,999	9,655
Other government treasury bills and securities	10,681	7,943
Trading securities	260	628
Placements and balances with banks	15,991	31,412
Loans to non-banks customers	152,930	178,857
Investment securities	11,129	12,140
Other assets	9,334	9,280
Investment in associates and joint ventures	1,102	997
Investment properties	1,016	985
Fixed Assets	1,234	1,308
Intangible assets	4,168	4,144
Total	**252,900**	**284,229**
Off balance sheet items		
Contingent liabilities	18,437	24,098
Financial derivatives	349,452	451,573
Commitments	60,911	69,757
Net asset value per ordinary share ($)	**14.56**	**15.36**

Consolidated Statement of Changes in Equity (Audited)

in SGD million

	Attributable to equity holders of the Bank					
	Share Capital and Other Capital	Retained Earnings	Other Reserves	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2013	**5,272**	**10,222**	**9,586**	**25,080**	**192**	**25,272**
Profit for the financial year	-	3,008	-	3,008	17	3,025
Other comprehensive income for the financial year	-	(4)	(535)	(540)	(3)	(542)
Total comprehensive income for the financial year	**-**	**3,004**	**(535)**	**2,468**	**15**	**2,483**
Transfers	-	(23)	23	-	-	-
Change in non-controlling interest	-	-	(9)	(9)	(10)	(19)
Dividens	-	(1,206)	-	(1,206)	(7)	(1,213)
Share-based compensation	-	-	29	29	-	29
Reclassification of share-based compensation reserves on expiry	-	6	(6)	-	-	-
Issue of treasury shares under share-based compensation plans	32	-	(32)	-	-	-
Increase in statutory reserves	-	-	1	1	-	1
Issue of perpetual capital securities	1,346	-	-	1,346	-	1,346
Redemption of preference shares	(1,317)	-	(3)	(1,320)	-	(1,320)
Balance at 31 December 2013	**5,333**	**12,003**	**9,053**	**26,388**	**189**	**26,577**
Balance at 1 January 2012	**5,253**	**8,499**	**9,215**	**22,967**	**177**	**23,144**
Profit for the financial year	-	2,803	-	2,803	17	2,821
Other comprehensive income for the financial year	-	-	345	345	4	350
Total comprehensive income for the financial year	**-**	**2,803**	**345**	**3,148**	**22**	**3,170**
Transfers	-	(33)	33	-	-	-
Change in non-controlling interests	-	-	-	-	-	-
Dividens	-	(1,047)	-	(1,047)	(6)	(1,053)
Share buyback - held in treasury	(11)	-	-	(11)	-	(11)
Issue of shares under script dividend scheme	-	-	-	-	-	-
Share-based compensation	-	-	22	22	-	22
Increase in statutory reserves	-	-	-	-	-	-
Issue of treasury shares under share-based compensation plans	29	-	(29)	-	-	-
Balance at 31 December 2012	**5,272**	**10,222**	**9,586**	**25,080**	**192**	**25,272**

Consolidated Statement of Comprehensive Income (Audited)

in SGD million

	2012	2013
Profit for the financial period	2,821	3,025
Currency translation adjustments	(329)	(264)
Change in available-for-sale reserve		
Change in fair value	1,014	(201)
Transfer to income statement on disposal/impairment	(301)	41
Tax relating to available-for-sale reserve	(67)	(17)
Change in share of other comprehensive income of associates and joint ventures	32	(97)
Remeasurement of benefit obligation	-	(4)
Other comprehensive income for the financial period, net of tax	350	(542)
Total comprehensive income for the financial period, net of tax	3,170	2,483
Attributable to:		
Equity holders of the Bank	3,148	2,468
Non-controlling interests	22	15
	3,170	**2,483**

Highlights in 2013

Jan	31	In partnership with FoodHall, UOB *Peduli* gives a donation to flood victims in Jakarta.
Feb	11	UOB opens a new branch at the *Menara Suara Merdeka* tower in Semarang, Central Java, to provide customers in Semarang with greater access to UOB's services.
Mar	7	UOB receives the Contact Centre Service Excellence Award (CCSEA) in the Commercial Bank and Credit Card categories.
Apr	17	UOB receives an Indonesian Bank Loyalty Award (IBLA) in the saving account category for conventional banks with assets < IDR75 trillion.
	26	The Annual General Meeting of Shareholders.
May	30	UOB hosts the Premier Talk, a form of media to engage with customers through a creative best practice sharing in a talk show format.
Jun	2	UOB holds the annual UOB Heartbeat Run/Walk in Semarang, Central Java to build upon the strong relationships developed with the community.
	25	Donations from the sale of the Sukuk Ritel 005 retail government bonds made to underprivileged children through the *Sahabat Anak* Foundation.
Jul	1	UOB employees participate in a blood donation drive held in partnership with the Indonesian Red Cross.
	5	UOB receives a Platinum award from *Infobank* magazine for excellent performance for more than 10 consecutive years.
	15	UOB begins implementation of its core banking standardisation project.
	31	UOB supports Indonesian young talents through the Kick Andy TV talk show.
Aug	21	UOB holds its first Foreign Direct Investment symposium for customers and foreign investors interested in expanding into Indonesia.
Sep	18	Call for entries begins for the UOB Painting of The Year to promote and encourage Indonesian artists.
	21	UOB employees' gather to celebrate the Islamic Idul Fitri and share happiness through donations given to children's education through the Kick Andy Foundation.
Oct	23	UOB hosts its Golf Invitational, an event to build friendship and encourage the spirit of sport among UOB Indonesia customers.
Nov	3	UOB runs a financial education campaign through employee volunteering in the '*Sehat Raga, Sehat Finansial*' in Jakarta.
Dec	1	UOB runs a financial education campaign through '*Ayo Menabung*' in Semarang, Central Java in partnership with Bank Indonesia and other banks.

Awards

Best Structured and Commodity Trade Finance Solution of the year in Southeast Asia at the *Alpha Southeast Asia* Deal and Solution Awards 2013.

Best Corporate Bank in Indonesia 2013 at the *International Finance Magazine* Annual Financial Awards 2013.

Award in Finance and Corporate Communications for a Bank with Core capital of IDR5 trillion – IDR30 trillion category at the Anugerah Perbankan Indonesia 2013, held by *Economic Review* Magazine.

Platinum Award for excellent Financial Performance category for more than 10 consecutive years at *Infobank* Awards 2013 held by *Infobank* Magazine.

Corporate Milestones

1950s

1956 The Bank was founded as PT Bank Buana Indonesia and commenced operations.

1970s

1972 Acquired PT Bank Pembinaan Nasional, Bandung.

1974 Acquired PT Bank Kesejahteraan Masyarakat, Semarang.

1975 Acquired PT Bank Aman Makmur, Jakarta.

1976 Became a foreign-exchange bank.

1990s

1998 Received a predicate category "A" from Bank Indonesia.

2000s

2000 Initial Public Offering and listing on both the Jakarta Stock Exchange and the Surabaya Stock Exchange.

2003 International Finance Corporation (IFC), a subsidiary of the World Bank, became the first foreign shareholder of the Bank through a Limited Public Offering II.

2004
- UOB International Investment Private Limited (UOBII) became the second largest shareholder after PT Sari Dasa Karsa.
- Issued Subordinated Bond I.

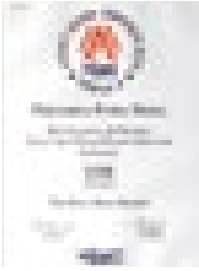
2005
- IFC divested its stake in the Bank.
- UOBII increased its ownership to 61.11 per cent and became the majority shareholder.

2007
- The Bank officially changed its name from PT Bank Buana Indonesia Tbk to PT Bank UOB Buana Tbk.
- United Overseas Bank Limited (UOB), through UOBII, became the majority shareholder.

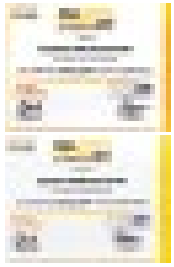
2008
- Extraordinary General Meeting of Shareholders approved the Bank's privatisation plan.
- UOBII increased its share ownership to 98.997 per cent through a tender offer.
- Bank delisted its shares from the Indonesian Stock Exchange.

2009 Early redemption (call option) of Subordinated Bond I.

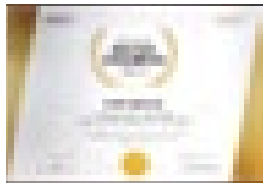
Long Term National Rank: "AAA (idn)" with Steady Prospect from Fitch Ratings Indonesia.



Best Service Provider Award in Trade Finance and Best Solutions and Structured Trade Finance in the Asset Triple A Transaction Banking Awards 2013 held by The Asset Magazine.



Contact Centre Service Excellence Award from Carre Centre for Costumer Satisfaction and Loyalty for Commercial Banking and Regular Credit Card category.



Brand Equity Champion at the Indonesia Brand Champion Awards 2013 for Conventional Banks with Assets below IDR75 trillion category held by *The Marketeers* and *Markplus Insight*.

Award in category of Bank with STP achievement of 99.94 per cent in Elite Quality Recognition Award held by JP Morgan.

2010s

2010 Ex PT Bank UOB Indonesia merged with PT Bank UOB Buana.

2011 The Bank changed its name to PT Bank UOB Indonesia.

2012 The Bank together with UOB Group launched a new regional uniform for front liners, which represents professionalism and confidence.

2013s

2013 The Bank Implements the Core Banking Standarisation project to enhance its infrastructure system and improve the Bank's services.

Report from the President Commissioner

Our people are our greatest asset. We will continue to invest in our people and equip them with the skills and knowledge to deliver consistently high quality work and service.

Following an uncertain start to 2013, the global economy found some stability in the second half of the year. In Asia, the region's long-term economic fundamentals remained sound due to the spending power of the growing number of affluent consumers in the region and increasing intra-regional trade. Both factors helped to cushion the region against global financial headwinds. In the face of global uncertainty, the Indonesian economy actually grew by 5.78 per cent in 2013.

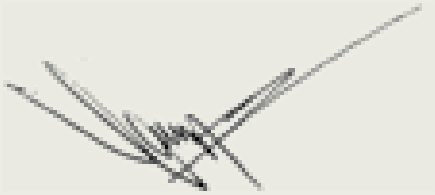
PT Bank UOB Indonesia (UOBI) remained responsive to market opportunities. Our prudent and disciplined business approach helped us to achieve a net profit of IDR1.15 trillion in 2013, up from the IDR1.11 trillion reported in 2012. Our total assets reached IDR71.38 trillion, maintaining the momentum created from the merger between PT Bank UOB Buana and the former PT Bank UOB Indonesia in 2010. In July 2013, the full completion of the standardisation of our core banking system to the Group's standards gave us an important means to deliver quality service to customers and to improve our operational efficiency.

Our people are our greatest asset. We will continue to invest in our people and equip them with the skills and knowledge to deliver consistently high quality work and service.

In UOBI, the Board of Commissioners and Board of Directors work together to put in place the right management culture and practices to ensure the Bank operates with the right mind-set in a disciplined manner. We believe good corporate governance is essential to the vitality of the organisation and long term sustainability of the business.

Looking ahead, we expect moderate growth in 2014 across Asia and in Indonesia but downside risks remain. Geopolitical events, asset price inflation and high debt, both public and private, could de-stabilise global growth and affect the region. We must therefore continue to exercise prudence and be vigilant against de-stabilising events while remaining responsive to market needs.

On behalf of the Board of Commissioners, I thank our loyal customers for their continuing support, and our directors, management and staff for their dedication and hard work.



Wee Cho Yaw
President Commissioner
March 2014

Report from the President Director

We achieved this success by paying close attention to our customers, controlling our costs, and improving both our infrastructure and the quality of our products.

2013 was a year of challenges for the Indonesian economy. The country's economic growth was moderated due to inflationary pressures which were the result of cuts in fuel subsidies coupled with the volatility of the Rupiah. These challenges were among those that put the resilience of the country's banking system to test, especially in the last two quarters of 2013.

Sound Financials in 2013

PT Bank UOB Indonesia (UOBI) navigated these challenges successfully to record a net profit of IDR1.15 trillion in 2013. Our total assets increased by 20 per cent to IDR71.38 trillion in 2013, compared with the IDR59.37 trillion recorded in 2012. Our net loans increased by 16.63 per cent year on year (YOY) to IDR51.87 trillion. The composition of our loans remained stable with Commercial Banking accounting for 45.11 per cent of our loans portfolio, Business Banking 23.36 per cent, Corporate Banking 19.00 per cent and Personal Financial Services 12.53 per cent. Our third-party funds grew by 23.07 per cent YOY to IDR57.28 trillion, due largely to the growth in time deposits, savings and current accounts.

Although our net interest margin recorded a slight decline to 4.55 per cent in 2013, our net interest income remained stable at IDR2.85 trillion.

Our business approach of balancing growth with stability was reflected in our relatively solid financial indicators including our Capital Adequacy Ratio of 14.94 per cent; a return on assets of 2.38 per cent; and a return on equity of 14.29 per cent. We also maintained our loan quality with a net non-performing loans ratio of 1.15 per cent, well below Bank Indonesia's NPL standard of 5.00 per cent.

We achieved this success with the support and trust from our customers. We strive for by paying close attention to controlling our costs, and improving our infrastructure and the quality of our products.

The accolades awarded to us are a testimony to our efforts. In 2013, we garnered eight accolades across multiple disciplines and categories, including Best Service Provider, in Trade Finance and Best Solutions on Structured Trade Finance from *The Asset* Triple A Transaction Banking Awards 2013, Best Structured and Commodity Trade Finance Solution in Southeast Asia from the *Alpha Southeast Asia* Deal and Solution Awards 2013, and Best Corporate Bank in Indonesia 2013 from UK-based magazine *International Finance*.

Report from the President Director

New Core Banking System

Over the last two years, the Bank has been working to upgrade its infrastructure system through a core banking standardisation project. In 2013, we completed this important project. The standardisation of our infrastructure helps to pave the way for greater operational efficiencies through scale, faster speed to market and seamless customer service.

Commitment to our People and Organisation

The progress of our business relies on our people and their ability and commitment to providing excellent customer service. We continue to nurture a high performance culture and a customer-centric mind-set with our employees. Every member of our team – from senior management to front-line bankers – must be confident and capable. We continue to invest in the skills necessary to develop our people and to sustain our successful long-term growth. Part of this is ensuring that we have the best learning and development programmes available from which our people can improve their skills and knowledge.

In our efforts to create synergies and enhance our customer service standards, we also strengthened our Single Captain approach in 2013. This meant granting branch management more authority to make timely and meaningful decisions to help our customers. The implementation of the approach has achieved solid results in 2013 and we will continue to review it on a regular basis in order to improve the customer service levels and productivity within each of our branches.

Prudent Banking Practices

Bank Indonesia's recent regulations to enhance the prudential banking practices and Good Corporate Governance of financial institutions, as well as Anti-Money Laundering and Risk Based Bank Rating policies have not only been necessary but also right for the overall stability of financial markets and for customers. Following the introduction of these regulations, we formed a special working committee to review and strengthen the Bank's risk framework.

Improving Quality Service

As part of the Bank's mission to provide the best banking services for our customers, UOBI continues to measure our customers' satisfaction through an independent review called the Customer Satisfaction Index (CSI). Our efforts over the last three years to improve the quality of service have started to produce results with our CSI level increasing from 64.60 per cent in 2012 to 74.71 per cent in 2013. However, we will not simply rest on our laurels but continue to seek ways to find out how we can serve our customers better.

Corporate Social Responsibility

In 2013, we continued to focus our corporate social responsibility programmes in the fields of arts, children and education. We organised another successful UOB Painting of the Year Competition, garnering more than 1,624 paintings from approximately 800 established artists and aspiring artists. In 2013, we also took the step of organising our UOB Heartbeat Run/Walk Family Days in Semarang, Central Java, rather than in Jakarta, as part of our efforts to build stronger bonds with the communities where our branches are located. Through our fundraising efforts related to the run/walk, we raised more than IDR200 million for various foundations, including the *Wisma Kasih Bunda* Foundation which provides medical treatment to underprivileged children with hydrocephalus and the *Bhakti Asih* Orphanage for disabled children where the funds went towards purchasing a vehicle to transport children with multiple disabilities.

Our staff also took part in a series of voluntary initiatives, such as blood donations and banking education campaigns.

Marching Towards Excellence

UOBI remains committed to providing value for all stakeholders and shareholders. On behalf of the Board of Directors, I would like to offer my most sincere appreciation to our loyal customers who have trusted us to become their financial partner. I would also like to thank the Management and staff for their hard work and dedication and our shareholders for their continuous trust and support.

Armand Bachtiar Arief
President Director
March 2014

Management Discussion and Analysis

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Management Discussion and Analysis

THE NATIONAL BANKING INDUSTRY

The Indonesian economy faced formidable challenges in 2013. The global economy faced continued uncertainty over the tapering of the US Federal Reserve monetary stimulus. This created a challenging environment for the Indonesian banking sector. Many banking regulations were tightened in order to minimise business risks, while the domestic economy was adversely affected by a trade balance deficit and a rise in consumer price inflation. The inflation rate almost doubled during the course of the year and was much higher than the 4.5 per cent targeted by Bank Indonesia. During the year, Bank Indonesia raised its policy rate by 175 basis points within six months, from 5.75 per cent in June 2013 to 7.50 per cent in December 2013.

In the midst of these pressures, the resilience of the banking industry was reinforced, as reflected in a stronger Capital Adequacy Ratio (CAR), which increased from 17.3 per cent at the end of 2012 to 18.4 per cent at the end of 2013.

The Indonesian banking intermediary role also improved, despite the slower lending activities induced by the economic slowdown and rising interest rates. The loan-to-deposit ratio (LDR) increased from 84.0 per cent at the end of 2012 to 90.6 per cent at the end of 2013. The rising interest rate prompted banks to be more cautious in disbursing loans. Accordingly, the Non-Performing Loans (NPLs) gross ratio improved from 1.9 per cent at the end of 2012 to 1.8 per cent at the end of 2013.

BUSINESS SEGMENTS WITHIN THE BANK

UOB Indonesia has classified its business into five segments based on customers' requirements:

1. Personal Financial Services
2. Business Banking
3. Commercial Banking
4. Corporate Banking
5. Global Markets and Investment Management

Personal Financial Services

Personal Financial Services (PFS) contributed 12.53 per cent to total loans and 36.93 per cent to total deposits at the end of 2013. PFS serves personal or individual customers and covers Deposit Investment Insurance, Privilege Banking, Mortgage and Credit Card sub segments.

Deposit Investment Insurance (DII)

DII includes a team of dedicated personal bankers and relationship managers who provide financial advisory services to customers. This includes products such as deposits, wealth management investment products, bancassurance, mutual funds, retail bonds, foreign exchange and structured product transactions.

By the end of 2013, the total deposits gathered by DII reached IDR21.15 trillion. As part of this, DII create cross-selling opportunities and bundled deposit products with treasury, investment and insurance products, thus, improving the Bank's fee-based income, while providing a higher return to customers. In 2013, UOBI also engaged PT Prudential Life Assurance, PT Asuransi Aviva Indonesia, PT MNC Life Assurance, PT Asuransi Buana Independent, PT Asuransi Wahana Tata, PT Asuransi Adira Dinamika, PT BNP Paribas Investment Partner, PT Manulife Aset Manajemen Indonesia, PT Schroder Investment Management, PT Batavia Prosperindo Aset Manajemen, PT Danareksa Investment Management, and PT Mandiri Manajemen Investasi as business partners to provide investment and insurance services to customers.

During the year, UOB Indonesia also launched new products by bundling time deposits with savings. The Bank also offered direct gifts for opening UOB Saving Plans and UOB Rupiah Savings to encourage customers to save regularly with UOB.

Through the "UOB Golden Ticket" programme, which was launched in 2012, DII accumulated IDR517 billion in savings account balances from more than 6,000 customers who participated in this campaign during 2013.

Privilege Banking

UOB Privilege Banking provides banking products and services to cater for customers with total assets under management of IDR500 million and above. Our target market is affluent to high net worth customers who mostly reside in the major cities of Indonesia. In 2013, the Bank opened a new Privilege Banking Centre in Semarang, Central Java.

The Bank offers various banking products, ranging from the well-known high yield account to mortgage and investment products, such as bancassurance and treasury products. Each UOB Privilege Banking customer is provided with a UOB ATM/ Debit Privilege Banking card and UOB Platinum credit card with attractive benefits from selected merchants.

Customers can also enjoy regional overseas encashment from all of the UOB ATM networks in Singapore, Malaysia and Thailand. In addition, the Bank provides Privilege Medical Concierge and Privilege Education Concierge for customers who require such services abroad.

The Bank also organises exclusive events and seminars with various topics, such as lifestyle, health, financial education and wealth planning, as well as other interesting topics with expert speakers.

As of 31 December 2013, Privilege Banking booked IDR14.9 trillion with a total of 9,889 customers.

Mortgage and Secured Lending

Mortgage offers loan facilities for the purchase of houses, shop houses, home offices, apartments, home renovation/ construction, takeover mortgages, mortgage refinancing and other types of secured loans. The Bank offers products with attractive features, such as a competitive interest rates and fee packages, flexible instalment payments and a loan term of up to 20 years.

At the end of 2013, the Bank's mortgage and secured loan portfolio reached IDR5.5 trillion, an increase of 15.5 per cent from IDR4.8 trillion in 2012. High demand for housing spurred the growth of mortgage loans, yet opportunities remain to increase market share in the future.

Several strategies were implemented to promote the growth of the mortgage portfolio during 2013, such as extending the cooperation with property developers and brokers, optimising the branch role as a sales channel and enhancing the existing loan origination system.

In 2014, the Bank will continue to launch attractive programmes such as the 'Home Smart Home Programme' to help boost brand awareness and extend cooperation with reputable housing developers and property brokers throughout Indonesia.

Credit Card

The number of credit card holders increased by 13.65 per cent from 174,122 at the end of 2012 to 197,890 at the end of 2013, with a market share of 1.85 per cent.

An application scoring method was implemented for credit card applicants to achieve a higher accuracy in the credit analysis process. A fraud detection system was also introduced to help minimise the possibility of credit card fraud.

The Bank will continue to strengthen collaboration with leading merchants, launch attractive usage programmes for dining, shopping and travelling, as well as strenghten its acquisition team to further expand its market share in the credit card segment.

Business Banking

Business Banking provides products and services to small to medium size enterprises. Business customers with a loan size up to IDR18.00 billion qualify for this segment. The loan facilities offered are typical investment and working capital loans. Business Banking's loan portfolio has increased by 19.8 per cent from IDR10.192 trillion at the end of 2012 to IDR12.20 trillion at the end of 2013.

Business Banking also offers deposit products which specifically target small to medium business customers. Deposits increased by 59.30 per cent from IDR2.63 trillion at the end of 2012 to IDR4.19 trillion at the end of 2013. One of the targets in 2014 is to focus on deposit acquisition with the key objective of lowering the overall cost of funds.

Throughout 2013, Business Banking increased its market presence through external campaigns, such as 'Member Get Member' and a cooperation programme with reputable developers and dealers. At the end of 2013, Business Banking contributed 23.36 per cent to total loans and 7.32 per cent to total deposits.

Commercial Banking

Commercial Banking comprises three sub-segments: Enterprise Banking, Industry Group and Commercial Wealth Management.

Enterprise Banking caters to mid-size commercial clients with loan sizes ranging between IDR18 billion and IDR50 billion. The Industry Group targets commercial clients with a loan size of IDR50 billion and above, or those with a consolidated turnover of up to SGD100 million or its equivalent.

The Industry Group offers loan facilities to customers according to their industry segment, such as Oil and Gas, Transportation, Infrastructure, and Commodities, in addition to providing officers with the expertise required to accommodate specific requirements of the respective industries.

Going forward, Commercial Banking will be more active in exploring fee-based income opportunities through Trade, Treasury, Bancassurance and Investment Banking products.

Amid the intense competition and tough economic conditions, the Industry Group and Enterprise Banking recorded IDR14.76 trillion and IDR8.80 trillion in loans, respectively, at the end of 2013. Total Commercial Banking loans increased by 19.5 per cent from IDR19.79 trillion at the end of 2012 to IDR23.56 trillion at the end of 2013, contributing 45.11 per cent to total loans in 2013.

On the funding side, Commercial Wealth Management specialises in non-bank funding to support loan growth. One of the strategic plans for 2014 is to increase deposit size at a lower cost of funds. Deposits from Commercial Wealth Management increased by 10.62 per cent, from IDR13 trillion at the end of 2012 to IDR14.38 trillion at the end of 2013, contributing 25.10 per cent to total deposits.

Corporate Banking

Corporate Banking offers products and services to large private and public companies, as well as state-owned enterprises. It provides conventional, syndicated and structured loans tailored to meet specific client needs. Corporate Banking also provides financial advisory services and, together with a Cash Management product partner, offers escrow account management services.

To provide specialised expert and value-added services, Corporate Banking categorises its customers into the following 5 (five) industry groups:

1. Mining, Contract Mining, and Commodities
2. Oil and Gas, Chemicals
3. Telecommunication, Media, Technology, and Utilities
4. Transport, Logistics, and Property
5. Food and Beverages as well as Agriculture

The Corporate Banking loan portfolio size increased by 5.87 per cent from IDR9.37 trillion at the end of 2012 to IDR9.92 trillion at the end of 2013, contributing 19 per cent to total loans.

Corporate Wealth Management is a sub-segment of Corporate Banking that specialises in gathering deposits from large corporations. Total deposits accumulated by Corporate Banking increased by 82.94 per cent from IDR7.15 trillion at the end of 2012 to IDR13.08 trillion at the end of 2013, contributing 22.84 per cent to total deposits.

In 2013, the Bank partnered with UOB Kay Hian Securities to issue a Tower Bersama Group IDR bond. This marked the first IDR bond issuance deal in the UOB franchise in Indonesia. Corporate Banking will continue to push the frontiers and strengthen the Bank's franchise.

Global Markets and Investment Management (GMIM)

GMIM is responsible for managing the liquidity of the Bank, as well as conducting transactions such as money market, foreign exchange, derivatives, structured products, investment in marketable securities and many more.

GMIM's scope in liquidity management includes asset and liability management through money market transactions, together with the purchase and sale of securities.

The range of products and services offered by GMIM in 2013 consists of:

1. Foreign exchange: Value Today, Value Tom and Spot.
2. Derivatives: Forward, Swap, Interest Rate Swap (IRS), Cross-Currency Swap (CCS).
3. Structured products: UOB MaxiYield.
4. Fixed income securities: government and retail bonds.
5. Money market: interbank placement and borrowing, SBI, SDBI, term deposits, lending facilities and deposit facilities.
6. Bankers Acceptance Financing.

During 2013, GMIM made significant progress and garnered several achievements. On the advisory side, GMIM introduced for Foreign Exchange (FX) clients an enhanced service called the FX Electronic Dealing System (FEDS). The system is available at the GMIM Head Office, Regional Treasury Advisor and selected branches outside Jakarta. FEDS helps Relationship Managers to quote FX rates, thus improving the service speed to clients and enhancing the Treasury presence in the local market, which, in turn, will boost the FX business volume and revenue.

In addition, the Bank has been re-appointed as selling agent for the Government's retail bonds SUKRI 005 and ORI010.

From Financial Institution (FI) side, GMIM has set up a new euro (EUR) account to increase remittance business. FI contributed 7.81 per cent to total Bank's deposit at the end of 2013.

Management Discussion and Analysis

In 2014, GMIM will concentrate on increasing its market share in derivative and hedging products. It will help Corporate and Commercial customers by offering hedging products to help protect against interest rate and FX movements.

Transaction Banking

Transaction Banking acts as a product partner for the Bank's Corporate Banking, Commercial Banking and Business Banking segments. It provides products and services related to trade finance and cash management.

Transaction Banking was established in October 2010 for the purpose of maximising cash management and trade finance business potential. In collaboration with Corporate Banking, Commercial Banking and Business Banking, Transaction Banking offers total banking solutions for clients.

Initially, Transaction Banking catered to the large scale corporate segment. In 2013, Transaction Banking broadened its service capabilities and began supporting SME customers.

In 2013, Transaction Banking combined income contributed 17 per cent to the total income of the Bank.

Transaction Banking's wide range of products and services, as a total banking solution partner, comprise:

Trade Finance

Letter of Credit, SKBDN (local LC), Inward Bills Collection, Outward Bills Collection, Transferable LC, Shipping Guarantee, BG/SBLC, UPAS, TR, TR Clean, PEF (under LC and PO), Bills Purchased Credit, Export Bills Purchased, Invoice Financing, Secured Back to Back, Import LC Discounting, Supply Chain Financing.

Cash Management

The cash management business includes Current Accounts, Savings Accounts, Time Deposits, Escrow Accounts, Cheques, Accounts Pricing, Transaction Charging, Account Inquiry, Account History, Account Statements/MT940, transaction notifications via SMS, fax and email, Cash Pick Up/Cash Delivery/Cash Pack, payment service check/Bank Draft, funds transfer between accounts, funds transfer between banks via ATM Bersama network, SKN and RTGS, email transaction service, Bulk payment/Payroll, MT 103, Invoice Collection Solution, Cash Sweeping and Concentration.

In 2013, the Bank won several prestigious regional awards. The first two awards were the "Triple A Transaction Banking Awards" in the category of 'Best Logistic and Trading, Structured Trade Finance Solution in Indonesia' and 'Best Service Provider, Trade Finance in Indonesia' from *The Asset* magazine. The third award was the 'Best Structured Trade and Commodity Solution of the Year in Southeast Asia' from the *Alpha Southeast Asia* magazine.

FINANCIAL PERFORMANCE

Comprehensive Analysis on Financial Performance

The following analysis and discussion should be read in conjunction with the annual financial statements for the years ending 31 December 2013 and 2012 included in this Annual Report, which have been audited by Purwantono, Suherman and Surja, registered public accountants (members of Ernst and Young Global) with an unqualified opinion in all material respects. The financial statements of PT Bank UOB Indonesia as of 31 December 2013 and 2012 were prepared in accordance with the accepted Financial Accounting Standards in Indonesia.

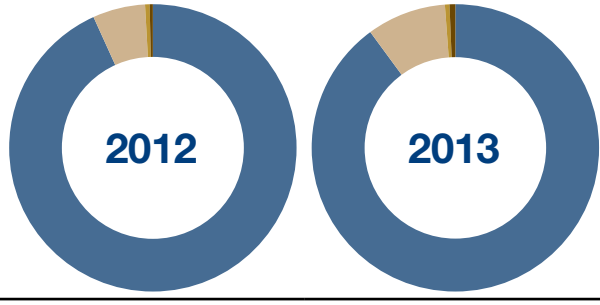
Statement of Comprehensive Income

	2012	2013	Growth
	in IDR million		in percentages
Interest income	4,865,777	5,429,894	11.59
Less: Interest Expenses	2,060,725	2,584,031	25.39
Interest Income – Net	2,805,052	2,845,863	1.45
Other Operating Income	473,528	558,606	17.97
Less: Operating Expenses	1,862,376	1,914,172	2.78
Income from Operations	1,416,204	1,490,297	5.23
Non Operational Income - Net	72,703	49,376	(32.09)
Income before Tax Expense	1,488,907	1,539,673	3.41
Total Tax Expense	(377,190)	(393,017)	4.20
Net Income for the year	**1,111,717**	**1,146,656**	**3.14**
Other Comprehensive Income for the year – Net of Tax	32,691	(213,283)	(752.42)
Total Comprehensive income for the year – Net of Tax	**1,144,408**	**933,373**	**(18.44)**

During the second half of 2013, the Bank Indonesia (BI) rate, which was used as a reference rate for the Indonesian banking industry, increased significantly from 5.75 per cent to 7.50 per cent, forcing up both the cost of sourcing funds and loan rates. However, such a sharp increase in the cost of servicing loans threatened to put a strain on household and business customers. To soften the blow to rate-sensitive sectors, the Bank had to lower the rate differentials. Furthermore, the growth of deposit balances during 2013 was higher than the growth of loan balances, which was in line with the Bank's strategy of developing a funding base sufficient to support future loan growth. The combination of both factors resulted in a lower increment in Net Interest Margin. Net interest income increased by only 1.45 per cent from IDR2,845.86 billion in 2012 to IDR2,805.05 billion in 2013, while net profit increased by 3.14 per cent from IDR1,111.72 billion in 2012 to IDR1,146.66 billion in 2013.

Interest Income

	2012	2013	Growth
	in IDR million		in percentages
Loans	4,535,996	4,882,363	7.64
Financial investments and placements with Bank Indonesia	287,478	484,206	68.43
Placements with other banks	24,960	27,901	11.78
Current accounts with Bank Indonesia and other banks	17,343	35,424	104.26
Total	**4,865,777**	**5,429,894**	**11.59**



Interest Income from Loans

In line with the movement of Bank Indonesia rates, the interest rates for IDR loans in 2013 were higher than in 2012. The higher average interest rate for IDR was primarily due to the upward trend in Bank Indonesia's interest rate during the second half of 2013, which gradually increased from 5.75 per cent in June 2013 to 7.50 per cent by the end of 2013. The average contractual annual interest rates for IDR loans in 2012 and 2013 were 10.98 per cent and 11.36 per cent, respectively. Despite the rising interest rates, IDR loans continued to grow throughout 2013.

On the other hand, the Fed rate remained stable at 0.25 per cent throughout 2012 and 2013. Consequently, foreign currency loans experienced higher growth compared to IDR loans. The average contractual annual interest rate for foreign currency loans in 2012 and 2013 were 5.28 per cent and 5.63 per cent respectively.

In parallel with the growth in loans and higher average contractual annual interest rates, interest income from loans increased, albeit at a slower pace, by IDR346.37 billion or 7.64 per cent from IDR4,536.00 billion in 2012 to IDR4,882.36 billion in 2013.

Interest income from loans accounted for 89.92 per cent of the total interest income of the bank.

Interest Income from Financial Investments and Placements with Bank Indonesia

Interest income from financial investments and placements with Bank Indonesia increased by IDR196.73 billion or 68.43 per cent from IDR287.48 billion in 2012 to IDR484.21 billion in 2013.

This was attributable to two factors: the first was the increase in the overall balance of financial investments and placements with Bank Indonesia. The second contributing factor was the shift in fund allocation from placements with Bank Indonesia to financial investments which generated higher yield. The average annual interest rate on placements with banks declined from 3.90 per cent and 1.13 per cent in 2012 to 3.50 per cent and 0.20 per cent in 2013 for IDR and foreign currency placements respectively. In contrast, the annual interest rates on financial investments in 2013 was generally higher than in 2012. The annual interest rate on financial investments in IDR ranged from 4.24 per cent to 10.58 per cent in 2012 and from 4.89 per cent to 12.08 per cent in 2013. Meanwhile, the annual interest rates on financial investments in foreign currencies ranged from 1.21 per cent to 10.38 per cent in 2012 and from 1.34 per cent to 10.38 per cent in 2013.

Interest income from financial investments and placements with Bank Indonesia accounted for 8.92 per cent of the total interest income of the Bank.

Interest Income from Placements with Other Banks

Interest income from placements with other banks increased by IDR2.94 billion or 11.78 per cent from IDR24.96 billion in 2012 to IDR27.90 billion in 2013. The increase was primarily due to the higher allocation of funds for placements with other banks, although the average annual interest rate for placements with banks was lower during 2013. The average annual interest rate for placements with banks declined from 3.90 per cent and 1.13 per cent in 2012 to 3.50 per cent and 0.20 per cent in 2013 for IDR and foreign currency placements, respectively.

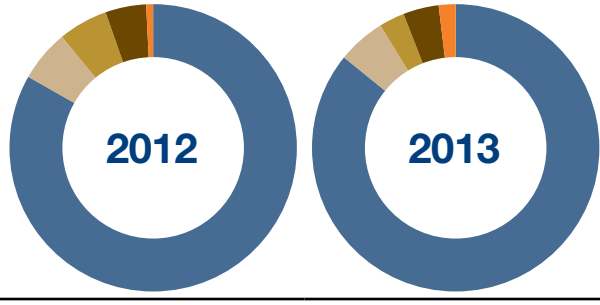
Interest income from placements with other banks accounted for 0.51 per cent of the total interest income of the bank.

Interest Income from current accounts with Bank Indonesia and other banks

There was an increase of IDR18.08 billion or 104.26 per cent in interest income from current accounts with Bank Indonesia and other banks from IDR17.34 billion in 2012 to IDR35.42 billion in 2013. The increase was mainly due to the higher balances of current accounts with Bank Indonesia and other banks.

Interest Expenses

	2012	2013	Growth
	in IDR million		in percentages
Time deposits	1,715,222	2,217,923	29.31
Savings	119,940	139,080	15.96
Demand deposits	114,853	74,424	(35.20)
Premium on Government Guarantees	94,568	103,510	9.46
Deposits from other banks	16,142	49,094	204.14
Total	**2,060,725**	**2,584,031**	**25.39**



Interest expense on Deposits

The movements in interest rates on IDR and foreign currency deposits corresponded to the interest rate trends of Bank Indonesia and the Federal Reserve, respectively. In the second half of 2013, the volatile monetary conditions in Indonesia prompted by the trade deficit, depreciating IDR currency value and a high inflation rate, forced BI to increase its rate from 5.75 per cent to 7.50 per cent. Correspondingly, the cost of sourcing IDR funds in 2013 was considerably higher than in 2012.

Average annual deposit interest rates are as follows:

	2012	2013
	in percentages	
Average interest rates of:		
Time Deposits – IDR	6.29	7.04
Time Deposits – foreign currency	2.46	2.44
Saving Deposits – IDR	2.56	2.37
Saving Deposits – foreign currency	0.55	0.49
Demand Deposits – IDR	2.21	1.75
Demand Deposits – foreign currency	0.00	0.00

As shown on the table above, the average interest rate on IDR time deposits increased from 6.29 per cent in 2012 to 7.04 per cent in 2013. Meanwhile, the average interest rate for foreign currency time deposits slightly declined from 2.46 per cent in 2012 to 2.44 per cent in 2013, due to a shift in tenor composition. Both IDR and foreign currency term deposits experienced robust growth in 2013, which when coupled with the increase in IDR interest rates, drove the interest expense from time deposits up by IDR502.70 billion or 29.31 per cent from IDR1.715 trillion to IDR2.217 trillion in 2013. Interest expense from time deposits accounted for 85.83 per cent of the total interest expense of the bank.

Both the average interest rate for IDR and foreign currency savings deposits dropped slightly from 2.56 per cent and 0.55 per cent in 2012 to 2.37 per cent and 0.49 per cent in 2013. The drop was primarily due to a higher concentration of savings deposit balances in the lower interest tier; however, the growth in savings deposit balances more than offset the drop in interest rates, resulting in an increase of IDR19.14 billion or 15.96 per cent in interest expenses from saving deposits from IDR119.94 billion in 2012

to IDR139.08 billion in 2013. Interest expense from saving deposits accounted for 5.38 per cent of the total interest expense of the bank.

The average interest rate for IDR demand deposits also dropped slightly from 2.21 per cent in 2012 to 1.75 per cent in 2013, while the average interest rate for foreign currency demand deposits decreased slightly from 0 per cent in both 2012 and 2013. The drop in average interest rates for IDR demand deposits was primarily due to the higher concentration of IDR demand deposit balances in the lower interest tier. The growth in the balance of demand deposits could not compensate for the drop in interest rates and the increase in the foreign currency demand deposit composition. Accordingly, the interest expense from demand deposits decreased by IDR40.43 billion or 35.20 per cent from IDR114.85 billion in 2012 to IDR74.42 billion in 2013. The interest expense from demand deposits accounted for 2.88 per cent of the total interest expense of the Bank.

Overall, total interest expense from non-bank deposits increased by IDR481.41 billion or 24.69 per cent from IDR1.950 trillion in 2012 to IDR2.431 trillion in 2013, which was consistent with the increasing interest rate trend of Bank Indonesia. Interest expenses from non-bank deposits contributed 94.9 per cent to the total interest expense in 2013.

Interest expense – Premium on Government Guarantees

In compliance with the regulations issued by the Indonesian Deposit Insurance Corporation, the Bank must pay a premium on its non-bank deposit portfolio. Throughout the year 2013, the insurance premium paid by the Bank amounted to IDR103.51billion and was recorded as a part of the total interest expense. Since the premium was a fixed percentage of the balance of non-bank deposits, the amount of insurance premium paid corresponded to the growth in non-bank deposit balances. The premium on government guarantees rose by IDR8.94 billion or 9.46 per cent, from IDR94.57 billion in 2012 to IDR103.51 billion in 2013. The government guarantee premium accounted for 4.01 per cent of total interest expense incurred by the Bank in 2013.

Interest expense on deposits from other banks

The interest expenses from deposits from other banks increased by IDR32.95 billion or 204.14 per cent from IDR16.14 billion in 2012 to IDR49.09 billion in 2013. The increase was due to a higher average annual interest rate for deposits from other banks, both IDR and foreign currency, from 4.38 per cent and 0.26 per cent in 2012 to 4.47 per cent and 0.46 per cent in 2013 respectively. Interest expenses on deposits from other banks contributed 1.90 per cent to the total interest expense of the Bank in 2013.

Other Operating Income

Other operating income was derived from Administration fees and commissions, realised and unrealised gain from trading securities, gain from foreign currency transactions and other miscellaneous income.

The Bank's trading desk was able to utilise opportunities which arose from market fluctuations in 2013. Accordingly, realised and unrealised gain from trading securities increased considerably by IDR68.75billion or 92.70 per cent from IDR74.16 billion in 2012 to IDR142.90 billion in 2013.

As with the securities market, the exchange rate market also fluctuated quite drastically. As a result, the Bank was able to take the opportunity from the currency fluctuation and increased gain from foreign currency transactions by IDR37.89 billion or 34.82 per cent from IDR108.81 billion in 2012 to IDR143.71 billion in 2013.

The increase in gain from trading securities and foreign currency transactions was slightly offset by a narrow decline in administration fees and commissions, as well as other miscellaneous income. Administration fees and commissions decreased by IDR10.23 billion or 5.28 per cent from 193.67 billion in 2012 to IDR183.44 billion in 2013. Meanwhile, other miscellaneous income decreased by IDR11.33 billion or 11.70 per cent from IDR96.89 billion in 2012 to IDR85.55 billion in 2013.

Overall, other operating income grew by IDR85.08 billion or 17.97 per cent from IDR473.53 billion in 2012 to IDR558.61 billion in 2013.

Table of Other Operating Income

	2012	2013	Growth
	in IDR million		in percentages
Administration fees and commissions - net	193,674	183,444	(5.28)
Realised and unrealised gain on securities sold and from changes in fair value of trading securities - net	74,156	142,901	92.70
Gain from foreign currency transactions	108,813	146,707	34.82
Others - net	96,885	85,554	(11.70)
Total Other Operating Income - net	**473,528**	**558,606**	**17.97**

Operating Expenses

Table of operating expenses

	2012	2013	Growth
	in IDR million		in percentages
Provision for (reversal of) impairment losses:			
Financial assets and estimated losses on commitments and contingencies	(68,198)	73,038	(207.10)
Value of foreclosed assets	(6,386)	8,951	(240.17)
Salaries and employees' benefits	(1,155,496)	(1,252,413)	8.39
General and administrative expenses	(632,296)	(743,748)	17.63
Total operating expenses	**(1,862,376)**	**(1,914,172)**	**2.78**

Salaries and employee benefits increased by IDR 96.92 billion or 8.39 per cent from IDR1.156 trillion in 2012 to IDR1.252 trillion in 2013. The growth was attributable to the annual salary increment for staff. Furthermore, the Bank strived to develop its human resources through training programmes to empower the leaders and improve the business skills of the staff, which in turn triggered an increase in training and development expenses in 2013.

General and administrative expenses increased by IDR111.45 billion or 17.63 per cent from IDR632.30 billion in 2012 to IDR743.75 billion in 2013. The increase was primarily due to higher utility expense as a result of a rising electricity tariff, higher rental expense driven by the property market bubble, and higher repair and maintenance expenses for building and equipment restoration following the flood and fire incidents.

The increase in personnel, as well as general and administrative expenses, were partly offset by the considerable decrease in provision for impairment losses. Provision for impairment losses on financial assets and estimated losses on commitments and contingencies decreased by IDR141.24 billion or 207.10 per cent from IDR68.20 billion in 2012 to (IDR73.04) billion in 2013. Likewise, provision for impairment losses on the value of foreclosed assets decreased by IDR15.34 billion or 240.17 per cent from IDR6.39 billion in 2012 to IDR8.95 billion in 2013. The reduction in impairment losses on loans and foreclosed assets was due to the reversal of provisions resulting from non-performing loan reversals and sales of foreclosed assets amounting to IDR133.09 billion.

Overall, total operating expense grew by IDR51.80 billion or 2.78 per cent from IDR1.862 trillion in 2012 to IDR1.914 trillion in 2013.

Income from Operations

Income generated from operational activities grew by IDR74.09 billion or 5.23 per cent from IDR1.416 trillion in 2012 to IDR1.490 trillion in 2013. The increase was mainly due to gains from trading securities and foreign currency transactions, and growth in net interest income, as well as the reversal of provisions for impairment losses.

Tax Expense

Based on existing tax regulations, the tax rate is proportional at 25.00 per cent of profit before tax. As explained before, operating income increased by 5.23 per cent in 2013. After taking into account the non-operational income of IDR49.38 billion, total profit before tax amounted to IDR1.540 trillion. Since tax was calculated proportionally at 25.00 per cent of profit before tax, tax expenses in 2013 experienced an increase of IDR15.83 billion or 4.20 per cent from IDR377.19 billion in 2012 to IDR393.02 billion in 2013.

Net Income

Since both operational and non-operational profits grew, net profit after tax also experienced an increase of IDR34.94 billion or 3.14 per cent from IDR1.112 trillion in 2012 to IDR1.147 trillion in 2013.

Assets

Table of assets

	2012	2013	Growth
	in IDR million		in percentages
Cash	418,425	662,074	58.23
Current Account with Bank Indonesia	4,047,388	4,760,162	17.61
Current Accounts with other Banks	897,058	1,160,900	29.41
Placement with Bank Indonesia and other Banks	2,749,604	3,119,976	13.47
Trading Securities and Financial Investments - net	3,963,739	6,224,250	57.03
Derivative Receivables	113,482	350,281	208.67
Loans - net	44,475,906	51,870,440	16.63
Acceptance Receivables - net	1,406,502	1,843,155	31.05
Fixed assets - net book value	882,182	984,471	11.59
Other assets - net	418,789	406,498	(2.94)
Total Assets	**59,373,075**	**71,382,207**	**20.23**

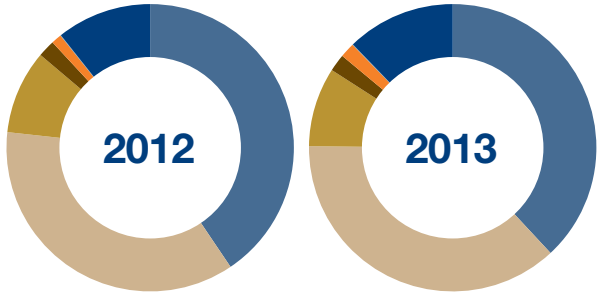
During 2013, total assets grew by IDR12.009 trillion or 20.23 per cent from IDR59.373 trillion at the end of 2012 to IDR71.382 trillion as at 31 December 2013. During 2013, the growth of assets derived mostly from the growth of loans and placement of funds in the form of securities and financial investments.

Loans - net

Loans were the main productive asset instrumental in promoting the Bank's profitability, with the largest contribution to total interest income. As at 31 December 2013, loans accounted for 72.67 per cent of the Bank's total assets.

Total outstanding loans went up from IDR44.476 trillion in 2012 to IDR51.870 trillion in 2013, a considerable increase of IDR7.394 trillion or 16.63 per cent, primarily due to growth in investment loans.

Loans	2012	2013	Growth
	in IDR million		in percentages
Working Capital	18,241,880	19,884,207	9
Investments	16,272,930	19,368,216	19
Housing Loans	4,245,461	4,657,120	10
Credit Cards	867,579	1,019,570	18
UOB Multi Purpose Loans	520,777	872,192	67
UOB Vehicle Loans	28,585	34,175	20
Other	4,801,571	6,380,612	33
Total	**44,978,783**	**52,216,092**	**16**



Bank's loan portfolio is categorised into several segments. This classification is based on product type, customer nature and loan size. The composition of the loan portfolio per segment is illustrated in the following table:

Business Segment	2012	2013	Growth
	in IDR million		in percentages
Retail Banking	10,172	12,198	19.92
Commercial Banking	19,792	23,557	19.02
Corporate Banking	9,373	9,916	5.79
Consumer Banking	5,642	6,545	16.00
Total Loans	**44,979**	**52,216**	**16.09**

In all loan transactions, the Bank continued to implement prudential principles through the provision for impairment losses. During 2013, the Bank had a reduction in non-performing loans due to asset foreclosures. This reduction also affected the allowance for impairment losses, which declined by IDR157.23 billion or 31.27 per cent from IDR502.88 billion in 2012 to IDR345.65 billion in 2013.

Derivative Receivables

Our derivatives comprised Forward, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swap (CCS). The components that affect Marked-to-Market valuations are exchange rates and interest rates. The USD/IDR exchange rate increased from 9,638 as of 31 December 2012 to 12,170 as of 31 December 2013. Simultaneously, JIBOR increased in parallel with the rising BI rate, which increased from 5.75 per cent as at 31 December 2012 to 7.50 per cent as at 31 December 2013.

The movements in both interest rate and exchange rate influenced the fair value of derivatives, resulting in a higher derivative receivable, which increased from IDR113.48 billion at the end of 2012 to IDR350.28 billion at the end of 2013.

Acceptance Receivables

Acceptance receivables refers to trade finance arising from import bills, supported by letters of credit received from third party customers. During 2013, acceptance receivables increased by IDR436,65 billion or 31.05 per cent from IDR1.406 trillion in 2012 to IDR1.843 trillion in 2013, primarily due to increased export and import transactions using trade finance facilities from the Bank.

Management Discussion and Analysis

Current Assets

The Bank has always optimised its treasury operation to manage the liquidity position of the Bank through placement of funds in several types of liquid assets. Current assets of the Bank consisted of:

Cash

Cash balances as of 31 December 2013 amounted to IDR662.07 billion, an increase of IDR243.65 billion or 58.23 per cent compared to the cash balance as at 31 December 2012, which was IDR418.43 billion. The cash was used for daily banking cash transactions.

Current Account with Bank Indonesia

The higher non-bank deposit balance in 2013 warranted additional placement of funds in the current account with Bank Indonesia. Accordingly, there was an increase of IDR712.77 billion or 17.61 per cent, from IDR4,047.39 billion in 2012 to IDR4,760.16 billion in 2013.

As at 31 December 2013, the balance of the current account with Bank Indonesia was in compliance with Bank Indonesia regulations on Minimum Reserve Requirement.

Current Accounts with Other Banks

Current accounts with other banks increased by IDR263.84 billion or 29.41 per cent from IDR897.06 billion in 2012 to IDR1.161 trillion as at 31 December 2013.

Placement with Bank Indonesia and Other Banks

There was an increase of IDR370.37 billion or 13.47 per cent in the placement of balances with Bank Indonesia and other banks from IDR2.750 trillion in 2012 to IDR3.120 trillion as at 31 December 2013.

Placement with Bank Indonesia and other banks is temporary fund allocation to optimise the Bank's liquidity before being funneled to other products of the Bank which have higher return rate, e.g. loans.

Securities and Financial Investment

Bank Indonesia issued a new regulation; No.15/7/PBI/2013, on 26 September 2013, which in effect raised the secondary reserve requirement from 2.50 per cent to 4.00 per cent of total non-bank deposits. In addition, Certificates of Bank Indonesia and government bonds were also used for temporary placement of excess liquidity.

Accordingly, the balance of securities and financial investments experienced an increase of IDR2.261 trillion or 57.03 per cent from IDR3.964 trillion in 2012 to IDR6.224 trillion as 31 December 2013.

Non-Current Assets

Non-Current Assets mostly comprised fixed assets and foreclosed assets. As of 31 December 2013, fixed assets increased by IDR102.29 billion or 11.59 per cent from IDR882.18 billion in 2012 to IDR984.47 billion in 2013. The increase was attributable to additional fixed assets purchased for new branches opened during 2013.

At the same time, the balance of foreclosed assets was reduced by IDR32.23 billion or 33.90 per cent from IDR103.92 billion in 2012 to IDR68.69 billion in 2013. As explained before, the reduction was due to the sale of foreclosed assets.

Liabilities

Table of liabilities

	2012	2013	Growth
	in IDR million		in percentages
Current Liabilities	217,802	67,723	(68.91)
Deposits	46,538,918	57,278,434	23.08
Deposits from other Banks	1,681,653	1,597,619	(5.00)
Interests Payable	151,373	196,174	29.60
Taxes Payable	85,071	131,331	54.38
Derivatives Payable	116,151	354,031	204.80
Acceptances Payable	1,389,757	1,845,261	32.78
Liabilities for Employees' Benefits	69,982	78,720	12.49
Deferred Tax Liabilities - net	40,181	39,589	(1.47)
Other Liabilities	500,460	524,715	4.85
Total Liabilities	**50,791,348**	**62,113,597**	**22.29**

During 2013, total liabilities increased by IDR11.322 trillion or 22.29 per cent from IDR50.791 trillion at the close of 2012 to IDR62.114 trillion as at 31 December 2013. The growth was primarily fuelled by the increase in non-bank deposits in 2013.

Non-bank Deposits

To finance the growth of its loan portfolio, the Bank has always strived to increase the non-bank deposit balance. As mentioned previously, Bank Indonesia had gradually increased its interest rate from 5.75 per cent to 7.50 per cent during the second half of 2013. The rise in the Bank Indonesia interest rate spurred an increase in interest rates for deposits, which promoted the growth of non-bank deposits.

As at 31 December 2013, total non-bank deposits had increased by IDR10.740 trillion or 23.08 per cent from IDR46.539 trillion in 2012 to IDR57.278.43 trillion as of the end of 2013. The breakdown of non-bank deposit balances was as follows:

- Demand Deposits experienced an increase of IDR348.93 billion or 7.00 per cent from IDR4.987 trillion in 2012 to IDR5.336 trillion in 2013. Demand deposits contributed 9.32 per cent to total non-bank deposits.
- Savings Deposits experienced an increase of IDR1.124 trillion or 13.77 per cent from IDR8.165 trillion in 2012 to IDR9.289 trillion in 2013. Savings deposits contributed 16.22 per cent to total non-bank deposits.
- Time Deposits experienced an increase of IDR9.267 trillion or 27.75 per cent from IDR33.387 trillion in 2012 to IDR42,654 trillion in 2013. Time deposits contributed 74.47 per cent to total non-bank deposits.

The growth in non-bank deposits was mainly driven by the growth in IDR term deposits. This corresponded with the increase in the average annual interest rate for IDR term deposits.

Deposits from Other Banks

Deposits from other banks decreased by IDR84.03 billion or 5.00 per cent from IDR1.682 trillion at the end of 2012 to IDR1.598 trillion at the end of 2013.

Derivatives Payable

Derivatives comprised Forward, Interest Rate Swaps (IRS) and Cross Currency Interest Rate Swaps (CCS). The components that affect Marked-to-Market valuation are the exchange rate and the interest rate. The USD/IDR exchange rate increased from 9,638 as at 31 December 2012 to 12,170 as at December 2013. Simultaneously, JIBOR increased in parallel with the rising BI rate, which increased from 5.75 per cent as at 31 December 2012 to 7.50 per cent as at 31 December 2013.

Both movements in interest rate and exchange rate had influenced the fair value of derivatives, resulting in higher derivatives payable, which increased from IDR116.15 billion at the end of 2012 to IDR354.03 billion at the end of 2013.

Acceptances Payable

Acceptances payable refers to trade finance arising from import bills, supported by letters of credit received from third party customers. During 2013, acceptances payable increased by IDR455.50 billion or 32.78 per cent from IDR1.390 trillion in 2012 to IDR1.845 trillion in 2013 primarily due to increased export and import transactions using the Bank's trade finance facilities.

Equity

There was no additional paid-in capital during 2013. Change in equity was influenced by net profit and unrealised loss on securities available for sale. As at 31 December 2013, total equity grew by IDR686.88 billion or 8.00 per cent from IDR8.582 trillion in 2012 to IDR9.269 trillion at the end of 2013. During 2013, the Bank achieved a net profit of IDR1.147 trillion and distributed dividends to in the amount of IDR246.49 billion.

Table of Equity

	2012	2013	Growth
	in IDR million		in percentages
Share Capital	2,388,471	2,388,471	-
Additional Paid in Capital - net	812,595	2,102,242	158.71
Difference in the value of restructuring transactions of entities under common control	1,289,647	-	(100.00)
Unrealised (loss)/ gain on available-for-sale-securities - net	35,868	(177,415)	(594.63)
Retained Earnings	4,055,146	4,955,312	22.19
Total Equity	**8,581,727**	**9,268,610**	**8.00**

Capital Structure

The Bank's policy is to maintain a healthy capital structure. In 2013, 87.02 per cent of total assets were financed by liabilities and the remaining 12.98 per cent by equity. The Capital Adequacy Ratio (CAR) reached 14.94 per cent in 2013, well above the Bank Indonesia minimum requirement, based on the Bank's risk profile of 9 per cent-<10 per cent. Given the current capital structure, the Bank has sufficient capital to cover market risk, credit risk and operational risk on its entire portfolio.

As at 31 December 2013, the Bank has made adjustment on projected "difference from the value of restructuring transaction of entities under common control" against "additional paid-in capital" in the amount of IDR1,289.65 billion to fulfill PSAK No. 38 (as revised in 2013).

Management Discussion and Analysis

Cash Flow

Table of statement of cash flow

	2012	2013	Growth
	in IDR million		in percentages
Net cash provided by operating activities	1,544,905	4,186,482	170.99
Net cash used in investing activities	(57,418)	(3,074,286)	5,254.22
Net cash provided by/(used in) financing activities	(1,220,917)	(246,490)	(79.81)
Net increase in cash and cash equivalent	**266,570**	**865,706**	**224.76**

During 2013, the Bank generated IDR4.186 trillion in net cash inflow from operational activities mainly derived from interest income as well as from third party deposits.

Net cash outflow of IDR3.074 trillion for investment activities was utilised for the purchase of securities and infrastructure improvement.

Additionally, a net cash outflow of IDR246.49 billion for financing activities was spent on dividend payments to shareholders.

Banking Financial Ratios in relation to the solvency, liquidity and profitability of the Bank

Table of financial ratios

	2012	2013	Growth
	in percentages		
Capital Adequacy Ratio	16.77	14.94	(1.83)
Non-Performing Loan Ratio – gross	1.81	1.63	(0.18)
Non-Performing Loan Ratio – net	1.13	1.15	0.02
Loan to Deposits Ratio	96.64	91.15	(5.49)
Net interest income to average total earning assets	5.07	4.55	(0.52)
Operational expenses to Operating Income	74.61	77.70	3.09
Return non-assets	2.60	2.38	(0.22)
Return non-equity	14.97	14.29	(0.68)

The following are financial ratios used in the banking industry to measure profitability, liquidity and solvency.

Solvency

Capital Adequacy Ratio (CAR)

CAR decreased from 16.77 per cent in 2012 to 14.94 per cent in 2013. The decline was attributable to a significant increase of 20.23 per cent in productive assets during 2013, mainly driven by loan disbursements, while equity increased by only 8.00 per cent.

In accordance with BI regulations, the minimum Capital Adequacy Ratio requirement for the Bank, based on the Bank's risk profile was at 9 per cent -<10 per cent. Even though the current year's ratio was lower than the previous year's, considering that the Bank's CAR is 14.94 per cent, well above the minimum requirement set by BI, we could safely assume that the Bank's capital would be able to cover the market, credit and operational risk.

Non-Performing Loan Ratio

The gross NPL ratio decreased from 1.81 per cent in 2012 to 1.63 per cent in 2013, partly due to the reversal of non-performing loans resulting from asset foreclosure in 2013. The Net NPL ratio increased from 1.13 per cent in 2012 to 1.15 per cent in 2013.

The existing net NPL ratio is well below the maximum limit of 5 per cent set by Bank Indonesia. This reflected the Bank's commitment to managing its credit risk through the implementation of prudent banking principles.

Liquidity

Loan to Deposit Ratio

The LDR decreased from 96.64 per cent at the end of 2012 to 91.15 per cent at the end of 2013. The decrease in the LDR was due to significant deposit growth. During 2013, non-bank deposits increased by 24.69 per cent, while loans increased at a slower rate of 16.63 per cent . This is in line with the Bank's strategy to grow our deposit base to support future loan growth.

Profitability

Net Interest Margin

Net interest margins in 2012 and 2013 were 5.07 per cent and 4.55 per cent respectively.

As mentioned previously, Bank Indonesia increased its rate from 5.75 per cent to 7.50 per cent during the second half of 2013, pushing up both the cost of funding and the cost of servicing loans. However, such a sharp increase in loan rates might put a strain on household and business customers. Hence, to ease the impact on rate sensitive sectors, the Bank lowered the rate differential. The effect is compounded by a higher growth of deposit balances compared to loan balances during 2013, which was part of the Bank's strategy to establish a sufficient funding base to support future loan growth. The combination of both factors compressed the net interest margin, resulting in a lower net interest income to average total earning assets ratio in 2013.

Operational Expenses to Operational Income Ratio

This ratio increased from 74.61 per cent in 2012 to 77.70 per cent in 2013. The growth of operational expenses in 2013 was 13.48 per cent, while the growth of operational income was 8.97 per cent. The slower growth of operational income was due to lower net interest income growth in 2013.

Return on Assets

ROA decreased from 2.60 per cent in 2012 to 2.38 per cent in 2013. The decrease was due to the growth of assets by 20.23 per cent in 2013, while profit after tax only grew by 3.14 per cent.

Return on Equity

ROE was quite stable, with only a slight decrease from 14.97 per cent in 2012 to 14.29 per cent in 2013. The decrease was due to the growth of equity by 8.00 per cent in 2013, while profit after tax only grew by 3.14 per cent.

Commitment and Contingencies

Commitment and contingencies increased by IDR14,971.13 billion or 181.81 per cent from IDR8,234.36 billion in 2012 to IDR23,205.49 billion in 2013, due to the increase both in number and volume of loan and acceptance transactions during 2013.

Table of commitment and contingencies

	2012	2013	Growth
	in IDR million		in percentages
Commitment			
Commitment receivables consists of:			
Outstanding irrevocable letters of credit	1,287,469	27,139	(97.89)
Commitment liabilities consists of:			
Unused loan facilities granted	(7,706,149)	(20,201,547)	162.15
Outstanding irrevocable letters of credit	(1,309,164)	(1,621,288)	23.84
Commitment liabilities - net	(7,727,844)	(21,795,696)	182.04
Contingencies			
Contingencies receivables consists of:			
Interest on non - performing loans	386,751	478,086	23.62
Standby letters of credit	274,741	-	(100.00)
Contingencies liabilities consists of:			
Bank Guarantees	(893,267)	(1,102,928)	23.47
Standby letters of credit	(274,741)	(784,953)	185.71
Contingent letters liabilities - net	(506,516)	(1,409,795)	178.33
Commitments and Contingent liabilities - net	(8,234,360)	(23,205,491)	181.81

Derivatives and Hedging Facilities

The Bank also offered derivative products to cater for specific requirements from customers, as well as for the purpose of liquidity management and hedging. Derivative and hedging facilities offered to customers were forward exchange, interest rate swap and cross currency interest rate swap.

Capital expenditures and material commitments related to capital expenditures

During 2013, the Bank incurred the following capital expenditures:

Table of capital expenditures of the Bank

	2012	2013
	in IDR million	
Land	1,084	-
Buildings and Buildings Improvement	2,475	58,065
Infrastructure	9,506	7,840
Offices Equipment	77,867	213,285
Vehicles	3,483	63
Construction in Progress	86,712	-
Total Capital Expenditures	181,127	279,253
Cash Paid for Capital Expenditures	151,296	192,527

Total capital expenditures grew by IDR98.13 billion or 54.18 per cent from IDR181.13 billion in 2012 to IDR279.25 billion in 2013. Most of the capital expenditure was spent on new branches and facilities to improve service quality to customers.

Financial Information of Extraordinary Events

There was no extraordinary event in 2012 or in 2013 that had a material impact on the Bank's financial performance.

Material Information and Facts Subsequent to the Accountant's Report Date

The Bank proposed an initial public offering of subordinated bonds Bank UOB Indonesia year 2014 with the principal amount of subordinated bonds amounting to as much as IDR1 trillion.

Material Information on Related Party Transaction

The details of related party transactions as at the end of 2013 were as follows:

1. The Bank received a placement of funds from United Overseas Bank Ltd., Singapore in the form of call money and demand deposits amounting to IDR1,010 trillion and IDR3.95 billion respectively.
2. The Bank made placements with United Overseas Bank Ltd., Singapore in the form of call money amounting to IDR246.97 billion.
3. The Bank had current accounts with United Overseas Bank Ltd., Singapore and several other overseas fellow subsidiaries which totalled to IDR394.34 billion.
4. The Bank entered into derivative transactions with United Overseas Bank Ltd., Singapore, which resulted in a derivatives receivable balance of IDR0.99 billion for Cross Currency Interest Rate Swaps and derivatives payable balances of IDR4.67 billion for cross currency interest rate swaps and IDR3.32 billion for interest rate swaps.
5. The Bank paid building maintenance expenses for UOB Plaza – Thamrin Nine to PT UOB Property.
6. The Bank paid outsourcing fees on services performed by United Overseas Bank Ltd., Singapore, for rendering system enhancement and information technology related services on credit card, treasury and common applications in the Bank.
7. The Bank had an outstanding staff loan balance which totalled IDR407.66 billion.

Impact of the Interest Rate Change on Bank Performance

The Bank Indonesia rate and Fed rate are considered the reference rates for the Indonesian banking industry. Movement in the Bank Indonesia rate and Fed rate would typically influence the movement of deposit and loan rates in IDR and USD currency respectively.

2013 was a very challenging year for Indonesia. The country faced a high inflation rate, trade deficit, weakening IDR value, and uncertainty in the financial sector, due to the negative sentiment on the announcement of the tapering of US quantitative easing policies. The Bank Indonesia rate is a tool for monetary policy which is used by the government to influence economic growth, inflation and exchange rates with other currencies. To tackle the macroeconomic obstacles, Bank Indonesia gradually increased its rate from 5.75 per cent to 7.50 per cent during the second half of 2013.

The 175 bps increase within such short time span was a double-edged sword for the Bank. On the one hand, interest rates for IDR deposits rose immediately, forcing the cost of funding up. On the other hand, such a drastic increase puts a strain on lending customers. Consequently, to alleviate the impact on lending customers, the Bank lowered the rate differentials. The average IDR time deposit rate increased by 75bps from 6.29 per cent in 2012 to 7.04 per cent in 2013, while the average

IDR loan rate increased by only 38bps, from 10.98 per cent in 2012 to 11.36 per cent in 2013.

The Fed rate remained stable at 0.25 per cent during 2012 and 2013. Correspondingly, interest rates for USD time deposits and USD loans remained stable throughout the year. Most of the Bank's foreign currency loans and deposits are in USD. The average foreign currency time deposit rate decreased by 2bps from 2.46 per cent in 2012 to 2.44 per cent in 2013, while the average USD loan rate increased by only 35bps, from 5.28 per cent in 2012 to 5.63 per cent in 2013. The movement in USD was mainly due to a change in tenure composition.

Despite the contraction of IDR rate differentials which led to the narrowing of the Bank's net interest margin in 2013, the Bank managed to weather economic instability during the year and increased the loan and deposit balances by 16.63 per cent and 23.08 per cent respectively.

Changes in Bank Indonesia Regulations and the Impact on the Bank's Performance

On 26 September 2013, Bank Indonesia (BI) issued Regulation No.15/7/PBI/2013, to amend the previous regulation on Minimum Reserve Requirement (GWM). The amendment states the following secondary reserve requirement:

1. 2.50 per cent of average IDR non-bank deposits until 30th September 2013
2. 3.00 per cent of average IDR non-bank deposits from 1st October 2013 to 31st October 2013
3. 3.50 per cent of average IDR non-bank deposits from 1st November 2013 to 1st December 2013
4. 4.00 per cent of average IDR non-bank deposits from 2nd December 2013 onwards

The new regulation, in effect, warrants higher placement in government securities such as Certificate of Bank Indonesia and other types of government bonds.

Accordingly, the balance of securities and financial investments experienced an increase of 57.03 per cent in 2013. The Bank's secondary reserve as of the end of 2013 was 9.06 per cent , well above the minimum requirement set by Bank Indonesia.

Changes in Accounting Policy and their Impact on Financial Statements

Effective 1 January 2013, 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". Under PSAK No.38, transfer of business within entities under common control does not result in a change in 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 in the economic substance, the business being exchanged is recorded at book value as a business combination using the pooling-of-interests method. In applying the pooling-of-interests method, the components of the financial statements for the period, during which the restructuring occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the restructuring had 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".

As of 31 December 2013, the transition from "Difference in the value of restructuring transactions of entities under common control" to "Additional Paid-in Capital resulted in an adjustment in the amount of IDR1.290 trillion. The impact of this accounting policy change is in the presentation details of shareholders' equity. However, other than reclassification to the relevant accounts, there were no significant changes in the balance of total equity.

DIVIDEND POLICY

Distribution of dividends will depend on the decisions taken in the Annual Shareholders' Meeting through the recommendation of the Board of Directors. The following factors are considered when deciding dividend pay-outs:

- Net profit, cash flow and financial condition;
- Future prospects; and
- Other factors deemed relevant by the shareholders of the Bank.

At the Shareholders' Annual General Meeting held on 26 April 2013, the shareholders agreed to distribute total dividends for the 2012 fiscal year amounting to IDR246.49 billion. The dividend was paid on 8 May 2013.

Management Discussion and Analysis

MARKETING

As at 31 December 2013, the Bank had total assets of IDR71 trillion, or approximately 1.40 per cent of the banking industry. In terms of third-party funds, UOB Indonesia's market share is approximately 1.60 per cent, while the lending side's market share is about 1.60 per cent.

To help customers diversify their investment portfolios, the Bank partners with reputable fund managers including PT Schroder Investment Management Indonesia, PT Manulife Aset Manajemen Indonesia, PT BNP Paribas Investment Partner, PT Danareksa Investment Management, PT Batavia Prosperindo Aset Manajemen and PT Mandiri Manajemen Investasi. Our partners, PT Prudential Life Assurance, PT Asuransi Aviva Indonesia, PT MNC Life Assurance, PT Asuransi Buana Independent, PT Asuransi Wahana Tata and PT Asuransi Adira Dinamika, provide bancassurance products.

The Bank also cooperates with a number of top-tier, well known national and international bank partners to support our customer's transaction activities for individuals, and corporate and multinationals companies.

Marketing and Strategy

As of 31 December 2013, the Bank had 41 branches, 168 sub-branches and 189 ATMs in 30 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are also accessible through its regional ATM network, the ATM Prima and ATM Bersama networks, and the Visa network.

The Bank continues to expand the scope of its channels network and market share by adding branches and ATMs, including branches and ATMs to optimise the existing and planned launch of Business Internet Banking, Personal Internet Banking and Mobile Banking to improve services for customers. In developing its business, UOB Indonesia has focused on the retail segment (consumer and business banking), while continuing to develop its commercial and corporate banking segment.

For the retail segment, the Bank will use product innovation and create programmes and synergies with stakeholders to enable and enhance cross-selling. In the Commercial Banking and Corporate Banking segments, the Bank will focus on industry specialisation, improving the value chain and serving the needs of the customer as a whole.

Financial Consultation

The Bank helps customers manage their wealth through a team of WAPERD (the Mutual Fund Agent Representatives) and AAJI (the Indonesian Association of Life Insurance)-accredited Relationship Managers. Customers can seek advice and recommendations on the right products and services for them based on their risk appetite. Specialists in investment, insurance and treasury also provide customers with advice on specific needs.

UOB Premier Talk

UOB Premier Talk is the Bank's innovative concept of customer networking to engage with customers and also provide the opportunity to the Bank's customers to expand their network with other customers.

Customer Workshops and Training

The Bank conducted a focus group mini workshop for selected customers to share market updates and the latest developments on international trade practices, as well as to collect feedback on the Bank's products and services.

Premier Trade Counter

The Bank launched priority access to its trade customers, called "Premier Trade Counter", in three cities, Jakarta, Surabaya and Medan. These Premier Trade Counters give priority to processing end-to-end trade transactions for customers' business needs, emphasising convenience and time efficiency.

UOB Golf Invitational

The Bank held the fourth edition of the UOB Golf Invitational to engage with customers. The tournament was attended by 144 participants.

CUSTOMER SERVICE

The Bank realises that the ability to provide quality services is key in winning the competition in the banking industry. Therefore, one form of transformation performed by the Bank is improving the quality of service provided to customers. The Bank has set a target customer service index of 85 per cent to be achieved by the end of 2015.

A comprehensive customer satisfaction internal research study in 2013 showed a significant increase in the customer satisfaction index which reached 74.71 per cent, compared with 64.60 per cent in 2012.

Since 2010 the Bank has set strategies to improve the quality of services to customers, such as reviewing and updating the Bank's policies and operational procedures, measuring the productivity level of each division, providing training for front liners, forming a committee on service quality and organising service quality awards. Consequently, the Bank's strict monitoring of the implementation of these strategies and the positive results mean it is confident of reaching the target of 85 per cent customer service index is possible.

BUSINESS OUTLOOK

The banking industry is optimistic about the stability of the Indonesian economy in 2014. This is underpinned by Indonesia's strong economic fundamentals and positive outlook for domestic consumption due to a stable, strong investment climate, as well as progress in infrastructure development.

Consumption is expected to be supported by increased government spending associated with the preparation of elections and government spending. Therefore, the Bank estimates that national economic growth will be in the range of 5.10 per cent to 5.50 per cent, in line with the economic consolidation process in response to a variety of domestic and global economic developments.

Bank Indonesia anticipates uncertainties arising from the global economy and has issued a series of regulations and policies as part of its efforts to strengthen the framework of good corporate governance and risk management for the banking industry.

In order to achieve sustainable growth and capture a wide variety of opportunities in the Indonesian market, the Bank has embarked on several initiatives during the last few years, including improving information technology systems and operations, optimising the Bank's distribution channels, improving service quality and developing its people, as well as continuing the strengthening of internal control, risk management and corporate governance aspects for more prudent banking practices.

The Bank implemented the Core Banking standardisation project in order to enhance its infrastructure system and allow the Bank to develop more competitive products and services in the future.

BRANDING

Branding is of profound importance for the business, as it reflects how the Bank is being perceived by customers, public and market. In that light, the Bank continuously infuses the brand into everything it does.

As the Bank believes that our employees are the prime brand ambassadors, and in 2013 we introduced the corporate theme, *Marching Towards Excellence*, which serves as a call to action for individual employees to live up to the Bank's vision, mission and core values as well as business strategies. The Bank also embarked on various initiatives to enhance our engagement with different stakeholders.

The Bank is committed to raising our profile through every point of public contact such as corporate campaigns, activities and community engagement.

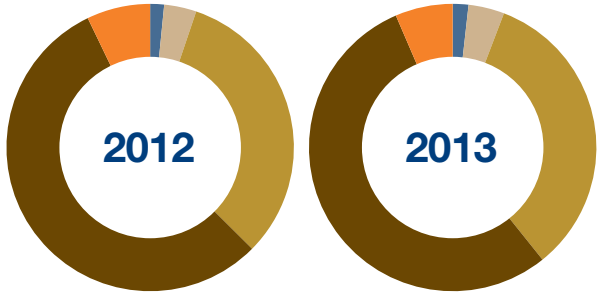
HUMAN RESOURCES

The ability to recruit, develop and retain the best people has become a strategic mission for UOB Indonesia.

During 2013, we continued to implement the leadership competency framework which consists of four key leadership competencies, namely: Strategise, Engage, Execute and Develop, or also known as SEED. The Bank's human resources strategies were aligned with SEED. SEED helps employees understand more clearly what is expected of them, guides each person towards being more effective in what they do and is also the basis by which employee recruitment, performance and development is driven. The application of this competency model is implemented in stages by the Bank in the process of recruitment, employee assessment, training and development, performance appraisal, career planning and employee engagement.

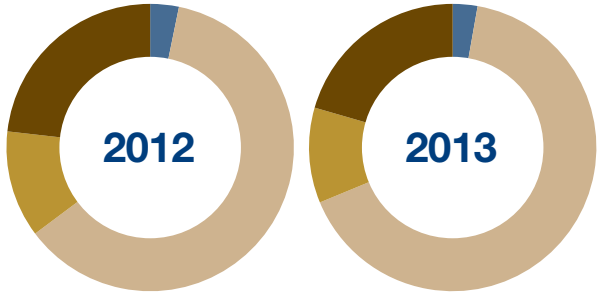
Employee by Level

	2012	2013
Senior Management	83	94
Middle Management	193	215
Junior Management	1,714	1,778
Staff	2,944	2,886
Non - Staff	380	344
Total	**5,314**	**5,317**



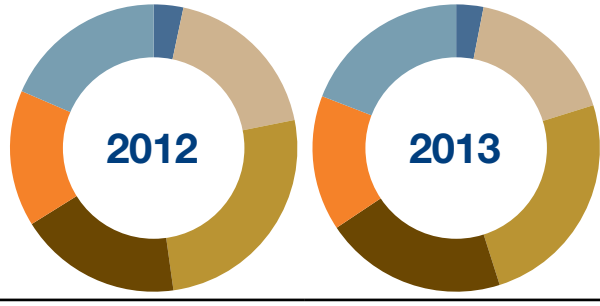
Employee by Education

	2012	2013
Master and PhD	171	148
Bachelor	3,271	3,508
Diploma	639	570
Others	1,233	1,091
Total	**5,314**	**5,317**



Employee by Age

	2012	2013
< 25	177	163
25 - 29	985	910
30 - 34	1,378	1,325
35 - 39	974	1,092
40 - 44	816	810
>= 45	984	1,017
Total	**5,314**	**5,317**



Other HR programmes in 2013 to support the Bank's strategy, objectives and organisational development include:

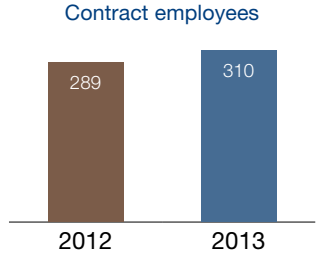
- Job evaluation on an ongoing basis.
  Job evaluation is the basis for determining and helping other HR activities, such as career planning, recruitment, transfer to other positions, relocation, rotation, and determination of compensation/benefits.
- Increased employee productivity.
  The Bank also continually improves employee productivity through measurement of the job capacity programme, which is managed systematically. In 2013, the company completed the capacity and productivity process analysis.
- Development of technical job competency standards.
  Technical competence is the minimum skill and knowledge required by employees to perform their jobs effectively. The Bank has a programme to identify the technical competence in each job and aligns it with the applicable job level.

- Competency-based training.
  UOB Indonesia conducts training and development for leaders with reference to the four main competencies of SEED leadership skills. These competencies are based on research and needs, aiming to standardise the Knowledge Skill Attitude (KSA) throughout the UOB Group (Indonesia, Singapore, Malaysia, Thailand and China). SEED based training has been prepared from the lowest level (Supporting Officer) to the Executive Director (Executive Director - ED).
- Career Management.
  Career management can be defined as a process that allows employees to:
  - Recognise their aspirations/interests, areas of strength and areas of personal development with regard to employment in the Bank.
  - Obtain information on the growing opportunities within the Bank.
  - Identify personal career goals.
  - Develop an action plan to achieve career goals.

Through career management, the Bank intends to provide guidance to employees on career opportunities available in the Bank, along with the competencies required to achieve it. The programme is being implemented through career management guidelines and other support programmes in the form of policies and systems, so as to facilitate the Bank's and employees' in career planning.

- Outstanding Performance award
  The Bank continues to motivate employees to support the achievement of the Bank's business objectives through an awards programme. Awards are given to employees who deliver outstanding performance and achievements and who provide a significant contribution to the Bank. The programme helps to improve employee retention and to foster a high performance culture in the Bank.
- Improved performance appraisal system
  The Bank keeps improving the performance appraisal system to encourage employees to achieve optimum performance excellence. Various improvements to the performance appraisal system will continue to be implemented in order to obtain a more objective and transparent assessment with clear and focused goal-setting to support the Bank's strategy, namely through the establishment of work objectives (planning), the process of dialogue/performance monitoring (engagement), assessment of results and performance (appraisal) and the development/improvement of employees in the future (keep track).
- Management of talent
  As part of the Bank's efforts in developing the best talent, it identifies a talent pool consisting of the best performing employees and those with the potential for higher achievement. For these best employees, the Bank provides a structured development programme which is monitored jointly between line managers and HR.
- Employee engagement
  The Bank also strives to foster closer relationships with employees through an action plan programme called BE@UOB and conducts work-life balance activities which provides a forum for sport and art communities among UOB employees. In addition, to increase the sense of nationalism, the Bank also holds events in celebration of national days, such as the anniversary of the Independence Day, Kartini (Women's Empowerment Day) and so on.
- Standardisation of HR policies
  In an effort to assist employees in searching for the latest information on staffing, recruitment, organisation, career, motivation, training, problem solving and other matters, the Bank provides online access to information through its internal website.

In the operational activities, the Bank also employs contract workers and outsourcing, as at 31 December 2013 totalling as follows:



Training and Development Programme

During 2013, the Bank held a series of employee development activities supplemented by training in the form of mandatory programmes and other planned skills development, among others:

1. Risk Management Certification Programme
   This programme will be continued in subsequent years in accordance with the Bank's needs and in compliance with the regulations of Bank Indonesia.

2. To support the sales process and accelerate business growth, the Bank has established a special academy called Mortgage Specialist Development Programme (MSDP) and Business Banking Development Programme (BBDP). MSDP graduates are placed in marketing specialty for consumer loans in the Mortgage segment, while BBDP graduates are positioned in the marketing, funding and lending specialties in the Business Banking segment.

3. UOB Indonesia has been running "e-learning programmes", where the employee uses self-learning methods such as audio-visual mediation. Learning programmes that have used e-learning include:
   - New Employee Orientation Programme intended for new employees, for a general introduction about the Bank.
   - Fair Dealing, information about the advantages and benefits of giving correct information to customers.
   - IT Security, to provide basic information about security and the rules and manual for using computers.
   - Anti- Fraud, to recognise elements of fraud, types of fraud and how to prevent, detect and report fraud.
   - Anti-Money-Laundering and Countering the Financing of Terrorism (AML/CFT), to acknowledge the basics of AML/CFT.
   - Risk Management, to know the basics of The Bank's Risk Management Governance.

4. In addition to e-learning, Human Resources also conducted several book discussions by inviting the authors to share their views and stories. This was intended to motivate staff to read, to learn and to share with others.

   Besides sharpening leadership competencies at the managerial level, programme activities are also expected to create a balance between work and life. All of these Employee Engagement programmes are an integral part of the learning process for employees.

5. Information Technology-related Training Programmes
   With the implementation of the new Core Banking System, the Bank has conducted training programmes that involve almost the entire team of branches and sub-branches. The objective of these programmes includes:
   - Training employees to use the new system effectively.
   - Obtaining information about the implementation of new system and its impact on employment.
   - Providing effective communication to customers regarding changes to any product or service.
   - Preventing operational impact on customers and branches.

HR Focus and Strategy In 2014

Amid a stiffer competition in the industry, we continue to invest in our people. For that reason, in 2014 we put focus to enhance productivity and efficiency while recruiting the best talent, as well as investing heavily in the relevant training and development of our people as our greatest assets. We continue to align our compensation strategies with best market practice.

INFORMATION TECHNOLOGY AND INFRASTRUCTURE

Information Technology (IT)

During 2013, the IT Strategic Plan focused on the following:

1. **Competent and sufficient people development**
   To support the new core banking system and the relocation of our Disaster Recovery Centre, a new team with the necessary competencies and expertise was created. As part of our efforts to build a more competent and service oriented team, several training sessions were held with an emphasis on the development of managerial and technical skills to better support the business.

2. **Provide Reliable System Applications**
   The Bank implemented a new core banking system to support business development and as a basis for the development of new systems or alternate channels. In addition, the Bank also implemented new products or features for credit cards, such as Transaction Alerts by SMS for credit card transactions. The Bank has also implemented the FEDS system (FX Electronic Dealing System) to facilitate customers in doing FX transactions in the nearest branch office.

3. **Developing Infrastructure Availability**
   In 2013, the Bank expanded and relocated its Disaster Recovery Centre to a location with facilities that meet international standards to support the Bank's office networks, consisting of 41 branches, 168 sub-branches and 189 ATMs in 30 cities in 18 provinces in Indonesia. This is part of the strategy to ensure high system availability and resiliency.

4. **Initiating the Structure of Good IT Governance**
   Throughout 2013, the IT Committee oversaw and approved strategic IT projects. This included receiving updates on the status of projects, evaluating and approving the purchase of IT equipment (hardware and software), approving relevant policies and receiving updates on IT security. A new IT tender panel was implemented with the objective of strengthening governance in the areas of procurement and vendor management.

Year 2014

With full implementation of the core banking system in 2013, the Bank is now able to support and develop more sophisticated product features that can be delivered using more diversified channels. Towards this end, the Bank is now embarking on a project to replace our existing front-end system.

To strengthen our risk management, the Bank will be implementing an Anti-Money Laundering system that tracks transactions and trends, as well as commencing our Basel project. The Bank will also be implementing systems that will support chip-based ATM cards, as well as PIN-based credit cards, to help minimise fraud.

Going forward, IT will provide more benefits to the Bank by leveraging the Group's standardised systems that are proven, more robust and also rich in features and functionality.

In order to protect customer/confidential data and to ensure that the system availability is not affected by malware or virus attack, the Bank will continue to strengthen its security systems.

Quality Management of Information Technology

As the Bank continues to build its IT infrastructure, it is crucial to invest time, money and resources carefully.

Towards this end, the existence of proper governing bodies becomes paramount. The Bank manages all of its IT projects through a formal governing structure that involves the Board of Commissioners and Board of Directors who have overall oversight, while a Project Steering Committee focuses on the implementation stages of IT projects.

To manage the risks in utilisation and implementation of Information Technology, the Bank is continuously adopting best industry standards in line with Bank's needs and in compliance with the relevant regulatory bodies and other Indonesian authorities.

Corporate Governance

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Corporate Governance

To increase the Bank's performance, protect stakeholders' interests and improve compliance with prevailing legislative regulations and general code of conduct in the banking industry, the Bank believes extensive and comprehensive Good Corporate Governance (GCG) implementation will contribute to value-added profitability for the stakeholders and to long-term business growth sustainability. Thus, the Bank strives to uphold the Bank's transparency principle as well as to monitor the execution of GCG practices according to the prevailing rules and regulations.

The Bank has formed a special task force in September 2013 to monitor and manage the Bank's level of soundness which Bank Indonesia determines according to its Risk Based Bank Rating, which takes into account an assessment of the Bank's GCG implementation.

The implementation of GCG is based on five basic principles of transparency, accountability, responsibility, independence and fairness.

CORPORATE GOVERNANCE REPORT

Structure of Good Corporate Governance

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) holds the highest authority in the Bank. The Annual General Meeting of Shareholders (AGMS) is held once every year. The Bank may also convene an Extraordinary General Meeting of Shareholders (EGMS) when required.

In 2013, the Bank has convened AGMS on 26 April 2013, which was held in UOB Plaza, at Jalan M.H. Thamrin Number 10, Central Jakarta 10230 and attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.99 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

AGMS has approved matters principally as follows:

Resolutions on the First Agenda

Approved Company's Annual Report for fiscal year ending 31 December 2012 including annual report of the Board of Directors and report on supervisory duties of the Company's Board of Commissioners, as well as ratifying Company's Financial Statements for fiscal year ending 31 December 2012 audited by Public Accounting Firm Purwantono, Suherman and Surja pursuant to report Number: RPC-3351/PSS/2013 dated 4 March 2013 with 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 2012, insofar as the actions are reflected in the Annual Report and Financial Statements for the fiscal year of 2012.

Resolution on the Second Agenda

Approved the appropriation of net profits for fiscal year ending 31 December 2012 in the amount of IDR1.11 trillion (one point one one trillion Rupiah) as follows:

1. A total of IDR25 billion (twenty-five billion Rupiah) booked as reserves in order to meet the requirements the Company's Law and Articles of Association of the Company.
2. Distributing an amount of IDR246.49 million (two hundred forty six point forty nine million Rupiah) as cash dividends for the fiscal year of 2012, to be distributed to shareholders.
3. Booked the entire net profits gained in 2012 after deducted with reserves and cash dividends as retained earnings.

Resolution on the Third Agenda

Approved the proposal to reappoint Public Accounting Firm of Purwantono, Suherman and Surja which will audit the Financial Statements of the Company for fiscal year of 2013 as well as authorized the Board of Directors of the Company to sign employment agreements as well as determining the honorarium and other requirements pertaining to such appointment.

Resolution on the Fourth Agenda

1. Reappointed Mr. Wee Cho Yaw, Mr. Wee Ee Cheong, Mr. Lee Chin Yong Francis, Mr. Rusdy Daryono, Mr. Wayan Alit Antara and Mr. Aswin Wirjadi as members of the Board of Commissioners of the Company as of adjournment of this Meeting up to and including adjournment of the Annual General Meeting of Shareholders of the Company convened in 2015.
2. Reappointed Mr. Armand Bachtiar Arief, Mr. Iwan Satawidinata, Mr. Safrullah Hadi Saleh, Mr. Ajeep Rassidi bin Othman and Mr. Soehadie Tansol as members of the Board of Directors of the Company as of adjournment of this Meeting up to and including adjournment of the Annual General Meeting of Shareholders of the Company convened in 2017.

3. Appointed Mr. Tan Chin Poh as Deputy President Director of the Company as of adjournment of this Meeting up to and including adjournment of AGMS of the Company convened in 2017. This appointment is effective upon approval of Bank Indonesia.

Hence, composition of members of the Board of Commissioners of the Company following adjournment of this Meeting up to and including adjournment of the Annual General Meeting of Shareholders convened in 2015 shall be as follows:

President Commissioner	Wee Cho Yaw
Vice President Commissioner	Wee Ee Cheong
Commissioner	Lee Chin Yong Francis
Independent Commissioner	Rusdy Daryono
Independent Commissioner	Wayan Alit Antara
Independent Commissioner	Aswin Wirjadi

Composition of members of the Board of Directors of the Company following adjournment of the Meeting up to adjournment of AGMS of the Company convened in 2017 shall be as follows:

President Director	Armand B. Arief
Deputy President Director	Iwan Satawidinata
Deputy President Director	Tan Chin Poh*
Director	Safrullah Hadi Saleh
Director	Ajeep Rassidi bin Othman
Compliance Director	Soehadie Tansol

* Effective upon approval from Bank Indonesia.

4. Granting power of attorney to the Board of Directors of the Company to state changes to members of the Board of Commissioners and the Board of Directors of the Company in a separate deed before a Notary (where necessary) and organise notification to the Ministry of Law and Human Rights of the Republic of Indonesia.

Resolution on the Fifth Agenda

1. Approved action of UOB International Investment Private Limited (UOBII) as the majority shareholder by virtue of authority granted in the Annual General Meeting of Shareholders convened in 25 May 2012 in order to determine the amount of salaries and other allowances for 2012 of all members of the Board of Directors of the Company.
2. Granted authority to the majority shareholder of the Company, namely UOBII, to determine amount of salaries and other allowances for 2013 of all members of the Board of Commissioners of the Company.
3. Granted authority to the Board of Commissioners of the Company to determine amount of salaries, remuneration and other allowances for 2013 of all members of the Board of Directors of the Company.

Board of Commissioners

Duties and Responsibilities of the Board of Commissioners

The Boards of Commissioners and Board of Directors of the Bank have their respective work guidelines and rules of procedures which are binding to every member of the Boards of Commissioners and Directors and specify among other provisions on the number, composition, criteria and independence of members of the Boards of Commissioners and Directors; duties, authority and responsibility; work ethics and work hours; meeting procedure and decision-making; as well as transparency aspect.

Pursuant to the Articles of Association, the Board of Commissioners must perform supervision on the management policies, general conduct of management, both concerning the Company as well as the Company's businesses, and advice the Board of Directors. Every member of the Board of Commissioners cannot act on his/her own; only by virtue of decree of the Board of Commissioners.

In order to support the effectiveness 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.

Generally, the Board of Commissioners assumes following responsibilities:

a. Supervise 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 implementation of the Bank's strategic policies conducted by the Board of Directors. However, not involved in any decision making of the Bank's operational activities, unless as determined by the 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 ensuring 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 evaluating implementation of the Bank's strategic policies.
f. Ensure that the Board of Directors has followed-up audit findings and recommendations provided by the Internal

Audit division, External Auditor, results of supervision by Bank Indonesia as well as other authorised agencies.

g. Analyse and approve the framework of the Bank's risk management.
h. Inform Bank Indonesia no later than 7 (seven) working days following any finding of violation of any laws in financial and banking industry and situation or presumed situation which may jeopardise business continuity of the Bank.
i. The Board of Commissioners must establish at least Audit Committee, Risk Monitoring Committee, 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 four times in one year, in which all members of the Board of Commissioners must be present physically at least twice a year.

Implementation of Duties and Responsibilities of the Board of Commissioners

As part of their duties and responsibilities, the Board of Commissioners always performs supervision on the performance of the Board of Directors and provides inputs to the Board of Directors.

In 2013, the Board of Commissioners has taken the following actions, among others:

a. Approved the proposal of the Board of Directors on the schedule and agenda of Annual General Meeting of Shareholders convened in 2013;
b. Approved recommendation of President Director on nomination of Board of Management's members and structure;
c. Provided analysis, inputs and together with the President Director approved the Revision of the 2013-2015 Bank's Business Plan and Business Plan for 2014-2016;
d. Provided Board of Commissioners supervisory report on Bank's Business Plan Realisation for the period of second half of 2012 and first half of 2013;
e. Provided evaluation of the Implementation of Bank Compliance Function Report for second half of 2012;
f. Approved the Amendments to the Audit Committee Charter 2013 and Appointment of Audit Committee members for the period of 2013-2015;
g. Approved recommendation from the Audit Committee for the AGMS to appoint the Purwantono, Suherman and Surja Public Accounting Firm as the independent auditor of the Bank for the fiscal year of 2013;
h. Approved Work Guidelines and Rules of Procedure of the Remuneration and Nomination Committee;
i. Approved Remuneration and Nomination Committee's recommendation on nomination of Bank's Deputy President Director, nomination of Bank's members of the Board of Commissioners and Board of Directors to be proposed to Bank's AGMS, Bank's Policy and Procedure for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Management and Independent Parties;
j. Approved Work Guidelines and Rules of Procedure of the Risk Monitoring Committee;
k. Granted approval for the sale of fixed assets of the Bank according to applicable authority limits.
l. Approved various guidelines and policies of the Bank according to prevailing regulation.
m. Approved Business Continuity Management Report 2012;
n. Granted approval for Core Banking System Refresh related matters; and
o. Granted approval for credit to related party.

Composition, Criteria and Independency of the Board of Commissioners

Composition of Bank's BOC members as of 31 December 2013 are:

Name	Position	Effective Date		Re-Appointment	Tenure Expiry
		BI Approval	GMS		
Wee Cho Yaw	President Commissioner	26 Dec 2005	14 Oct 2005	26 Apr 2013	2015
Wee Ee Cheong	Deputy President Commissioner	31 Aug 2007	22 Jun 2007	26 Apr 2013	2015
Lee Chin Yong Francis	Commisioner	19 Dec 2005	14 Oct 2005	26 Apr 2013	2015
Rusdy Daryono	Independent Commisioner	12 Jun 2006	22 May 2006	26 Apr 2013	2015
Wayan Alit Antara	Independent Commisioner	8 Jan 2009	20 Jun 2008	26 Apr 2013	2015
Aswin Wirjadi	Independent Commisioner	29 Jun 2009	12 Jun 2009	26 Apr 2013	2015

Composition of Independent Commissioners has been compliant to the provision of Bank Indonesia's Regulation ("PBI") No.8/4/PBI/2006 dated 30 January 2006 as amended by PBI No.8/14/PBI/2006 dated 5 October 2006 regarding the Implementation of Good Corporate Governance for Commercial Banks and BI Circular Letter No.15/15/DPNP dated 29 April 2013 concerning the Implementation of Good Corporate Governance for Commercial Banks.

In accordance with these provisions, 50 per cent of the Bank's Board of Commissioners' members are Independent Commissioners who are Indonesian citizens and residents.

Independency of the Board of Commissioners

The only members of Board of Commissioners having family relationship are President Commissioner and Vice President Commissioner, as shown in the below table.

Name	Position	Description	Type of Relationship
Wee Cho Yaw	President Commissioner	Father of Wee Ee Cheong	Family Relation
Wee Ee Cheong	Vice President Commissioner	Son of Wee Cho Yaw	

None of the Independent Commissioners has any financial, management, shareholding and/or family relationship up to the second degree with fellow members of the Board of Commissioners, the Board of Directors and/or Ultimate Shareholders, which may affect its ability to act independently.

In accordance with PBI No.8/14/PBI/2006 regarding Amendment to PBI No.8/4/PBI/2006 regarding implementation of Good Corporate Governance for Commercial Banks and BI Circular Letter No.15/15/DPNP concerning Implementation of Good Corporate Governance for Commercial Banks, members of the Board of Commissioners may only hold double position as members of the Board of Commissioners, the Board of Directors or Executive Officer at 1 (one) non-financial institution/company or members of the Board of Commissioners, the Board of Directors or Executive Officer performing supervisory function at 1 (one) non-bank subsidiary controlled by the Bank.

Excluding, however, double positions held when a non-independent member of the Board of Commissioners performs his/her functional duties from the Bank's shareholder having form of legal entity in its business group and/or the relevant member of the Board of Commissioners assumes a position in a non-profit organisation or institution, insofar as the person concerned does not neglect implementation of their duties and responsibilities as a member of the Board of Commissioners of the Bank.

All members of the Board of Commissioners have fulfilled the provisions as required in PBI No.8/14/PBI/2006 regarding Amendment to PBI No.8/4/PBI/2006 regarding the Implementation of Good Corporate Governance for Commercial Banks and BI Circular Letter No.15/15/DPNP concerning the Implementation of Good Corporate Governance for Commercial Banks, as mentioned above.

Fit and Proper Test Information Disclosure

The members of Board of Commissioners were all appointed by General Meeting of Shareholders by considering the fulfill of main criteria, i.e. integrity, competency, professionalism, and financial reputation, according to fit and proper test requirement set by Bank Indonesia.

Meeting Frequency of Board of Commissioners

The Board of Commissioners holds 1 (one) meeting every 3 (three) months or as necessary, to discuss general performance of the Bank related to implementation of duties and responsibilities of the Board of Directors for the past 3-month period.

Pursuant to Bank Indonesia requirements on the implementation of Good Corporate Governance for Commercial Banks and Articles of Association of the Bank, procedure for meetings of the Board of Commissioners has been provided in general, as follows:

a. Meeting is to be held at least 4 (four) times in one year unless deemed necessary by a member of the Board of Commissioners, or upon written request by the Board of Directors, or at the request of one or more shareholders holding 1/10 (one tenth) of total number of shares issued by the Company having valid voting rights.
b. Meeting of the Board of Commissioners is chaired by the President Commissioner. If the President Commissioner is unavailable, with regard to which no evidence to third party is required, meeting of the Board of Commissioners is chaired by the Vice President Commissioner, and if he is unavailable, the meeting is to be chaired by a member of the Board of Commissioners, elected by and between members of the Board of Commissioners present.
c. Meeting of the Board of Commissioners is only valid and may adopt binding decisions if more than ½ (one half) of the total members of the Board of Commissioners are present, or represented in the meeting.
d. Decisions from the Meeting of the Board of Commissioners must be adopted by way of deliberations to reach a consensus. In the event that no consensus is reached, decisions are adopted when number of affirmative votes is more than half of the total votes validly cast at such meeting.
e. In the event of a draw, the Chairman of the Board of Commissioners Meeting will decide.
f. Results of the Board of Commissioners meetings must be set forth in minutes of meeting and properly documented.

In 2013, the Board of Commissioners had held 4 (four) meetings of the Board of Commissioners, as summarised below:

Name	Position	Frequency of Attendance
Wee Cho Yaw	President Commissioner	4
Wee Ee Cheong	Deputy President Commissioner	4
Lee Chin Yong Francis	Commisioner	3
Rusdy Daryono	Independent Commisioner	4
Wayan Alit Antara	Independent Commisioner	4
Aswin Wirjadi	Independent Commisioner	4

Board of Directors

Duties and Responsibilities of the Directors

Pursuant to the Articles of Association, the Board of Directors is fully responsible for performing its duties in the Bank's interest in achieving its purpose and objectives.

Principal duties of the Board of Directors include, among others:

a. Managing the Bank pursuant to its authority and responsibilities as stated in the Articles of Association and prevailing laws and regulations;
b. Fully responsible for the implementation of the Bank's management;
c. Implementing the principles of GCG in every business activity of the Bank at all levels or tiers of the organisation;
d. Implementing business strategies as recommended by the Board of Commissioners;
e. Following-up audit findings and recommendations provided by the Internal Audit division, External Auditor, results of supervision by Bank Indonesia as well as other competent authorities;
f. Performing internal supervision in an effective and efficient manner;
g. Monitoring and managing risks encountered by the Bank;
h. Maintaining conducive work environment which enhances productivity and professionalism;
i. Managing and developing employees as well as maintaining continuity of the organisation;
j. Being liable for the implementation of its duties to the Shareholders through the GMS;
k. Disseminating to employees Bank policies which are strategic in the field of employment; and
l. Providing accurate, relevant and timely data and information to the Board of Commissioners.

Delegation of duties, responsibilities and authority among all members of the Board of Directors is as follows:

President Director

- Entitled and authorised to act on behalf of the Board of Directors and representing the Bank;
- Coordinate the conduct of the Bank's management;
- Determine the Bank's strategy;
- Ensuring the implementation of compliance function, implementation of the principles of GCG as well as prudential banking practices;
- The scope of his responsibility includes supervision on Channels, IFS Credit and Special Asset Management, Retail Credit, Human Resources, Compliance, Risk Management, Legal, Internal Audit, Customer Advocacy and Service Quality, and Brand Performance and Corporate Communication.

In addition, the areas of responsibilities also include indirect oversight through the Deputy President Director – Operations for the Finance and Corporate Services and Technology and Operations, as well as the Deputy President Director – Business for the Business Function Units of the Bank.

Deputy President Director – Admin and Operations

- Assist the President Director in directing Bank's policies and strategies, in accordance with the scope coordinated;
- Provide directions and guidance to ensure smooth implementation of duties in the field of operations and supporting functions of the Bank;
- His scope of responsibility includes supervision on the functions of Finance and Corporate Services and Technology and Operations.

Deputy President Director – Business

- Assist the President Directors in directing Bank's policies and strategies, in accordance with the scope coordinated;
- Provide directions and guidance for the Bank's business development;
- His scope of responsibility includes supervision on business units, namely Corporate Banking, Commercial Banking, Business Banking, Personal Financial Services, Global Markets and Investment Management and Transaction Banking.

Finance and Corporate Services Director

- Responsible for the Bank's financial statements;
- Provide financial analysis on the Bank's performance in order to support the decision making process by the Bank's management;

- Leading, directing and monitoring the implementation of corporate actions taken by the Bank;
- His scope of responsibility includes supervision on the function units of Finance, Property and General Services and Corporate Services.

IFS Credit and Special Asset Management Director

- Responsible for ensuring the process of credit review operates independently;
- Leading and coordinating efforts of restructuring non-performing loans through restructuring and recovery measures;
- Responsible for managing portfolios of Assets Foreclosed by the Bank.
- Area of responsibility covers supervision on Middle Market Credit, Corporate Credit and Special Asset Management Work Function.

Compliance Director

- Formulate strategies in order to instill Compliance Culture within the Bank;
- Propose the compliance policies to be determined by the Board of Directors;
- Implement compliance system and procedures to be used to prepare internal provisions and guidelines of the Bank;
- Ensure that all policies, provisions, system, and procedure as well as business activities conducted by the Bank have complied with the requirements of Bank Indonesia and applicable provisions of laws and regulations;
- Minimize the Compliance Risk of the Bank.
- Take preventive measures in order to ensure that the policies and decisions taken by the Board of Directors of the Bank remain in line with the requirements of Bank Indonesia and applicable laws and regulations;
- Submit reports to Bank Indonesia regarding implementation of his duties;
- Perform other duties related to Compliance function.

Composition, Criteria and Independence of the Directors

Composition of Bank's BOD members as of 31 December 2013 are:

Independency of the Board of Directors

a. All members of the Board of Directors of the Bank do not have mutual financial and family relationships up to the second degree with fellow members of the Board of Directors and/or members of the Board of Commissioners and Ultimate Shareholder.
b. None of the members of the Board of Directors, either individually or collectively, owns shares more than 25 per cent of issued capital at the Bank or at any other company.
c. None of the members of the Board of Directors hold double position as a member of the Board of Commissioners, the Board of Directors or an Executive Officer at any other Bank, Company and/or institution.
d. The President Director of the Bank is a party independent from the Ultimate Shareholder of the Bank and does not have any financial, management, shareholding and/or family relationship with the Ultimate Shareholder of the Bank.

Fit and Proper Test Information Disclosure

The appointment of members of the Board of Directors by the General Meeting of Shareholders has complied with the criteria approved by the Board of Commissioners, taking into consideration sufficient integrity, competence, professionalism and financial reputation, in accordance with the requirements of fit and proper test as stipulated by Bank Indonesia.

Meeting Frequency of Directors

Pursuant to Articles of Association, the order of the Board of Directors has been governed as follows:

a. The meeting is to be held at least once a month unless deemed necessary, by one of the members of the Board of Directors, or through written request from one or more of the members of the Commissioners, or through 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 right.
b. Directors' meeting is valid and authorised to make binding decision if more than ½ (one half) of the total members of the Board of Directors were present or represented in the meeting.

Name	Position	Effective As Members		Re-Appoinment	Tenure Expiry
		BI Approval	GMS		
Armand B. Arief	President Director	7 Sep 2007	22 Jun 2007	26 Apr 2013	2017
Tan Chin Poh	Deputy President Director	24 Jul 2013	26 Apr 2013	-	2017
Iwan Satawidinata	Deputy President Director	10 Jun 2010	15 Apr 2010	26 Apr 2013	2017
Safrullah Hadi Saleh	Director	29 May 2001	25 May 2001	26 Apr 2013	2017
Ajeep Rassidi bin Othman	Director	6 May 2010	19 Feb 2010	26 Apr 2013	2017
Soehadie Tansol	Compliance Director	31 Dec 2002	25 Nov 2002	26 Apr 2013	2017

Note: Appointment of Mr. Tan Chin Poh as Deputy President Director effective as of 4 November 2013.

c. Decisions of the Directors' meeting should be based on deliberation to reach agreement. If decision could not be reached through deliberation, decision will be made through voting based on supporting votes of more than ½ (one half) of total valid votes from the Board of Directors collected in Meeting.
d. If the opposing and supporting votes were equally the same, the Chairman of the Director's meeting will take decision.
e. Proceeding of the Directors Meeting must be summarised into minutes of meeting and properly documented.

During 2013, the Board of Directors meetings have been conducted for 17 (seventeen) times, with attendance as follows:

Name	Position	Frequency of Attendance
Armand B. Arief	President Director	15
Tan Chin Poh*	Deputy President Director	2
Iwan Satawidinata	Deputy President Director	17
Safrullah Hadi Saleh	Director	17
Ajeep Rassidi bin Othman	Director	15
Soehadie Tansol	Compliance Director	16

* Assumed the position of Deputy President Director as of 4 November 2013.

Participation of Board of Directors in Trainings/Seminars

To support the implementation of the duties of the Board of Directors, in 2013 the Board of Directors attended several training programmes, workshops, conferences and seminars such as:

Name	Position	Training
Armand Bachtiar Arief	President Director	UOBI Strategic and Budget Workshop Workshop Channel - Jakarta Workshop on Basel II and Risk Appetite Framework
Tan Chin Poh	Deputy President Director	Economic Outlook 2014 Workshop on Basel II and Risk Appetite Framework
Iwan Satawidinata	Deputy President Director	UOBI Strategic and Budget Workshop Workshop Channel - Jakarta Workshop on Basel II and Risk Appetite Framework
Safrullah Hadi Saleh	Director	UOBI Strategic and Budget Workshop Workshop on Basel II and Risk Appetite Framework
Ajeep Rassidi bin Othman	Director	UOBI Strategic and Budget Workshop Workshop on Basel II and Risk Appetite Framework
Soehadie Tansol	Compliance Director	UOBI Strategic and Budget Workshop Refresher Training about FMF and Sanction Workshop on Basel II and Risk Appetite Framework

Dual Positions of the Board of Directors in Other Companies

None of the members of the Board of Directors hold dual positions in other companies.

Recommendation of the Board of Commissioners concerning Funding and Authority of Expenditure on Goods and Services

Granted approval of additional budget for Core Banking System Refresh project.

Completeness and Implementation of Committees' Duties

Board of Commissioners Committees

Remuneration and Nomination Committee

According to Directors' Decree No.09/SKDIR/1169 dated 9 November 2009 concerning Appointment of Members of Remuneration and Nomination Committee, composition of Remuneration and Nomination Committee is as follows:

Composition of Members of the Remuneration and Nomination Committee as of 31 December 2013	
Chairman (Independent Commissioner)	Aswin Wirjadi
Member (Commissioner)	Lee Chin Yong Francis
Member (Executive Officer responsible for HR)	Roy Fahrizal Permana

Meeting of Remuneration and Nomination Committee is conducted according to Bank's needs and was convened 3 (three) times in 2013.

Remuneration and Nomination Committee has duties and responsibilities as follows:

Related to Remuneration Policy:

- Perform evaluation towards remuneration policy; and
- Provide recommendations to the Board of Commissioners concerning:
  - Remuneration Policy for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders
  - Remuneration Policy for Executive Officers and employees as a whole to be submitted to the Board of Directors.

Remuneration and Nomination Committee in performing their duties and responsibilities in relation to this remuneration policy must attend to:

- Financial performance and reserves as stipulated in the prevailing regulations;
- Individual performance;
- Fairness with the peer group; and
- Long term objectives and strategy of the Bank.

Related to Nomination Policy:

- Formulate and provide recommendation on the system and procedure of selection and/or succession of the Board of Commissioners and Directors to the Board of Commissioners to be submitted to General Meeting of Shareholders.
- Provide recommendation of the candidate of the Board of Commissioners and/or Directors to the Board of Commissioners to be submitted to General Meeting of Shareholders.
- Provide recommendation on the Independent Party appointed to be members of the Audit Committee and Risk Monitoring Committee to the Board of Commissioners.

Work Programme of Remuneration and Nomination Committee and their realisation in 2013 include but are not limited to:

No.	Work Programme	Realisation
1.	Evaluating remuneration policies for the Board of Commissioners and the Board of Directors.	Meeting had been convened to evaluate and provide recommendations on the remuneration for the Board of Commissioners and the Board of Directors.
2.	Evaluating remuneration policies for Executive Officers and employees.	Meeting had been convened to evaluate and provide recommendations on the remuneration for Executive Officers and employees.
3.	Formulating system and procedure for the appointment and/or replacement of any members of the Board of Commissioners and the Board of Directors.	• Remuneration and Nomination Committee had provided recommendations on the procedure for the appointment and/or replacement of any members of the Board of Commissioners and the Board of Directors for Board of Commissioners's approval. • Renewal of Procedure has been conducted and approved by the Board of Commissioners.
4.	Providing recommendation on nominated members of the Board of Directors.	Meeting had been convened to discuss the recommendation on the appointment of Mr. Tan Chin Poh as Deputy President Director and the reappointment of all members of the Board of Directors and the Board of Commissioners.
5.	Providing recommendation of candidate Independent Parties eligible for serving as members of the Committee.	Meeting had been convened to discuss the recommendation on the reappointment of members of the Audit Committee.
6.	Updating of Work Guidelines and Regulations.	The revised of Work Guidelines and Regulations of the Remuneration and Nomination Committee has been approved by the Board of Commissioners.

Audit Committee

As stated in Directors' Decree No.13/SKDIR/0011 dated 25 March 2013 regarding Appointment of Members of Audit Committee, the structure and membership of Audit Committee as at 31 December 2013 for office period of 2013-2015 are as follows:

Composition of Audit Committee Members as at 31 December 2013

Chairman (Independent Commissioner)	Rusdy Daryono
Member (Independent Party)	Winny Widya
Member (Independent Party)	Thomas Abdon

All members of Audit Committee have met the criteria of independency, expertise and integrity required by BI.

The Audit Committee performs its duties, responsibilities and authority based on the Audit Committee Charter, which include as follows:

a. Performing monitoring and evaluation on the planning and implementation of audit as well as monitoring follow-up to audit results in order to assess the adequacy of internal control, including financial reporting process;
b. Performing monitoring and evaluation on implementation of Internal Audit's (SKAI) duties; conformity between audit performed by Public Accounting Firm (KAP) and applicable audit standards and implementation of follow-up by the Board of Directors on SKAI findings, Public Accountant and results of supervision by Bank Indonesia as recommendation to the Board of Commissioners;

c. Providing recommendation for the appointment of Public Accountant and Public Accountant Firm to be conveyed to AGMS;
d. Providing recommendation for the appointment, reappointment and dismissal of Internal Audit Head and provide input on annual assessment of concerned performance and remuneration;
e. Preparing annual work programme and conduct annual review on the function scope of Audit Committee and its work effectiveness as well as provide recommendation on various necessary amendments to the Board of Commissioners;
f. Performing other functions assigned by the Board of Commissioners.

Meetings of Audit Committee had been held as necessary. In 2013, 18 (eighteen) meetings had been held, all of which were attended by more than 51 per cent of all members of the Audit Committee.

Meeting decisions were adopted by way of deliberations to reach a consensus or by simple majority of votes in the event of dissenting opinions. All decisions in the meetings were set forth in minutes of meeting signed by all members of the Committee present and had been properly documented, including dissenting opinions occurring at any meeting of the Committee (if any).

Results of Audit Committee meetings are recommendations which can be used optimally by the Board of Commissioners.

Audit Committee's work programmes and realisation in 2013 include but are not limited to:

No.	Work Programme	Realisation
1.	Monitor and evaluate the planning and implementation of audit as well as monitoring the follow-up to audit findings in order to assess the adequacy of internal control, including the adequacy of financial reporting process.	Meeting had been convened with Internal Audit as invitee.
2.	Evaluation on the implementation of duties of Internal Audit.	• Meeting had been convened which also invited Internal Audit. • Meeting had been convened to receive update on investigation of cases handled by Internal Audit.
3.	Evaluation on the implementation of audit by the Public Accountants Firm (KAP) with applicable audit standards.	• Meeting had been convened with Finance and External Auditor of the Bank as invitees to receive update on the audit process by External Auditor. • Meeting had been convened with Finance as invitee to discuss the performance of the External Auditor of the Bank.
4.	Evaluation on the compliance of the financial report with prevailing accounting standards.	• Meeting had been convened with Finance and External Auditor of the Bank as invitees to review the draft report of the Bank's audit. • Meeting had been convened on with Finance as invitee to discuss the financial publication reports.
5.	Evaluation on the follow-up by the Board of Directors with regard to the implementation of follow-up by the Board of Directors on the findings of Internal Audit, Public Accountants and oversight results from Bank Indonesia.	Meeting had been convened with Compliance as invitee.
6.	Recommendation on the appointment of Public Accountants and Public Accountant Firm (KAP) pursuant to applicable regulations.	Meeting had been convened with Finance and External Auditor as invitees to discuss recommendations on External Auditor of the Bank for fiscal year 2013.
7.	Evaluation on the compliance function of the Bank.	Meeting was held by inviting Compliance to discuss Report on Implementation of Compliance Function of the Bank.
8.	Monitoring the plan for audit implementation by external auditor.	Meeting was held by inviting Finance and External Auditor of the Bank to discuss audit plans by External Auditor for fiscal year ending December 2013.
9.	Renewal of Audit Committee Charter.	Meeting was held to conduct renewal of Audit Committee Charter.

Risk Monitoring Committee

Pursuant to Directors' Decree No.10/SKDIR/1108 dated 11 June 2010 regarding Appointment of Members of Risk Monitoring Committee, the composition of Risk Monitoring Committee is as follows:

Composition of Risk Monitoring Committee Members as of 31 December 2013	
Chairman (Independent Commissioner)	Wayan Alit Antara
Member (Independent Party)	Thomas Abdon
Member (Independent Party)	Yohanes Lilis Sujanarto

All members of Risk Monitoring Committee have complied with prescribed criteria of independency, expertise and integrity.

Risk Monitoring Committee performs its duties, responsibilities and authority based on Work Regulations and Guidelines of Risk Monitoring Committee, which include:

a. Evaluate the consistency between risk management policies and the implementation of risk management policies;
b. Monitor and evaluate the implementation of duties and responsibilities of Risk Monitoring Committee; and
c. Monitor and evaluate the implementation of duties and responsibilities of Risk Management unit.

Meetings of Risk Monitoring Committee are held according to the needs of the Bank and attended by all members of the Committee. Risk Management Unit is invited where necessary. In 2013, Risk Monitoring Committee held 12 (twelve) meetings.

Decisions of the meetings were deliberated upon to achieve consensus. All decisions of the meetings were noted in the minutes of meeting and properly documented, including any dissenting opinions expressed at the meetings of the Committee.

Work Programme of Risk Monitoring Committee and its realisation in 2013 includes but not limited to:

No.	Work Programme	Realisation
1.	Evaluate the policies and implementation of risk management.	Meeting had been convened with RMG Work Function as invitee to evaluate the most recent risk management policies.
2.	Evaluate the Bank's risk profile.	Meeting was held to discuss risk profile of the Bank and Risk Based Bank Rating's assessment.
3.	Evaluate new requirements.	Meeting was held to discuss the latest AML/CFT requirements as well as the latest LTV and Secondary Reserve requirements.
4.	Updating Work Guidelines and Regulations.	Meeting was held to update of Work Guidelines and Regulations of the Risk Monitoring Committee.

Directors Committees

Executive Committee (EXCO)

By virtue of Directors' Decree No.12/SKDIR/0622 dated 30 July 2012 regarding Executive Committee (EXCO), the composition of members as well as the duties and responsibilities of the EXCO are as follows:

Composition of Executive Committee Members as of 31 December 2013	
Chairman and acting as Permanent Member	President Director
Permanent member	• Deputy President Director – Business • Deputy President Director – Admin and Operations • IFS Credit and Special Asset Management Director as permanent member for credit issues • Finance and Corporate Services Director as permanent member for all non-credit issues

EXCO meetings were held where necessary, depending on the importance and urgency of the matter need 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 majority EXCO members (>50 per cent), including EXCO Chairman or EXCO Acting Chairman if the Committee's Chairman is not present.

Decisions made at EXCO meeting were deliberated upon to achieve consensus. In the event that consensus could not be reached, the Chairman of the Committee or Interim Chairman had 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. The approval of EXCO members shall also be conveyed on the written proposal. Decisions made in such manner shall have the same force as decisions validly made in any EXCO meeting.

All decisions of the meeting are noted in the minutes of meeting signed by all members of the Committee present and properly documented, including any dissenting opinions expressed at the Committee meeting.

Duties and responsibilities of EXCO include:

a. Formulate and discuss the policy issued by considering the entire planning and implementation of strategies to achieve medium-term and long-term objectives of the Bank;
b. Review and decide upon proposals or submissions on the purchase or sale of the Bank's fixed assets, the Bank's inventories, procurement of other goods and services, according to prevailing regulations;
c. Determine relevant policies and guidelines for all related dealers, officials and committees involved in the treasury and investment activities of the Bank.

Work Programme of EXCO and their realisation in 2013 include, but are not limited to:

No.	Work Programme	Realisation
1.	Formulate and discuss policy issue by considering the overall planning and implementation strategy to achieve Bank's mid-term and long-term objective.	• Evaluated and approved the proposal related to Core Banking Refresh project. • Evaluated and approved the implementation of PSAK 38 (2012 Revision) concerning Combination of Single Ownership Business Entity.
2.	Analyze and make decisions on proposals or requests of purchase or sale of Bank's fixed asset, or Bank's inventory, procurement of other goods and services, in accordance with prevailing regulations.	• Evaluated and granted approval for supplementary budget. • Evaluated and granted approval for sale of foreclosed collateral asset by the Bank.
3.	Evaluate approval limit authority for operating expenses.	Evaluated and granted approval on the determining approval limit and authority for operating expenses.

Assets and Liabilities Committee (ALCO)

Based on Directors' Decree No.13/SKDIR/0027 dated 5 June 2013 the composition of Asset and Liability Management Committee is as follows:

Composition of Assets and Liabilities Committee Members as of 31 December 2013

Chairman	President Director
Deputy Chairman	• Deputy President Director – Business • Deputy President Director – Admin and Operations
Secretary	Market Risk and Balance Sheet Risk Management Head
Permanent Member	• IFS Credit Approval and Special Assest Management Director • Finance and Corporate Services Director • Global Market and Investment Management Head • Risk Management Head • Personal Financial Services Head • Corporate Banking Head • Business Banking Head • Transaction Banking Head
Non Permanent Member	A special invitee assigned by permanent member

The Assets and Liabilities Committee meeting was conducted at least once a month.

The duties and responsibilities of the ALCO are as follows:

a. Granting approval for the following:
   - Policy: Asset Liability Management Policy;
   - Limits: Market Risk, Banking Book Interest Rate Risk and Liquidity Risk appetite limits and Risk control limits;
   - Pricing: Pricing, FTP, IDR prime Lending Rate (SBDK); and
   - Strategies: Target Balance Sheet Mix, Strategic Incentive, Minimum Liquidity Buffer.
b. Providing endorsement for the following:
   - Market Risk Management Policy;
   - Interest Rate Risk Management Policy;
   - Liquidity Risk Management Policy;
   - Methodologies and assumptions used in the asset and liabilities management; and
   - Internal model related initiatives (when ready) used in regulatory reporting.
c. Ratifying of limits excesses and granting temporary limits for Market Risk, Banking Book Interest Rate Risk and Liquidity Risk.
d. Monitoring and Reporting:
   - Highlight limit excesses of risk appetite limit for escalation to ALCO, Risk Management Committee and Board of Directors;
   - Asset and liability reports, market risk reports and liquidity risk reports;
   - The current and prospective liquidity positions and alterative funding sources; and
   - Availability of sufficient liquidity for unanticipated contingencies.

e. Provide forum for discussion and decisions on all aspects of market risk, banking book interest rate risk, and liquidity risk.
f. Ensure compliance with relevant regulatory balance sheet management requirements.

Work Programme of ALCO and its realisation in 2013 includes but is not limited to:

Work Programme	Realisation
Conducting ALCO meeting at least once a month	• During 2013, Directors through ALCO members have held 13 (thirteen) meetings to take decisions for implementation of strategies in managing the Bank's assets and liabilities to achieve sustainable growth and increase profitability. • In addition, ALCO has reviewed and approved several proposals through circulation.

Risk Management Committee (RMC)

Pursuant to Decision No.10/SKDIR/1615 dated 18 October 2010, the composition of Risk Management Committee is as follows:

Composition of Risk Management Committee Members as of 31 December 2013	
Chairman	President Director
Deputy Chairman	Deputy President Director – Admin and Operations
Secretary	Head of Risk Management
Permanent Member	• Deputy President Director – Business • Compliance Director • Finance and Corporate Services Director
Non Permanent Members	Other relevant Director/Group Head/ Unit Head

The Risk Management Committee meetings are conducted once every 3 (three) months, or more when necessary.

The duties and responsibilities of the Risk Management Committee are as follows:

a. Duties
- Endorse Risk Management Strategy, Policies and Guidelines to be embraced by the whole organisation of the bank, for approval by the Board of Commissioners.
- Endorse/approve Risk Management enhancements.
- Endorse the Bank's risk management framework and methodologies.
- Evaluate the Bank's capability to operate under stressed condition in terms of capital adequacy and provisioning.
- Assess the Bank's internal capital adequacy to ensure the Bank's overall capital adequacy is aligned with its risk profile.
- Justify matters pertaining to business decisions made in departure from normal procedures (irregularities).

b. Responsibilities
- Ensure the Bank's risk portfolio is within the prescribed risk appetite.
- Ensure the adequate balance between risk taken and return generated through a rigorous measurement process.
- Oversee the implementation of Enterprise Risk Management through proper risk measurement methodologies and risk based performance evaluation.

Work Programmes of Risk Management Committee and their realisation in 2013 include but are not limited to:

No.	Work Programme	Realisation
1.	Conduct Risk Management Committee meeting once every 3 (three) months or more, as and when necessary.	During 2013, RMC meetings were conducted 8 (eight) times.
2.	Review the Bank's Risk Profile.	Review on the Bank's risk profile was conducted in the quarterly Risk Management Committee meetings.

Credit Policy Committee

Based on Directors' Decree No.13/SKDIR/0039 dated 3 July 2013 the composition of Credit Policy Committee is, as follows:

Composition of Credit Policy Committee Members as of 31 December 2013	
Chairman	President Director
Deputy Chairman	IFS Credit and Special Asset Management Director
Secretary	Head of Risk Management
Permanent Member	• Deputy President Director – Business • Deputy President Director – Admin and Operations • Head of Risk Management • Head of Retail Credit
Non Permanent Members	• Head of Corporate Banking • Head of Corporate Banking 1 • Head of Corporate Banking 2 • Head of Business Banking

The Credit Policy Committee meetings were held based on the Bank's needs.

The duties and responsibilities of the Credit Policy Committee are:

a. Duties
   - Provide advice and preliminary approval on the Credit Policy which will be approved and implemented by Board of Directors.
   - Monitor and evaluate the Bank's credit portfolio quality.
   - Monitor and evaluate the regulatory compliance of credit activities.
   - Monitor and evaluate the effectiveness of credit risk governance structure.
   - Monitor and evaluate the implementation of credit discretionary limits.
   - Monitor and evaluate the adequacy of credit origination process, the change and quality of credit to related parties and large credit exposures.
   - Monitor and evaluate the adequacy of Legal Lending Limit implementation.
   - Monitor and evaluate Non Performing Loan workout in alignment with the Bank's prevailing credit policy.
   - Monitor and evaluate the Bank's effort to satisfy credit risk provisioning.
   - Monitor and evaluate the adequacy of the Bank's infrastructure.

b. Responsibilities
   - Report to the Board of Directors and copy to Board of Commissioners periodically, concerning:
     - monitor result of implementation of Credit Policy;
     - monitor and evaluate results in relation to the duties performed by Credit Policy Committee.
   - Recommend improvement plans to the Board of Directors and copy to the Board of Commissioners in relation to responsibilities mentioned in the previous point.

Work Programmes of Credit Policy Committee and their realisation in 2013 include but are not limited to:

No.	Work Programme	Realisation
1.	Monitor and evaluate on credit portfolio quality and significant issues related to credit business.	• Periodically, Credit Risk Management Division submits a routine report in the form of Credit Risk Highlight to the Board of Directors (as permanent member of committee), and with a copy to the Board of Commissioners. • Credit Risk Management Division also delivers several reports related to the Bank's credit risk to the Board of Directors as a permanent member of the Committee, such as proposed stress test report and updated Credit policy.
2.	Review and provide recommendations on revised credit policy.	During 2013, Credit Policy Committee meetings were conducted 6 (six) times.

Human Resources Committee

Based on Directors' Decree No.12/SKDIR/0643 dated 3 December 2012 concerning Head Office Human Resources Committee, the composition of Human Resources Committee is, as follows:

Composition of Human Resources Committee Members as of 31 December 2013

Chairman	President Director
Members	• Deputy President Director – Business • Deputy President Director – Admin and Operations • Head of Human Resources

Human Resources Committee meetings are conducted at least twice a year or based on Bank's needs. The Human Resources Committee can invite members of other company management to the meetings if needed.

The duties and authorities of Human Resources Committee are:

a. Duties
   - Ensure that Human Resources Policies are aligned with corporate strategy and objective;
   - Establish a strategy to maintain the quality of human resources; and
   - Establish strategy of human resources development.

b. Authorities
   - Discuss and improve key policies in human resources area; and
   - Determine the programme related to Human Resources Policies.

Work Programmes of Human Resources Committee and their realisation in 2013 include, but are not limited to:

No.	Work Programme	Realisation
1.	Conduct meetings at least twice in one year.	During 2013, Human Resources Committee has conducted 6 (six) meetings.
2.	Develop reward programme for employees.	Proposed to give Recognition Award to employees with outstanding achievements.
3.	Review employees benefit	Implemented Car Ownership Programme (COP) for Board of Management (BOM) members.
4.	Improve employees' competency.	Formulation of Technical Competency as career management guidelines.
5.	Organisation and People Review (OPR).	• Updated OPR mechanism. • Identified UOBI Corporate Key Talent and Talent on Division and Regional level. • Determined Individual Development Plan for each respective talents.
6.	Analyse performance and remuneration assessment.	• Evaluated performance assessment result. • Stipulated guidelines in promotion process. • Highest panel discussion in employees' performance assessment. • Analysed promotion proposal/recommendation.

Business Continuity Management Committee (BCM)

Based on Directors' Decree No.13/SKDIR/0054 dated 25 September 2013 the composition of Business Continuity Management Committee is, as follows:

Composition of Business Continuity Management Committee Members as of 31 December 2013

Chairman	President Director
Deputy Chairman	Deputy President Director – Admin and Operations
Recovery Director	Head of Technology and Operations
Alternate Recovery Director	Head of Risk Management
Members	• Deputy President Director – Business • Finance and Corporate Services Director • Compliance Director • Head of Human Resources • Treasury Head • Head of Channels

Business Continuity Management Committee Meeting would be held as necessary. All decision should be taken through formal meetings, documented by written approval form.

The duties and responsibilities of BCM Committee are:

a. Duties
   Assist the Board of Commissioners and Board of Directors in overseeing the Bank's BCM programme. BCM Committee acts as a Management forum to discuss BCM issues and provide strategic oversight in relation to Business Continuity Planning (BCP)/Disaster Recovery Plan (DRP).

b. Responsibilities
   - Direct BCM in the Bank;
   - Ensure the overall effectiveness of the Bank's BCM capability;
   - Support policies, guidelines, and BCM strategy;
   - Approved list of critical functions;
   - Manage BCM particularly to risk management issues;
   - Review periodic reports regarding status of Bank's BCM programmes; and
   - Review annual attestation of Bank's BCM.

Work Programme of BCM Committee and its realisation in 2013 includes, but is not limited to:

Work Programme	Realisation
Business Continuity Management Committee Meeting would be held as necessary. All decision should be taken through formal meeting, documented by circulation written approval form.	During 2013, BCM Committee meetings were conducted twice to discuss about BCP relocation plan, Revision of BCM Policy and Guidelines, and discuss about BCP relocation plan to dedicated site and table top exercises for Branch BCP Wide Area Disruption (WAD).

Credit Committee

Based on Directors' Decree No.13/SKDIR/0051, dated 25 September 2013 concerning Credit Commitee and Joint Signing Authority (JSA), the composition of Credit Committee is, as follows:

Composition of Credit Committee Members as of 31 December 2013

I. Joint Signing Authority ("JSA") - Retail Credit
   a. Deputy President Director – Business
   b. Head of Retail Credit
   c. Related business function head
   d. Related credit approval function head

II. Joint Signing Authority ("JSA") - IFS Credit
   a. Deputy President Director – Business
   b. IFS Credit and Special Asset Management Director
   c. Related business function head
   d. Related credit approval function head

III. Credit Committee - Retail Credit
   a. Deputy President Director – Operations
   b. Deputy President Director – Business
   c. Head of Retail Credit

IV. Credit Committee - IFS Credit
   a. Deputy President Director – Operations
   b. Deputy President Director – Business
   c. IFS Credit and Special Asset Management

Credit Committee meetings have been conducted if there are exposures proposal with some nominal limitations, determined by the Bank.

Authority of Credit Committee is to approve Credit Disbursement, based on enacted Credit Discretionary Limit authority.

During 2013, there were 434 credit proposals presented to Credit Committee.

Information Technology Committee

Based on Directors' Decree No.13/SKDIR/0033, dated 20 June 2013 concerning Information Technology Committee, the composition of Information Technology Committee is, as follows:

Composition of Information Technology Committee Members as of 31 December 2013

Chairman	President Director
Deputy Chairman	• Deputy President Director-Admin and Operations • Deputy President Director-Business
Secretary 1	Business Technology Services Head
Secretary 2	Shared Infrastucture Services Head
Member	• Head of Technology and Operations • Finance and Corporate Services Director
Non Permanent Members	• Head of Personal Financial Services • Head of Transaction Banking • Head of Channels • Head of Global Markets and Investment Management

Information Technology Committee meetings were held according to the Bank's needs.

Duties and Authorities of Permanent Members:

a. Duties
   - Assist the Bank in setting up and monitoring the Bank's investment in Information Technology and responsible for infrastructure development and information technology strategic plan, and ensure that they are in line with Bank business strategy;
   - Perform special discussion on information technology development, that is currently being used by the Bank's and popular, especially in the banking industry;
   - Formulate a policy format in regard to the use of information technology in optimum and efficient manner;
   - Provide decision on the use of new technology according to the needs of the Bank; and
   - Assist the Bank in directing, monitoring and managing information technology security risk according to technology security policy.

b. Authorities
   - Provide recommendation on all minimum review according to the field of work to IT Committee;
   - Conduct regular review on progress of IT's main activities;
   - Stipulated a policy related to the use of software, hardware and Professional Service to be used and subsequently make recommendation to the Board of Directors meeting and/or EXCO if necessary; and

- Formulate a policy concerning relationship among working units in the use of information technology to create harmony and to drive greater operational efficiency.

Duties and Authorities of Non-Permanent Members:

a. Duties
   - Conduct a feasibility study of the plan to use Information Technology to support its work plan; This study includes financial, technical, operational and legal feasibility;
   - Develop a project proposal;
   - Give a presentation to IT Committee to obtain its approval and recommendation; and
   - Provide project status report regularly to IT Committee.

b. Authorities
   - Recommend/propose the IT usage plan including budget, schedule and allocation of human resources;
   - Oversee IT project implementation; and
   - Managing approved projects.

Work Programmes of Information Technology Committee and are realisation in 2013 includes but are not limited to:

No.	Work Programme	Realisation
1.	Conduct routine meetings to review and approve IT investment; monitoring of IT strategic projects; review and approve strategic IT policy.	IT Committee has conducted 7 (seven) meetings in 2013.
2.	Monitoring Strategic IT project.	Performed monitoring on strategic IT project: 'Core Banking System Refresh' and DRC Relocation.
3.	Determine strategic IT policy.	• Renewed establishment of IT Committee to align with the latest condition of the Bank. • Approved IT strategy in infrastructure area to support Core Banking System Refresh Project and DRC Relocation.
4.	Review and approve IT Investment for purchase of equipment and IT projects implementation.	Several IT investments in procurement of equipments or IT projects had been approved.

Anti Money Laundering Committee (AML)

Based on Directors' Decree No.13/SKDIR/0050 dated 19 September 2013 concerning Anti Money Laundering Committee, the composition of Anti Money Laundering Committee is as follows:

Composition of Anti Money Laundering Committee Members as of 31 December 2013

Chairman (also act as member)	President Director
Member	• Deputy President Director-Business • Compliance Director • Head of Technology and Operations • Head of Risk Management • AML/CFT and Sanction Division Head
Secretary	AML/CFT Policy and System Head

The AML Committee shall meet on a monthly basis when requiring a decision in line with its duties, authority and responsibilities. In this case, AML Committee secretary will prepare meeting invitation/request circular approval.

The duties, authorities and responsibilities of Anti Money Laundering Committee are to:

a. Endorses consideration for significant changes to, and deviations from the Bank's Policy on the Anti Money Laundering and Countering the Financing of Terrorism and Sanctions for final approval from the Board of Management;
b. Approves AML/CFT and Sanctions Directives, in line with AML/CFT and Sanctions framework;
c. Approves 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. Manages, arbitrates and decides on conflicts arising from differing views between Businesses work function and Compliance Work Function on customer acceptance of specific new customers, and the retention of existing customers;
e. Approves account closure arising from the associated AML/CFT and Sanctions compliance risk exposure, contributed by specific any existing customers;
f. Approves any significant AML/CFT and Sanctions related matters that increase the money laundering or terrorist financing risk exposure to the Bank;
g. Approves any AML/CFT and Sanctions controls implementation that poses high AML/CFT risks and approves compensating AML/CFT controls for implementation; and
h. Provides forum for the Board of Management discussion and decision on any reputational and regulatory compliance issues relating to money laundering, terrorist financing and sanctions.

During 2013, Anti Money Laundering Committee has held 5 (five) meetings and gave 15 (fifteen) circular approvals, including approval on policies and procedures.

Through meetings conducted in 2013, there were 9 (nine) cases escalated to the Anti Money Laundering Committee that are related to viewpoint differences in compliance towards regulation, acceptance of specific new customers, and maintaining business relationships with existing customers.

Details of escalated cases are as follows:

Total Cases	Escalation during 2013	Status		
		Closed	Blocked	Rejected
1	Mar	-	-	1
3	May	1	2	-
4	Jun	4	-	-
1	Oct	-	1	-

Service Quality Committee

Based on Directors' Decree No.12/SKDIR/0606, dated 18 June 2012 concerning Service Quality Committee, composition of Service Quality Committee is, as follows:

Service Quality consists of 2 (two) committees:

a. Head Office Service Quality Committee whose membership composition, is as follows:

Composition of Head Office Service Quality Committee Members as of 31 December 2013

Chairman	President Director
Deputy Chairman	• Deputy President Director-Business • Deputy President Director-Admin and Operations
Secretary	Customer Advocacy and Service Quality Head
Permanent Member	• Head of Personal Financial Services • Head of Commercial Banking • Head of Business Banking • Head of Channels • Head of Technology and Operations • Head of Human Resources
Non Permanent Members	• Members of Board of Management • Work Function Head which has relevance to the subject of the Committee meeting

b. Region Service Quality Committee whose membership composition is as follows:

Composition of Region Service Quality Committee Members as of 31 December 2013

Chairman	Regional Manager
Secretary	Regional Operation Manager
Permanent Members	• Regional Personal Financial Services Sales Head • Regional Commercial Banking Head • Regional Business Banking Head • Regional Privilege Banking Head* • Regional Human Resources Head**
Non Permanent Members	All Work Units which are related to the subject of the Committee meeting

* If there is no Privilege Banking Regional Head, then it can be replaced by Privilege Sales Manager.

** If the Regional Human Resources Head does not exist, the Chairman can assign another executive on the same level.

Service Quality Meeting will be conducted according the following terms:

1. Head Office Level will be held every 3 (three) months in a year as necessary.
2. Regional Level will be held once a month or more in a year or more as necessary.

Duties and responsibilities of Head Office Service Quality Committee based on the position are, as follows:

a. Chairman
   - Conducts evaluation of Customer Satisfaction and Service Index achievement including implementation of the Bank's Service Blue Print.
   - Along with the committee members, grants approval to the submitted proposals relating to improvement of Service Quality.
   - Makes final decision on issues that cannot be resolved by Regional Service Quality Committee related to Service Quality improvement.

b. Deputy Chairman
   - Ensures the achievement of Customer Satisfaction and Service Index including implementation of the Bank's Service Blue Print.
   - Ensures implementation of final decision on issues escalated by Regional Service Quality Committee and implementation of policies related to Service Quality.

c. Secretary
- Coordinates Head Office Service Quality Routine Meeting every 3 (three) months or as necessary and urgent Ad Hoc Meetings.
- Coordinates and evaluates materials from Regional Service Quality Committee that will be submitted to Head Office Service Quality Committee.
- Makes Minutes of Meeting of Head Office Service Quality Committee Meeting and distribute it to relevant parties.
- Conveys the decision from Head Office Service Quality meetings to all members including the Regional level.
- Follows up and ensures the implementation of any decision taken by Head Office Service Quality Committee level.
- Supervises/monitors the implementation of Regional Service Quality Committee routine and Ad Hoc meeting.

d. Permanent Members
- Are the permanent members of the Committee who evaluate the achievement of Service Index and Customer Satisfaction Index.
- Make decision on proposals submitted by the Regional Service Quality Committee and resolve current issues.

Duties and responsibilities of Regional Service Quality Committee based on the position are as follows:

a. Chairman
- Responsible for making the framework of Service Quality in each working unit under coordination and implementation of Service Quality Standard to achieve Customer Satisfaction and Service Index in accordance with the Bank's Service Blue Print target.
- Conducts monthly evaluation related to the improvement of Service Quality and determine output of Regional Service Quality Committee which will be submitted to Head Office Service Quality Committee.
- Obligated to deliver regional Service Quality Committee Organisation Structure, including any changes to the Secretary of Head Office Service Quality. Committee, in this case the Head of Customer Advocacy and Service Quality.
- Have the authority to make changes/adjustment to the work process/ workflow of business without violating the rules and policies regarding risk mitigation.
- Follows up and ensures the implementation from every decision that has taken by Head Office Service Quality Committee based on the proposal submitted.

b. Secretary
- Responsible for coordinating the implementation of Regional Service Quality Committee regular meeting.
- Responsible for preparing minutes of Regional Service Quality meeting and required to submit a copy to the Secretary of Head Office Service Quality Committee, in this case Head of Customer Advocacy and Service Quality.
- Conveys the material to be submitted to Head Office Service Quality Committee meeting to Head of Customer Advocacy and Service Quality based on the decision of Regional Service Quality Meeting.
- Follows up and ensures that implementation from every decision taken by Regional Service Quality Committee meeting and the entire proposal has been submitted to the Head Office.

c. Permanent Member
- Responsible for the achievement of Customer Satisfaction and Service Index, according to the target planned in the Bank's Service Blue Print.
- Together with the Chairman of Service Quality, formulate, performs supervision on Regional Service Quality Framework, and also performs evaluation on the Service Quality implementation.
- Proposes improvement and gives opinion on the constraints to be presented in Head Office Service Quality Committee, or provides advice on Regional Service Quality Framework.
- Responsible for following up with Regional Service Quality and also Head Office on submitted proposal to work with other related functions.

Work Programmes of Service Quality Committee and their realisation in 2013 include but are not limited to:

No.	Work Programme	Realisation
1.	Conduct Service Quality Committee Meeting at least twice a year.	During 2013, Service Quality Committee has conducted 2 (two) meetings.
2.	Revise provision on Customer Complaint Handling.	Established Revision of Guidelines on Settlement of Customer Complaint.

Ethic Panel Committee

Based on Directors' Decree No.13/SKDIR/0035 dated 1 July 2013 concerning Ethics Violation Review Panel, the composition of the Ethics Panel Committee is as follows:

Composition of Ethics Panel Committee Members as of 31 December 2013

Chairman	Head of Human Resources
Deputy Chairman	Compliance Director
Permanent Members	• President Director • Deputy President Director – Admin and Operations • Deputy President Director – Business • Head of Risk Management • Legal Head
Non Permanent Members	Non Permanent Members are appointed by Permanent Members according to the case investigated
Keynote Speaker/ Specialist Team	• Internal Audit Head • Anti Fraud and Investigation Head • Work unit/individual determined based on case discussed

Note : In case the Function/Branch Head which is also a member is absent, the Committee Chairman and Deputy Chairman may appoint a representative of the absentee to act as a temporary Member.

Ethics Panel Meetings will be conducted, according to the Bank's needs.

Duties and responsibilities of Ethics Panel Committee based on their positions are as follows:

a. Chairman
   Conducts matters related to coordination, discussion and preparation of panel session in order to perform special investigation to every fraud cases based on the investigation result from Internal Audit Work Function or Anti Fraud and Investigation Unit.
b. Permanent Members and Non-Permanent Members
   Conduct panel session to investigate, discuss and assess investigation result report from Anti Fraud and Investigation to the occurred fraud case.

Work Programme of Ethics Panel Committee and its realisation in 2013 includes but is not limited to:

Work Programme	Realisation
Solve ethics breach cases, which are fraud and integrity violation.	Meetings have been conducted according to the investigation result conducted by Internal Audit Work Function and Anti Fraud and Investigation. During 2013, Ethic Panel Committee has conducted 5 (five) meetings.

Corporate Secretary

Disclosure of Tasks and Responsibilities

The Corporate Secretary has an important role in ensuring the effectiveness of communications between shareholders and the Bank. The Corporate Secretary is responsible for announcing on the condition and performance of the company based on relevant laws and regulations as well as the Bank's Articles of Association.

The Corporate Secretary has the following tasks:

- To act as the Bank's representative and as a liaison officer between the Bank and all its stakeholders regarding the Bank's activities;
- To manage the delivery of information on the Bank's performance and corporate actions to the public;
- To submit Bank's Annual Report and Financial Statements periodically to related stakeholders; and
- To coordinate the organisation of meetings of the Board of Directors, meetings of the Board of Commissioners and the GMS.

Among the stakeholder engagement activities implemented by the Corporate Secretary in 2013 were as follows:

1. Organising General Meeting of Shareholders;
2. Attending Board of Commissioners and Board of Directors meetings and providing minutes of meetings.

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

Compliance Function

The Role of Compliance Work Function

The implementation of Bank's Compliance Function refers to Bank Indonesia Regulation No.13/2/PBI/2011 and Bank Indonesia Regulation No.11/25/PBI/2009.

Roles and responsibilities of Compliance Work Function, among others, are:

a. Creating steps in order to support creation of Compliance Culture in overall Bank's business activities at every organisational level;
b. Conducting identification, measurement, monitoring, and control of Compliance Risk with reference to the Bank Indonesia Regulation concerning The Implementation of Risk Management for Commercial Banks;
c. Assessing and evaluating strictly, in collaboration with the Business/Support Sectors, the effectiveness, adequacy, and appropriateness of policies, provisions, systems and procedures owned by the Bank with prevailing regulations;

d. Conducting reviews and/or recommending updating and refinement of policies, regulations, systems and procedures owned by the Bank to comply with prevailing Bank Indonesia regulations and other regulations;
e. Conducting efforts to ensure that all policies, provisions, systems and procedures, as well as the Bank's business activities are in compliance with prevailing Bank Indonesia regulations and other regulations; and
f. Conducting other duties related to Compliance Function.

Actions to Prevent Deviation From Prevailing Regulation

Compliance Director through Compliance Work Function always monitors and controls Bank's business activities so that they do not violate prevailing regulations by ensuring the Bank's compliance to Bank Indonesia provisions and prevailing legislations.

This is reflected from the existence of measures that have been put in place:

a. Supporting creation of Compliance Culture in all Bank business activities at all levels of organisation through establishment of:
   - Compliance Charter;
   - Compliance Organisation Structure;
   - Compliance Standard Operational Procedure.

b. Conducting identification, measurement, monitoring and controlling process towards Compliance Risk through:
   - Review and Testing Procedure;
   - Supervision of sanction imposed by regulator.

c. Assessing and evaluating adequacy and conformity of the Bank's policy, provision, system and procedure with the prevailing laws and regulation through:
   - Report of Review and Testing Result;
   - Regulatory Risk Assessment Report.

d. Providing Compliance Opinion.
e. Monitor and report Follow Up on Regulator Audit Result.
f. Communicate regulator provisions, either through face-to-face or through Compliance News, including provides information on compliance related matters.
g. Evaluate Marketing Material Checklist.
h. Monitor follow up of Risk Based Bank Rating - Good Corporate Governance (RBBR-GCG) Working Group.
i. Act as liaison officer for compliance-related issues between the Bank and regulator or internal Bank units.

The Implementation of Good Corporate Governance

The provision related to the Implementation of GCG for Commercial Banks refers to Bank Indonesia Regulation No.8/4/PBI/2006 dated 30 January 2006 and No.8/14/PBI/2006 dated 5 October 2006 as well as Bank Indonesia Circular Letter No.15/15/DPNP dated 29 April 2013.

The Bank consistently ensures that GCG principles are implemented in every business aspects and at all levels of the Bank. Those GCG principles are transparency, accountability, responsibility, independency and fairness. These five GCG Principles should be applied to at least 11 (eleven) Factors of GCG Implementation, where the effectiveness of each factor be able to be assessed from 3 (three) governance aspects as a continuous process.

Those three aspects are:

a. Governance Structure is an aspect that consists of Bank governance structure and infrastructure adequacy in order for the implementation process of GCG principles to yield result conforming to the expectation of the Bank stakeholders.
b. Governance Process is an aspect that consists of effective GCG principles implementation process, supported by adequate governance structure and infrastructure of the Bank in order to produce outcome as expected by the Bank stakeholders.
c. Governance Outcome is an aspect that reflects the result of GCG principles implementation which fulfil the expectation of Bank's stakeholders with the support of adequate governance structure and infrastructure of the Bank.

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

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

Internal Audit Function Implementation

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

Internal Audit carries out its function according to the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors and other relevant best practices. It performs independent assessment of the reliability, adequacy and effectiveness of the Bank's system of internal controls, risk management and governance processes. Internal Audit has unfettered access to information, Management and the Audit Committee, and reports its audit findings to the Audit Committee and Management. Head of Internal Audit reports to the President Director and can directly communicate to the Board of Commissioners through Audit Committee.

Internal Audit develops its audit plan using a risk-based approach and reviews the audit plan annually. Audit projects are prioritised and scoped based on its assessment of the Bank's risks and controls over the risk types. The internal audit plan is submitted to and approved by the Audit Committee and CEO. Significant findings from audits are highlighted to the Audit Committee through audit reports and at the Audit Committee meetings periodically. There is an established follow-up process to monitor and ensure appropriate and effective rectification of business issues highlighted in the audit reports.

Internal Audit has a programme to evaluate the quality performance of internal audit which consist of Ongoing Performance Monitoring Reviews, Internal Quality Assessments and External Quality Assessments.

Number of Internal Fraud and Bank's Effort to Overcome Fraud

Number of fraud cases in 2013 is shown in the table below.

Internal Fraud in 1 (One) Year	Total Cases Conducted By					
	Management		Permanent Employee		Non Permanent Employee	
	Previous year (2012)	Current year (2013)	Previous year (2012)	Current year (2013)	Previous year (2012)	Current year (2013)
Total fraud	-	-	25	6	-	-
Settled	-	-	17	5	-	-
Settlement process in Bank's internal	-	-	5**	1*	-	-
Not yet in settlement process	-	-	-	-	-	-
Settled through legal process	-	-	-	-	-	-

* 1 (one) case is still in process, waiting for settlement payment from the offender.
** 5 (five) cases are still in process, waiting for legal process.

External Audit Function Implementation

As approved in the AGMS, based on recommendation from Audit Committee through the Board of Commissioners, the Bank has appointed Registered Public Accountant in Bank Indonesia, namely Purwantono, Suherman and Surja.

The performance of Public Accountant Firm - Purwantono, Suherman and Surja has met specified aspects and perform the audit independently, also met the public accountant professional standards and audit scope, which specified in the applicable regulation, as stipulated into Engagement Letter between Public Accountant Firm and the Bank.

Corporate Values

Code Of Conduct

The Bank's code of business conduct and ethics is the foundation of our governance framework and reflects our commitment to doing what is fair, right and legal. All UOB Indonesia management and employees are committed to upholding and strengthening the implementation of GCG practices that puts forth the moral and ethical principles based on the Bank's code of conduct and ethics.

The Bank regularly reviews the code of conduct and ethics and disseminates it to all employees and management to ensure that they understand its requirements and put them into practice.

The code of conduct set out in six components:

1. Responsibilities to the Bank
   The Bank has the obligation to cooperate with external investigation team and internal audit, obligation to safeguard the interests of the Bank in terms of intellectual property rights, the use of IT tools of the Bank for the purpose of the interest of the Bank, provide record promptly and accurately, document storage as applicable and prohibition to influence employees or others, associated with business relationship (non-solicitation).
2. Responsibilities at the workplace
   The Bank should promote a non-discrimination culture to create a conducive and healthy work environment.
3. Responsibility to customers and other external parties
   The Bank imposes a ban on accepting gifts or money from any outside party, proper business judgment when selecting a third party to partner with the Bank. The Bank also prohibits political activism.
4. Secrecy
   All employees are obligated to maintain confidentiality, customer privacy and security of customer data.
5. Investment and external activities
   The Bank prohibits insider trading activities. It also avoids involvement in transactions where there is conflict of interest. It also prohibits any external activities which directly or indirectly may interfere with performance of employees and/or the Bank.
6. Legal provisions and other major compliance
   The Bank prohibits against violations of anti-trust laws and complies with all prevailing laws and regulations.

Corporate Values

The Bank's core values are fundamental to the way it operates as a company. The core values of the company are representations of the Bank's corporate culture and how it runs and manages its business.

Bank corporate values are as follows:

- Integrity
  Maintaining and implementing a high standard of ethics, morality and law, in all communications and customers' activities, as well as communities by setting aside personal interests.
- Teamwork
  Cooperating as a team, helping each other to achieve desired purpose while appreciating each function and task without feeling superior to others.
- Trust and Respect
  Trust and respect to customers as well as business partners and treating all with an open mind, honesty and respect in every word and action.
- Performance Excellence
  Striving for better performance everyday because we aim to lead the market as an organisation with sustainable growth and development.

Whistle Blowing System

The Bank has established policy and procedure for whistle blowing. This policy was created to encourage each employee to report any breach or potential breach of laws, regulations, the Bank's policy, or code of conduct and ethics, while protecting them from any potential threat due to their report. Whistle blowers can submit their report verbally or in written form, to the respective direct supervisor, Head of Internal Audit, President Director, or Head of Audit Committee.

To support this policy, the Bank provides telephone, facsimile and 24-hour hotline services. These facilities are operated by the Internal Audit unit. The whistleblower who reports information in good faith will not be put at risk of dismissal or retalitation.

RISK MANAGEMENT

The risk management vision is "to make risk management an embedded culture in every phase of the organisation's operating cycle (plan, do and feedback) and across all activities".

To achieve the Risk Management vision, the Bank applies the following risk management principles:

- To promote a long-term sustainable growth through embracing sound risk management principles and business practices;
- To increase risk discovery capability on an on-going basis; and
- To facilitate business development within a risk management framework that balances risks and returns.

Risk exposures are evaluated and reported in the Bank's Risk Profile Report. Risks taken by the Bank in performing its business strategies are managed in line with the Bank's prudent principles and it delivered a score of "low" in the assessment of its inherent risks and a score of "strong" for its risk control system in the second semester of 2013. The Bank's risk composite score throughout 2013 was maintained at a "low" level on the basis of Bank Indonesia's overall risk assessment matrix.

General Risk Management Implementation

Active Supervision by Board of Commissioners and Board Directors

Once in every quarter the Board of Commissioners (BoC) holds a BoC Meeting with Directors, Risk Monitoring Committee, and Head of Risk Management to review risk management matters and, if any, improvement plans. In addition, BoC also approves the Risk Management Policies, reviews Risk Profile Report, and evaluate the implementation of the Bank's control system. In 2013, the BOC conducted four meetings.

The Board of Directors, through various Management Committees (i.e. Asset and Liability Committee, Risk Management Committee, Credit Policy Committee, etc) has carried out their roles and responsibilities in reviewing the adequacy of risk management methodologies, policies, procedures and authorization of limits. These roles and responsibilities are documented in the Terms of Reference of various Committees.

The Board of Directors ensures that employees are recruited based on the requirements needed and their competency in effectively managing risks. Staff member undergo Risk Management Certification and other training courses as part of the Bank's ongoing efforts in improving the staff's risk management capability.

Adequacy of Policy, Procedure, Limit, and Process of Risk Management

The Bank has established a comprehensive framework of policies and procedures to identify, measure, monitor and control risks. Risk Management function continues to update and enhance its policies and procedures to adapt to changes in the Bank's business. Risk limits are in place for various risk types and in line with the Bank's risk appetite.

On a regular basis, Risk Management function reports the implementation of Bank's risk management to senior management and Bank Indonesia, through various risk reports. All excess limits and any significant changes are escalated to the related Directors and officers for further mitigation actions.

Internal Control System

In order to manage risk, the Bank has several internal controls, which is focused on dual control implementation, segregation of duties, and adequacy on internal controls for any significant transaction and Bank's functional activities.

1. Risk Owner

Risks are identified and managed at a level where the specific event occurs. All risks, once identified, are assigned to the risk owners to ensure the risks are managed and monitored over time. In managing various types of risk, the risk owners are assisted by several internal control functions such as Branch Quality Assurance, Policy and Operations Assurance, Regulatory Assurance and Risk and Decision Management.

2. Segregation of Duties

Segregation of duties is the critical element of internal control in order to reduce mistakes and inappropriate actions. The Bank assigns various functions to ensure the check and balance in decision making, such as Middle Office, Credit Approval, Loan Operations and Treasury Settlement.

3. Control Functions

The Bank assigns several functions as independent controller, such as Internal Audit, Risk Management, Compliance, IT Security and Legal.

Risk Management Implementation for Each Type of 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. Credit risk is the largest risk faced by the Bank and it is inherent in Bank activities such as provision of funds and commitments, treasury, capital markets, investments, and off-balance sheet transactions. 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

Credit Risk Management function "CRM" provides independent oversight of credit risk in the Bank and responsible for independent reporting and analysis of all elements of credit risk. CRM has established the Bank's core credit policies and guidelines, and also monitors and manages credit risk within the established framework set down by the Credit Policy Committee "CPC" and/or Board of Commissioners. As part of this process, CRM ensures that areas of significant risk are highlighted to the appropriate senior management and that appropriate actions to mitigate and manage this risk are taken.

Credit Risk Policies and Procedures

The Bank puts in place the following policies to manage credit risk:

a. The General Credit Policy 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 role that governs the assessment of credit activities based on five credit grades of Pass, Special Mention, Substandard, Doubtful and Loss.
b. The Consumer Credit Policy that governs the principles of consumer credit extension, the credit principles and standards by which the Bank undertakes and manages credit risk for the consumer segment.
c. The Credit Concentration Risk Management Policy that manages credit concentration risk.
d. The Credit Risk Mitigation Policy that specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.
e. The Credit Restructuring Guideline that gives guidance on credit restructuring for borrowers who have difficulties to meet their obligation to the bank.
f. The Asset Classification Policy that gives the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.
g. The Workflow for Basel II ECAI (External Credit Assessment Institutions) Process that gives guidelines for obtaining and maintaining external ratings of debtors for Risk Weighted Asset calculation.

In addition, the Bank has an independent credit review process, independent of loan origination and approval functions, to ensure that accounts are properly graded and classified according to internal policies and Bank Indonesia.

Credit Risk Management Framework

Board and Senior Management Oversight

Board and Senior Management are responsible for the governance of Bank activities as follows:

a. Ensure that the risk management function is adequately resourced;
b. Review the overall risk profile, risk limits and tolerance;
c. Review and approve risk measurement models and approaches;
d. Approve Bank credit risk policies;
e. Approve credit risk concentration limits (including collateral, country/cross border, industry, borrower, obligor and portfolio limits); and
f. Approve Internal Rating-Based (IRB) credit risk parameters, models and scorecards in accordance with the Bank policies

Segregation of Duties

a. Credit Assessment and Approval

   Approve credit facilities and exposures to borrowers and/or counterparties for Bank within the discretionary limits delegated by Executive Committee/Board of Management.

   To maintain independence and integrity of the credit approval process, the Credit Approval function has been segregated from that business unit. The Credit Approval function is responsible for conducting independent and comprehensive analysis, evaluation and approval of all credits without undue reliance on external credit assessments. Officers in the Credit Approval function are guided by credit policies, product programme and credit originating guidelines.

   Bank has established a structure for the delegation of Credit Discretionary Limits (CDL), including the escalation process for approval exception, excesses and credit extension beyond prescribed limits. In addition, credit approval authority is delegated through risk based CDL structure where CDL to approve a credit is scaled according to the borrower's credit rating. Futhermore, the delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officer. Credit Risk Management Unit acts as the custodian of the approved CDL to ensure that CDL's are properly administered.

b. Credit Risk Management (CRM) Function
   CRM provides independent oversight of credit risk and is responsible for the reporting and analysis of all elements of credit risk. CRM function has established the Bank core credit policies and guidelines regarding credit risk, and actively engages with business units on credit related matters, focus on facilitating business development within a prudent, consistent and efficient. It aims to achieve value creation through congruent credit risk methodologies and consistent credit policies within the Bank.

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 categorised as Non-Performing Loan by the Bank's NPL system to ensure independence of classification.

All borrowing accounts are categorised into Pass, Special Mention, Non-Performing, Doubtful and Loss according to Bank Indonesia rules. Upgrading and declassification of account collectability must be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrowers.

Bank has Credit Management function and Special Asset Management function authorised to manage bad credits. This unit is separate from the loan origination function to ensure independence and objectivity in managing bad credits.

Credit Risk Mitigation

As a fundamental credit principle, the Bank generally does not grant credit facilities solely on the basis of 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 the credit risk assumed. 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.

Impairment

Credit facilities are downgraded to impairment when the following criteria are met:

a. the principal and/or interest are past due for more than 90 days;
b. the outstanding amount, including interest of a revolving credit facility remains in excess for more than 90 days;
c. the credit facility exhibits weaknesses in determining appropriate classification, although the amount past due or in excess equals to or is less than 91 days; and
d. the borrower defaults on credit facilities with quarterly, semiannual or longer periodic repayments.

Bank uses both Individual and Collective approaches in formulating the allowance for impairment losses.

Credit exposures under Basel II

The Bank currently uses the Standardised 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 Standardised Approach, the 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; and
k. Claims on Micro Business, Small Business, and Retail Portfolio.

Currently, the Bank only recognises international ratings from Moody's, Standard's and Poor and Fitch.

Market Risk

Market risk arises from changes in interest rates, foreign exchange rates and credit spreads, as well as their correlations and implied volatilities. Market risk is warehoused within the treasury business.

Market Risk Management Governance Structure

The Board of Directors delegates authority to the Assets and Liabilities Committee (ALCO) to provide oversight on market risk management. ALCO reviews and provide direction on all market risk related matters.

The Bank has established roles and responsibilities on each level of the position relating to implementation of market risk management and tailored to the purpose, business policy, size and complexity of the Bank. The roles and responsibilities are clearly stated in the Market Risk Management Policy.

Market Risk Policies

The Bank divided the policy according to the guiding principles of market risk management framework. The Market Risk Management Policy is reviewed at least annually to incorporate significant business changes, management objectives and regulatory requirements approved by Assets and Liabilities Committee (ALCO) and Board of Commissioners (BOC).

Market Risk Management Framework

The market risk process is end. Starting from the pre deal process, deal input and processing, followed by risk measurement and valuation process, and finally risk monitoring and controls and the capital management.

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 new product/service programme process to ensure the identified market risk issues are adequately addressed prior to launch.

Market and Balance Sheet Risk Management function is primarily responsible for monitoring of market risks while Market Risk Control function supports tracking and escalation of limits excesses. Finance function will set aside regulatory market risk capital. Business functions are responsible for managies the risks. The overall market risk appetites and control limits are reviewed annually in line with the business strategy.

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; and
4. Accommodate increase in volume of activities, changes of valuation techniques, changes in methodology and new products.

Market and Balance Sheet Risk Management function provides the standardised market risk capital computation to Finance function based on the guidelines from Central Bank. Central Banking Reporting is primarily responsible for market risk regulatory capital and the reporting to the Central Bank of Indonesia. Internally, the market risk is measures and controls are based on internal models. The bank adopts the historical simulation Value at Risk (VaR) to measure the potential loss at a 99 per cent confidence level using 300 historical price changes. VaR estimates 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. 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.

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 environment.

Interest Rate Risk Management Governance

ALCO under delegation of the Board maintains oversight of the effectiveness of the interest rate risk management structure. The Market and Balance Sheet Risk Management division supports ALCO in monitoring the interest rate risk profile of the banking book. At a tactical level, the Management Portfolio unit of Global Markets and Investment Management (GMIM) – ALM Unit (GMI-ALM) is responsible for the effective management of interest rate risk in banking book in accordance with approved interest rate risk management policies.

Interest Rate Risk Management Framework

The primary objective of interest rate risk management is to protect and enhance capital or economic net worth 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 the 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 high and low scenarios.

Stress testing is also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. 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.

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 increases in assets as they fall due, without incurring significant costs or losses.

Liquidity Risk Management Governance Structure

The Bank strategy is focused on facilitating business development within a prudent, consistent and efficient risk management framework that balances risks and returns. This is achieved by ensuring effective risk discovery by embracing the key risk management principles of risk identification, risk measurement, risk control/monitoring and risk analysis/reporting. The Bank has established the roles and responsibilities on each level of the position which related to the implementation of balance sheet risk management and tailored with the purpose, business policy, the size and complexity of bank.

Liquidity Risk Management Policies

The Liquidity Risk Management Policy provides details on how liquidity risk is effectively managed by the Bank. The policy is formulated by Market and Balance Sheet Risk Management with an aim to address liquidity risks that might arise primarily from the Bank's banking businesses of extending loans, making investments, accepting deposits and other funding requirements on trading activities. The policy is reviewed at least annually to incorporate significant business changes, management objectives and regulatory requirements approved by the Assets and Liabilities Committee (ALCO) and Board of Commissioners (BOC). Any exceptions to Liquidity Risk Management policy are tabled to Asset and Liability Committee (ALCO) for endorsement/ approval and notify to Board of Commissioners (BOC) and Risk Management Committee (RMC).

Liquidity Risk Management Framework

Liquidity risk is identified through the new products programme. The business function is required to provide detail information about the underlying product description and its risk. The key supporting functions, such as Risk Management, Finance, Technology and Operations, Compliance, and Legal, provide assessment on the product.

The liquidity risk is measured and managed on a projected cash flow basis under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios. Behavioural modeling is carried out regularly to ensure the cash flow reflect the business-as-usual behaviour. Core deposits generally consist of stable non-bank deposits, such as current account, savings account and fixed deposit. The Bank monitors the stability of its 'core deposits' by analysing their volatility over time. Market and Balance Sheet Risk Management responsible for refining, implementing, maintaining, reviewing, improving and communicating the assumptions, methodology, data sources, delegation of authority, stress testing and procedures used to measure liquidity risk.

Liquidity is managed on an individual currency basis. The Bank conduct an in-depth evaluation of its funding capacity focusing on funding sources and concentrations, type and mix of assets, net borrower/lender of funds, liquidity and maturity gaps; cost of funds and access to funding markets; liquid assets, if any; current financial market and economic conditions; and projected funding needs and guidelines. It is critical to understand the amount of funding available for the Bank from the market under normal and stress conditions.

The daily and monthly cash flow mismatch report has to be produced by Market and Balance Sheet Risk Management and monitored by Market risk Control against the assigned Net Cumulative Outflow limits. Market and Balance Sheet Risk Management ensures that areas of significant risk, sources of funding, information on large liquidity providers and early warning indicator are highlighted to the appropriate senior management and that appropriate actions to mitigate and manage this risk are taken. Once alerted by any trigger of the early warning indicators, Market and Balance Sheet Risk Management will take immediate action to investigate and evaluate the causes of such triggers should any of them are set off. The Bank should maintain detailed reports and analysis to ensure that all reports required for regulatory reporting are completed and lodged in accordance with the local regulatory requirements.

Contigency 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. Although the Bank monitors liquidity and funding requirements on an ongoing basis, it is also important to recognise unexpected events, economic or market conditions, earnings problems or situations beyond its control which could cause a liquidity crisis. The CFP outlines the actions that are 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 recognise 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 organisational structure of the Bank identifying the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a Liquidity Working Group Team "LWG" which is responsible to evaluate the liquidity position and decides the actions to be taken when crisis occurs.

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 risk governance structure, risk policies and standards, risk culture and awareness, risk identification, assessment, monitoring and control, loss data, risk mitigation programme, 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: Qualitative statements on what the Bank is not willing to tolerate or condone, Risk Assessment Criteria Matrix, Key Operating Risk Indicators and thresholds, Materiality and Notification Protocol, Operational risk event/loss event reporting criteria, Deductible/Limits for insurance cover purchased, etc.

Operational Risk Management Governance Structure

Related parties involved in managing operational risk are, as follows:

- Board of Directors is ultimately responsible for managing the risks arising from the Bank business activities.
- Operational Risk Management function "ORM" is responsible for :
  - Developing operational risk management framework and policies;
  - Facilitating and providing support and guidance to business/support function in the development of their operational risk profiles, conduct operational risk self-assessments and develop key operational risk indicators;
  - Monitoring and reporting operational risk issues to risk management committee;
  - Managing the bank's insurance programmes for areas of risk which the bank seeks to transfer;
  - Providing advice and guidance to business/support function on risk mitigating measures to prevent recurrence of loss events; and
  - Facilitating and providing support to business/support function in their business impact analysis (BIA) to enable formulation of their business recovery strategies.
- Business/support functions are directly responsible for managing and controlling the operational risks in their business activities.
- Subject matter specialists are responsible to provide consultation related to their expertise to ensure that operational risk issues and concerns are effectively addressed.
- Internal Audit function is responsible to conduct periodic reviews on the effectiveness of the Operational Risk Management framework and policies.

Operational Risk Management Framework

Operational risk is managed through processes and procedures by which business/support units identify, assess, monitor and control/mitigate their operational risks. The operational risk management processes and procedures include:

- Operational Risk Self Assessments (BP-ORSA and GCESA);
- Key Operational Risk Indicators (KORIs);
- Operational risk events and losses Reporting and Analysis;
- Operational Risk Action Plans (ORAP);
- Insurance Management;
- Outsourcing Management; and
- New Product Programme.

Risk identification for operational risk is conducted through review on the new product and activity, implementation of General Control Environment Self Assessment (GCESA), implementation of Key Operational Risk Indicators (KORIs), implementation of Business Process Operational Risk Self Assessment (BP-ORSA), and outsourcing assessment, etc.

Risk measurement of Operational Risk is conducted using a risk impact and likelihood matrix.

Operational Risk is monitored by analysing various reports such as Operational Risk Highlight, Incident Reporting Form (IRF), KORI, BP-ORSA, GCESA, outsourcing activities, and new products and services activities.

Operational Risk is controlled by performing the various action plans from the operational risk issues that has been identified through various operational risk tools and methodology, including the establishment of limit for trading (treasury), ATMs, bank tellers, insurance, Business Continuity Plan (BCP), and also transfer some risks to insurance provider, etc.

The Bank has a reporting mechanism that provides the following operational risk information:

a. operational risk profile, legal risk profile, compliance risk profile, and reputational risk profile;
b. operational risk highlight; including the status report of the action plans arising from IRF, KORI, BP-ORSA, GCESA, outsourcing activities, and new products and services activities;
c. report of changes and/or additions of outsourcing plan;
d. report of outsourcing problems;
e. report in the events causing significant losses to the bank's financial condition; and
f. BCM Scorecard.

Operational Risk Management Policies Updates

In 2013, the Bank revised and developed new policies to improve the management of operational risk. One of which is the Operational Risk Management Framework that sets out the framework for managing operational risks within Bank.

The Bank revised its Operational Risk Management Policy and separated it into a framework and a policy document for better guidance. The policy sets out the broad principles to manage operational risks within Bank. Bank also revised its Insurance Management Policy to state the business/support units which are controlling the insurance and responsible unit which is reviewing quotes and term of insurance policies, doing premium budgeting, handling the incident/losses and notifying Insurance Company, and settlement of claims.

In addition, the Bank also reviewed and revised several existing policies and procedures such as cash transaction, transfer, and all SOP related to Core Banking changes to ensure that current processes and controls are adequate and applicable with the changes of new core banking system.

Business Continuity Management

The Bank has revised the 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 the effectiveness of the BCM programme.

The Bank will continue to increase its capability to minimize the likelihood and impact of identified disasters. In 2012, the Bank has initiated a strategy to manage wide-area disruption especially for Jakarta area. In order to support the Bank in developing competency and confidence of business continuity, BCP exercises are performed. The exercises include BCP Exercise, Disaster Recovery Exercise for IT system, and Management Call Tree Exercise.

Branch Assurance and Validation Programme

To ensure the implementation of operational risk management tools and methodologies, ORM conducts a Branch Assurance and Validation Programme to ensure GCESA and BP-ORSA are properly implemented in Branches.

In 2013, ORM conducted review on several branches in all regions and it includes assessing their compliance with procedures and controls.

Quality Assurance

The Bank will continue to enhance the roles of Quality Assurance to support the branches in managing operational risk. Workshop and socialisation on Fraud Risk Awareness and Branch Assurance Programme for Quality Assurance were held in 2013 to ensure that they continue to be effective and capable of performing their roles.

Quality Assurance Control Checklist is developed and periodically reviewed to help the Quality Assurance in assessing the adequacy and implementation of controls in branches.

Compliance Risk

Compliance risk is defined as the risk of the Bank's failure to comply with the prevailing laws, regulations and policies applicable to the Bank's business activities and operations. In line with Bank Indonesia Regulation No.13/2/PBI/2011 concerning the Implementation of Compliance Function in Commercial Banks, one of the Compliance Function strategies is the Management of Compliance Risk. As such, the compliance risk management strategy of the Bank covers the following aspects:

Compliance Risk Management Governance Structure

Compliance Director and Compliance Work Function is an independent structure from any business, operational, and/or other support functions. The implementation of compliance function in the Bank is the responsibility of all stakeholders. The 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 champions the implementation of compliance culture at all levels of the organisation and the Bank's business activities.
- Board of management is responsible to foster and ensure the implementation of compliance culture in all of Bank's organisational level and business activities, as well as ensuring the implementation of the Bank's compliance function.
- Senior management fosters awareness of the major aspects of the Bank's compliance risks that should be explicitly managed.
- Compliance Director is responsible for formulating a strategy to encourage the creation of the Bank's compliance culture, establish compliance systems and procedures that will be used to formulate the Bank's internal provisions and guidelines.
- Compliance Function conducts identification, measurement, monitoring, and management of Compliance Risk with reference to the Bank Indonesia regulation concerning the implementation of risk management for Commercial Banks. All is done through collaboration with the business/support Sectors, to ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities are in compliance with the prevailing Bank Indonesia regulations and other regulations.
- Risk Management function is responsible for managing the overall risks of the Bank.
- Internal Audit function assesses the adequacy and effectiveness of controls that are in place to address the perceived level of compliance risks.
- Legal Function is responsible for providing advice from the legal viewpoint on the applicable Laws and Regulations, and also for the development and maintenance of policies, procedures and guidelines for the management of legal risks on a bank-wide basis.
- Line Managers and member of staffs are responsible for ensuring compliance with Bank Indonesia regulations and other regulations.

Compliance Risk Management Policies and Procedures

In order to ensure the overall Compliance function strategy, including compliance risk management strategy, is implemented, the Bank has developed the necessary policies and procedures. Compliance Charter and Compliance Guideline are two essential policy and procedure in managing compliance risk, by incorporating:

- Compliance Framework;
- Compliance Code of Conduct;
- Procedure on Compliance Review and Testing;
- Procedure on the Bank's Commitment Monitoring and Regulatory Inquiries Follow-Up,
- Procedure on Compliance Risk Incident Escalation and Reporting;
- Procedure on the Bank's Internal Provision Formulation; and
- Provisions related to Compliance Function.

Compliance Charter and Guideline are reviewed to be updated on an annual basis to ensure adequate Compliance Function implementation in all level of the organisation and thus better help the Bank to harmonise between the Bank's 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 is the value, behavior and action that supports the Bank's compliance towards the prevailing laws and regulations. Compliance culture implementation by the Bank is facilitated by some methods and synergised with other programmes in line with the Bank's Core Value Implementation.

Compliance Risk Management Framework

Mitigation measures to minimise risk include the compliance strategy of compliance function governance, compliance risk management, and compliance culture implementation, which includes maintaining the fulfillment of the Bank's commitments to Bank Indonesia.

In the management of compliance risk, Compliance Review and Testing is one of the measures taken by the Bank as a systematic process to obtain and evaluate data regarding Bank's internal policies, provisions, system and procedure to ensure that control has been established adequately and functions effectively to enable compliance towards the prevailing laws and regulations. Review and Testing is implemented through a mechanism that consists of identification, measurement, control and monitoring.

Factors to identify, measure, control and monitor that may increase the exposure of compliance risk, are:

a. types and complexity of the Bank's business activities, including new products and programmes; and
b. numbers and materiality of the Bank's non-compliance toward the internal policies and procedures, prevailing regulations, and business practices and standards.

Risk measurement for compliance risk is conducted using several parameters such as type, materiality and frequency of violation of prevailing regulations.

The functions which perform the risk management implementation for compliance risk (Compliance and Operational Risk Management) are responsible for monitoring and reporting compliance risk issues to the Board of Directors on a regular basis.

Strategic Risk

Strategic risk is defined as the current or prospective impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or lack of responsiveness to industry, economic or technological changes.

Strategic Risk Management Governance Structure

Related parties involved in managing strategic risk are as follows:

- Boards of Commissioners and Directors formulate and approve the strategic plan and business plan, including the communication to all staff within the organisation.
- Risk Management Committee supports Board of Directors in monitoring strategic risk management in the Bank, providing information related to material risk exposure, issues, and action plans.
- Business/support functions monitor and manage strategic risk in their respective areas, and are responsible for ensuring that all material risks arising from the business activities and strategy implementation are reported in a timely manner to the Board of Directors.
- Risk Management function, together with Finance function, conduct evaluation of the realisation of the Bank's Business Plan.

Strategic Risk Management Framework

The Bank adheres to prudent principles in all its business decisions so as to minimise and mitigate any risks involved. In managing strategic risk, the Bank constantly monitors the environment in which it operates, analyses the Bank's performance in relation to its competitors, and takes corrective actions to adjust its strategies and plans as appropriate.

On an on-going basis, the Bank performs periodic reviews on the achievement of financial targets and realised strategies. All business functions are also responsible for the monitoring of its strategic risks and reporting promptly to Risk Management Committee on any potential issues or problems that have strategic implications on the Bank.

Legal Risk

Legal risk is defined as risks that may arise from unenforceable/unfavorable/defective/unintended contracts; lawsuits or claims involving the Bank; developments in laws and regulations; and non-compliance with applicable laws, rules and professional standards.

Legal Risk Management Governance Structure

Related parties involved in managing legal risk are as follows:

- Board of Directors is responsible for managing legal risk arising from the Bank's activities.
- Risk Management Committee supports Board of Directors in monitoring legal risk management in the Bank, providing information related to material risk exposure, issues, and action plans.
- Business/support functions are responsible for monitoring and managing legal risk and its impact.
- Subject matter specialists are responsible for providing consultation related to their respective areas of expertise which comprises Compliance, Legal, Human Resources, Information Technology, Property and General Services, and Corporate Secretary functions.

Legal Risk Management Policies and Procedures

The Bank has in place a Legal Risk Management Policy that governs the Legal Risk Management Governance Structure, methodology and toolkits for managing the legal risk, communication related to the legal risk, etc.

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.

Legal function reviews all standard contracts/agreements and all standard loan agreements as well as standard letters of offers between the Bank with other parties on an annual basis.

Every legal risk incidents and its potential loss numbers shall be documented.

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 Directors is responsible for managing the Bank's reputation risk.
- Risk Management Committee assists the Board of Directors in the oversight of the management of reputational risk in the Bank, keeping them apprised of the material risk exposures, issues and resolution plans.
- Reputation Risk Management Panel is sub-committee of the Risk Management Committee responsible for confirming the impact of high reputational risk issues, determining the appropriate action plan, appointing relevant task force and approving the closure of the case.
- Business/support functions are responsible for monitoring and managing the various types of risks they assume and paying close attention to those with potential reputation risk impact.
- Risk Management function is responsible for developing and maintaining risk management policies and procedures; training and advising business/support function in risk management of market, credit, and operational risks.
- Subject matter specialists are responsible for providing consultation related to their expertise which comprises Brand Performance and Corporate Communications, Customer Advocacy and Service Quality, Compliance, Legal, Human Resources, Information Technology, and Corporate Secretary function units.

Reputation Risk Management Policies and Procedures

The Bank has established the Reputation Risk Management Policy that governs the Reputation Risk Management Governance Structure, methodology, and toolkits for managing the reputation risk and its communication process, reputation risk escalation process, establishment of Reputation Risk Management Panel, reputation risk issue owner, etc.

Reputation Risk Management Framework

Risk identification and measurement for reputation risk is conducted using information from various sources such as: news in mass media, customer complaints through call centre, and customer satisfaction survey.

Risk monitoring for reputation risk is conducted on a regular basis in accordance with the Bank's loss experience in the past.

Risk controlling for reputation risk is conducted through:

a. 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.
b. Restoration of the Bank's reputation after a reputational risk event and the prevention of the worsening of the reputation of the Bank.

Any incidents relating to Reputation Risk and its potential losses shall be documented, including the amount of potential losses resulting from those incidents.

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).

Basel Standards

In line with the implementation of Bank Indonesia regulation in 2012, the Bank adopts Standardised Approach (SA) for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk.

In 2014 – 2015, the Bank will continue to prepare the foundation to adopt more sophisticated approach by ensuring sufficient information system support that is in line with the development of Basel II and Basel III implementation in Indonesia.

During 2013, the Bank already enhanced the Risk Based Bank Rating (RBBR) Report to provide more comprehensive information on 8 (eight) of the Bank's inherent risks and their correlation to good risk management practices and the calculation of Bank's capital.

In addition, in 2014 the Bank will enhance Pillar 2 ICAAP and Pillar 3 Market Discipline in accordance with Bank Indonesia regulations.

Table 1.a Quantitatife Disclosures of Capital Structures Commercial Bank

(in IDR million)

	CAPITAL COMPONENT	31 December 2012 Bank	31 December 2013 Bank
(1)	(2)	(3)	(4)
I	**CAPITAL COMPONENT**		
	A Core Capital	**7,593,355**	**8,167,433**
	1 Paid-in capital	2,388,471	2,388,471
	2 Additional capital	5,204,884	5,778,962
	3 Innovatif capital	-	-
	4 Core capital deduction	-	-
	5 Non-controlling interest	-	-
	B Supplementary Capital	**507,389**	**613,123**
	1 Upper tier	507,389	613,123
	2 Lower Tier 2 maximum 50 per cent Core Capital	-	-
	3 Supplementary Capital Deduction	-	-
	C Core Capital and Supplementary Capital Deduction	**-**	**-**
	Exposures of Securitization	-	-
	D Other supplementary capital requirement	**-**	**-**
	E OTHER SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK	**-**	**-**
II	**TOTAL CORE CAPITAL AND SUPPLEMENTARY CAPITAL (A+B+C)**	**8,100,744**	**8,780,556**
III	**TOTAL CORE CAPITAL, SUPPLEMENTARY CAPITAL AND OTHER SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A + B - C + E)**	**8,100,744**	**8,780,556**
IV	**CREDIT RISK WEIGHTED ASSETS**	**43,525,036**	**53,287,174**
V	**OPERATIONAL RISK WEIGHTED ASSETS**	**4,706,403**	**5,309,417**
VI	**MARKET RISK WEIGHTED ASSETS**	**60,125**	**179,537**
	A Standard Metode	**-**	**-**
	B Internal Metode	**60,125**	**179,537**
VII	**CAPITAL ADEQUACY RATIO FOR CREDIT RISK AND OPERATIONAL RISK [II : (IV + V)]**	**16.80%**	**14.98%**
VIII	**CAPITAL ADEQUACY RATIO FOR CREDIT RISK, OPERATIONAL RISK AND MARKET RISK [III : (IV + V + VI)]**	**16.77%**	**14.94%**

Table 2.1.a Disclosure of Net Receivable based on Region - Bank Individually

No.	Portfolio Category	31 December 2012													
		Net Receivable Based on Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Government / Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	10,997	-	7,803	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	2,346	-	-	2,063	-	-	-	27	-	-
5	Claims Secured by Residential Property	1,041,004	218,888	196,210	252,578	72,114	32,721	25,919	25,683	5,053	29,980	1,093	1,081	17,798	26,837
6	Claims Secured by Commercial Real Estate	-	3,438	-	223	-	-	-	-	-	-	-	-	-	-
7	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	1,389,221	97,194	107,996	193,253	71,840	46,595	70,686	37,748	23,051	42,572	35,136	23,749	54,091	64,174
9	Claims on Corporates	21,700,755	2,162,669	3,121,991	1,876,381	1,711,946	685,642	787,775	1,114,036	152,754	122,968	187,610	133,825	392,786	256,294
10	Claims on Past Due Exposures	135,209	12,968	58,938	35,038	1,776	1,053	1,900	2,985	-	21,057	305	420	3,685	12,916
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**24,277,186**	**2,495,158**	**3,492,938**	**2,357,474**	**1,860,021**	**766,011**	**886,281**	**1,182,516**	**180,857**	**216,577**	**224,144**	**159,100**	**468,360**	**360,222**

(in IDR million)

31 December 2012																
Net Receivable Based on Region																
Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,801
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	4,438
2,027	5,498	4,701	21,205	13,285	35,973	464	9,011	15,720	8,551	16,353	9,673	13,267	6,884	1,275	2,335	2,113,182
-	-	-	-	-	-	-	-	722	-	1,719	1,345	-	-	-	-	7,446
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31,405	15,847	19,810	113,120	37,260	45,113	30,559	19,863	22,945	18,843	30,330	18,927	17,849	29,591	20,147	9,706	2,738,621
148,154	428,701	253,722	518,972	373,431	886,359	98,356	394,390	266,782	227,178	522,166	87,712	65,269	280,985	153,888	165,725	39,279,220
991	20,637	2,311	3,333	995	694	4,060	8,337	18,951	178	12,161	187	14,469	3,305	424	14,129	393,413
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
182,576	**470,682**	**280,545**	**656,630**	**424,971**	**968,140**	**133,438**	**431,601**	**325,119**	**254,750**	**582,728**	**117,844**	**110,855**	**320,768**	**175,735**	**191,895**	**44,555,121**

Table 2.1.a Disclosure of Net Receivable based on Region - Bank Individually

No.	Portfolio Category	31 December 2013													
		Net Receivable Based on Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Government / Sovereign	5,116	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	2,269	-	-	3,193	-	-	-	100	-	-
5	Claims Secured by Residential Property	2,650,169	241,195	252,949	340,041	77,197	145,751	60,762	47,147	15,467	41,116	1,543	2,320	37,946	58,317
6	Claims Secured by Commercial Real Estate	3,100,505	105,174	231,555	168,379	215,445	110,516	119,416	154,812	14,375	11,813	13,863	19,287	65,107	25,997
7	Claims on Pension Loans	225,266	9,441	7,291	10,216	12,454	4,915	4,371	6,094	1,622	3,179	1,500	2,059	3,210	4,320
8	Claims on Micro, Small and Retail Portfolio	1,307,054	93,805	74,483	116,860	57,896	16,669	48,273	25,489	18,923	36,640	27,584	28,153	48,909	42,943
9	Claims on Corporates	21,228,208	2,486,165	2,929,660	2,091,925	2,069,504	757,723	787,786	1,036,047	172,384	131,787	131,835	174,260	493,909	273,817
10	Claims on Past Due Exposures	278,208	11,578	45,472	38,051	40,298	1,770	4,847	2,000	-	13,194	9,482	1,641	1,275	7,268
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**28,794,527**	**2,947,358**	**3,541,410**	**2,765,472**	**2,475,063**	**1,037,344**	**1,025,456**	**1,274,781**	**222,771**	**237,728**	**185,806**	**227,820**	**650,356**	**412,662**

(in IDR million)

31 December 2013																
Net Receivable Based on Region																
Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,116
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	2,497	-	-	749	-	-	8,809
8,269	6,132	15,994	127,081	30,976	72,078	981	31,245	28,002	12,964	27,090	17,850	11,267	11,797	6,872	3,160	4,383,677
39,696	27,066	81,805	32,418	58,881	73,551	10,373	164,219	78,733	57,795	202,459	1,958	10,686	164,428	13,493	81,689	5,455,494
2,225	1,906	1,886	1,756	3,334	1,762	731	1,206	3,580	915	3,785	2,374	917	1,833	734	1,109	325,990
26,323	14,629	11,622	32,937	33,191	35,034	21,085	13,703	19,797	9,974	10,766	21,423	10,023	19,563	14,558	7,035	2,245,344
162,327	274,927	204,650	495,689	348,014	1,027,541	102,480	304,045	247,768	132,613	580,649	106,322	62,910	139,143	126,971	106,310	39,187,369
835	61,159	442	5,084	106	977	4,907	9,798	14,600	249	1,640	513	18,787	4,574	10,179	15,358	604,292
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
239,676	**385,819**	**316,400**	**694,964**	**474,502**	**1,210,943**	**140,556**	**524,216**	**392,480**	**214,510**	**828,886**	**150,439**	**114,590**	**342,089**	**172,806**	**214,661**	**52,216,092**

Table 2.3.a Disclosure of Net Receivable Based on Term to Contractual Maturity – Bank Individually

No.	Economic Sector*)	31 December 2012											
		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	Claims Secured by Commercial Real Estate	Claims on Pension Loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Agricultures, hunting and forestry	-	-	-	-	-	-	-	10,670	572,943	586	-	-
2	Fisheries	-	-	-	-	-	-	-	3,215	45,924	-	-	-
3	Mining and Quarrying	-	-	-	-	-	-	-	4,883	721,136	2,639	-	-
4	Procesing industry	-	18,801	-	-	-	729	-	166,754	12,295,653	105,361	-	-
5	Electricity, gas and water	-	-	-	-	-	-	-	529	359,931	-	-	-
6	Construction	-	-	-	-	-	3,971	-	34,761	2,038,572	36,372	-	-
7	Big and retail trade	-	-	-	-	749	1,338	-	759,123	11,077,935	125,247	-	-
8	Provision of accomodation and food supply drinking	-	-	-	-	-	-	-	708	91	-	-	-
9	Transportation, warehousing and communications	-	-	-	-	-	-	-	19,117	2,621,733	6,186	-	-
10	Transitional Finance	-	-	-	-	-	-	-	31,572	3,979,831	6,792	-	-
11	Real estate, Rental Business and services company	-	-	-	4,438	-	-	-	735	164,842	-	-	-
12	Government administration, the defense and compulsory social security	-	-	-	-	-	1,186	-	21,060	3,433,278	26,855	-	-
13	Education services	-	-	-	-	-	-	-	3,088	14,374	302	-	-
14	Health and social services	-	-	-	-	-	-	-	5,605	49,264	-	-	-
15	Community, Sociocultural, Entertainment and Other Individual Services	-	-	-	-	-	-	-	19,931	182,334	7,471	-	-
16	Individual services which serve households	-	-	-	-	-	-	-	3,630	4,886	2,654	-	-
17	Extra agency International agency and other international	-	-	-	-	-	-	-	-	-	-	-	-
18	Business Activities which are not clearly defined	-	-	-	-	-	-	-	-	30,021	-	-	-
19	Credit Recipients Non Industrial Origin	-	-	-	-	2,112,355	222	-	1,653,231	1,686,490	73,017	-	-
20	Others	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**18,801**	**-**	**4,438**	**2,113,105**	**7,446**	**-**	**2,738,612**	**39,279,237**	**393,483**	**-**	**-**

(in IDR million)

31 December 2013											
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	Claims Secured by Commercial Real Estate	Claims on Pension Loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-	1,950	-	9,718	709,261	2,201	-	-
-	-	-	-	-	512	-	2,794	39,979	-	-	-
	-	-	-	-	50,366		7,532	732,908	14,704	-	-
857	-	-	-	-	727,540		139,371	13,639,668	247,704	-	-
-	-	-	-	-	8,539	-	1,551	364,931	-	-	-
-	-	-	-	-	443,672	-	32,128	2,379,433	21,267	-	-
4,260				2,609	1,110,412	41	708,503	11,370,089	229,171	-	-
-	-	-	-	-	2,092,193	-	14,246	1,240,295	2,165	-	-
-	-	-	-	-	287,098	-	31,575	4,065,745	32,832	-	-
-	-	-	8,809	-	-	-	369	44,728	-	-	-
-	-	-	-	-	685,201	-	19,505	3,805,520	15,228	-	-
-	-	-	-	-	-	-	508	-	-	-	-
-	-	-	-	-	8,099	-	2,837	18,929	320	-	-
-	-	-	-	-	19,240	-	5,342	38,373	-	-	-
-	-	-	-	-	19,575	-	22,524	164,234	35,598	-	-
-	-	-	-	-	1,098	-	3,189	3,969	3,101	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	14,720	-	-	-
-	-	-	-	4,381,068	-	325,948	1,243,651	554,589	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
5,116	**-**	**-**	**8,809**	**4,383,677**	**5,455,494**	**325,990**	**2,245,344**	**39,187,369**	**604,292**	**-**	**-**

Table 2.4.a Disclosure of Receivables and Allowances Based on Region - Bank Individually

No.	Portfolio Category	31 December 2012													
		Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired Receivables														
	a. Non Past Due	94,165	-	14,172	5,528	-	-	-	-	-	2,975	-	-	2,005	-
	b. Past Due	277,469	14,481	127,048	48,078	2,386	3,290	2,672	4,229	-	23,750	306	420	4,688	16,778
2	Allowance for Impairment Losses – Individual	130,523	1,499	75,967	13,675	608	2,236	770	1,240	-	3,229	-	-	1,199	3,848
3	Allowance for Impairment Losses – Collective	113,859	6,754	8,668	5,822	4,759	1,906	1,719	2,252	333	1,470	2,025	104	634	918
4	Claims written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**616,015**	**22,734**	**225,855**	**73,103**	**7,753**	**7,432**	**5,161**	**7,721**	**333**	**31,423**	**2,331**	**524**	**8,527**	**21,544**

No.	Portfolio Category	31 December 2013													
		Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired Receivables														
	a. Non Past Due	10,545	1,279	-	-	-	-	-	-	-	1,303	50	-	-	250
	b. Past Due	408,261	14,615	55,900	46,368	42,347	3,327	6,365	6,108	-	16,595	11,171	2,417	3,210	12,160
2	Allowance for Impairment Losses – Individual	137,609	860	15,184	10,016	19,337	1,736	826	1,015	-	2,944	9,307	595	95	1,456
3	Allowance for Impairment Losses – Collective	62,939	4,443	4,433	2,824	2,240	871	1,770	1,129	171	504	1,456	132	441	1,866
4	Claims written off	14,670	-	52,511	5,235	-	-	-	-	-	-	-	-	-	-
	Total	**649,641**	**21,196**	**128,546**	**64,443**	**63,924**	**5,933**	**8,962**	**8,252**	**171**	**21,345**	**21,985**	**3,143**	**3,746**	**15,732**

(in IDR million)

31 December 2012																
Region																
Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	5,145	-	-	-	259	-	402	0	-	81	-	2	670	-	113	125,517
1,229	29,823	4,610	4,697	1,112	695	5,048	10,195	25,597	735	13,993	210	26,035	3,981	6,090	16,513	676,155
236	10,392	2,296	1,361	116	38	984	2,036	6,626	557	1,818	23	11,552	791	5,665	2,368	281,655
175	5,398	653	2,324	900	2,383	356	1,675	571	2,445	1,921	248	133	1,907	1,283	617	174,210
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,639	**50,757**	**7,560**	**8,382**	**2,128**	**3,375**	**6,389**	**14,308**	**32,793**	**3,737**	**17,813**	**481**	**37,721**	**7,349**	**13,037**	**19,611**	**1,257,537**

31 December 2013																
Region																
Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	3,518	-	-	-	-	-	-	403	-	101	-	-	17,448
1,229	61,670	673	9,206	37,803	3,578	5,107	13,931	15,982	249	2,103	1,020	18,787	5,801	10,531	16,872	833,384
78	18,781	-	4,303	281	38	1,544	1,528	231	-	4	42	8,085	1,406	8,470	4,519	250,289
175	761	234	881	576	2,673	86	431	294	227	1,899	287	72	333	204	1,009	95,362
-	-	2,965	-	-	-	-	-	9,942	-	-	-	-	-	-	-	85,323
1,482	**82,053**	**3,872**	**14,390**	**42,289**	**6,288**	**6,738**	**15,890**	**26,449**	**476**	**4,006**	**1,752**	**26,945**	**7,641**	**19,204**	**22,401**	**1,298,893**

Table 2.2.a Disclosure of Net Receivable Based on Term to Contractual Maturity – Bank Individually

No.	Portfolio Category
(1)	(2)
1.	Claims on Government/Sovereign
2.	Claims on Public Sector Entities
3.	Claims on Multilateral Development Banks and International Entities
4.	Claims on Banks
5.	Claims Secured by Residential Property
6.	Claims Secured by Commercial Real Estate
7.	Claims on Pension Loans
8.	Claims on Micro, Small and Retail Portfolio
9.	Claims on Corporates
10.	Claims on Past Due Exposures
11.	Other Assets
12.	Sharia Exposures (if any)
	Total

Table 2.5.a Disclosure of Receivables and Allowances Based on Economic Sektor - Bank Individually

		31 December 2012					
			Impaired Receivables				
No.	Economic Sektor*)	Receivable **)	Non Past Due	Past Due	Allowance for Impairment Losses – Individual	Allowance for Impairment Losses – Collective	Claims Written off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agricultures, hunting and forestry	586,570	2	861	277	2,094	-
2	Fisheries	50,267			-	1,129	-
3	Mining and Quarrying	735,082	-	7,067	4,426	1,998	-
4	Procesing industry	12,712,045	2,884	198,583	93,932	30,815	-
5	Electricity, gas and water	361,303			-	843	-
6	Construction	2,175,206	13,268	86,059	57,067	4,462	-
7	Big and retail trade	12,059,375	12,347	182,764	59,865	35,118	-
8	Provision of accomodation and food supply drinking	799	-	6,462	273	6,107	-
9	Transportation, warehousing and communications	2,653,416	48,427	7,342	1,081	12,248	-
10	Transitional Finance	4,031,524			-	350	-
11	Real estate, Rental Business and services company	170,365	37,797	30,374	7,447	8,850	-
12	Government administration, the defense and compulsory social security	3,498,676					-
13	Education services	17,793	-	320	17	11	-
14	Health and social services	54,928			-	58	-
15	Community, Sociocultural, Entertainment and Other Individual Services	236,664	-	34,060	26,585	344	-
16	Individual services which serve households	11,643	-	3,123	468	6	-
17	Extra agency International agency and other international	-					-
18	Business Activities which are not clearly defined	30,043			-	22	-
19	Credit Recipients Non Industrial Origin	5,625,287	10,791	119,140	30,217	69,754	-
20	Others	-	-	-	-	-	-
	Total	**45,010,986**	**125,517**	**676,155**	**281,655**	**174,210**	**-**

* The sectors disclosed were sectors with material nominal value/outstanding balance. For immaterial sectors, they were classified as others and explained to the stakeholder.
** Receivables - gross (before allowance for impairment loss on assets).

(in IDR million)

31 December 2012					31 December 2013				
Net Receivable Based on Contractual Maturity					Net Receivable Based on Contractual Maturity				
< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
-	-	-	-	**-**	857	4,260	-	-	**5,116**
7,803	-	-	10,997	18,801	-	-	-	-	**-**
-	-	-	-	**-**	-	-	-	-	**-**
3	4,435	-	-	**4,438**	8,809	-	-	-	**8,809**
32	30,960	130,360	1,951,829	**2,113,182**	65,857	455,012	1,087,635	2,775,174	**4,383,677**
-	462	230	6,754	**7,446**	89,900	1,034,314	2,827,842	1,503,438	**5,455,494**
-	-	-	-	**-**	3,514	56,759	46,914	218,803	**325,990**
77,801	791,081	231,982	1,637,757	**2,738,621**	1,799,464	176,686	133,489	135,706	**2,245,344**
6,327,766	14,641,640	5,017,444	13,292,370	**39,279,220**	23,494,784	5,579,315	7,757,829	2,355,441	**39,187,369**
70,986	159,095	23,970	139,361	**393,413**	435,387	75,977	74,669	18,258	**604,292**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
6,484,392	**15,627,674**	**5,403,987**	**17,039,068**	**44,555,121**	**25,898,573**	**7,382,321**	**11,928,378**	**7,006,819**	**52,216,092**

(in IDR million)

31 December 2013					
	Impaired Receivables				
Receivable **)	Non Past Due	Past Due	Allowance for Impairment Losses – Individual	Allowance for Impairment Losses – Collective	Claims Written off
(3)	(4)	(5)	(6)	(7)	(8)
723,131	-	2,201	2,096	747	-
43,285	-	-	-	28	-
805,510	-	14,704	11,340	4,846	-
14,755,140	3,574	253,034	88,745	16,944	-
375,021	-	-	-	309	-
2,876,500	-	21,286	3,196	3,443	59,219
13,425,085	4,998	281,220	61,438	15,688	12,315
3,348,899	-	2,165	59	4,090	-
4,417,249	-	75,169	15,445	4,706	-
53,906	-	-	-	11	-
4,525,454	403	18,402	5,880	4,643	-
508	-	-	-	0,3	-
30,184	-	320	12	17	-
62,955	-	-	-	528	-
241,932	-	35,598	28,031	198	-
11,358	-	3,101	480	5	-
-	-	-	-	-	-
14,720	-	-	-	7	-
6,505,256	8,473	126,183	33,568	39,150	13,790
-	-	-	-	-	-
52,216,092	**17,448**	**833,384**	**250,289**	**95,362**	**85,323**

Table 2.6.a Disclosure of Details on Movements of Impairment Provision on Financial Assets (CKPN) - Bank Individually

(in IDR million)

No.	Descriptions	31 December 2012		31 December 2013	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses – Collective	Allowance for Impairment Losses - Individual	Allowance for Impairment Losses – Collective
(1)	(2)	(5)	(6)	(3)	(4)
1	Beginning Balance - Allowance for Impairment Losses	258,076	252,275	281,718	225,187
2	Allowance/reversal for impairment losses during the year (Nett)	95,476	(27,278)	33,839	(106,875)
	2.a Additional allowance for Impairment Losses during the year	95,476	-	33,839	-
	2.b Reversal for impairment losses during the year	-	27,278	-	106,875
3	Allowance for impairment losses used to claims written off during the year	76,190	-	103,517	-
4	Other allowance/reversal during the year	4,356	191	17,102	1,077
Ending Balance CKPN		**281,718**	**225,188**	**229,142**	**119,389**

Table 3.1.a Disclosure of Net Receivables Based on Portfolio and Individual Rating Scale

(in IDR million)

No.	Portfolio Category	31 December 2012	31 December 2013
		Net Receivables	Net Receivables
		Unrated	Unrated
(1)	(2)	(4)	(3)
1	Claims on Government/Sovereign	9,030,127	11,157,529
2	Claims on Public Sector Entities	36,257	41,168
3	Claims on Multilateral Development Banks and International Entities	-	-
4	Claims on Banks	1,989,663	3,722,976
5	Claims Secured by Residential Property	2,148,475	1,947,287
6	Claims Secured by Commercial Real Estate	7,446	5,685,973
7	Claims on Pension Loans	-	-
8	Claims on Micro, Small and Retail Portfolio	2,784,652	2,082,823
9	Claims on Corporates	42,248,982	47,414,633
10	Claims on Past Due Exposures	405,378	468,162
11	Other Assets	1,519,430	1,830,683
12	Sharia Exposures (if any)	-	-
	Total	**60,170,411**	**74,351,234**

Table 3.2.a Disclosure of Counterparty Credit Risk - Derivative Transaction

(in IDR million)

Underlying Variables	31 December 2012							
	National Amount			Derivatives Receivable	Derivatives Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivable After Credit Risk Mitigation
	< 1 year	> 1- 5 year	> 5 year					
Bank Individually								
1 Interest Rate	1,600,779	4,085,039	101,545	-	-	-	-	-
2 Foreign Exchange	2,746,445	2,249,123	-	-	-	-	-	-
3 Others	-	-	-	-	-	-	-	-
Total	**4,347,224**	**6,334,162**	**101,545**	**118,235**	**120,203**	**187,065**	**-**	**187,065**

Underlying Variables	31 December 2013							
	National Amount			Derivatives Receivable	Derivatives Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivable After Credit Risk Mitigation
	< 1 year	> 1- 5 year	> 5 year					
Bank Individually								
1 Interest Rate	1,060,164	3,042,485	-	-	-	-	-	-
2 Foreign Exchange	2,246,892	2,023,683	-	-	-	-	-	-
3 Others	-	-	-	-	-	-	-	-
Total	**3,307,056**	**5,066,168**	**-**	**350,548**	**355,055**	**287,140**	**-**	**287,140**

Table 4.1.a Disclosure of Net Receivable Risk Weighted after MRK effect - Bank Individually

No.	Portfolio Category	31 December 2012										ATMR	Capital Charge
		Net Receivable After Credit Risk Mitigation											
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Lainnya		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
A	**Balance Sheet Exposures**												
	Claims on Government/Sovereign	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Public Sector Entities	-	-	-	-	-	8,447	-	-	-	-	8,447	676
	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Banks	-	356,305	-	-	-	19,846	-	-	-	-	376,151	30,092
	Claims Secured by Residential Property	-	-	544,050	235,539	1,896	-	-	-	-	-	781,485	62,519
	Claims Secured by Commercial Real Estate	-	-	-	-	-	-		7,446			7,446	596
	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	1,952,743	-	-	-	1,952,743	156,219
	Claims on Corporates	-	-	-	-	-	-	-	37,532,592	-	-	37,532,592	3,002,607
	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	607,617	-	607,617	48,609
	Other Assets	-	-	-	-	-	-	-	997,062	155,914	-	1,152,976	92,238
	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Balance Sheet Exposures	**-**	**356,305**	**544,050**	**235,539**	**1,896**	**28,293**	**1,952,743**	**38,537,100**	**763,531**	**-**	**42,419,457**	**3,393,557**
B	**Commitment and Contigencies Liabilities Exposures on Administrative Account**												
	Claims on Government/Sovereign	-	-	-	-	-	-	-	-	-	-		
	Claims on Public Sector Entities	-	-	-	-	-	7,747	-	-	-	-	7,747	620
	Claims on Multilateral Development Banks and	-	-	-	-	-	-	-	-	-	-	-	-
	International Entities	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Banks	-	-	-	-	-	-	-	-	-	-	-	-
	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-
	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Pension Loans	-	-	-	-	-	-	5,493	-	-	-	5,493	439
	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	905,273	-	-	905,273	72,422
	Claims on Corporates	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	-	-	-	-
	Sharia Exposures (if any)	**-**	**-**	**-**	**-**	**-**	**7,747**	**5,493**	**905,273**	**-**	**-**	**918,513**	**73,481**
C	**Counterparty Credit Risk**												
	Claims on Government/Sovereign	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
	Claims on Banks	-	5,619	-	-	-	68,607	-	-	-	-	74,226	5,938
	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	84	-	-	-	84	7
	Claims on Corporates	-	-	-	-	-	-	-	112,756	-	-	112,756	9,020
	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	**-**	**5,619**	**-**	**-**	**-**	**68,607**	**84**	**112,756**	**-**	**-**	**187,066**	**14,965**

(in IDR million)

31 December 2013											
Net Receivable After Credit Risk Mitigation										ATMR	Capital Charge
0%	20%	35%	40%	45%	50%	75%	100%	150%	Lainnya		
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	624,495	-	-	-	107,593	-	-	-	-	732,088	58,567
-	-	604,863	87,429	-	-	-	-	-	-	692,292	55,383
-	-	-	-	-	-	-	5,388,294	-	-	5,388,294	431,064
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,484,216	-	-	-	1,484,216	118,737
-	-	-	-	-	-	-	39,853,843	-	-	39,853,843	3,188,307
-	-	-	-	-	-	-	36,429	647,093	-	683,522	54,682
-	-	-	-	-	-	-	1,099,897	103,068	-	1,202,965	96,237
-	-	-	-	-	-	-	-	-	-	-	-
-	**624,495**	**604,863**	**87,429**	**-**	**107,593**	**1,484,216**	**46,378,463**	**750,161**	**-**	**50,037,220**	**4,002,978**
-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	18,054	-	-	-	-	18,054	1,444
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	226,853	-	-	226,853	18,148
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	8,763	-	-	-	8,763	701
-	-	-	-	-	-	-	2,709,144	-	-	2,709,144	216,732
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**18,054**	**8,763**	**2,935,997**	**-**	**-**	**2,962,814**	**237,025**
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	4,479	-	-	-	181,459	-	-	-	-	185,938	14,875
-	-	-	-	-	-	9	-	-	-	9	1
-	-	-	-	-	-	-	101,193	-	-	101,193	8,095
-	-	-	-	-	-	-	-	-	-	-	-
-	**4,479**	**-**	**-**	**-**	**181,459**	**9**	**101,193**	**-**	**-**	**287,140**	**22,971**

Table 4.2.a Disclosure of Net Receiveable and MRK Technique - Bank Individualy

No.	Portfolio Category
(1)	(2)
A	**Balance Sheet Exposures**
	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
	Claims Secured by Commercial Real Estate
	Claims on Pension Loans
	Claims on Micro, Small and Retail Portfolio
	Claims on Corporates
	Claims on Past Due Exposures
	Other Assets
	Sharia Exposures (if any)
	Total Balance Sheet Exposures
B	**Commitment and Contigencies Liabilities Exposures on Administrative Account**
	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
	Claims Secured by Commercial Real Estate
	Claims on Pension Loans
	Claims on Micro, Small and Retail Portfolio
	Claims on Corporates
	Claims on Past Due Exposures
	Sharia Exposures (if any)
	Total Exposures on Administrative Account
C	**Counterparty Credit Risk**
	Claims on Government/Sovereign
	Claims on Public Sector Entities
	Claims on Multilateral Development Banks and International Entities
	Claims on Banks
	Claims on Micro, Small and Retail Portfolio
	Claims on Corporates
	Sharia Exposures (if any)
	Total Exposure Counterparty Credit Risk
Total (A+B+C)	

(in IDR million)

31 December 2012					31 December 2013				
Net Receiveable	Secured Portion			Unsecured Portion	Net Receiveable	Secured Portion			Unsecured Portion
	Collateral	Guarantee	Credit Insurance			Collateral	Guarantee	Credit Insurance	
(3)	(4)	(5)	(6)	(7)=(3)-[(4)+(5)+(6)]	(3)	(4)	(5)	(6)	(7)=(3)-[(4)+(5)+(6)]
9.028.199	-	-	-	9.028.199	11,154,634	-	-	-	11,154,634
18.830	1.936	-	-	16.894	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1.824.355	3.139	-	-	1.821.216	3,337,662	-	-	-	3,337,662
2.148.475	985	-	-	2.147.490	1,947,287	535	-	-	1,946,752
7.446	-	-	-	7.446	5,459,119	70,826	-	-	5,388,293
-	-	-	-	-	-	-	-	-	-
2.768.404	164.748	-	-	2.603.656	2,066,400	87,445	-	-	1,978,955
41.067.525	3.534.933	-	-	37.532.592	44,269,282	4,415,439	-	-	39,853,843
405.378	300	-	-	405.078	468,163	338	-	-	467,825
1.519.430	-	-	-	1.519.430	1,830,683	-	-	-	1,830,683
				-	-	-	-	-	-
58.788.042	**3.706.041**	**-**	**-**	**55.082.001**	**70,533,230**	**4,574,583**	**-**	**-**	**65,958,647**
-	-	-	-	-	-	-	-	-	-
17.428	1.936	-	-	15.492	41,168	5,060	-	-	36,108
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	226,853	-	-	-	226,853
-	-	-	-	-	-	-	-	-	-
16.136	8.811	-	-	7.325	16,412	4,728	-	-	11,684
1.068.701	162.947	961	-	904.793	3,044,156	335,011	-	-	2,709,145
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1.102.265	**173.694**	**961**	**-**	**927.610**	**3,328,589**	**344,799**	**-**	**-**	**2,983,790**
1.927	-	-	-	1.927	2,895	-	-	-	2,895
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
165.309	-	-	-	165.309	385,314	-	-	-	385,314
112	-	-	-	112	12	-	-	-	12
112.756	-	-	-	112.756	101,193	-	-	-	101,193
-	-	-	-	-	-	-	-	-	-
280.104	**-**	**-**	**-**	**280.104**	**489,414**	**-**	**-**	**-**	**489,414**
60.170.411	**3.879.735**	**961**	**-**	**56.289.715**	**74,351,233**	**4,919,382**	**-**	**-**	**69,431,851**

Calculation of Risk Waited Asset - Bank Individualy
Table 6.1.a Asset Exposure in Balance Sheet

(in IDR million)

No.	Portfolio Category	31 December 2012			31 December 2013		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	9,028,199	-	-	11,154,634	-	-
2	Claims on Public Sector Entities	18,830	9,415	8,447	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	1,824,355	377,030	376,151	3,337,661	732,088	732,088
5	Claims Secured by Residential Property	2,148,475	781,830	781,485	1,947,287	692,479	692,292
6	Claims Secured by Commercial Real Estate	7,446	7,446	7,446	5,459,119	5,459,119	5,388,294
7	Claims on Pension Loans						
8	Claims on Micro, Small and Retail Portfolio	2,768,404	2,076,303	1,952,743	2,066,399	1,549,800	1,484,216
9	Claims on Corporates	41,067,525	41,067,525	37,532,592	44,269,282	44,269,282	39,853,843
10	Claims on Past Due Exposures	405,378	608,067	607,617	468,163	684,030	683,523
11	Other Assets	1,519,430	-	1,152,976	1,830,683	-	1,202,965
	Total	**58,788,042**	**44,927,616**	**42,419,457**	**70,533,230**	**53,386,798**	**50,037,220**

Table 6.1.2 Exposure of Liability Commitment/Contingency on Administrative Account

(in IDR million)

No.	Portfolio Category	31 December 2012			31 December 2013		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entities	17.428	8.714	7.746	41,168	20,584	18,054
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	-
5	Claims Secured by Residential Property	-	-	-	-	-	-
6	Claims Secured by Commercial Real Estate	-	-	-	226,853	226,853	226,853
7	Claims on Pension Loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	16.136	12.102	5.494	16,412	12,309	8,763
9	Claims on Corporates	1.068.701	1.068.701	905.273	3,044,156	3,044,156	2,709,144
10	Claims on Past Due Exposures	-	-	-	-	-	-
	Total	**1.102.265**	**1.089.517**	**918.513**	**3,328,589**	**3,303,902**	**2,962,814**

Table 6.1.7 Total Measurement of Credit Risk

(in IDR million)

No.	Portfolio Category	31 December 2012	31 December 2013
1	Total Risk waited assets credit risk	43,525,036	53,287,174
	Total Capital charge factor	**-**	**-**

Table 6.1.3 Exposure Resulting in Credit Risk Attributable to Counterparty Failure (Counterparty Credit Risk)

(in IDR million)

No.	Portfolio Category	31 December 2012			31 December 2013		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	1,927	-	-	2,895	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	165,309	74,226	74,226	385,314	185,938	185,938
5	Claims on Micro, Small and Retail Portfolio	112	84	84	12	9	9
6	Claims on Corporates	112,756	112,756	112,756	101,193	101,193	101,193
	Total	**280,104**	**187,066**	**187,066**	**489,414**	**287,140**	**287,140**

Table 7.1 Market Risk Disclosure using Standardized Approach

(in IDR million)

No.	Risk Type	31 December 2012				31 December 2013			
		Bank		Consolidation		Bank		Consolidation	
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(3)	(4)	(5)	(6)
1	Interest Rate Risk	-	-	-	-	-	-	-	-
	a. Specific Risk	-	-	-	-	2,056	25,700	-	-
	b. General Risk	3,098	38,725	-	-	12,307	153,837	-	-
2	Foreign Exchange Risk	1,712	21,400	-	-	-	-	-	-
3	Equity Risk*	-	-	-	-	-	-	-	-
4	Commodity Risk*	-	-	-	-	-	-	-	-
5	Option Risk	-	-	-	-	-	-	-	-
	Total	**4,810**	**60,125**	**-**	**-**	**14,363**	**179,537**	**-**	**-**

* For banks having subsidiaries with above risk exposure.

Table 8.1 Discloser of Operational Risk - Bank Individually

(in IDR million)

No.	Approach Used	31 December 2012			31 December 2013		
		Average Gross Income in the past 3 years*	Capital Charge	RWA	Average Gross Income in the past 3 years*	Capital Charge	RWA
(1)	(2)				(3)	(4)	(5)
1	Basic Indicator Approach	2,510,081	376,512	4,706,403	2,831,689	424,753	5,309,417
	Total	**2,510,081**	**376,512**	**4,706,403**	**2,831,689**	**424,753**	**5,309,417**

*The calculation of operational risk RWA using Basic Indicator Approach.

Table 9.1.a Rupiah Maturity Profile - Bank Individual

No.	Post	31 December 2012					
		Balance	Report Date Maturity*				
			> 1 months	> 1 - 3 months	> 3 – 6 months	> 6 – 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	**BALANCE SHEET**						
	A. Assets						
	1. Cash	370,219	370,219	-	-	-	-
	2. Placement to Bank Indonesia	5,610,335	3,820,837	794,665	269,902	724,932	-
	3. Interbank Placement	477,143	477,143	-	-	-	-
	4. Securities	1,751,689	28,841	20,741	-	255,188	1,446,919
	5. Loan to customer	36,640,500	1,755,259	4,010,624	4,231,406	8,208,264	18,434,947
	6. Other Assets	235,585	73,990	91,770	38,874	370	30,581
	7. Other	224,568	168,468	14,179	8,147	10,728	23,046
	Total Assets	**45,310,039**	**6,694,756**	**4,931,979**	**4,548,329**	**9,199,482**	**19,935,493**
	B. Liabilities						
	1. Deposits of non-bank customers	35,296,523	18,683,747	6,584,267	1,516,275	114,990	8,397,244
	2. Deposits of Bank Indonesia	-	-	-	-	-	-
	3. Deposits of banks	639,926	639,926	-	-	-	-
	4. Debt securities issued	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-
	6. Other liabilities	214,049	56,147	82,910	38,584	-	36,408
	7. Other	793,066	266,736	19,203	15,045	153,168	338,914
	Total Liabilities	**36,943,564**	**19,646,556**	**6,686,380**	**1,569,904**	**268,158**	**8,772,566**
	Difference of Assets and Liabilities	**8,366,475**	**(12,951,800)**	**(1,754,401)**	**2,978,425**	**8,931,324**	**11,162,927**
II	**ADMINISTRATIVE ACCOUNT**						
	A. Administrative Account Receivable						
	1. Commitment	255,731	63,576	158,800	33,355	-	-
	2. Contigency	-	-	-	-	-	-
	Total Administrative Account Receivable	**255,731**	**63,576**	**158,800**	**33,355**	**-**	**-**
	B. Administrative Account Payable						
	1. Commitment	7,972,611	484,642	1,194,322	1,356,985	2,164,855	2,771,807
	2. Contigency	425,777	78,745	134,553	81,843	112,138	18,498
Total Administrative Account Payable		**8,398,388**	**563,387**	**1,328,875**	**1,438,828**	**2,276,993**	**2,790,305**
Difference of Administrative Account Receivable and Payable		**(8,142,657)**	**(499,811)**	**(1,170,075)**	**(1,405,473)**	**(2,276,993)**	**(2,790,305)**
Difference [(IA - IB)+(IIA-IIB)]		**223,818**	**(13,451,611)**	**(2,924,476)**	**1,572,952**	**6,654,331**	**8,372,622**
Cummulative Difference		**-**	**(13,451,611)**	**(16,376,087)**	**(14,803,135)**	**(8,148,804)**	**223,818**

* Accordance with the applicable provisions.

(in IDR million)

	31 December 2013				
	Report Date Maturity*				
Balance	> 1 months	> 1 - 3 months	> 3 – 6 months	> 6 – 12 months	> 12 months
(3)	(4)	(5)	(6)	(7)	(8)
575,652	575,652	-	-	-	-
4,932,978	4,932,978	-	-	-	-
647,126	647,126	-	-	-	-
3,949,009	1,598,062	711,107	-	1,014,429	625,412
40,997,724	2,765,372	3,606,896	7,126,406	5,887,113	21,611,937
297,829	53,548	144,091	72,228	-	27,962
275,601	195,246	-	4,266	-	76,089
51,675,920	**10,767,984**	**4,462,094**	**7,202,900**	**6,901,542**	**22,341,400**
41,569,100	34,022,483	5,770,476	1,636,316	139,825	-
-	-	-	-	-	-
569,188	569,188	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
434,441	50,991	144,774	60,941	-	177,735
637,269	364,151	-	27,564	-	245,554
43,209,998	**35,006,813**	**5,915,250**	**1,724,821**	**139,825**	**423,289**
8,465,922	**(24,238,829)**	**(1,453,156)**	**5,478,079**	**6,761,717**	**21,918,111**
-	-	-	-	-	-
-	-	-	-	-	-
16,595,276	1,100,324	1,775,496	4,058,717	4,073,807	5,586,932
480,033	139,786	62,505	122,884	111,275	43,583
17,075,309	**1,240,110**	**1,838,001**	**4,181,601**	**4,185,082**	**5,630,515**
(17,075,309)	**(1,240,110)**	**(1,838,001)**	**(4,181,601)**	**(4,185,082)**	**(5,630,515)**
(8,609,387)	**(25,478,939)**	**(3,291,157)**	**1,296,478**	**2,576,635**	**16,287,596**
-	**(25,478,939)**	**(28,770,097)**	**(27,473,618)**	**(24,896,983)**	**(8,609,387)**

Table 9.2.a Profile Maturitas Valas - Bank Individualy

No.	Post	31 December 2012					
			Report Date Maturity*				
		Balance	> 1 months	> 1 - 3 months	> 3 – 6 months	> 6 – 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	**BALANCE SHEET**						
	A. Assets						
	1. Cash	48,206	48,206	-	-	-	-
	2. Placement to Bank Indonesia	1,747,308	1,747,308	-	-	-	-
	3. Interbank Placement	1,082,364	1,082,364	-	-	-	-
	4. Securities	989,590	144,543	63,234	2,397	-	779,416
	5. Loan to customer	8,372,426	1,056,824	828,247	1,321,436	1,000,180	4,165,739
	6. Other Assets	1,304,765	684,091	310,395	227,445	7,064	75,770
	7. Other	46,992	42,106	-	-	-	4,886
	Total Assets	**13,591,651**	**4,805,442**	**1,201,876**	**1,551,278**	**1,007,244**	**5,025,811**
	B. Liabilities						
	1. Deposits of non-bank customers	11,242,394	5,995,547	1,569,708	1,437,645	271,941	1,967,553
	2. Deposits of Bank Indonesia	-	-	-	-	-	-
	3. Deposits of banks	1,041,727	1,041,727	-	-	-	-
	4. Debt securities issued	-	-	-	-	-	-
	5. Borrowings	-	-	-	-	-	-
	6. Other liabilities	1,295,911	683,284	306,791	226,934	6,515	72,387
	7. Other	198,520	180,431	378	15,444	378	1,889
	Total Liabilities	**13,778,552**	**7,900,989**	**1,876,877**	**1,680,023**	**278,834**	**2,041,829**
	Difference of Assets and Liabilities	**(186,901)**	**(3,095,547)**	**(675,001)**	**(128,745)**	**728,410**	**2,983,982**
II	**ADMINISTRATIVE ACCOUNT**						
	A. Administrative Account Receivable						
	1. Commitment	7,078,213	1,504,492	750,308	326,778	1,603,935	2,892,700
	2. Contigency	-	-	-	-	-	-
	Total Administrative Account Receivable	**7,078,213**	**1,504,492**	**750,308**	**326,778**	**1,603,935**	**2,892,700**
	B. Administrative Account Payable						
	1. Commitment	6,764,601	1,262,662	573,248	328,245	1,612,002	2,988,444
	2. Contigency	742,231	93,984	91,990	123,177	74,267	358,813
Total Administrative Account Payable		**7,506,832**	**1,356,646**	**665,238**	**451,422**	**1,686,269**	**3,347,257**
Difference of Administrative Account Receivable and Payable		**(428,619)**	**147,846**	**85,070**	**(124,644)**	**(82,334)**	**(454,557)**
Difference [(IA - IB)+(IIA-IIB)]		**(615,520)**	**(2,947,701)**	**(589,931)**	**(253,389)**	**646,076**	**2,529,425**
Cummulative Difference		**-**	**(2,947,701)**	**(3,537,632)**	**(3,791,021)**	**(3,144,945)**	**(615,520)**

* Accordance with the applicable provisions.

(in IDR million)

	31 December 2013				
	Report Date Maturity*				
Balance	> 1 months	> 1 - 3 months	> 3 – 6 months	> 6 – 12 months	> 12 months
(3)	(4)	(5)	(6)	(7)	(8)
86,422	86,422	-	-	-	-
1,435,184	1,435,184	-	-	-	-
2,025,750	2,025,750	-	-	-	-
2,275,950	279,964	156,652	293,184	-	1,546,150
11,218,367	1,115,003	1,312,572	2,746,083	847,744	5,196,966
1,897,980	594,809	695,878	304,190	9,530	293,573
54,617	48,381	-	6,236	-	-
18,994,270	**5,585,513**	**2,165,102**	**3,349,692**	**857,274**	**7,036,690**
15,709,332	13,084,817	1,473,513	842,188	308,814	-
-	-	-	-	-	-
1,028,431	1,028,431	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,765,875	594,864	695,878	315,319	8,025	151,789
105,114	31,138	-	73,977	-	-
18,608,753	**14,739,250**	**2,169,391**	**1,231,484**	**316,839**	**151,789**
385,518	**(9,153,737)**	**(4,289)**	**2,118,209**	**540,435**	**6,884,901**
3,886,385	1,345,374	67,032	265,063	868,488	1,340,428
-	-	-	-	-	-
3,886,385	**1,345,374**	**67,032**	**265,063**	**868,488**	**1,340,428**
9,830,930	1,688,441	1,540,941	1,964,700	1,793,712	2,843,135
1,407,848	189,645	135,476	786,217	221,080	75,430
11,238,778	**1,878,087**	**1,676,418**	**2,750,917**	**2,014,792**	**2,918,565**
(7,352,393)	**(532,712)**	**(1,609,385)**	**(2,485,854)**	**(1,146,304)**	**(1,578,137)**
(6,966,875)	**(9,686,449)**	**(1,613,674)**	**(367,646)**	**(605,870)**	**5,306,764**
-	**(9,686,449)**	**(11,300,124)**	**(11,667,770)**	**(12,273,639)**	**(6,966,875)**

Related Party Funding and Large Exposure

Bank has already had policies and procedures on Legal Lending Limits and allocation of funds to related parties and large exposures as part of its prudent management.

As of 31 December 2013, loans to related parties and large exposures were as follows:

(in IDR million)

No.	Funding	Total	
		Debtor	Nominal
1	To Related Party	171	906,270
2	To Core Debtor	25	12,513,352
	a) Individual	8	3,549,036
	b) Group	17	8,964,316

Remarks
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 on Core Debtors in form 10 of Commercial Bank Periodic Report, provided for in Bank Indonesia Regulation concerning Commercial Bank Soundness Assessment System.

Bank's Strategic Plan

In order to improve GCG and to comply with Bank Indonesia regulation, the Bank has proposed Business Plan describing the Bank's business activities in short term, medium term, direction of the Bank's policies and strategic objectives of continual operation based on proper planning, prudent and sound banking principles. The business plan is proposed by taking into consideration global and domestic economic development as well as visions to be achieved.

The business plan was formulated on the basis of Bank Indonesia Regulation No.12/21/PBI/2010 regarding Business Plan of Commercial Banking, which covered:

- Executive Summary
- Management Policies and Strategy
- Implementation of Risk Management and Bank's Performance
- Financial Statement Projections
- Ratios and Other Posts Projections
- Plan for Funding Growth
- Plan for Loan Growth
- Capital Planning
- Plan for Organisational Development and Human Resources
- Plan for Development of New Products and/or Activities
- Plan for expansion and/or changes the branch network

The Bank's Business Plan 2014 – 2016 was submitted to Bank Indonesia on 29 November 2013.

The Bank's business plans will continue to be driven by the following objectives:

- accelerating growth in all business segments while maintaining the quality of productive assets;
- strengthening the infrastructure and business processes and controls in support of business growth;
- developing human resource competencies which are key to improving employee productivity; and
- delivering high quality of service.

Transparency of Bank's Financial and Non Financial Condition That Has Not Been Disclosed in Other Reports

Bank has disclosed all its financial and non financial condition because Bank already implements the transparency principle in delivering financial and non financial information to public in a timely, complete, accurate, up to date and comprehensive manner.

Shares Ownership and Financial and Family Relationships of the Member of the Board of Commissioners and Directors with Another Members of Directors and/or the Controlling Shareholders of the Bank.

Shares Ownership of Board of Commissioners and Board of Directors

No.	Name	Position in PT Bank UOB Indonesia	Company Name (domestic and Overseas)	Ownership in percentages
Commissioner				
1.	Wee Cho Yaw	President Commissioner	C Y Wee Pte Ltd	30.00
2.	Wee Ee Cheong	Vice President Commissioner	Kheng Leong Company Pte Ltd	23.67
			Phoebus Singapore Holdings Pte Ltd	26.67
			Portfolio Nominees Ltd	26.01
			Richly Joy Holdings Ltd	100.00
			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 Pte Ltd	30.00
3	Lee Chin Yong Francis	Commissioner	NIL	
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	
Director				
1	Armand B. Arief	President Director	NIL	
2	Iwan Satawidinata	Deputy President Director	NIL	
3	Safrullah Hadi Saleh	Director	NIL	
4	Ajeep Rassidi bin Othman	Director	NIL	
5	Soehadie Tansol	Compliance Director	NIL	

Assessment and Remuneration for Members of the Boards

Remuneration Approval Procedure

The Bank performed an annual review of the remuneration for the Board of Commissioners and Board of Directors, based on the performance of the job holders, which was adjusted based on the Bank's performance. The factors that were taken into account in reviewing the remuneration to include:

- Performance of the Bank;
- Remuneration budget;
- Performance of the job holders;
- Skills and competence level;
- The prospect of the position and market conditions, as well as the benchmarks reflected in compensation and benefits survey; and
- National inflation rate.

A remuneration review was conducted for each Commissioner and Director or an individual basis based on the above criteria.

The proposal for any changes to such remuneration should be recommended by the Remuneration and Nomination Committee and must meet the following requirements:

- The proposal of changes to the Board of Directors' remuneration should be agreed by the Board of Commissioners; and
- The proposal of changes to the Board of Commissioners' remuneration should be agreed by the Majority Shareholder.

In line with the authority granted in AGMS.

Remuneration for the Boards

The remuneration package/policy and other facilities for the Board of Commissioners and Board of Directors are as follow:

1. Remuneration package/policy and other facilities for the Board of Commissioners and Board of Directors determined at AGMS were salary and bonus payment/tantieme.
2. Types of remuneration and other facilities to all members of Board of Commissioners and Board of Directors, covering the number of Board of Commissioners and Board of Directors members and the total number of remuneration packages and policies, as well as other benefits are as follows:

Remuneration Package/Policy and Other Facilities for Board of Commissioners and Board of Directors

Type of Remuneration and Other Facilities for Board of Commissioners and Board of Directors

(in million Rupiah)

Type of Remuneration and Other Facilities	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	2,955	6	25,967
Other facilities in kind (housing, transportation, health insurance, etc.) which*	-	-	-	-
can be owned	-	-	-	-
cannot be owned	-	-	6	7,282

* Counted in equivalent Rupiah.

Description of Remuneration Package for Receiver Group

Total Remuneration Per Person In 1 (One) Year*)	Board of Commissioner	Board of Director
Above Rp2 Billion	-	5
Above Rp1 Billion up to Rp2 Billion	-	1
Above Rp500 million up to Rp1 Billion	3	-
Under Rp500 million	3	-

* Received in cash.

Highest and Lowest Salary Ratio

Description	Ratio
Ratio of the highest and lowest salary of the employees	1:85.9
Ratio of the highest and lowest salary of the Board of Directors	1:2.4
Ratio of the highest and lowest salary of the Board of Commissioners	1:16.2
Ratio of the highest salary of the Board of Directors and highest salary of the employee	1:1.7

Shares Option

During 2013, Bank does not give Shares Option to Commissioners, Directors or Employees.

Number of Legal Cases

The following table shows the number of legal issues as at 31 December 2013:

Legal Issues	Number of issues		
	Civil Law		Criminal Law
	Bank as plaintiff	Bank as defendant	
Settled (has permanent legal power)	-	3	-
In settlement process	3	39	-
Total	3	42	-

Transactions Involving Conflict of Interest

Listed below are the transaction involving conflict of interest in 2013:

No.	Name and Position of the Officer with Conflict of Interest	Name and Position of the Decision Maker	Type of Transaction	Transaction Value
1.	UOB Limited Singapore as Shareholder of the Bank	EGMS dated 20 June 2008	UOB Limited Singapore provided the system and information technology development service relating to credit cards, treasury and general system applications in the Bank	Rp2.37 billion
2.	UOB Property and the Bank has the same shareholder, namely UOB International Private Limited	The Board of Commissioners	Credit extension in the form of Investment Credit to UOB Property	USD25.99 million (Outstanding balance as of 31 December 2013)
3.	UOB Limited Singapore as Shareholder of the Bank	The Board of Commissioners	Implemented Standardize Core Banking System using UOB Group' Silverlake solution implemented by UOB Limited Singapore	SGD22.81 million

Note: All transaction with related party did not have potential to harm or reduce the Bank's profit.

Bank's Buy Back Shares and Buy Back Bond

During 2013, Bank did not perform any buy back on Bank's shares and bonds.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Customer Protection

Providing high quality and relevant advice for customer is part of our commitment in building a responsible company. As an integral part of the Bank's growth, customers deserve our best effort in ensuring their needs are met with the appropriate products and services. To meet this objective, we implemented customer complaints policy and established the Bank Customer Service as well as a Call Centre Unit.

The Bank has implemented customer complaints and dispute settlement procedure in accordance with BI, among others, through Circular Letter No.13/CSQ/0003 regarding Revised Guidelines for Acceptance and Settlement of Customer Complaints which regulates acceptance of customer complaints in branches and units as well as dispute settlement procedure. Referring to the Circular Letter mentioned above, we provide Customer Complaints Forms, which can be found with every Customer Service officer in every operational office, for any customers who wish to address their complaints to the Bank. In addition, to strengthen our effort in protecting our customer, we distribute relevant information on banking mediation by providing posters on every operational office of the Bank.

The Bank Call Centre is available 24-hour, covering all inquiries and requests on credit card, banking and loans through IVR (Interactive Voice Response) and live Call Agent. All services would not be successful without well-trained personnel, thus the Bank provides a series of development programme to train all call agent staffs to deepen their knowledge and skills in the area of service excellence and to ensure smooth information delivery to customers.

The table shows the data of customer complaints received by the Bank in 2013:

Bank Involvement in the Community in 2013

In conducting social activities, Bank built strong foundation for the bank in providing ongoing support for the community in which the Bank operates, the three main focus: children, education and arts. Throughout the year 2013, Bank had conducted and participated in the programme, as follows:

UOB Heartbeat

In 2013, Bank participated in the annual event at the initiative of UOB Group, and managed to raise USD100 million donated to Yayasan Wisma Kasih Bunda with aim to provide medical care for poor children and donated Rp125 Million to Orphanage Bhakti Asih in the form of an operational vehicle for helping children with multiple disabilities. In 2013, the UOB Heartbeat held in Semarang, Central Java, in order to promote the new look of UOB in the region as well as to promote business continuity in Indonesia.

Blood Donors UOB

in July 2013, as part of its commitment to the community Bank in cooperation with Indonesian Red Cross (PMI) invited more than 230 employees in Jakarta to be involved in blood donation.

Children Education UOB

Bank was also working with the Kick Andy Foundation to provide support to the talented Indonesian children in realizing their dreams and personal development. In addition, Bank also worked with Kick Andy Foundation in order to provide support to street children in Bantul, Yogyakarta managed by Hafara Foundation, in the form of provision of school equipment and libraries for children.

Painting of the Year UOB

UOB believe that the arts play a very important role in community development for economic empowerment. Hence, Bank share our art collection with a choice collection of art showcased at UOB offices with our customers. Increasing public awareness of the arts is also a priority to the implementation of painting competition "UOB Painting of Year" (POY) which was held for

Period	Within Service Level Agreement		> Service Level Agreement	Item			Closing Ratio
	< 5 days	5 - 20 days	> 20 days	Closing	In Process	Total	in percentages
1st Quarter	256	203	124	463	120	583	79.42
2nd Quarter	396	237	136	628	141	769	81.66
3rd Quarter	340	507	299	928	218	1,146	80.98
4th Quarter	334	318	168	652	168	820	79.51
Total	**1,326**	**1,265**	**727**	**2,671**	**647**	**3,318**	**80.50**

third times in 2013. UOB POY competition is also intended to discover new talents of Indonesian artists. Artist from Yogyakarta, Suroso Isur, won the UOB POY 2013 and the opportunity to participate in the competition at the level of UOB POY Regional in South-East Asia and the residency programme at the Fukuoka Asian Art Museum in Fukuoka, Japan.

Indonesia Savings Movement in cooperation with Bank Indonesia

Bank also considers the importance of efforts to educate consumers to save and invest wisely. In 2013, Bank in cooperation with Bank Indonesia and other banks were involved in Indonesia Savings Movement (GIM) to promote increased awareness in financial investment and planning for the citizens of Semarang, Central Java, especially school students. Campaigns were packaged into edutainment activities which were attended by more than 1000 students from schools in Semarang and its surrounding areas.

Healthy Body, Healthy Financial with UOB - Staff Volunteerism

In the fourth quarter of 2013, Bank made use of Car Free Day on protocol roads in Jakarta to hold community events to educate the public about the importance of savings as one of the instruments in the financial planning for a better future. The campaign was conducted in front of UOB Plaza Headquarters involving employees from different functions and units of work in the format of edutainment.

In 2013, the total CSR fund contributed by the Bank, amounted to IDR4.36 billion.

General Conclusion of The Result of Self Assessment of the Implementation of Good Corporate Governance at Bank

Bank conducted a self assessment on its implementation of GCG principles as at December 2013.

The Bank is rated by comparing its GCG implementation against the minimum criteria set by Bank Indonesia.

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

The Bank also has principle that GCG should be achieved with high standard in order to support business (for business growth, profitability, and value added for all stakeholders) as well as in order to enhance the ability so that the long-term business sustainability can be achieved.

Based on GCG Self Assessment in Semester II 2013, the Bank is placed at composite rating 2, which means that the Bank has performed generally 'Good' GCG implementation. This is reflected from adequate fulfilment of GCG principles. If there are weaknesses in the GCG implementation, then they are in general less significant and can be addressed with normal actions by the Bank management.

Below is the result of GCG Self Assessment viewed from the aspect of governance structure, governance process and governance outcome in 11 (eleven) Rating Factors:

a. Governance Structure
   - The Board of Commissioners, Board of Directors as well as Committees have had work guidelines and rules of procedure along with their respective implementations.
   - Bank has had sufficient organisation structure to support good implementation of risk management and internal control, namely Internal Audit Work Unit, Risk Management Work Unit and Risk Management Committee also Compliance Work Unit.
   - The Bank has also had sufficient policy, procedure and risk limit stipulation in which management actively monitoring those policies, procedures and limit stipulation.
   - Bank has been equipped with necessary policy, guidelines, system and procedure to regulate its operational and business activities which are consistently updated to be aligned with the business development and prevailing laws and regulations.
   - Bank has provided qualified human resources to implement control function such as in Compliance Function, Risk Management Function and also Internal Audit Function.
   - Bank has regulated internally the handling of parties, related to employees, Commissioners and Directors through various policies, including policy related to procurement of goods and services, and other policies.
   - Bank has actively stipulated effective and sufficient policies, system and procedures in regulating facilities to related party and large exposure along with their monitoring and resolution of problems occurred from the disbursed facilities.
   - Bank has successfully completed core banking system migration process from ICBS to Silverlake which is hoped to increase Bank's internal reporting system efficiency apart from supporting Bank's business strategy and operational process.
   - The Bank's Business Plan has been prepared each year by considering Bank's vision and mission.

However, there is still an issue that needs to be improved, that is the number of Internal Audit staff which are insufficient to conduct audit in the future considering the development of Bank's business and development based on the additional total asset, number of employees as well as number of office network. To deal with the situation, currently Internal Audit is conducting development on offsite audit activity.

b. Governance Process
   - Implementation of Board of Commissioners, Board of Directors and Committees duties has been performed in accordance with the Work Guidelines and Rules of Procedure.
   - Towards transactions with related parties conducted throughout January to December 2013, the Bank has managed them according to conflict of interest transaction handling policy in the Bank.
   - Bank has established strategy of Bank's Compliance Function implementation stated in Compliance Policy and Procedure. All policies and procedures have been performed in accordance with the prevailing provisions, as stated in the Report of Bank Compliance Function Implementation to Bank Indonesia and President Director as well as the Board of Commissioners.
   - Bank through IA has performed its activities based on Risk-Based Approach. All processes in IA have been sufficiently performed, such as reporting, monitoring of follow up, and development of human resources. Implementation of IA function has been, in general, conform to SPFAIB.
   - In the audit implementation by external auditor, Purwantono, Suherman and Surja Public Accountant Firm has met the specified aspects and has performed audit independently, also has met professional public accountant standard, engagement letter and audit scope specified in the prevailing regulations.
   - Bank has established comprehensive and effective management information system to maintain a sound internal Bank condition.
   - Effective management in monitoring alignment of Bank's condition with the principle of sound management, applicable regulations, and Bank's internal policies and procedures.
   - Periodical evaluation and update have been conducted by the Bank on policies, systems and procedures concerning Facilities to Related Parties and Large Exposures to be conformed to prevailing laws and regulations, and also reflected from the Bank independency in discussion and decision-making process without intervention of any party in accordance with the Bank's provision on Credit Discretionary Limit.
   - In terms of the delivery of product information, Bank has conducted a clear and transparent manner, and also consistently handling customers' complaints against minor weaknesses that occurred through proper customers' complaints handling mechanism.
   - Bank Business Plan has been formulised based on BI Circular Letter No.12/27/DPNP dated 25 October 2010 and adjusted with Bank's SWOT and Risk analysis. This plan already obtained approval and full support of the Board of Commissioners, and its execution is continuously monitored and directed by the Board of Directors as well as being communicated to the Board of Commissioners and all work function through budget workshop meeting.
   - In spite of that, there are still several items that need to improve, namely a delay on audit planning of 2013 caused by new system implementation plan in 2014, therefore it deemed necessary to postpone several audit until the new system has been implemented. Apart from those delayed audit plans in 2013, achievement realisation has been aligned with the initial work plan.

There were still some findings from Internal Audit and regulator regarding to the Bank's internal control system as well as several targets that have deviated from its realisation by the end of year 2103. The variance however is insignificant. Moreover, despite certain realisation which is below target, the Bank's Capital Adequacy Ratio (CAR) at the end of 2013 has managed to be realised above target and still above the minimum level required by Bank Indonesia.

c. Governance Outcome
   - The monitoring results of Board of Commissioners have become inputs for the Board of Directors in executing their duty and to achieve good performance.
   - Board of Directors' Duties has been well-implemented, as evident in Bank's business development and performance.
   - The Board of Commissioners and Board of Directors have conducted active supervision towards the implementation of risk management policies and strategies whereas the meetings of committees are conducted on a regular basis to support the supervisory function of the Board of Commissioners.
   - All transactions with related party in 2013 holds no potential loss or lessening the Bank's profit due to having been managed accordingly with the policy of transactions handling containing conflict of interest in the Bank.
   - The Implementation of Bank's compliance function is reflected from the ever-prompt submission of Compliance

Function Implementation Report, both on a quarterly basis to Bank's Management, and Half-Annually to Bank Indonesia. The scope of the report has been in line with Bank Indonesia's Provisions.

- Bank's Internal Audit Function has been carried out adequately, enabling adequate report to the Board of Directors and Board of Commissioners, as well as being supported with an audit programme to support the implementation of audit process.
- KAP Purwantono, Suherman and Surja as the executor of Bank's external audit function has reported its audit result and management letter to Bank Indonesia on a timely manner and in line with the audit scope as stipulated in the prevailing provisions.
- There were no LLL breaches throughout January – December 2013, and all reports related to facilities to related parties and large exposures have been submitted according to the real condition and on a timely manner to Bank Indonesia.
- Bank in 2013 has implemented Transparency principle towards its financial and non-financial conditions as conveyed through Quarterly and Annual Publication Report. In the Annual Publication Report, Bank has routinely report the implementation of Good Corporate Governance, in line with the prevailing Bank Indonesia Regulations.
- The corporate plan and business plan drafted by the Board of Directors have been approved by the Board of Commissioners and communicated to the ultimate shareholder through the Board of Commissioners as well as being communicated to all levels in the organisation. Bank's business plan has also described a sustainable growth targeted as well as providing economic and non-economic benefit to all stakeholders. Bank has also concluded its Core Banking Refresh project within the targeted timeline.

While several items that need improvements are namely:

- During the period of January – December 2013, there were breaches of Bank Indonesia provisions mostly due to human error in fulfilling reporting obligations to Bank Indonesia. The Bank will improve its controls through RBBR Working Group–Prevention and Improvement Work Streams to prevent future recurrence. In general, Bank will continuously evaluate the conformity with and adequacy and effectiveness of Bank's compliance function implementation to comply with the prevailing laws and regulations.
- Implementation of Bank's internal control shows the need of improvement reflected from the risk control system of risk profile report and its corrective actions have been performed, therefore preventing significant impacts to the Bank's condition.
- There are still customers' complaints related to incomplete information given by the Bank's front liners officers to customers on the Bank's products and services. These customers' complaints have been resolved by the Bank according to the prevailing provision. In order to reduce the amount of customers' complaints, the Bank consistently conducts improvements on the service quality of the front liners through trainings aimed at increasing awareness of these front liners on the importance of implementing transparency principle in all business activities, particularly related to the delivery of services to customers.

Information Access

Internal Communications

The Bank uses its various internal communications channels to educate employees on banking industry, business related activities, policies and plans. The internal communication network comprises:

- UOB Intranet Portal which contains information crucial to support the Bank's services as well as day-to-day operations.
- Monthly News email newsletter which carries CEO messages, business updates and reports.
- Daily News alerts which contain a summary of selected news reports on the national banking industry.
- Market Analysis is a daily bulletin containing information on the conditions of domestic and global markets.
- HR News is published periodically to inform the activities organised by Human Resources Directorate and other information relating to manpower.
- PFS News is published regularly to inform news, promotions and programmes launched by Personal Financial Services Directorate.
- TSB News contains information on activities conducted by Transaction Banking unit.
- CASQ News is a monthly publication containing any information related to customer service quality,
- OBOR is a quarterly publication as a communication media for operational risk coordinators (ORISCO) at the head office and branches.
- Legal Info is a monthly publication containing information on legal matters and activities conducted by Legal unit.
- RMG Bulletin is a bimonthly publication and contains information.

External Communications

Website

The Bank provides access for customers and general public by providing www.uob.co.id website as a portal service that also provides the latest information. On this site, public can find out among others, the Bank's profile, products and services, interest rates, financial performance, addresses of branches and subbranches and ATMs, as well as job vacancies.

Call Centre 14008

The customers can also access information regarding the Bank or its products and services by calling the 24-hours Call Centre at '14008'.

Press Release and Media Interviews

Throughout 2013, the Bank issued 10 (ten) press releases and conducted 9 (nine) one-on-one interview with various media, to promote and communicate its products, and corporate actions.

Responsibility for Annual Reporting

STATEMENT FROM THE BOARD OF COMMISSIONERS AND DIRECTORS REGARDING RESPONSIBILITY FOR ANNUAL REPORTING 2013 PT BANK UOB INDONESIA

This Annual Report along with the accompanying financial statements and other related information are the responsibility of the Management of PT Bank UOB Indonesia and have been approved by the members of the Board of Commissioners and the Board of Directors whose signatures appear below:

Board of Commissioners

Wee Cho Yaw
President Commissioner

Wee Ee Cheong
Vice President Commissioner

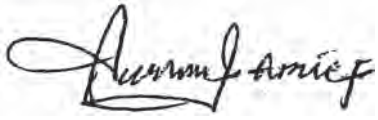
Lee Chin Yong Francis
Commissioner

Rusdy Daryono
Independent Commissioner

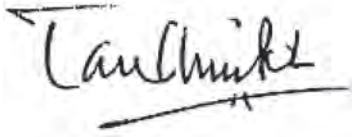
Wayan Alit Antara
Independent Commissioner

Aswin Wirjadi
Independent Commissioner

Board of Directors



Armand B. Arief
President Director



Tan Chin Poh
Deputy President Director

Iwan Satawidinata
Deputy President Director

Safrullah Hadi Saleh
Director

Ajeep Rassidi bin Othman
Director

Soehadie Tansol
Compliance Director

PT Bank UOB Indonesia
HEAD OFFICE
UOB Plaza
Jl.M.H. Thamrin No. 10 Jakarta 10230
Telp : (021) 23506000 (Hunting)
Fax : (021) 29936632
www.uob.co.id

No. 14/DIR/0159

SURAT PERNYATAAN DIREKSI TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN UNTUK TAHUN-TAHUN
YANG BERAKHIR 31 DESEMBER 2013, 2012 DAN 2011
PT Bank UOB Indonesia

DIRECTORS' STATEMENT LETTER RELATING TO
THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS
THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
PT Bank UOB Indonesia

Kami yang bertandatangan dibawah ini / We, the undersigned :

1. Nama/Name : **ARMAND B. ARIEF**
   Alamat Kantor/Office Address : Gedung UOB Plaza Jl. M.H. Thamrin No. 10 Jakarta Pusat 10230
   Alamat Domisili/Address of Domicile : Jl. Harapan No. 1, RT/RW. 001/003, Bintaro, Jakarta Selatan
   Nomor Telepon/Phone Number : (62-21) 23506000
   Jabatan/Position : Direktur Utama / President Director

2. Nama/Name : **SAFRULLAH HADI SALEH**
   Alamat Kantor/Office Address : Gedung UOB Plaza Jl. M.H. Thamrin No. 10 Jakarta Pusat 10230
   Alamat Domisili/Address of Domicile : Jl. Malaka Raya No. 26, RT/RW. 001/008, Duren Sawit, Jakarta Timur
   Nomor Telepon/Phone Number : (62-21) 23506000
   Jabatan/Position : Direktur / Director

Menyatakan Bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan;
2. Laporan Keuangan telah disusun dan disajikan sesuai dengan prinsip akuntansi yang berlaku umum;
3. a. Semua informasi dalam Laporan Keuangan telah dimuat secara lengkap dan benar;
   b. Laporan Keuangan Perusahaan 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 generally accepted accounting principles;
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, 11 April 2014

METERAI TEMPEL
E3AD0AC[illegible]0416059
ENAM RIBU RUPIAH
6000 DJP

ARMAND B. ARIEF
Direktur Utama / President Director

SAFRULLAH HADI SALEH
Direktur / Director

Financial Statements

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PT Bank UOB Indonesia

Laporan keuangan beserta laporan auditor independen
31 Desember 2013, 2012 dan 2011/
Financial statements with independent auditors' report
December 31, 2013, 2012 and 2011

Purwantono, Suherman & Surja

EY

EY

Purwantono, Suherman & Surja

Indonesia Stock Exchange Building
Tower 2 - PT Kisar
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia

Tel.: +62 21 5289 5000
Fax: +62 21 5289 4200
www.ey.com/id

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-5293/PSS/2014

Pemegang Saham, Dewan Komisaris dan Direksi PT Bank UOB Indonesia

Kami telah mengaudit laporan keuangan PT Bank UOB Indonesia ("Bank") terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2013, serta laporan laba rugi komprehensif, 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 memenuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-5293/PSS/2014

The Shareholders, The Board of Commissioners and The Board of Directors of PT Bank UOB Indonesia

We have audited the accompanying financial statements of PT Bank UOB Indonesia (the "Bank"), which comprise the statement of financial position as of December 31, 2013, and the statements of 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 the financial statements are free from material misstatement.

The original report included herein is in the Indonesian language

Laporan Auditor Independen (Lanjutan)

Laporan No. RPC-5393/PSS/2014 (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 mengatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas kelayakan 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 2013, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal lain

Kami sebelumnya telah menerbitkan laporan auditor independen No. RPC-4843/PSS/2014 tanggal 13 Februari 2014 dan No. RPC-5207/PSS/2014 tanggal 28 Maret 2014 atas laporan keuangan Bank tanggal 31 Desember 2013, dan untuk tahun yang berakhir pada tanggal tersebut. Laporan ini diterbitkan kembali dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana penawaran umum obligasi subordinasi Bank di Bursa Efek Indonesia, serta tidak dirujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

Independent Auditors' Report (continued)

Report No. RPC-5393/PSS/2014 (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, 2013, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

We have previously issued independent auditors' report No. RPC-4843/PSS/2014 dated February 13, 2014 and No. RPC-5207/PSS/2014 dated March 28, 2014 on the Bank's financial statements as of December 31, 2013, and for the year then ended. This report has been released solely for inclusion in the prospectus in connection with the proposed public offering of subordinate bonds by the Bank on Indonesia Stock Exchange, and is not intended to be, and should not be, used for any other purposes.

Purwantono, Suherman & Surja

Benyamin Suherman
Registrasi Akuntan Publik No. AP.0685/Public Accountant Registration No. AP.0685

11 April 2014/April 11, 2014

EY

Purwantono, Suherman & Surja

Indonesia Stock Exchange Building
Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia

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Fax: +62 21 5289 5100
www.ey.com

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-5292/PSS/2014

Pemegang Saham, Dewan Komisaris dan Direksi PT Bank UOB Indonesia

Kami telah mengaudit laporan posisi keuangan PT Bank UOB Indonesia ("Bank") tanggal 31 Desember 2012 dan 2011, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal-tanggal tersebut. Laporan keuangan adalah tanggung jawab manajemen Bank. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan berdasarkan audit kami.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar kami memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan, atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

Menurut pendapat kami, laporan keuangan yang kami sebut di atas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank UOB Indonesia tanggal 31 Desember 2012 dan 2011, serta hasil usaha dan arus kas untuk tahun yang berakhir pada tanggal-tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report

Report No. RPC-5292/PSS/2014

The Shareholders, The Board of Commissioners and The Board of Directors of PT Bank UOB Indonesia

We have audited the statements of financial position of PT Bank UOB Indonesia ("Bank") as of December 31, 2012 and 2011, and the statements of comprehensive income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of December 31, 2012 and 2011, and the results of its operations, and its cash flows for the years then ended, in conformity with Indonesian Financial Accounting Standards.

The original report included herein is in the Indonesian language

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-5392/PSS/2014 (lanjutan)

Kami sebelumnya telah menerbitkan laporan auditor independen No. RPC-3351/PSS/2013 tanggal 4 Maret 2013 atas laporan keuangan Bank tanggal 31 Desember 2012 dan 2011, dan untuk tahun yang berakhir pada tanggal-tanggal tersebut. Laporan ini diterbitkan kembali dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana penawaran umum obligasi subordinasi Bank di Bursa Efek Indonesia, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

Independent Auditors' Report (continued)

Report No. RPC-5392/PSS/2014 (continued)

We have previously issued independent auditors' report No. RPC-3351/PSS/2013 dated March 4, 2013 on the Bank's financial statements as of December 31, 2012 and 2011, and for the years then ended. This report has been reissued solely for inclusion in the prospectus in connection with the proposed public offering of subordinate bonds by the Bank on Indonesia Stock Exchange, and is not intended to be, and should not be, used for any other purposes.

Purwantono, Suherman & Surja

Benyamin Suherman
Registrasi Akuntan Publik No. AP.0685/Public Accountant Registration No. AP.0685

11 April 2014/April 11, 2014

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF FINANCIAL POSITION
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
ASET					***ASSETS***
Kas	2a,2c, 3,37,39	662.074	418.425	376.864	*Cash*
Giro pada Bank Indonesia	2a,2c, 2d,4,37,39	4.760.162	4.047.388	3.553.147	*Current accounts with Bank Indonesia*
Giro pada bank lain	2a,2c,2d, 2l,5,37,39				*Current accounts with other banks*
Pihak ketiga		766.559	389.785	466.959	*Third parties*
Pihak berelasi	2b,34	394.341	507.273	199.317	*Related parties*
		1.160.900	897.058	666.276	
Penempatan pada Bank Indonesia dan bank lain	2a,2c,2e, 2l,6,37,39				*Placements with Bank Indonesia and other banks*
Pihak ketiga		2.873.010	2.644.529	2.809.270	*Third parties*
Pihak berelasi	2b,34	246.966	105.075	280.294	*Related parties*
		3.119.976	2.749.604	3.089.564	
Efek-efek yang diperdagangkan	2a,2c,2f, 2l,7,37,39	578.308	621.532	1.301.802	*Trading securities*
Investasi keuangan - setelah dikurangi diskonto yang belum diamortisasi sebesar Rp8.118, Rp74.759 dan Rp117.276 pada tanggal 31 Desember 2013, 2012 dan 2011	2a,2c,2g,2h, 2l,8,37,39				*Financial investments - net of unamortized discount of Rp8,118, Rp74,759 and Rp117,276 as of December 31, 2013, 2012 and 2011*
Tersedia untuk dijual		4.974.650	3.083.092	4.151.655	*Available-for-sale*
Dimiliki hingga jatuh tempo		672.002	259.755	403.263	*Held-to-maturity*
		5.646.652	3.342.847	4.554.918	
Cadangan kerugian penurunan nilai		(710)	(640)	(4.033)	*Allowance for impairment losses*
Neto		5.645.942	3.342.207	4.550.885	*Net*
Tagihan derivatif	2b,2c,2i, 2l, 9,34,37,39	350.281	113.482	82.604	*Derivatives receivable*
Kredit yang diberikan	2c,2j,2l, 10,15,16, 17,37,39				*Loans*
Pihak ketiga		51.808.430	44.630.059	39.002.485	*Third parties*
Pihak berelasi	2b,34	407.662	348.724	354.423	*Related parties*
		52.216.092	44.978.783	39.356.908	
Cadangan kerugian penurunan nilai		(345.652)	(502.877)	(491.131)	*Allowance for impairment losses*
Neto		51.870.440	44.475.906	38.865.777	*Net*

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN (lanjutan)
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF FINANCIAL POSITION (continued)
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
ASET (lanjutan)					***Assets (continued)***
Tagihan akseptasi	2c,2k,2l, 11,37,39	1.845.261	1.409.828	1.472.001	*Acceptances receivable*
Cadangan kerugian penurunan nilai		(2.106)	(3.326)	(15.125)	*Allowance for impairment losses*
Neto		1.843.155	1.406.502	1.456.876	*Net*
Aset pajak tangguhan - neto	2w,19	-	-	13.104	*Deferred tax assets - net*
Aset tetap	2b,2n,12, 28,34				*Fixed assets*
Biaya perolehan		1.641.744	1.483.561	1.407.655	*Cost*
Akumulasi penyusutan		(654.163)	(598.269)	(586.904)	*Accumulated depreciation*
Penurunan nilai		(3.110)	(3.110)	(3.417)	*Impairment in value*
Nilai buku		984.471	882.182	817.334	*Net book value*
Aset lain-lain - neto	2c,2m,2o,2p 13,37,39	406.498	418.789	474.014	*Other assets - net*
TOTAL ASET		**71.382.207**	**59.373.075**	**55.248.247**	***TOTAL ASSETS***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN (lanjutan)
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF FINANCIAL POSITION
(continued)
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
LIABILITAS DAN EKUITAS					***LIABILITIES AND EQUITY***
LIABILITAS					***LIABILITIES***
Liabilitas segera	2c, 14,37,39	67.723	217.802	80.001	*Current liabilities*
Simpanan	2c,2q				*Deposits*
Giro	10,15,37,39				*Demand deposits*
Pihak ketiga		5.322.737	4.984.869	4.836.886	*Third parties*
Pihak berelasi	2b,34	13.327	2.262	3.744	*Related parties*
		5.336.064	4.987.131	4.840.630	
Tabungan	10,16,37,39				*Savings deposits*
Pihak ketiga		9.257.841	8.143.000	7.773.980	*Third parties*
Pihak berelasi	2b,34	30.946	21.732	31.147	*Related parties*
		9.288.787	8.164.732	7.805.127	
Deposito berjangka	10,17,37,39				*Time deposits*
Pihak ketiga		42.551.536	33.336.342	30.188.544	*Third parties*
Pihak berelasi	2b,34	102.047	50.713	68.912	*Related parties*
		42.653.583	33.387.055	30.257.456	
Total simpanan		57.278.434	46.538.918	42.903.213	*Total deposits*
Simpanan dari bank lain	2b,2c,2r,18, 34,37,39	1.597.619	1.681.653	1.316.501	*Deposits from other banks*
Bunga yang masih harus dibayar	2s,37,39	196.174	151.373	174.216	*Interests payable*
Hutang pajak	2w,19	131.331	85.071	69.539	*Taxes payable*
Liabilitas derivatif	2b,2c,2i,9, 34,37,39	354.031	116.151	82.005	*Derivatives payable*
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	2c, 20,37	-	-	1.190.297	*Obligation on securities sold under repurchase agreements*
Liabilitas akseptasi	2c,2k, 11,37,39	1.845.261	1.389.757	1.472.001	*Acceptances liabilities*
Liabilitas pajak tangguhan - neto	2w,19	39.589	40.181	-	*Deferred tax liability - net*
Liabilitas atas imbalan kerja	2v,32	78.720	69.982	52.146	*Liabilities for employees' benefits*
Liabilitas lain-lain	2b,2c,22, 34,37,39	524.715	500.460	440.389	*Other liabilities*
Total Liabilitas		62.113.597	50.791.348	47.780.308	*Total Liabilities*

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF FINANCIAL POSITION
(continued)
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
EKUITAS					***EQUITY***
Modal saham - nilai nominal Rp250 (nilai penuh) per saham Modal dasar - 36.000.000.000 saham pada tahun 2013, 2012 dan 2011 Modal ditempatkan dan disetor penuh - 9.553.885.804 saham pada tahun 2013, 2012 dan 2011	23	2.388.471	2.388.471	2.388.471	*Share capital - Rp250 (full amount) par value per share Authorized - 36,000,000,000 shares in 2013, 2012 and 2011 Issued and fully paid - 9,553,885,804 shares in 2013, 2012 and 2011*
Tambahan modal disetor - neto	2x,24	2.102.242	812.595	812.595	*Additional paid-in capital - net*
Selisih nilai transaksi restrukturisasi entitas sepengendali	2x,24	-	1.289.647	1.289.647	*Difference in the value of restructuring transactions of entities under common control*
(Kerugian) keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	2g,8	(177.415)	35.868	3.177	*Unrealized (loss) gain on available-for-sale securities - net*
Saldo laba	25				*Retained earnings*
Telah ditentukan penggunaannya		70.000	45.000	42.500	*Appropriated*
Belum ditentukan penggunaannya		4.885.312	4.010.146	2.931.549	*Unappropriated*
Total Ekuitas		9.268.610	8.581.727	7.467.939	*Total Equity*
TOTAL LIABILITAS DAN EKUITAS		**71.382.207**	**59.373.075**	**55.248.247**	***TOTAL LIABILITIES AND EQUITY***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI KOMPREHENSIF
Tahun yang Berakhir pada Tanggal-tanggal
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF COMPREHENSIVE INCOME
Years Ended
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
PENDAPATAN DAN BEBAN OPERASIONAL					***INCOME AND EXPENSE FROM OPERATIONS***
Pendapatan dan beban bunga					*Interest income and expenses*
Pendapatan bunga	2b,2s,26	5.429.894	4.865.777	4.113.386	*Interest income*
Beban bunga	2b,2s,27,33	(2.584.031)	(2.060.725)	(1.774.928)	*Interest expense*
PENDAPATAN BUNGA - NETO		**2.845.863**	**2.805.052**	**2.338.458**	***INTEREST INCOME - NET***
Pendapatan Operasional Lainnya					*Other operating income*
Komisi dan jasa administrasi - neto	2b,2t	183.444	193.674	174.747	*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	2f,2g	142.901	74.156	50.697	*Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net*
Keuntungan transaksi mata uang asing	2i,2u	146.707	108.813	136.412	*Gain from foreign currency transactions*
Lain-lain - neto		85.554	96.885	111.327	*Others - net*
Total Pendapatan Operasional Lainnya - Neto		**558.606**	**473.528**	**473.183**	***Total Other Operating Income - Net***
Pembentukan (penyisihan) pemulihan kerugian penurunan nilai:					*(Provision for) reversal of impairment losses:*
Aset keuangan dan estimasi kerugian komitmen dan kontinjensi	2l,2m	73.038	(68.198)	(209.308)	*Financial assets and estimated losses on commitments and contingencies*
Nilai agunan yang diambil alih	2m,13	8.951	(6.386)	19.686	*Value of foreclosed assets*
Total Pembentukan Cadangan Kerugian Penurunan Nilai		81.989	(74.584)	(189.622)	*Total Provision for Impairment Losses*
Beban Operasional Lainnya					*Other operating expenses*
Gaji dan kesejahteraan karyawan	2v,29,32b	(1.252.413)	(1.155.496)	(929.237)	*Salaries and employees' benefits*
Beban umum dan administrasi	2b,2n, 12,28,34	(743.748)	(632.296)	(638.287)	*General and administrative expense*
Total Beban Operasional Lainnya		(1.996.161)	(1.787.792)	(1.567.524)	*Total Other Operating Expenses*
LABA OPERASIONAL		**1.490.297**	**1.416.204**	**1.054.495**	***INCOME FROM OPERATIONS***
Pendapatan (beban) non-operasional					*Non-operating income (expenses)*
Keuntungan penjualan aset tetap dan agunan yang diambil alih	2n,2o,12,13	49.136	56.534	21.585	*Gain on sale of fixed assets and foreclosed assets*
Lain-lain - neto		240	16.169	(521)	*Others - net*
Pendapatan Non-Operasional - Neto		49.376	72.703	21.064	*Non-Operating Income - Net*
LABA SEBELUM BEBAN PAJAK		**1.539.673**	**1.488.907**	**1.075.559**	***INCOME BEFORE TAX EXPENSE***
Beban pajak	2w,19				*Tax expense*
Periode berjalan		(322.515)	(334.802)	(268.939)	*Current*
Tangguhan		(70.502)	(42.388)	(13.064)	*Deferred*
Total beban pajak		(393.017)	(377.190)	(282.003)	*Total tax expense*
LABA NETO TAHUN BERJALAN		**1.146.656**	**1.111.717**	**793.556**	***NET INCOME FOR THE YEAR***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI KOMPREHENSIF
(lanjutan)
Tahun yang Berakhir pada Tanggal-tanggal
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF COMPREHENSIVE INCOME
(continued)
Years Ended
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
LABA NETO TAHUN BERJALAN		**1.146.656**	**1.111.717**	**793.556**	***NET INCOME FOR THE YEAR***
Pendapatan komprehensif lainnya:					*Other comprehensive income*
(Kerugian)/keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual		(284.377)	43.588	20.940	*Unrealized (loss)/gain on available-for-sale securities*
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya		71.094	(10.897)	(5.315)	*Income tax relating to component of other comprehensive income*
Pendapatan komprehensif lainnya tahun berjalan - setelah pajak		(213.283)	32.691	15.625	*Other comprehensive income for the year - net of tax*
Total laba komprehensif tahun berjalan - setelah pajak		**933.373**	**1.144.408**	**809.181**	***Total comprehensive income for the year - net of tax***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes 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
Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31, 2013, 2012 and 2011
(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*	Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali / *Difference in the Value of Restructuring Transactions of Entities Under Common Control*	Keuntungan (Kerugian) yang Belum Direalisasi atas Efek-efek yang Tersedia untuk Dijual - neto / *Unrealized Gain (Loss) on Available-for-Sale Securities - net*	Saldo Laba/*Retained Earnings*		Total Ekuitas / *Total Equity*	
						Telah Ditentukan Penggunaannya / *Appropriated*	Belum Ditentukan Penggunaannya / *Unappropriated*		
Saldo, 1 Januari 2011		2.389.471	912.595	1.285.647	(11.448)	40.000	2.387.613	6.903.878	*Balance, January 1, 2011*
Pembentukan cadangan umum	26	-	-	-	-	2.500	(2.500)	-	*Appropriation for general reserve*
Dividen kas	28	-	-	-	-	-	(247.120)	(247.120)	*Cash dividends*
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	2g,8	-	-	-	15.625	-	-	15.625	*Unrealized gain on available-for-sale securities - net*
Laba tahun berjalan 2011		-	-	-	-	-	793.598	793.598	*Income for the year 2011*
Saldo, 31 Desember 2011		2.389.471	912.595	1.285.647	3.177	42.500	2.931.591	7.467.579	*Balance, December 31, 2011*
Pembentukan cadangan umum	26	-	-	-	-	2.500	(2.500)	-	*Appropriation for general reserve*
Dividen kas	28	-	-	-	-	-	(35.625)	(35.625)	*Cash dividends*
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	2g,8	-	-	-	32.691	-	-	32.691	*Unrealized gain on available-for-sale securities - net*
Laba tahun berjalan 2012		-	-	-	-	-	1.111.717	1.111.717	*Income for the year 2012*
Saldo, 31 Desember 2012		2.389.471	912.595	1.285.647	35.868	45.000	4.010.183	8.581.737	*Balance, December 31, 2012*
Pembentukan cadangan umum dan reklasifikasi selisih nilai transaksi restrukturisasi entitas sepengendali menjadi tambahan modal disetor	26	-	1.289.647	(1.285.647)	-	25.000	(25.000)	-	*Appropriation for general reserve and reclassification of difference in the value of restructuring of entities transaction under common control*
Dividen kas	28	-	-	-	-	-	(246.480)	(246.480)	*Cash dividends*
Kerugian yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	2g,8	-	-	-	(213.263)	-	-	(213.263)	*Unrealized loss on available-for-sale securities - net*
Laba tahun berjalan 2013		-	-	-	-	-	1.148.938	1.148.938	*Income for the year 2013*
Saldo, 31 Desember 2013		2.389.471	2.152.242	-	(177.395)	70.000	4.886.641	9.320.959	*Balance, December 31, 2013*

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS
Tahun yang Berakhir pada Tanggal-tanggal
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF CASH FLOWS
Years Ended
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
ARUS KAS DARI AKTIVITAS OPERASI					***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan bunga, provisi dan komisi		5.388.420	4.881.130	4.112.435	*Interest, fees and commissions received*
Penerimaan dari transaksi operasional lainnya		556.826	433.167	355.773	*Other operating income received*
Penerimaan dari penjualan agunan yang diambil alih		73.594	31.515	50.888	*Receipts from sales of foreclosed assets*
Penerimaan dari kredit yang telah dihapusbukukan		29.573	24.401	17.607	*Receipts from loans previously written-off*
Pembayaran bunga		(2.539.230)	(2.083.568)	(1.653.695)	*Payments of interest*
Pembayaran beban operasional lainnya		(1.928.504)	(1.684.511)	(1.498.239)	*Payments of other operating expenses*
Pembayaran pajak penghasilan		(298.099)	(319.639)	(275.770)	*Payments of income tax*
Penerimaan dari klaim atas pengembalian pajak		-	1.040	-	*Receipts from claim of tax refund*
Penerimaan (pembayaran) untuk transaksi non-operasional - neto		240	16.170	(521)	*(Receipts) payments of 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*
Penempatan pada Bank Indonesia dan bank lain		-	398.270	(398.270)	*Placements with Bank Indonesia and other banks*
Efek-efek untuk tujuan diperdagangkan		(339.938)	1.295.842	(1.776.997)	*Trading securities*
Kredit yang diberikan		(7.345.131)	(5.682.033)	(12.179.235)	*Loans*
Akseptasi		(435.433)	(20.071)	-	*Acceptance*
Aset lain-lain		18.183	54.095	8.033	*Other assets*
Kenaikan (penurunan) liabilitas operasi:					*Increase (decrease) in operating liabilities:*
Liabilitas segera		(150.080)	137.801	(7.662)	*Current liabilities*
Simpanan:					*Deposits:*
Giro		348.932	146.479	1.638.063	*Demand deposits*
Tabungan		1.124.055	359.627	496.163	*Savings deposits*
Deposito berjangka		9.266.528	3.129.598	12.506.066	*Time deposits*
Simpanan dari bank lain		371.470	365.152	(659.601)	*Deposits from other banks*
Hutang pajak		21.845	368	15.538	*Taxes payable*
Liabilitas lain-lain		23.231	60.072	(51.932)	*Other liabilities*
Kas Neto Diperoleh dari Aktivitas Operasi		**4.186.482**	**1.544.905**	**698.644**	***Net Cash Provided by Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI					***CASH FLOWS FROM INVESTING ACTIVITIES***
Hasil penjualan aset tetap	12	25.884	58.830	11.480	*Proceeds from sales of fixed assets*
Pembelian efek-efek - neto		(2.907.643)	35.048	(242.926)	*Purchase of securities - net*
Perolehan aset tetap		(192.527)	(151.296)	(94.827)	*Acquisitions of fixed assets*
Kas Neto Digunakan untuk Aktivitas Investasi		**(3.074.286)**	**(57.418)**	**(326.273)**	***Net Cash Used in Investing Activities***
ARUS KAS DARI AKTIVITAS PENDANAAN					***CASH FLOWS FROM FINANCING ACTIVITIES***
Pembayaran dividen tunai		(246.490)	(30.620)	(247.120)	*Cash dividends paid*
(Pembelian) penerimaan atas penjualan surat berharga yang dijual dengan janji untuk dibeli kembali		-	(1.190.297)	1.190.297	*(Purchase of) receipt on sale of securities under repurchase agreements*
Kas Neto Diperoleh dari/ (Digunakan untuk) Aktivitas Pendanaan		**(246.490)**	**(1.220.917)**	**943.177**	***Net Cash Provided by/(Used in) Financing Activities***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Tahun yang Berakhir pada Tanggal-tanggal
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENTS OF CASH FLOWS (continued)
Years Ended
December 31, 2013, 2012 and 2011
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ *Notes*	2013	2012	2011	
Kenaikan Neto Kas dan Setara Kas		386.267	150.688	1.292.321	*Net Increase in Cash and Cash Equivalents*
Pengaruh neto perubahan kurs pada Kas dan setara kas		479.439	115.882	23.227	*Net effect on exchange rate on cash and cash equivalent*
Kas dan Setara Kas Awal Tahun	2a	8.837.406	8.570.836	7.255.288	*Cash and Cash Equivalents at Beginning of Year*
Kas dan Setara Kas Akhir Tahun	2a	9.703.112	8.837.406	8.570.836	*Cash and Cash Equivalents at End of Year*
Komponen Kas dan Setara Kas					*Components of Cash and Cash Equivalents*
Kas	3	662.074	418.425	376.864	*Cash*
Giro pada Bank Indonesia	4	4.760.162	4.047.388	3.553.147	*Current accounts with Bank Indonesia*
Giro pada bank lain	5	1.160.900	897.058	666.276	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain - jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan		3.119.976	2.749.604	2.691.294	*Placements with Bank Indonesia and other banks maturing within 3 (three) months from the date of acquisition*
Sertifikat Bank Indonesia - jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan		-	724.931	1.283.255	*Certificates of Bank Indonesia maturing within 3 (three) months from the date of acquisition*
Total		**9.703.112**	**8.837.406**	**8.570.836**	***Total***

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun yang Berakhir pada Tanggal-tanggal
31 Desember 2013, 2012 dan 2011
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
Years Ended
December 31, 2013, 2012 and 2011
(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.

Sesuai dengan Pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan usaha Bank adalah menjalankan kegiatan umum perbankan. 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 sebagaimana telah diubah terakhir dengan Surat Keputusan Gubernur Bank Indonesia No. 12/45/KEP.GBI/2010 tanggal 10 Juni 2010, dinyatakan tetap berlaku bagi PT Bank UOB Buana.

Pada tahun 2000, Perseroan mengubah status Perseroan menjadi perusahaan terbuka dengan melakukan penawaran umum perdana kepada masyarakat sebanyak 194.000.000 saham. Perubahan status Perseroan menjadi perusahaan terbuka telah disetujui oleh Bapepam-LK berdasarkan Surat Ketua Badan Pengawas Pasar Modal No. S-1544/PM/2000, tanggal 27 Juni 2000.

Pada tahun 2008, Perseroan mengubah status Perseroan dari perusahaan terbuka menjadi perusahaan tertutup dan menghapuskan pencatatan (delisting) saham Perseroan di Bursa Efek Indonesia (BEI). Penghapusan pencatatan (delisting) saham Perseroan di BEI juga telah mendapatkan persetujuan dari BEI berdasarkan Surat Persetujuan Delisting No. S-06047/BEI.PSJ/11-2008 tanggal 19 November 2008.

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 August 31, 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 October 24, 1956, as recorded at the Jakarta Court of Justice under registration No. 1811 dated October 27, 1956 and was published in State Gazette of the Republic of Indonesia No. 96 Supplement No. 1243 dated November 30, 1956.

Based on Article 3 of the Bank's Articles of Association, the scope of Bank's business is to engage in general banking activities. Bank's commercial banking activities begin on 1 November 1956 based on the Decision Letter No. 203443/U.M.II dated October 15, 1956 of the Ministry of Finance of the Republic of Indonesia about Granting Business License of PT Bank Buana Indonesia located in Jakarta, as the latest amendment by the Decision Letter of the Governor of Bank Indonesia No. 12/45/KEP.GBI/2010 dated June 10, 2010, shall remain in force for PT Bank UOB Buana.

In 2000, the Company changed the status of the Company into a public company with an initial public offering as many as 194 million shares to the public. Change the status of the Company became a public company has been approved by Bapepam-LK based on Letter from the Chairman of the Capital Market Supervisory Board No. S-1544/PM/2000, dated June 27, 2000.

In 2008, the Company changed the status of the Company from a public company into a private company and eliminate the listing (delisting) shares of the Company on the Stock Exchange. Delisting the Company's shares on the Stock Exchange has also received approval from the Stock Exchange Delisting Letter Agreement No.S-06047/BEI.PSJ/11-2008 dated November 19, 2008.

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada tanggal 30 Juni 2010, Perseroan (yang pada saat itu bernama PT Bank UOB Buana) secara efektif menerima penggabungan usaha PT Bank UOB Indonesia dan 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 Perseroan sebagai perusahaan hasil penggabungan.

Pada tanggal 18 Januari 2011 dilaksanakan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Bank, yang telah diaktakan dalam Akta Notaris Fathiah Helmi, S.H., No. 24 pada tanggal yang sama, pemegang saham menyetujui perubahan nama entitas menjadi PT Bank UOB Indonesia. Akta ini telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana tercantum dalam surat No. AHU-16400.AH.01.02 yang berlaku efektif tanggal 31 Maret 2011.

Pada bulan Mei 2011, perubahan nama tersebut 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. Selain perizinan tersebut, Bank juga telah memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan Surat Keputusan Gubernur BI No. 9/39/KEP/DIR/UD tanggal 22 Juli 1976.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan, terakhir dengan Akta Notaris Fathiah Helmi, S.H., No. 68 tanggal 25 Mei 2012, untuk merubah pasal 12 Anggaran Dasar Bank. 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.

1. General (continued)

a. Establishment of the Bank and General Information (continued)

On June 30, 2010, the Company (which at the time was known as PT Bank UOB Buana) to effectively accept the merger of PT Bank UOB Indonesia and has obtained approval from the Central Bank by virtue of Decree No. BI governor. No. 12/45/KEP.GBI/2010 dated June 10, 2010 on the Granting Permit Merger (Merger) PT Bank UOB Indonesia into PT Bank UOB Buana. The permit remains valid as company business license as a result of the merger of the Company.

On January 18, 2011, the Shareholders of the Bank through the Shareholders Extraordinary General Meeting (EGM) as notarized by Notarial Deed No. 24 of Fathiah Helmi, S.H., on the same date, approved the changes of entity name become PT Bank UOB Indonesia.This notarial deed had been approved by the Minister of Law and Human Rights of the Republic of Indonesia as set forth in letter No. AHU-16400.AH.01.12 which became effective on March 31, 2011.

In May 2011, the change of name has obtained approval from the Central Bank by virtue of Decree No. BI governor. 13/34/KEP.GBI/2011 dated May 19, 2011 on Business Permit Use Change on Behalf of PT Bank UOB Buana Being a Business License Under Name of PT Bank UOB Indonesia. In addition to the license, the Bank also obtained a license to run the activities as a foreign banks based on Decree No. BI governor. 9/39/KEP/DIR/UD dated July 22, 1976.

The Bank's Articles of Association has been amended several times, the latest by Notarial Deed No. 68 dated May 25, 2012 of Fathiah Helmi, S.H., to amend article 12 of the Bank's Articles of Association. This amendment of the Bank's Articles of Association was received and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia as stated in the Letter No. AHU-AH.01.10-45670 dated December 26, 2012.

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Kantor pusat Bank berlokasi di Jl. M.H. Thamrin No. 10, Jakarta. Pada tanggal 31 Desember 2013, Bank memiliki 41 kantor cabang, 168 kantor cabang pembantu dan 189 ATM, yang seluruhnya berlokasi di Indonesia.

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 23).

b. Dewan Komisaris, Direksi dan Karyawan

Susunan Dewan Komisaris pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

1. General (continued)

a. Establishment of the Bank and General Information (continued)

The Bank's head office is located at M.H. Thamrin No. 10, Jakarta. As of December 31, 2013, the Bank has 41 branches, 168 sub-branches and 189 ATM, which are all located in Indonesia.

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 23).

b. Board of Commissioners, Directors and Employees

The composition of the Bank's Board of Commissioners as of December 31, 2013, 2012 and 2011 are as follows:

		Dewan Komisaris/ *Board of Commissioners*		
Komisaris Utama	:	Wee Cho Yaw	:	*President Commissioner*
Wakil Komisaris Utama	:	Wee Ee Cheong	:	*Vice 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*
		2013		
		Direksi/ *Board of Directors*		
Direktur Utama	:	Armand Bachtiar Arief	:	*President Director*
Wakil Direktur Utama	:	Tan Chin Poh	:	*Deputy President Director*
Wakil Direktur Utama	:	Iwan Satawidinata	:	*Deputy President Director*
Direktur Keuangan dan Pelayanan Korporasi	:	Safrullah Hadi Saleh		*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 Kepatuhan	:	Soehadie Tansol	:	*Compliance Director*
		2012		
		Direksi/ *Board of Directors*		
Direktur Utama	:	Armand Bachtiar Arief	:	*President Director*
Wakil Direktur Utama	:	Wang Lian Khee*	:	*Deputy President Director*
Wakil Direktur Utama	:	Iwan Satawidinata	:	*Deputy President Director*
Direktur Keuangan dan Pelayanan Korporasi	:	Safrullah Hadi Saleh		*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 Kepatuhan	:	Soehadie Tansol	:	*Compliance Director*

* telah mengunduran diri pada tanggal 31 Desember 2012 /*resigned in December 31, 2012.*
** kedudukan berubah menjadi Kepala Sumber Daya Manusia/*position changed to Head of Human Resources.*
*** kedudukan berubah menjadi Kepala Teknologi dan Operasional/*position changed to Head of Technology and Operations.*
**** telah mengunduran diri pada tanggal 25 Juni 2012 /*resigned in June 25, 2012.*

1. Umum (lanjutan)

b. Dewan Komisaris, Direksi dan Karyawan (lanjutan)

Susunan Direksi Bank pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut: (lanjutan)

1. General (continued)

b. Board of Commissioners, Directors and Employees (continued)

The composition of the Bank's Board of Directors as of December 31, 2013, 2012 and 2011 are as follows: (continued)

		2011		
		Direksi/ *Board of Directors*		
Direktur Utama	:	Armand Bachtiar Arief	:	*President Director*
Wakil Direktur Utama	:	Wang Lian Khee	:	*Deputy President Director*
Wakil Direktur Utama	:	Iwan Satawidinata	:	*Deputy President Director*
Direktur Sumber Daya Manusia	:	Pardi Kendy**	:	*Human Resources Director*
Direktur Keuangan dan Pelayanan Korporasi	:	Safrullah Hadi Saleh		*Finance and Corporate Service Director*
Direktur Teknologi dan Operasional	:	Goh Seng Huat***	:	*Technology and Operations Director*
Direktur Penyetujuan Kredit dan *Special Asset Management (SAM)*	:	Ajeep Rassidi Bin Othman	:	*Credit Approval and Special Asset Management (SAM) Director*
Direktur Pelayanan Keuangan Personal	:	Suhaimin Djohan****	:	*Personal Financial Services Director*
Direktur Kepatuhan	:	Soehadie Tansol	:	*Compliance Director*

Susunan Dewan Komisaris dan Direksi pada tanggal 31 Desember 2013, 2012 dan 2011 tersebut telah memperoleh persetujuan dari Bank Indonesia.

The members of the Boards of Commissioners and Directors as of December 31, 2013, 2012 and 2011 were approved by Bank Indonesia.

Susunan Komite Audit Bank pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

The composition of the Bank's Audit Committee as of December 31, 2013, 2012 and 2011 is as follows:

		Komite Audit/ *Audit Committee*		
Ketua Komite Audit	:	Rusdy Daryono	:	*Head of Audit Committee*
Anggota	:	Thomas Abdon	:	*Member*
Anggota	:	Winny Widya	:	*Member*

Pada tanggal 4 April 2012, berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 12/SKDIR/0401, Bank mengesahkan jabatan Kepala Sekretaris Perusahaan. Per tanggal 31 Desember 2013 dan 2012, Kepala Sekretaris Perusahaan Bank adalah Lina berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 12/SKDIR/0438 tanggal 4 April 2012.

On April 4, 2012, based on the Board of Directors PT Bank UOB Indonesia Decree No. 12/SKDIR/0401, Bank ratify Head Corporate Secretary. As of December 31, 2013 and 2012, Head of Corporate Secretary of the Bank is Lina based on the Board of Directors PT Bank UOB Indonesia Decree No. 12/SKDIR/0438 dated April 4, 2012.

Per tanggal 31 Desember 2013, 2012 dan 2011, 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.

As of December 31, 2013, 2012 and 2011, Internal Audit Unit Head is Ridwan Moezwir based on the Board of Directors PT Bank UOB Buana Tbk Decree No. 08/SKDIR/1326 dated August 12, 2008.

* telah mengunduran diri pada tanggal 31 Desember 2012 /*resigned in December 31, 2012.*
** kedudukan berubah menjadi Kepala Sumber Daya Manusia/*position changed to Head of Human Resources.*
*** kedudukan berubah menjadi Kepala Teknologi dan Operasional/*position changed to Head of Technology and Operations.*
**** telah mengunduran diri pada tanggal 25 Juni 2012 /*resigned in June 25, 2012.*

1. Umum (lanjutan)

b. Dewan Komisaris, Direksi dan Karyawan (lanjutan)

Manfaat jangka pendek yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar Rp14.379, Rp25.500 dan Rp28.662.

Manfaat jangka panjang yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar Rp14.542, Rp7.676 dan Rp11.275.

Pada tanggal 31 Desember 2013, 2012 dan 2011, total karyawan masing-masing sebanyak 5.317, 5.314 orang dan 5.301 orang (tidak diaudit).

1. General (continued)

b. Board of Commissioners, Directors and Employees (continued)

Short term benefits received by Bank's Board of Commissioners and Directors for December 31, 2013, 2012 and 2011 amounting to Rp14,379, Rp25,500 dan Rp28,662, respectively.

Long term benefits received by Bank's Board of Commissioners and Directors for December 31, 2013, 2012 and 2011 amounting to Rp14,542, Rp7,676 dan Rp11,275, respectively.

As of December 31, 2013, 2012 and 2011, the Bank has 5,317, 5,314 and 5,301 employees (unaudited), respectively.

2. Ikhtisar Kebijakan Akuntansi Penting

Kebijakan-kebijakan akuntansi yang penting, yang diterapkan dalam penyusunan laporan keuangan untuk tahun 2013, 2012 dan 2011 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). Seperti diungkapkan dalam Catatan-catatan terkait di bawah ini, beberapa standar akuntansi yang telah direvisi dan, diterapkan efektif tanggal 1 Januari 2013.

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 2013, 2012 and 2011, are as follows:

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and disclosed in accordance with the Indonesian Financial Accounting Standards (FAS) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI). As disclosed further in the relevant succeeding notes, several amended accounting standards were adopted effective January 1, 2013.

The financial statements, except for the statements 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 dan bank lain dan Sertifikat Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

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 tindakan saat ini, hasil akhir mungkin berbeda dengan jumlah yang diestimasi semula.

Mata uang pelaporan yang digunakan dalam laporan keuangan adalah mata uang Rupiah. 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-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 and other banks and Bank Indonesia Certificates maturing within 3 (three) months or less from the acquisition date provided they are not used as collateral for borrowings nor restricted.

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 reporting currency used in the financial statement is Indonesian Rupiah. 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 pascakerja 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
   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).

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 (in this Standard referred to as the '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 preson:
   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 od 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
   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).

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan

Efektif tanggal 1 Januari 2012, Bank menerapkan PSAK No. 50 (Revisi 2010), "Instrumen Keuangan: Penyajian", PSAK No. 55 (Revisi 2011), "Instrumen Keuangan: Pengakuan dan Pengukuran", dan PSAK No. 60, "Instrumen Keuangan: Pengungkapan", menggantikan PSAK No. 50 (Revisi 2006), "Instrumen Keuangan: Penyajian dan Pengungkapan", dan PSAK No. 55 (Revisi 2006), "Instrumen Keuangan: Pengakuan dan Pengukuran".

PSAK No. 50 (Revisi 2010), mengatur persyaratan penyajian dari instrumen keuangan dan identifikasi informasi yang harus diungkapkan. Persyaratan penyajian tersebut diterapkan terhadap klasifikasi instrumen keuangan, dari perspektif penerbit, dalam aset keuangan, liabilitas keuangan dan instrumen ekuitas; klasifikasi yang terkait dengan suku bunga, dividen, kerugian dan keuntungan, dan keadaan dimana aset dan liabilitas keuangan harus saling hapus. PSAK ini mensyaratkan pengungkapan, antara lain, informasi mengenai faktor yang mempengaruhi jumlah, waktu dan tingkat kepastian arus kas masa depan suatu entitas terkait dengan instrumen keuangan dan kebijakan akuntansi yang diterapkan untuk instrumen tersebut.

PSAK No. 55 (Revisi 2011) menetapkan prinsip untuk pengakuan dan pengukuran aset keuangan, liabilitas keuangan dan kontrak pembelian atau penjualan item-item non-keuangan. PSAK ini merumuskan definisi dan karakteristik derivatif, kategori dari masing-masing instrumen keuangan, pengakuan dan pengukuran, akuntansi lindung nilai dan penetapan hubungan lindung nilai.

PSAK No. 60 mensyaratkan pengungkapan signifikansi masing-masing instrumen keuangan terhadap posisi dan kinerja keuangan, serta sifat dan tingkat risiko dari instrumen keuangan yang dihadapi Bank selama periode berjalan dan pada akhir periode pelaporan, dan bagaimana Bank mengelola risiko tersebut.

Penerapan PSAK baru dan yang telah direvisi ini memiliki dampak signifikan terhadap pengungkapan dalam laporan keuangan.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities

Effective January 1, 2012, the Bank adopted PSAK No. 50 (Revised 2010), "Financial Instruments: Presentation", PSAK No. 55 (Revised 2011), "Financial Instruments: Recognition and Measurement", and PSAK No. 60, "Financial Instruments: Disclosures", which superseded PSAK No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", and PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement".

PSAK No. 50 (Revised 2010) contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the prespective of the issuer into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and liabilities should be offset. This PSAK requires the disclosure of, among others, information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments.

PSAK No. 55 (Revised 2011) establishes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This PSAK provides the definitions and characteristics of derivatives, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships.

PSAK No. 60 requires disclosures of significance of financial instruments for financial position and performance; and the nature and extent of risks from financial instruments to which the Bank is exposed during the period and at the end of the reporting period, and how the Bank manages those risks.

The adoption of these new and revised PSAK have significant impact on disclosures in the financial statement.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

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.

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. 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.

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).

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

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.

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value. 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.

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 as and effective hedging instruments).

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

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 komprehensif 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)

Recognition and Measurement (continued)

The subsequent measurement of financial assets and liabilities depends on their classification.

Financial Assets

a) Financial assets designated at fair value through profit or loss

Financial assets designated 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 statements of 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 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 pendapatan 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 komprehensif.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (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 statements of comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (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 dengan memperhitungkan diskonto atau premi terkait dengan pengakuan awal serta *fee* dan biaya yang merupakan bagian yang tidak terpisahkan dari suku bunga efektif. Amortisasi suku bunga efektif dan kerugian yang timbul atas penurunan nilai diakui dalam laporan laba rugi komprehensif.

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.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (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 calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The EIR amortization and losses arising from impairment is included in the statements of comprehensive income.

Financial Liabilities

a) Financial liabilities designated 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Liabilitas Keuangan (lanjutan)

a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi (lanjutan)

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 komprehensif sebagai "Keuntungan transaksi mata uang asing".

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 suku bunga efektif.

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

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Liabilities (continued)

a) Financial liabilities designated at fair value through profit or loss (lanjutan)

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 statements of comprehensive income as "Gain from foreign currency transactions".

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.

The following table presents financial instruments classification of the Bank based on their characteristic:

Financial Instruments and its Classification

Financial assets:

Cash
Loans and receivable

Current accounts with Bank Indonesia
Loans and receivable

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Aset keuangan: (lanjutan)

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 akseptasi
Pinjaman yang diberikan dan piutang

Aset lain-lain
Pinjaman yang diberikan dan piutang

Liabilitas keuangan:

Liabilitas Segera
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and its Classification (continued)

Financial assets: (continued)

Current accounts with other bank
Loans and receivable

Placements with Bank Indonesia and other banks
Loans and receivable

Trading Securities
Financial assets designated at fair value through profit or loss

Financial investments
Held-to-maturity financial assets and available-for-sale financial assets

Derivative receivable
Financial assets designated at fair value through profit or loss

Loans
Loans and receivable

Acceptance receivable
Loans and receivable

Other assets
Loans and receivable

Financial liabilities:

Current liabilities
Financial liabilities measured at amortized cost

Deposits
Financial liabilities measured at amortized cost

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Liabilitas keuangan: (lanjutan)

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

Liabiitas akseptasi
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas lain-lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Penghentian Pengakuan

Bank menghentikan pengakuan aset keuangan, jika dan hanya jika, hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut berakhir; atau Bank mentransfer hak untuk menerima arus kas yang berasal dari aset keuangan atau menanggung liabilitas 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 atau tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset tersebut.

Liabilitas keuangan dihentikan pengakuannya pada saat liabilitas diselesaikan atau dibatalkan atau berakhir.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and its Classification (continued)

Financial liabilities: (lanjutan)

Deposit from other Bank
Financial liabilities measured at amortized cost

Derivative payable
Financial liabilities at fair value through profit or loss

Obligation on securities under repurchase agreements
Financial liabilities measured at amortized cost

Acceptance liabilities
Financial liabilities measured at amortized cost

Other liabilities
Financial liabilities measured at amortized cost

Derecognition

The Bank derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the financial asset have expired; or the Bank has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Saling Hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai bersihnya dilaporkan di laporan posisi keuangan jika, dan hanya jika, terdapat hak yang berkekuatan hukum yang masih berlaku untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara bersih, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan. Pendapatan dan beban disajikan secara bersih hanya jika diperbolehkan oleh standar akuntansi.

Nilai Wajar

Nilai wajar adalah nilai yang digunakan untuk mempertukarkan suatu aset atau untuk menyelesaikan suatu liabilitas antara pihak-pihak yang memahami dan berkeinginan untuk melakukan transaksi secara wajar (*arm's length transaction*).

Nilai wajar suatu aset atau liabilitas keuangan dapat diukur dengan menggunakan kuotasi di pasar aktif, yaitu jika harga yang dikuotasikan tersedia setiap waktu dan dapat diperoleh secara rutin dan harga tersebut mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar.

Dalam hal tidak terdapat pasar aktif untuk suatu aset atau liabilitas keuangan, maka Bank menentukan nilai wajar dengan menggunakan teknik penilaian yang sesuai. Teknik penilaian meliputi penggunaan transaksi pasar terkini yang dilakukan secara wajar oleh pihak yang berkeinginan dan memahami, dan bilamana tersedia, penggunaan analisa arus kas yang didiskonto dan penggunaan nilai wajar terkini dari instrumen lain yang secara substansial sama, dan model penetapan harga opsi.

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.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Offsetting

Financial assets and liabilities are offset and the net amount are reported in the statements of financial position if, and only if, there is a currently enforceable legal right 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. Income and expenses are presented on a net basis only when permitted by accounting standards.

Fair Value

Fair value is the value which is used to exchange an asset or to settle a liability between parties who understand and are willing to perform a fair transaction (arm's length transaction).

Fair value of a financial asset or liability can be measured by using the quotation in an active market, that is if the quoted price is available anytime and can be obtained routinely and the price reflects the actual and routine market transaction in a fair transaction.

In case there is no active market for a financial asset or liability, the Bank determines the fair value by using the appropriate valuation techniques. Valuation techniques include the usage of a recent market transaction performed fairly by those who are willing to and understand, and if there is available, the usage of discounted cash flow analysis and the usage of the recent fair value of other instrument which is substantially similar, and option pricing models.

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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

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).

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.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Reclassification of Financial Instruments (continued)

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).

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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

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.

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:

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Reclassification of Financial Instruments (continued)

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.

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:

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

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 komprehensif.

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 komprehensif.

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.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Reclassification of Financial Instruments (continued)

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 statements of comprehensive income.

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 comprehensive income.

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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

d. Giro pada Bank Indonesia dan Bank Lain

Giro pada bank lain dan Bank Indonesia setelah perolehan awal diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2l.

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 2l.

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 komprehensif tahun berjalan. Pendapatan bunga dari efek hutang dicatat dalam laporan laba rugi komprehensif 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 other banks and Bank Indonesia 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 2l.

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 at the 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 is assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2l.

f. Trading securities

Trading securities comprises of Government Bonds, State Treasury Notes, and Certificates of Bank Indonesia that are classified as held for trading, and recorded in the statements of financial position at fair value.

Unrealized gains or losses resulting from the increase or decrease in fair value are recognized in the current year statements of comprehensive income. The interest income from debt securities is recorded in the statements of 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 pendapatan komprehensif lainnya, diakui dalam laporan laba rugi komprehensif. Kerugian yang timbul dari penurunan nilai pada investasi tersebut diakui dalam laporan laba rugi komprehensif dan dikeluarkan dari pendapatan 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 suku bunga efektif.

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 statements of comprehensive income. The losses arising from impairment of such investments are recognized in the statements of 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

h. Efek-efek yang Dijual dengan Janji Dibeli Kembali

Efek yang dijual dengan janji dibeli kembali (repo) diakui sebesar harga pembelian kembali yang disepakati dikurangi beban bunga yang belum diamortisasi. Beban bunga yang belum diamortisasi merupakan selisih antara harga jual dan harga beli kembali yang disepakati dan diakui sebagai beban bunga selama jangka waktu sejak efek dijual hingga dibeli kembali dengan menggunakan EIR. Efek yang dijual tetap dicatat sebagai aset dalam laporan posisi keuangan karena secara substansi kepemilikan efek tetap berada pada pihak Bank sebagai penjual.

i. 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.

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 komprehensif 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

2. Summary of Significant Accounting Policies (continued)

h. Securities Sold under Repurchase Agreements

Securities sold under repurchase (repo) agreements are recognized at the agreed repurchase price less unamortized interest. The unamortized interest represents the difference between the selling price and the agreed repurchase price and is recognized as interest expense during the period from the sale of securities to the date of repurchase by using EIR. The securities sold are recorded as assets on the statements of financial position because in substance the ownership of the securities remains with the Bank as the seller.

i. Derivatives Financial Instruments

All derivatives instruments are recognized in statements of financial position at fair value. The fair value is based on the market rate, Reuters exchange rate at statements of financial position date, discounted cash flows, price valuation or broker quoted price on other instruments with similar characteristics or price model.

Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized in the current year statements of 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

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

i. Instrumen Keuangan Derivatif (lanjutan)

Instrumen derivatif melekat dipisahkan dari kontrak utama non-derivatif dan diperlakukan sebagai instrumen derivatif jika seluruh kriteria berikut terpenuhi: (lanjutan)

3. Instrumen hibrid (kombinasi) tidak diukur pada harga wajar dengan perubahan nilai wajar diakui dalam laporan laba rugi komprehensif (yaitu derivatif melekat dalam aset keuangan atau liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi tidak dipisahkan).

j. Kredit yang Diberikan

Kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan EIR dikurangi cadangan kerugian penurunan nilai. Biaya perolehan diamortisasi diukur dengan memperhitungkan diskonto atau premi yang timbul pada saat akuisisi serta biaya/*fee* transaksi yang merupakan bagian yang tidak terpisahkan dari suku bunga efektif. Amortisasi tersebut diakui pada laporan laba rugi komprehensif. Cadangan kerugian atas penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2l.

Kredit sindikasi dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

k. 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 suku bunga efektif.

Cadangan kerugian penurunan nilai dilakukan bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2l.

2. Summary of Significant Accounting Policies (continued)

i. Derivatives Financial Instruments (continued)

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: (continued)

3. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in statements of 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).

j. Loans

Loans are measured at amortized cost using the EIR less allowance for impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and cost/fee that are an integral part of the EIR. The amortization is recognized in the statements of 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 2l.

Syndicated loans are stated at the loan principal amount based on the risk participation by the Bank.

k. Acceptances Receivable and Liabilities

Acceptances receivable are measured at amortized cost using the EIR, less allowance for impairment losses. Acceptances payable are measured at amortized cost by using the EIR.

The allowance for impairment lossess are assessed if there is an objective evidence of impairment by using the impairment methodology as disclosed in Note 2l.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Instrumen 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)

I. Impairment of Financial Instruments

The Bank assesses at each statements 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)

I. Penurunan Nilai Instrumen 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.

Sejak 1 Januari 2012, 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 mempertimbangkan penilaian manajemen terkait kondisi ekonomi dan kredit saat ini.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Financial Instruments (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.*

Starting on January 1, 2012, the Bank implemented allowance for impairment loss on impaired financial assets that was assessed collectively, the Bank uses 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)

I. Penurunan Nilai Instrumen Keuangan (lanjutan)

Bank menggunakan *statistical model analysis method*, yaitu *roll rates analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

Sesuai dengan Lampiran Surat Edaran Bank Indonesia No. 11/33/DPNP tanggal 8 Desember 2009 (SE-BI), Bank menentukan cadangan kerugian penurunan nilai kredit secara kolektif dengan mengacu pada pembentukan cadangan umum dan cadangan khusus sesuai dengan ketentuan Bank Indonesia mengenai penilaian kualitas aktiva bank umum. Sesuai dengan SE-BI tersebut ketentuan transisi penurunan nilai atas kredit secara kolektif diterapkan sampai dengan tanggal 31 Desember 2011.

Cadangan kolektif untuk kredit yang dikelompokkan sebagai dalam perhatian khusus, kurang lancar, diragukan dan macet dihitung setelah dikurangi dengan nilai agunan yang diperkenankan sesuai dengan ketentuan Bank Indonesia. Perhitungan cadangan kerugian penurunan nilai berdasarkan nilai tercatat (biaya perolehan setelah amortisasi).

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.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Financial Instruments (continued)

The Bank uses statistical model analysis method, i.e., roll rate analysis method to assess financial asset impairment collectively.

In accordance with the Appendix to the Bank Indonesia Circular Letter No. 11/33/DPNP dated December 8, 2009 (SE-BI), the Bank determines the allowance for collective impairment losses of loans with reference to general allowance and specific allowance in accordance with Bank Indonesia regulations regarding the assessment of commercial banks' asset quality. In accordance with the abovementioned SE-BI, the transition rule for collective impairment calculation on loans applied until December 31, 2011.

Collective allowance for loans classified as special mention, substandard, doubtful and loss is calculated after deducting the value of allowable collateral in accordance with Bank Indonesia regulations. The calculation of allowance for impairment losses is based on carrying amount (amortized cost).

The Bank uses the fair value of collateral as the basis for future cash flow 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Instrumen Keuangan (lanjutan)

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 komprehensif dan dicatat pada akun cadangan kerugian penurunan nilai sebagai pengurang terhadap aset keuangan yang dicatat pada biaya perolehan diamortisasi. 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 komprehensif.

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 komprehensif. Jumlah kerugian kumulatif yang dipindahbukukan dari ekuitas dan diakui pada laporan laba rugi komprehensif 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 komprehensif.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Financial Instruments (continued)

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 statements of comprehensive income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost. 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 statements of comprehensive income.

For financial assets classified as available-for-sale, the Bank assesses at each statements 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 statements of comprehensive income. The cumulative loss that has been removed from equity and recognized in the statements of 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 the statements of comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Instrumen Keuangan (lanjutan)

Kerugian penurunan nilai yang diakui pada laporan laba rugi komprehensif atas investasi instrumen ekuitas yang diklasifikasikan sebagai instrumen ekuitas yang tersedia untuk dijual tidak dipulihkan.

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 komprehensif maka kerugian penurunan nilai tersebut dipulihkan melalui laporan laba rugi komprehensif.

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 komprehensif.

Pemulihan kembali pada tahun berjalan aset keuangan yang telah dihapusbukukan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai. Pemulihan kembali pinjaman yang telah dihapusbukukan pada tahun-tahun sebelumnya dicatat sebagai pendapatan operasional selain pendapatan bunga.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Financial Instruments (continued)

Impairment losses recognized in the statements of comprehensive income on investments in equity instruments classified as available-for-sale shall not be reversed.

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 the statements of comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in the statements of 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 is 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 statements of 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

m. Penurunan Nilai Aset Non-Keuangan

Berdasarkan Surat Bank Indonesia No. 13/658/DPNP/IDPnP tanggal 23 Desember 2011, Bank tidak diwajibkan lagi untuk membentuk penyisihan penghapusan aset non-produktif dan estimasi kerugian komitmen dan kontinjensi. Namun, Bank tetap harus menghitung cadangan kerugian penurunan nilai mengacu pada standar akuntansi yang berlaku. Bank telah melakukan beberapa penyesuaian dengan menjurnal balik cadangan kerugian untuk aset non-produktif dan estimasi kerugian komitmen dan kontinjensi dan membebankan ke laporan laba rugi komprehensif untuk tahun yang berakhir pada tanggal 31 Desember 2011 dengan pertimbangan materialitas.

n. Aset Tetap

Sejak 1 Januari 2012, Bank menerapkan PSAK No. 16 (Revisi 2011) "Aset Tetap". Penerapan PSAK No. 16 (Revisi 2011) ini tidak mepunyai dampak signifikan terhadap pelaporan dan pengungkapan laporan keuangan.

Sejak 1 Januari 2013, Bank menerapkan ISAK No. 25. ISAK No. 25 menetapkan bahwa 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. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomi tanah, mana yang lebih pendek.

Sementara biaya pengurusan atas perpanjangan atau pembaruan hak legal atas tanah dalam bentuk HGU, HGB dan HP diakui sebagai bagian dari akun "Beban ditangguhkan, Neto" pada laporan posisi keuangan dan diamortisasi sepanjang, mana yang lebih pendek antara umur hukum hak dan umur ekonomis tanah. Oleh karena itu, pada tanggal 1 Januari 2013, Bank mereklasifikasi biaya perolehan pertama kali hak atas tanah yang diakui sebagai bagian dari akun "Beban Ditangguhkan, Neto" ke akun "Aset Tetap – Tanah" dan amortisasinya dihentikan pada tanggal 1 Januari 2013

2. Summary of Significant Accounting Policies (continued)

m. Impairment of Non-Financial Assets

Based on the letter of Bank Indonesia No. 13/658/DPNP/IDPnP dated December 23, 2011, Bank is no longer required to provide an allowance losses on non-earning assets and estimated losses on commitments and contingencies. However, the Bank should calculate the allowance for impairment losses in accordance with the applicable accounting standards. The Bank has made certain adjustments by reversing the provision for possible losses on non-earning assets and estimated losses on commitments and contingencies and charged to the statements of comprehensive income for the year ended December 31, 2011 considering materiality.

n. Fixed Assets

Starting on January 1, 2012, the Bank adopted PSAK No. 16 (Revised 2011) "Fixed Assets". The adoption of PSAK No. 16 (Revised 2011) has no significant impact on the financial reporting and disclosures in the financial statement.

Starting on January 1, 2013, the Bank adopted ISAK No. 25. ISAK No. 25 prescribes that the 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. The cost of the extension or renewal of legal right over land is recognized as an intangible asset and amortized over the legal life or economic life of the land, whichever is shorter.

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP are recognized as part of "Deferred Charges-Net" account in the statements of financial position and are amortized over the shorter of the rights' legal life and land's economic life. Therefore on January 1, 2013, the Bank reclassified the initial legal costs on the acquisition of land which were recognized as "Deferred Charge-Net" to the "Fixed Assets – Land" and the amortization was discountinued on January 1, 2013.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

n. Aset Tetap (lanjutan)

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 komprehensif 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	5-10	*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	10-20	*Furniture and fixtures, office equipment and vehicles*

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 pada akhir tahun. Bank menentukan taksiran jumlah yang dapat direalisasi kembali atas semua asetnya.

Hak atas tanah dinyatakan sebesar biaya perolehan dan tidak disusutkan. Sesuai dengan PSAK No.47 tentang "Akuntansi Tanah", biaya-biaya tertentu sehubungan dengan perolehan atau perpanjangan hak atas tanah ditangguhkan dan diamortisasi selama umur hak atas tanah atau umur ekonomis tanah, periode mana yang lebih pendek, menggunakan metode garis lurus. Hak atas tanah tidak diamortisasi kecuali jika memenuhi kondisi tertentu.

2. Summary of Significant Accounting Policies (continued)

n. Fixed Assets (continued)

Fixed assets is stated at cost less 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 are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statements of comprehensive income as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

The residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each period end.

The Bank evaluates any indication of asset impairment at the end of the year. The Bank determines the estimated realizable amount of its assets if there is an event or condition which indicates the asset impairment.

Land rights are recorded at cost and are not depreciated. In accordance with SFAS No.47, "Accounting for Land", certain expenses incurred in the acquisition or extension of the terms of the land rights are deferred and amortized over the terms of the land rights or their useful lives, whichever is shorter, using the straight line method. Land rights is not amortized unless it meets certain required conditions.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

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 di atas 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 komprehensif 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 komprehensif 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".

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.

2. Summary of Significant Accounting Policies (continued)

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 statements 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 statements of 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 statements of 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.

q. Deposits

Deposit 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

r. Simpanan dari Bank Lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, *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 suku bunga efektif.

s. 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 suku bunga efektif awal dan perubahan nilai tercatat dibukukan pada laporan laba rugi komprehensif. 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 suku bunga efektif sejak tanggal perubahan estimasi.

2. Summary of Significant Accounting Policies (continued)

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, 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. Interest Income and Expense

All financial instruments measured at amortized cost, financial assets and liabilities classified as available-for-sale, its interest income and expenses is 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 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

s. Pendapatan dan Beban Bunga (lanjutan)

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.

t. 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.

u. 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 2013, 2012 dan 2011.

2. Summary of Significant Accounting Policies (continued)

s. Interest Income and Expense (continued)

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. While 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.

t. 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 terminated or settles prior to maturity are recognized as income on settlement.

u. 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 where transactions involving foreieg currencied are recorded in Rupiah using the reporting (closing) rate set by Bank Indonesia that is middle rate which is the average of bid rate and ask rate based on Reuters on December 31, 2013, 2012 and 2011, respectively.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

u. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)

Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan pada laba rugi komprehensif tahun berjalan.

Pada tanggal 31 Desember 2013, 2012 dan 2011, kurs tengah mata uang asing adalah sebagai berikut:

2. Summary of Significant Accounting Policies (continued)

u. Foreign Currency Transactions and Balances (continued)

The resulting gains or losses are credited or charged to the statements of comprehensive income for the current year.

As of December 31, 2013, 2012 and 2011, the middle rates of the foreign currencies are as follows:

	2013	2012	2011	
Dinar Kuwait	43.104,10	34.232,62	32.532,68	*Kuwait Dinar*
Pound Sterling Inggris	20.110,93	15.514,93	13.975,29	*Great Britain Pound Sterling*
Euro Eropa	16.759,31	12.731,62	11.714,76	*European Euro*
Franc Swiss	13.674,16	10.536,25	9.631,94	*Swiss Franc*
Dolar Australia	10.855,65	10.007,10	9.205,78	*Australian Dollar*
Dolar Amerika Serikat	12.170,00	9.637,50	9.067,50	*United States Dollar*
Dolar Kanada	11.434,22	9.686,91	8.885,35	*Canadian Dollar*
Dolar Selandia Baru	9.995,83	7.918,18	7.000,57	*New Zealand Dollar*
Dolar Singapura	9.622,08	7.878,61	6.983,55	*Singapore Dollar*
Dolar Brunei Darussalam	9.620,17	7.878,60	6.976,88	*Brunei Darussalam Dollar*
Ringgit Malaysia	3.715,47	3.147,97	2.863,00	*Malaysian Ringgit*
Riyal Arab Saudi	3.244,94	2.569,62	2.417,87	*Saudi Arabian Riyal*
Dolar Hong Kong	1.569,54	1.243,27	1.167,23	*Hong Kong Dollar*
Yen Jepang	115,75	111,77	116,82	*Japanese Yen*
Kroner Swedia	1.897,39	1.478,66	1.308,97	*Swedish Croner*

v. Imbalan Kerja

Efektif 1 Januari, 2012, Bank menerapkan PSAK No. 24 (Revisi 2010), "Imbalan Kerja", yang menggantikan PSAK No. 24 (Revisi 2004), "Imbalan Kerja". Bank memilih untuk menggunakan "*10% corridor method*" untuk pengakuan keuntungan dan kerugian aktuaria. Adopsi PSAK revisi baru ini tidak berdampak besar terhadap laporan keuangan Bank.

Bank mencatat estimasi liabilitas imbalan kerja atas uang pesangon, uang penghargaan masa kerja dan uang penggantian hak sesuai dengan Undang-undang Ketenagakerjaan No. 13 Tahun 2003 tanggal 25 Maret 2003 (UU No. 13/2003) dan perjanjian ketenagakerjaan Bank. Keuntungan dan kerugian aktuarial diakui sebagai penghasilan atau beban apabila akumulasi keuntungan dan kerugian aktuarial bersih yang belum diakui pada akhir periode pelaporan sebelumnya melebihi jumlah yang lebih besar antara 10% dari nilai kini liabilitas imbalan kerja (*the Present Value of Defined Benefit Obligation*) dan 10% dari nilai wajar aset program pada tanggal tersebut. Besarnya keuntungan dan kerugian aktuarial yang berada di luar koridor 10% tersebut, diakui selama rata-rata sisa masa kerja dari para pekerja dalam program tersebut.

v. Employee Benefits

Effective on January 1, 2012, the Bank adopted PSAK No. 24 (Revised 2010) "Employee Benefit", which supersedes PSAK No. 24 (Revised 2004) ,"Employee Benefits". The Bank has chosen to continue the use of "10% corridor method" to recognize actuarial gain and loss. The adoption of the new revised PSAK has not significant impact to the Bank's financial statements.

The Bank recognizes employee benefits obligation for severance pay, gratuity and compensation in accordance with Labor Law No. 13 Year 2003 dated March 25, 2003 (UU No. 13/2003) and the Bank's labor agreement. Actuarial gains or losses are recognized as income or expense if the unrecognized accumulated gains or losses at the end of the prior period exceed 10% of the higher of the present value of the defined benefit obligation and 10% of fair value of the plan assets at that date. Gains or losses in excess of the 10% corridor are recognized over the average remaining service years of the employees in the program.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

v. Imbalan Kerja (lanjutan)

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.

w. Beban Pajak

Efektif tanggal 1 Januari 2012, Bank menerapkan PSAK No. 46 (Revisi 2010), yang mensyaratkan Bank untuk mencatat bunga dan denda untuk kekurangan/kelebihan pembayaran pajak penghasilan, jika ada, sebagai bagian dari "Beban (Manfaat) Pajak Penghasilan - Tahun Berjalan" dalam laporan laba rugi komprehensif.

Beban pajak periode berjalan dihitung berdasarkan taksiran penghasilan kena pajak dalam tahun yang bersangkutan. Aset dan liabilitas pajak tangguhan diakui untuk semua perbedaan temporer antara nilai aset dan liabilitas yang tercatat di laporan posisi keuangan dengan dasar pengenaan pajak atas aset dan liabilitas tersebut pada setiap tanggal pelaporan. Manfaat pajak di masa datang seperti rugi menurut pajak yang belum digunakan (bila ada), diakui apabila besar kemungkinan bahwa manfaatnya masih dapat direalisasikan di masa yang akan datang.

Aset dan liabilitas pajak tangguhan dihitung dengan menggunakan tarif pajak yang diharapkan akan diterapkan pada periode ketika aset direalisasi atau ketika liabilitas diselesaikan berdasarkan tarif pajak (dan peraturan-peraturan perpajakan) yang berlaku atau secara substansial telah diberlakukan pada tanggal laporan posisi keuangan. Perubahan pada nilai buku dari aset dan liabilitas pajak tangguhan dikarenakan adanya perubahan dalam tarif pajak dibebankan pada operasi tahun berjalan, kecuali untuk transaksi-transaksi yang terkait dengan transaksi yang sebelumnya telah dibebankan ataupun dikreditkan ke ekuitas.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal neraca dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila tidak lagi terdapat kemungkinan besar bahwa laba fiskal yang memadai akan tersedia untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan.

2. Summary of Significant Accounting Policies (continued)

v. Employee Benefits (continued)

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.

w. Income Tax

Effective January 1, 2012, the Bank applied PSAK No. 46 (Revised 2010), which requires the Bank to present interest and penalties for the underpayment/overpayment of income tax, if any, as part of "Income Tax Expense (Benefit) - Current" in the statement of comprehensive income.

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses (if any), are recognized to the extent that realization of such benefits in the future is probable.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax regulations) that have been enacted or substantively enacted at the statements of financial position date. Change in the carrying amounts of deferred tax assets and liabilities due to a change in tax rate is charged to current year operations, except to the extent that it relates to items previously charged or credited to equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the benefit of the deferred tax assets to be utilized.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

w. Beban Pajak (lanjutan)

Perubahan liabilitas pajak dicatat pada saat ketetapan pajak diterima atau dicatat pada saat keberatan/banding diterima, apabila Bank mengajukan keberatan atau melakukan banding.

x. Transaksi restrukturisasi antara entitas sepengendali

Sejak tanggal 1 Januari 2013, Bank menerapkan secara prospektif 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.

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".

2. Summary of Significant Accounting Policies (continued)

w. Income Tax (continued)

Amendment to tax obligations is recorded when an assessment is received or, if objected or appealed against by the Bank, when the result of the objection or appeal is determined.

x. Restructuring transactions among entities under common control

Starting January 1, 2013, 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.

In applying the pooling-of-interests method, the components of the financial statements for the period during which the restructuring occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the restructuring 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".

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

y. 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 adanya 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.

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.

2. Summary of Significant Accounting Policies (continued)

y. 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 foreseeable future. Furthermore, the Management is realized of any material uncertainties that may cost 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.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded on the statements 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.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

y. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan (lanjutan)

Mulai 1 Januari 2012, dalam rangka penerapan PSAK No. 60, Bank dan entitas anak menampilkan nilai wajar atas instrumen keuangan berdasarkan hirarki nilai wajar sebagai berikut:

- Tingkat 1: diperoleh dari harga pasar aktif untuk aset atau liabilitas keuangan yang identik;
- Tingkat 2: teknik valuasi untuk seluruh input yang memiliki efek signifikan terhadap nilai wajar yang diakui dapat diobservasi baik secara langsung atau tidak langsung; dan
- Tingkat 3: teknik valuasi yang menggunakan seluruh input yang memiliki dampak signifikan terhadap nilai wajar tercatat yang tidak didasarkan pada data pasar yang dapat diobservasi.

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 komprehensif. 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 efek yang tersedia untuk dijual

Bank menelaah efek yang diklasifikasikan sebagai tersedia untuk dijual 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)

y. Judgments and Significant Accounting Estimates (continued)

Fair value of financial instruments (continued)

Starting January 1, 2012 upon the adoption of PSAK No. 60, the Bank and subsidiaries present the fair value of financial instruments based on the following fair value hierarchy:

- *Level 1: quoted (unadjusted) prices in active markets for identical financial assets or liabilities;*
- *Level 2: valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly; and*
- *Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.*

Impairment losses on loans

The Bank reviews its loans at each statements of financial position date to assess whether an impairment loss should be recorded in the statements of 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 securities

The Bank reviews securities which are classified as available-for-sale 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)

y. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

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 2006) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada Catatan 2c.

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 5 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.

2. Summary of Significant Accounting Policies (continued)

y. Judgments and Significant Accounting Estimates (continued)

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management judgement 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 strategics.

Classification of financial assets and financial 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 2006). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in Note 2c.

Employee benefits

The determination of the Bank's employee benefits liabilities is 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 their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 5 to 20 years.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

y. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

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)

y. Judgments and Significant Accounting Estimates (continued)

Income tax

The Bank recognize 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:

	2013	2012	2011	
Rupiah	575.652	370.219	340.509	*Rupiah*
Mata uang asing				*Foreign currencies*
Dolar Amerika Serikat	44.211	27.953	19.760	*United States Dollar*
Dolar Singapura	42.211	20.253	16.595	*Singapore Dollar*
Total	**662.074**	**418.425**	**376.864**	***Total***

Kas dalam Rupiah termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) sejumlah Rp15.752, Rp23.712 dan Rp15.866 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011.

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp15,752 Rp23,712 and Rp15,866 as of December 31, 2013, 2012 and 2011, respectively.

4. Giro pada Bank Indonesia

Akun ini terdiri dari:

4. Current Accounts with Bank Indonesia

This account consists of:

	2013	2012	2011	
Rupiah	3.324.978	2.878.330	2.529.508	*Rupiah*
Dolar Amerika Serikat ($AS117.928.000, $AS121.303.000 dan $AS112.891.000 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011)	1.435.184	1.169.058	1.023.639	*United States Dollar (US$117,928,000; US$121,303,000 and US$112,891,000 as of December 31, 2013, 2012 and 2011, respectively)*
Total	**4.760.162**	**4.047.388**	**3.553.147**	***Total***

Berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 pada tanggal 24 Desember 2013, efektif per tanggal 31 Desember 2013, Bank wajib memenuhi Giro Wajib Minimum (GWM) primer dalam Rupiah sebesar 8% dari DPK Rupiah, GWM primer dalam valuta asing sebesar 8% dari DPK dalam valuta asing dan GWM sekunder dalam Rupiah sebesar 4% dari DPK Rupiah.

Based on the Bank Indonesia's regulation (PBI) No.15/15/PBI/2013 dated December 24, 2013, starting on December 31, 2013, Bank is required to comply minimum primary reserves in Rupiah and in United States Dollar of 8% and secondary reserves in Rupiah of 4%

4. Giro pada Bank Indonesia (lanjutan)

Sebelumnya, berdasarkan PBI No.15/7/PBI/2013 pada tanggal 26 September 2013 perihal "Perubahan Kedua Atas Peraturan Bank Indonesia Nomor 12/19/PBI/2010 Tentang Giro Wajib Minimum (GWM) Bank Umum Pada Bank Indonesia dalam Rupiah dan Valuta Asing", Bank wajib memenuhi GWM sekunder yang telah disesuaikan dari 2,5% menjadi 3% dari dana pihak ketiga mulai tanggal 1 Oktober 2013, 3,5% mulai tanggal 1 November 2013 dan 4% mulai tanggal 2 Desember 2013.

Efektif mulai tanggal 2 Desember 2013 pemenuhan kewajiban GWM Loan to Deposit Ratio (LDR) disesuaikan dengan menurunkan batas atas GWM LDR dari 100% menjadi kisaran 78% - 92%.

Efektif mulai tanggal 1 Oktober 2013, Sertifikat Deposito BI (SDBI) diperhitungkan sebagai komponen GWM Sekunder.

Rasio GWM pada tanggal 31 Desember 2013, dihitung berdasarkan PBI tersebut di atas, sedangkan rasio GWM pada tanggal 31 Desember 2012 dan 2011 dihitung berdasarkan PBI No. 13/10/PBI/2011 tanggal 9 Februari 2011 tentang "Perubahan Atas PBI No. 12/19/PBI/2010 tanggal 4 Oktober 2010 tentang GWM Bank Umum Pada Bank Indonesia Dalam Rupiah dan Valuta Asing". Mulai tanggal 1 Maret 2011 sampai dengan tanggal 31 Mei 2011, GWM dalam valuta asing ditetapkan sebesar 5% dari dana pihak ketiga dalam valuta asing dan mulai tanggal 1 Juni 2011, GWM dalam valuta asing ditetapkan sebesar 8% dari dana pihak ketiga dalam valuta asing.

Sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM utama dalam Rupiah dan Dolar Amerika Serikat masing-masing sebesar 8%. Bank juga harus memenuhi persyaratan GWM sekunder masing-masing untuk tahun 2012 dan 2011 sebesar 2,5% dalam rupiah.

Giro Wajib Minimum Bank adalah sebagai berikut:

4. Current Accounts with Bank Indonesia (continued)

Previously, based on the PBI No.15/7/PBI/2013 dated September 26, 2013 regarding "The Secondary Amendment of Bank Indonesia Regulation No. 12/19/PBI/2010 regarding Minimum Statutory Reserves of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies", the Bank is required to comply secondary reserve requirements from 2.5% becoming 3% of third party funds, starting on October 1, 2013, at 3.5% starting on November 1, 2013 and at 4% starting on December 2, 2013.

Effective on December 2, 2013, liability fulfillment of the Loan to Deposit Ratio (LDR) adjusted by lowering the upper limit of the LDR from 100% becoming 78% - 92% in range.

Effective starting on October 1, 2013, Deposit Certificate of Bank Indonesia (SDBI) appraised as GWM secondary component.

The statutory reserves ratio as of December 31, 2013 is calculated based on abovementioned PBI, while for statutory reserves ratio as of 2012 and 2011 are calculated based on PBI No. 13/10/PBI/2011 dated February 9, 2011, regarding "Changes on PBI No. 12/19/PBI/2010 dated October 4, 2010 regarding Minimum Statutory Reserves of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies".Starting March 1, 2011 until May 31, 2011, GWM in foreign currencies is set at 5% of the total third party funds in foreign currencies and starting June 1, 2011, GWM in foreign currencies is set at 8% of total third party funds in foreign currencies.

Based on the above Bank Indonesia regulations, the Bank is required to maintain minimum primary reserves in Rupiah and in United States Dollar of 8%, respectively. The Bank is also required to maintain secondary reserves in Rupiah of 2.5% as of 2012 and 2011.

The Bank's Minimum Reserve Requirements are as follows:

	2013	2012	2011	
Rupiah Utama	8,12%	8,10%	8,10%	*Primary Rupiah*
Rupiah Sekunder	9,06%	7,75%	13,74%	*Secondary Rupiah*
Dolar Amerika Serikat	8,22%	8,10%	8,31%	*United States Dollar*

Giro Wajib Minimum Bank pada tanggal 31 Desember 2013, 2012 dan 2011 telah memenuhi ketentuan Bank Indonesia.

The Bank's Minimum Reserve Requirement as of December 31, 2013, 2012 and 2011 have complies with the Bank Indonesia regulation.

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	2013	2012	2011	*Types of Current Accounts with Other Banks*
Pihak ketiga				*Third parties*
Rupiah:				*Rupiah:*
PT Bank Central Asia Tbk.	26.114	15.164	6.852	*PT Bank Central Asia Tbk.*
Lain-lain (masing-masing di bawah Rp2.000)	1.012	979	1.178	*Others (below Rp2,000 each)*
Sub-total - Pihak ketiga - Rupiah	27.126	16.143	8.030	*Sub-total - Third parties - Rupiah*
Mata uang asing:				*Foreign currencies:*
PT Bank Mandiri Tbk (Persero)	288.136	10	10	*PT Bank Mandiri Tbk (Persero)*
JP Morgan Chase Bank, Amerika Serikat	164.543	149.398	139.843	*JP Morgan Chase Bank, United States of America*
Bank of China Ltd, Jakarta	121.731	25	-	*Bank of China Ltd, Jakarta*
The Royal Bank of Scotland, Belanda	36.275	55.408	41.133	*The Royal Bank of Scotland, Netherlands*
ANZ Bank Ltd., Australia	36.023	38.632	78.907	*ANZ Bank Ltd., Australia*
Deutsche Bank, Frankfurt	34.969	-	-	*Deutsche Bank, Frankfurt*
Unicredit Bank AG, Jerman	18.727	22.241	16.309	*Unicredit Bank AG, Germany*
Bank of Tokyo - Mitsubishi UFJ, Jepang	18.289	82.427	11.281	*Bank of Tokyo - Mitsubishi UFJ, Japan*
ANZ National Bank, Selandia Baru	6.487	12.586	20.860	*ANZ National Bank, New Zealand*
National Australia Bank, Australia	4.450	2.856	1.501	*National Australia Bank, Australia*
Citibank N.A., Amerika Serikat	2.725	2.141	3.187	*Citibank N.A., United States of America*
Danske Stockholm Bank, Swedia	2.526	3.766	392	*Danske Stockholm Bank, Sweden*
Canadian Imperial Bank of Commerce, Kanada	1.057	747	4.077	*Canadian Imperial Bank of Commerce, Canada*
Union Bank of Switzerland, Zurich	974	1.576	8.326	*Union Bank of Switzerland, Zurich*
Bank of New York, Amerika Serikat	-	-	128.470	*Bank of New York, United States of America*
Bangkok Bank, Inggris	-	-	2.482	*Bangkok Bank, Great Britain*
Lain-lain (masing-masing di bawah Rp2.000)	2.521	1.829	2.151	*Others (below Rp2,000 each)*
Sub-total - Pihak ketiga - Mata uang asing	739.433	373.642	458.929	*Sub-total - Third parties - Foreign currencies*
Total - Pihak ketiga	766.559	389.785	466.959	*Total - Third parties*
Pihak berelasi (Catatan 34)				*Related parties (Note 34)*
Mata uang asing:				*Foreign Currencies:*
United Overseas Bank Ltd., Singapura	322.122	420.176	146.064	*United Overseas Bank Ltd., Singapore*
United Overseas Bank, Inggris	33.694	53.081	35.283	*United Overseas Bank Ltd., Great Britain*
United Overseas Bank, Jepang	36.445	31.995	17.117	*United Overseas Bank Ltd., Japan*
United Overseas Bank, Hong Kong	1.411	1.478	357	*United Overseas Bank Ltd., Hong Kong*
United Overseas Bank, Australia	623	504	460	*United Overseas Bank Ltd., Australia*
United Overseas Bank, Malaysia	46	39	36	*United Overseas Bank Ltd., Malaysia*
Total - Pihak berelasi	394.341	507.273	199.317	*Total - Related parties*
Total giro pada bank lain	**1.160.900**	**897.058**	**666.276**	***Total current accounts with other banks***

5. Giro pada Bank Lain (lanjutan)

Suku bunga rata-rata tahunan untuk giro pada bank lain adalah sebagai berikut:

	2013	2012	2011	
Rupiah	0,35%	0,35%	0,32%	*Rupiah*
Mata uang asing	0%	0%	0%	*Foreign currency*

Manajemen Bank berpendapat bahwa pada tanggal 31 Desember 2013, 2012 dan 2011, giro pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

5. Current Accounts with Other Banks (continued)

The annual average interest rate for current accounts with other banks are as follows:

The Bank's management believes that as of December 31, 2013, 2012 and 2011, 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	2013	2012	2011	*Description*
Pihak ketiga				*Third parties*
Rupiah:				*Rupiah:*
Fasilitas Simpanan Bank Indonesia	1.608.000	14.000	1.547.000	*Deposit Facilities of Bank Indonesia*
Term Deposit Bank Indonesia	-	1.494.904	398.270	*Term Deposits of Bank Indonesia*
Call Money:				*Call Money:*
PT Indonesia Exim Bank, Jakarta	360.000	-	-	*PT Indonesia Exim Bank, Jakarta*
PT BPD Jawa Barat dan Banten, Tbk	110.000	50.000	24.000	*PT BPD Jawa Barat dan Banten, Tbk*
PT Bank Bukopin, Tbk	100.000	90.000	-	*PT Bank Bukopin, Tbk*
PT Bank Mega Jakarta	50.000	-	-	*PT Bank Mega Jakarta*
PT ANZ Bank, Indonesia	-	100.000	-	*PT ANZ Bank, Indonesia*
Bank of Tokyo - Mitsubishi UFJ, Indonesia	-	100.000	180.000	*Bank of Tokyo - Mitsubishi UFJ, Indonesia*
PT Bank OCBC NISP, Tbk	-	75.000	72.000	*PT Bank OCBC NISP, Tbk*
PT Bank Commonwealth, Indonesia	-	30.000	26.000	*PT Bank Commonwealth, Indonesia*
PT Bank Rabobank International Indonesia	-	16.000	-	*PT Bank Rabobank International Indonesia*
PT Bank Negara Indonesia (Persero), Tbk	-	-	262.000	*PT Bank Negara Indonesia (Persero), Tbk*
PT Bank Pan Indonesia, Tbk	-	-	110.000	*PT Bank Pan Indonesia, Tbk*
PT Bank DBS Indonesia	-	-	80.000	*PT Bank DBS Indonesia*
Citibank, Indonesia	-	-	40.000	*Citibank, Indonesia*
JP Morgan Chase, Indonesia	-	-	40.000	*JP Morgan Chase, Indonesia*
PT Bank Chinatrust, Indonesia	-	-	30.000	*PT Bank Chinatrust, Indonesia*
Mata uang asing:				*Foreign currencies:*
Term Deposit Bank Indonesia	-	578.250	-	*Term Deposits of Bank Indonesia*
Call money:				*Call money:*
PT Bank Rakyat Indonesia, Tbk (SAS50.000.000)	608.500	-	-	*PT Bank Rakyat Indonesia (US$50,000,000)*
PT Bank Mizuho Indonesia ($AS3.000.000)	36.510	-	-	*PT Bank Mizuho Indonesia (US$3,000,000)*
PT Bank Internasional Indonesia Tbk. ($AS25.000.000)	-	48.187	-	*PT Bank Internasional Indonesia, Tbk. (US$25,000,000)*
PT Bank Mega, Tbk ($AS35.000.000)	-	48.188	-	*PT Bank Mega, Tbk. (US$35,000,000)*
Total - Pihak ketiga	2.873.010	2.644.529	2.809.270	*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	2013	2012	2011	*Description*
Pihak berelasi (Catatan 34)				*Related parties (Note 34)*
Mata uang asing:				*Foreign currencies:*
Call Money				*Call Money*
United Overseas Bank Ltd., Singapura	246.966	105.075	280.294	*United Overseas Bank Ltd., Singapore*
Total - Pihak berelasi	246.966	105.075	280.294	*Total - Related parties*
Total penempatan pada Bank Indonesia dan Bank Lain	**3.119.976**	**2.749.604**	**3.089.564**	***Total placements with Bank Indonesia and Other Banks***

Suku bunga rata-rata tahunan untuk penempatan pada Bank Indonesia dan Bank Lain adalah sebagai berikut:

The annual average interest rate for placement with Bank Indonesia and Other Banks are as follows:

	2013	2012	2011	
Rupiah	3,50%	3,90%	4,62%	*Rupiah*
Mata uang asing	0,20%	1,13%	1,39%	*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:

	2013			
	Penempatan pada Bank Indonesia/ *Placements with Bank Indonesia*	***Call Money***	**Total**	
Rupiah				*Rupiah*
< 1 bulan	1.608.000	620.000	2.228.000	*< 1 month*
Total Rupiah	1.608.000	620.000	2.228.000	*Total Rupiah*
Mata uang asing				*Foreign currencies*
< 1 bulan	-	891.976	891.976	*< 1 month*
Total Mata Uang Asing	-	891.976	891.976	*Total Foreign Currencies*
Total Penempatan pada Bank Indonesia dan Bank Lain	**1.608.000**	**1.511.976**	**3.119.976**	***Total Placements with Bank Indonesia and Other Banks***

6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

6. Placements with Bank Indonesia and Other Banks (continued)

	2012			
	Penempatan pada Bank Indonesia/ *Placements with Bank Indonesia*	***Call Money***	**Total**	
Rupiah				*Rupiah*
< 1 bulan	913.092	461.000	1.374.092	*< 1 month*
≥ 1 bulan	595.812	-	595.812	*≥ 1 month*
Total Rupiah	1.508.904	461.000	1.969.904	*Total Rupiah*
Mata uang asing				*Foreign currencies*
< 1 bulan	578.250	201.450	779.700	*< 1 month*
Total Mata Uang Asing	578.250	201.450	779.700	*Total Foreign Currencies*
Total Penempatan pada Bank Indonesia dan Bank Lain	**2.087.154**	**662.450**	**2.749.604**	***Total Placements with Bank Indonesia and Other Banks***

	2011			
	Penempatan pada Bank Indonesia/ *Placements with Bank Indonesia*	***Call Money***	**Total**	
Rupiah				*Rupiah*
< 1 bulan	1.547.000	864.000	2.411.000	*< 1 month*
≥ 1 bulan	398.270	-	398.270	*≥ 1 month*
Total Rupiah	1.945.270	864.000	2.809.270	*Total Rupiah*
Mata uang asing				*Foreign currencies*
< 1 bulan	-	280.294	280.294	*< 1 month*
Total Mata Uang Asing	-	280.294	280.294	*Total Foreign Currencies*
Total Penempatan pada Bank Indonesia dan Bank Lain	**1.945.270**	**1.144.294**	**3.089.564**	***Total Placements with Bank Indonesia and Other Banks***

Tidak terdapat penempatan pada Bank lain yang diblokir pada tanggal-tanggal 31 Desember 2013, 2012 dan 2011.

There were no placement with other banks pledged as of December 31, 2013, 2012 and 2011.

Manajemen Bank berpendapat bahwa pada tanggal 31 Desember 2013, 2012 dan 2011, penempatan pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

The Bank's management believes that as of December 31, 2013, 2012 and 2011, placements with other banks are classified as current and not impaired.

7. Efek-efek yang Diperdagangkan

Efek-efek yang diperdagangkan terdiri dari:

7. Trading Securities

Trading securities consist of:

	2013			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	***Total***	
Efek-efek yang diperdagangkan				*Trading securities*
Sertifikat Bank Indonesia	538.154	-	538.154	*Certificates of Bank Indonesia*
Obligasi Pemerintah	1.986	38.168	40.154	*Government Bonds*
Total efek-efek yang diperdagangkan	540.140	38.168	578.308	*Total trading securities*

	2012			2011			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang diperdagangkan							*Trading securities*
Sertifikat Bank Indonesia	555.324	-	555.324	1.126.663	-	1.126.663	*Certificates of Bank Indonesia*
Obligasi Pemerintah	2.655	2.362	5.017	144.332	30.807	175.139	*Government Bonds*
Surat Perbendaharaan Negara	61.191	-	61.191	-	-	-	*State Treasury Notes*
Total efek-efek yang diperdagangkan	**619.170**	**2.362**	**621.532**	**1.270.995**	**30.807**	**1.301.802**	***Total trading securities***

Pada tanggal 31 Desember 2013, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa Sertifikat bank Indonesia dan obligasi pemerintah.

As of December 31, 2013, trading securities are the securities that issued by government and categorized as non-rated, in the form of Certificate of Bank Indonesia and government bonds.

Pada tanggal 31 Desember 2012 dan 2011, seluruh efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, yang terdiri dari Sertifikat Bank Indonesia, obligasi pemerintah dan Surat Perbendaharaan Negara (SPN).

As of December 31,, 2012 and 2011 all trading securities are the securities that issued by government and categorized as non-rated, which consist of Certificate of Bank Indonesia, government bonds and State Treasury Notes (SPN).

Pada tanggal 31 Desember 2013, 2012 dan 2011, seluruh efek-efek yang diperdagangkan digolongkan lancar dan tidak mengalami penurunan nilai.

As of December 31, 2013, 2012 and 2011, all trading securities are classified as current and not impaired.

Rincian efek-efek diperdagangkan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

The details of trading securities based on remaining maturities can be referred to Note 37.

8. Investasi Keuangan

Investasi keuangan terdiri dari:

8. Financial Investments

Financial investments consist of:

	2013			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	***Total***	
Efek-efek yang tersedia untuk dijual				*Available-for-sale securities*
Sertifikat Bank Indonesia	2.297.795	-	2.297.795	*Certificates of Bank Indonesia*
Obligasi Pemerintah	124.448	1.651.524	1.775.972	*Government Bonds*
Surat Perbendaharaan Negara	400.308	-	400.308	*State Treasury Notes*
Sukuk Retail	298.619	-	298.619	*Retail Islamic Bonds*
Medium Term Notes	201.956	-	201.956	*Medium Term Notes*
Total efek-efek yang tersedia untuk dijual	3.323.126	1.651.524	4.974.650	*Total available-for-sale securities*
Efek-efek yang dimiliki hingga jatuh tempo				*Held-to-maturity securities*
Wesel ekspor berjangka	85.744	586.258	672.002	*Export bills*
Total investasi keuangan	3.408.870	2.237.782	5.646.652	*Total financial investments*
Cadangan penurunan nilai	(98)	(612)	(710)	*Allowance for impairment losses*
Neto	**3.408.722**	**2.237.170**	**5.645.942**	***Net***

	2012			2011*			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	**Total**	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	
Efek-efek yang tersedia untuk dijual							*Available-for-sale securities*
Sertifikat Bank Indonesia	667.777	-	667.777	2.534.964	-	2.534.964	*Certificates of Bank Indonesia*
Obligasi Pemerintah	650.706	777.054	1.427.760	432.265	1.164.522	1.596.787	*Government Bonds*
Surat Perbendaharaan Negara	193.997	-	193.997	19.904	-	19.904	*State Treasury Notes*
Sukuk Retail	585.732	-	585.732	-	-	-	*Retail Islamic Bonds*
Medium Term Notes	207.826	-	207.826	-	-	-	*Medium Term Notes*
Total efek-efek yang tersedia untuk dijual	2.306.038	777.054	3.083.092	2.987.133	1.164.522	4.151.655	*Total available-for-sale securities*
Efek-efek yang dimiliki hingga jatuh tempo							*Held-to-maturity securities*
Wesel ekspor berjangka	49.581	210.174	259.755	219.611	183.652	403.263	*Export bills*
Total investasi keuangan	2.355.619	987.228	3.342.847	3.206.744	1.348.174	4.554.918	*Total financial investments*
Cadangan penurunan nilai	(122)	(518)	(640)	(2.196)	(1.837)	(4.033)	*Allowance for impairment losses*
Neto	**2.355.497**	**986.710**	**3.342.207**	**3.204.548**	**1.346.337**	**4.550.885**	***Net***

* Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember2011 termasuk efek-efek yang dijual dengan janji dibeli kembali.

** The available-for-sale financial investments as of December 31, 2011, includes securities sold under repurchase agreements.*

8. Investasi Keuangan (lanjutan)

a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

8. Financial Investments (continued)

a. The available-for-sale financial investments as of December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011*	
Nilai Wajar				*Fair Value*
Rupiah				*Rupiah*
Sertifikat Bank Indonesia	2.297.795	667.777	2.534.964	*Certificates of Bank Indonesia*
Obligasi Pemerintah	124.448	650.706	1.596.787	*Government Bonds*
Medium Term Note	201.956	207.826	-	*Medium Term Note*
Surat Perbendaharaan Negara	400.308	193.997	19.904	*State Treasury Notes*
Sukuk Ritel	298.619	585.732	-	*Retail Sukuk*
Sub - Total	3.323.126	2.306.038	4.151.655	*Sub - Total*
Mata Uang Asing				*Foreign currencies*
Obligasi Pemerintah	1.651.524	777.054	-	*Government Bonds*
Total	**4.974.650**	**3.083.092**	**4.151.655**	***Total***

b. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

b. The available-for-sale financial investments as of December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011*	
Harga Perolehan	5.203.065	2.960.509	4.030.143	*Cost*
Diskonto yang belum diamortisasi	8.118	74.759	117.276	*Unamortized Discount*
(Kerugian) keuntungan yang belum direalisasi	(236.533)	47.824	4.236	*Unrealized (loss) gain*
Total	**4.974.650**	**3.083.092**	**4.151.655**	***Total***

c. *Medium term note* merupakan obligasi dari PT Mandiri Tunas Finance yang tidak memiliki peringkat.

c. The medium term note issued by PT Mandiri Tunas Finance is not rated.

Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut:

The classification of held-to-maturity financial investments based on the remaining maturities before allowance for impairment losses is as follows:

	2013			
	Rupiah	**Mata Uang Asing/ *Foreign Currencies***	***Total***	
< 1 bulan	67.355	279.964	347.319	*< 1 month*
≥ 1 bulan ≤ 3 bulan	18.389	156.652	175.041	*≥ 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	-	149.642	149.642	*> 3 months ≤ 6 months*
Total	**85.744**	**586.258**	**672.002**	***Total***

* Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2011 termasuk efek-efek yang dijual dengan janji dibeli kembali.

** The available-for-sale financial investments as of December 31, 2011, includes securities sold under repurchase agreements.*

8. Investasi Keuangan (lanjutan)

Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut: (lanjutan)

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: (continued)

	2012			2011			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
< 1 bulan	28.840	144.543	173.383	34.290	164.015	198.305	*< 1 month*
≥ 1 bulan ≤ 3 bulan	20.741	63.234	83.975	184.905	14.108	199.013	*≥ 1 month ≤ 3 months*
> 3 bulan ≤ 6 bulan	-	2.397	2.397	-	5.529	5.529	*> 3 months ≤ 6 months*
> 6 bulan	-	-	-	416	-	416	*> 6 months*
Total	**49.581**	**210.174**	**259.755**	**219.611**	**183.652**	**403.263**	***Total***

Rincian investasi keuangan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 38.

The details of financial investment based on remaining maturities can be referred to 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:

	2013	2012	2011	
Saldo awal tahun	640	4.033	2.508	*Beginning balance*
(Pemulihan) penambahan cadangan selama tahun berjalan	(413)	(3.420)	1.363	*(Reversal of) provison for allowance during the year*
Selisih kurs penjabaran	483	27	162	*Foreign exchange translation*
Saldo akhir tahun	**710**	**640**	**4.033**	***Ending Balance***

Pada tanggal 31 Desember 2013, 2012 dan 2011, kolektibilitas seluruh investasi keuangan digolongkan lancar.

As of December 31, 2013, 2012 and 2011, the collectability of all financial investments is classified as current.

Manajemen Bank berpendapat bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian penurunan nilai atas tidak tertagihnya investasi keuangan.

The Bank's management believes that the allowance for impairment losses is adequate to cover possible impairment losses from uncollectible financial investments.

Suku bunga tahunan investasi keuangan dalam Rupiah berkisar antara 4,89% sampai dengan 12,08% pada tahun 2013, 4,24% sampai dengan 10,58% pada tahun 2012 dan antara 5,04% sampai dengan 12,00% pada tahun 2011, sedangkan suku bunga tahunan investasi keuangan dalam mata uang asing berkisar antara 1,34% sampai dengan 10,38% pada tahun 2013, 1,21% sampai dengan 10,38% pada tahun 2012 dan antara 3,26% sampai dengan 8,25% pada tahun 2011.

The annual interest rates of financial investments in Rupiah range from 4.89% to 12.08% in 2013, from 4.24% to 10.58% in 2012 and from 5.04% to 12.00% in 2011, and the annual interest rates of financial investments in foreign currencies range from 1.34% to 10.38% in 2013, from 1.21% to 10.38% in 2012 and from 3.26% to 8.25% in 2011.

Tidak terdapat investasi keuangan dengan pihak-pihak berelasi pada tanggal 31 Desember 2013, 2012 dan 2011.

There are no financial investments to related parties as of December 31, 2013, 2012 and 2011.

9. Tagihan dan Liabilitas Derivatif

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut:

9. Derivatives Receivable and Payable

The summaries of derivatives receivable and payable are as follows:

	2013			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Forward jual				*Forward sold*
$AS	674.770	3.893	2.930	*US$*
Forward beli				*Forward bought*
$AS	1.186.423	4.500	2.134	*US$*
Swap suku bunga jual				*Interest rate swap sold*
Rp	220.878	1.668	850	*IDR*
$AS	1.561.867	9.786	18.582	*US$*
Swap suku bunga beli				*Interest rate swap bought*
Rp	7.840	178	-	*IDR*
$AS	141.172	-	1.259	*US$*
Swap valuta asing suku bunga jual				*Cross currency interest rate swap sold*
Rp	86.607	40.363	-	*IDR*
$AS	634.874	1.432	147.723	*US$*
Swap valuta asing suku bunga beli				*Cross currency interest rate swap bought*
Rp	454.263	-	180.543	*IDR*
$AS	995.148	288.461	10	*US$*
Total		**350.281**	**354.031**	***Total***

	2012			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Forward jual				*Forward sold*
$AS	222.193	2.066	1.451	*US$*
Forward beli				*Forward bought*
$AS	488.414	922	2.829	*US$*
Swap suku bunga jual				*Interest rate swap sold*
Rp	163.725	4.531	2.263	*IDR*
$AS	3.190.408	22.735	27.819	*US$*
Swap suku bunga beli				*Interest rate swap bought*
Rp	11.760	793	-	*IDR*
$AS	158.055	-	1.960	*US$*
Swap valuta asing suku bunga jual				*Cross currency interest rate swap sold*
Rp	186.682	26.152	-	*IDR*
$AS	551.850	-	45.684	*US$*
Swap valuta asing suku bunga beli				*Cross currency interest rate swap bought*
Rp	568.594	-	34.145	*IDR*
$AS	956.290	56.283	-	*US$*
Total		**113.482**	**116.151**	***Total***

9. Tagihan dan Liabilitas Derivatif (lanjutan)

9. Derivatives Receivable and Payable (continued)

	2011			
Jenis	**Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ *Notional Value (Contract) (Equivalent Rupiah)***	**Tagihan Derivatif/ *Derivatives Receivable***	**Liabilitas Derivatif/ *Derivatives Payable***	***Type***
Forward jual				*Forward sold*
$AS	641.280	4.419	2.319	*US$*
Forward beli				*Forward bought*
$AS	334.563	109	1.726	*US$*
Swap suku bunga jual				*Interest rate swap sold*
Rp	55.826	1.419	579	*IDR*
$AS	3.946.184	27.733	32.101	*US$*
Swap suku bunga beli				*Interest rate swap bought*
$AS	192.231	-	1.066	*US$*
Swap valuta asing suku bunga jual				*Cross currency interest rate swap sold*
Rp	293.508	24.887	30.204	*IDR*
$AS	665.840	-		*US$*
Swap valuta asing suku bunga beli				*Cross currency interest rate swap bought*
Rp	645.404	-	14.010	*IDR*
$AS	1.011.958	24.037	-	*US$*
Total		**82.604**	**82.005**	***Total***

Rincian tagihan dan liabilitas derivatif berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

The details of financial investment based on remaining maturities can be referred to Note 37.

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 in 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 2013, 2012 dan 2011, Bank memiliki posisi di beberapa tipe instrumen derivatif sebagai berikut:

As of December 31, 2013, 2012 and 2011, the Bank has positions in the following types of derivative instruments:

Pertukaran *forward*

Forward exchange

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 7 hari - 10 bulan.

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 ranged between 7 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 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 komprehensif tahun berjalan.

Pada tanggal 31 Desember 2013, 2012 dan 2011, tagihan derivatif digolongkan lancar dan tidak mengalami penurunan nilai.

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 enters 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 comprehensive income in the current year.

As of December 31, 2013, 2012 and 2011, derivatives receivable are classified as current and not impaired.

10. Kredit yang Diberikan

1) Jenis kredit yang diberikan

1) By type of loan

	2013			
	Pihak Ketiga/ *Third Parties*	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	
Rupiah				*Rupiah*
Investasi	10.602.739	15.483	10.618.222	*Investment*
Promes	8.946.349	-	8.946.349	*Promissory notes*
Rekening koran	8.479.851	960	8.480.811	*Current accounts*
Pemilikan rumah	4.604.034	52.931	4.656.965	*Housing*
Angsuran	3.748.919	-	3.748.919	*Installment*
Sindikasi	1.040.062	-	1.040.062	*Syndicated*
Kartu kredit	1.012.412	7.158	1.019.570	*Credit card*

10. Kredit yang Diberikan (lanjutan) / *10. Loans (continued)*

1) Jenis kredit yang diberikan (lanjutan) / *1) By type of loan (continued)*

	2013			
	Pihak Ketiga/ *Third Parties*	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	
Rupiah (lanjutan)				*Rupiah (continued)*
Multiguna	864.055	8.137	872.192	*Multi-purpose*
Kendaraan bermotor	27.695	6.480	34.175	*Motor vehicles*
Tetap	65.538	-	65.538	*Fixed*
Lain-lain	1.514.829	93	1.514.922	*Others*
	40.906.483	91.242	40.997.725	
Mata Uang Asing				*Foreign currencies*
Investasi	2.680.468	316.420	2.996.888	*Investment*
Promes	2.457.047	-	2.457.047	*Promissory notes*
Angsuran	2.004.187	-	2.004.187	*Installment*
Sindikasi	261.804	-	261.804	*Syndicated*
Pemilikan rumah	155	-	155	*Housing*
Lain-lain	3.498.286	-	3.498.286	*Others*
	10.901.947	316.420	11.218.367	
Total	51.808.430	407.662	52.216.092	*Total*
Cadangan kerugian penurunan nilai	(345.160)	(492)	(345.652)	*Allowance for impairment losses*
Neto	**51.463.270**	**407.170**	**51.870.440**	***Net***

	2012			2011			
	Pihak Ketiga/ *Third Parties*	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	**Pihak Ketiga/ *Third Parties***	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	
Rupiah							*Rupiah*
Rekening koran	7.487.214	479	7.487.693	6.978.240	3.457	6.981.697	*Current accounts*
Promes	8.334.325	-	8.334.325	7.743.190	8.900	7.752.090	*Promissory notes*
Investasi	8.929.760	15.412	8.945.172	6.900.598	13.947	6.914.545	*Investment*
Pemilikan rumah	4.199.830	45.355	4.245.185	3.518.806	27.793	3.546.599	*Housing*
Angsuran	3.892.724	-	3.892.724	3.328.021	-	3.328.021	*Installment*
Kartu kredit	864.785	2.794	867.579	956.785	2.726	959.511	*Credit card*
Tetap	88.126	-	88.126	613.146	-	613.146	*Fixed*
Multiguna	508.361	12.416	520.777	349.612	5.482	355.094	*Multi-purpose*
Sindikasi	735.702	-	735.702	44.346	-	44.346	*Syndicated*
Kendaraan bermotor	22.042	6.543	28.585	19.090	5.388	24.478	*Motor vehicles*
Lain-lain	1.460.488	-	1.460.488	903.340	121	903.461	*Others*
	36.523.357	82.999	36.606.356	31.355.174	67.814	31.422.988	
Mata Uang Asing							*Foreign currencies*
Promes	1.919.862	-	1.919.862	1.827.251	16.322	1.843.573	*Promissory notes*
Investasi	1.866.847	265.725	2.132.572	2.147.935	268.619	2.416.554	*Investment*
Sindikasi	725.099	-	725.099	1.112.664	-	1.112.664	*Syndicated*
Angsuran	1.302.462	-	1.302.462	897.502	-	897.502	*Installment*
Pemilikan rumah	276	-	276	370	-	370	*Housing*
Lain-lain	2.292.156	-	2.292.156	1.661.589	1.668	1.663.257	*Others*
	8.106.702	265.725	8.372.427	7.647.311	286.609	7.933.920	
Total	44.630.059	348.724	44.978.783	39.002.485	354.423	39.356.908	*Total*
Cadangan kerugian penurunan nilai	(502.136)	(741)	(502.877)	(487.686)	(3.445)	(491.131)	*Allowance for impairment losses*
Neto	**44.127.923**	**347.983**	**44.475.906**	**38.514.799**	**350.978**	**38.865.777**	***Net***

10. Kredit yang Diberikan (lanjutan) / *10. Loans (continued)*

2) Sektor ekonomi / *2) By economic sector*

	2013	2012	2011	
Industri Pengolahan	14.739.398	12.703.837	10.241.145	*Processing Industry*
Perdagangan besar dan eceran	13.406.448	12.049.495	10.995.988	*Wholesale and retail*
Rumah Tangga	6.611.424	4.774.416	3.926.706	*Household sector*
Real estate dan jasa usaha	4.500.020	3.490.450	3.615.147	*Real estate and business service*
Transportasi, pergudangan, dan komunikasi	4.400.098	4.023.748	3.460.568	*Transportation, warehousing, and communication*
Penyedia Akomodasi	3.337.955	2.646.185	1.873.861	*Accommodation provider*
Konstruksi	2.868.536	2.170.845	1.768.188	*Construction*
Pertambangan dan Penggalian	803.411	733.032	911.123	*Mining and excavation*
Pertanian, perburuan dan kehutanan	722.977	587.039	520.071	*Agriculture, hunting and forestry*
Listrik, air dan gas	373.906	361.186	234.765	*Electricity, water and gas*
Jasa Kemasyarakatan	240.689	236.056	229.175	*Social Service*
Jasa Kesehatan	62.856	54.901	65.230	*Health service*
Perantara Keuangan	53.826	170.133	440.622	*Financial intermediaries*
Perikanan	43.270	50.289	47.035	*Fishery*
Jasa Pendidikan	30.078	17.788	15.850	*Educational service*
Jasa Perorangan	11.336	11.648	12.140	*Personal Service*
Lainnya	9.864	897.735	999.294	*Others*
Total	52.216.092	44.978.783	39.356.908	*Total*
Cadangan kerugian penurunan nilai	(345.652)	(502.877)	(491.131)	*Allowance for impairment losses*
Neto	**51.870.440**	**44.475.906**	**38.865.777**	***Net***

3) Jangka waktu / *3) By Terms*

a. Berdasarkan perjanjian kredit / *a. Based on loan agreement*

	2013	2012	2011	
Rupiah				*Rupiah*
≤ 1 tahun	11.579.759	17.037.446	15.324.695	*≤ 1 year*
< 1 tahun ≤ 2 tahun	7.665.317	945.427	1.018.382	*< 1 year ≤ 2 years*
< 2 tahun ≤ 5 tahun	5.472.829	8.396.381	7.633.833	*< 2 years ≤ 5 years*
> 5 tahun	16.279.820	10.227.102	7.446.078	*> 5 years*
	40.997.725	36.606.356	31.422.988	
Mata uang asing				*Foreign currencies*
≤ 1 tahun	5.789.828	4.084.595	3.246.583	*≤ 1 year*
< 1 tahun ≤ 2 tahun	180.795	72.278	88.306	*< 1 year ≤ 2 years*
< 2 tahun ≤ 5 tahun	955.859	1.992.306	3.087.611	*< 2 years ≤ 5 years*
> 5 tahun	4.291.885	2.223.248	1.511.420	*> 5 years*
	11.218.367	8.372.427	7.933.920	
Total	52.216.092	44.978.783	39.356.908	*Total*
Cadangan kerugian penurunan nilai	(345.652)	(502.877)	(491.131)	*Allowance for impairment losses*
Neto	**51.870.440**	**44.475.906**	**38.865.777**	***Net***

10. Kredit yang Diberikan (lanjutan)

10. Loans (continued)

3) Jangka waktu (lanjutan)

3) By Terms (continued)

b. Berdasarkan sisa umur jatuh tempo

b. Based on remaining maturities

	2013	2012	2011	
Rupiah				*Rupiah*
≤ 1 tahun	19.385.789	17.981.354	16.185.878	*≤ 1 year*
< 1 tahun ≤ 2 tahun	2.566.641	2.261.879	2.334.022	*< 1 year ≤ 2 years*
< 2 tahun ≤ 5 tahun	10.047.707	9.474.656	7.963.888	*< 2 years ≤ 5 years*
> 5 tahun	8.997.588	6.888.467	4.939.200	*> 5 years*
	40.997.725	36.606.356	31.422.988	
Mata uang asing				*Foreign currencies*
≤ 1 tahun	6.021.401	4.206.890	3.419.403	*≤ 1 year*
< 1 tahun ≤ 2 tahun	379.255	358.259	290.266	*< 1 year ≤ 2 years*
< 2 tahun ≤ 5 tahun	4.219.035	3.033.312	3.501.377	*< 2 years ≤ 5 years*
> 5 tahun	598.676	773.966	722.874	*> 5 years*
	11.218.367	8.372.427	7.933.920	
Total	52.216.092	44.978.783	39.356.908	*Total*
Cadangan kerugian penurunan nilai	(345.652)	(502.877)	(491.131)	*Allowance for impairment losses*
Neto	**51.870.440**	**44.475.906**	**38.865.777**	***Net***

4) Kolektibilitas menurut Peraturan Bank Indonesia

4) Collectability based on Bank Indonesia Regulation

	2013	2012	2011	
Rupiah				*Rupiah*
Lancar	39.853.560	35.437.391	30.449.694	*Current*
Dalam perhatian khusus	411.196	410.634	444.684	*Special Mention*
Kurang lancar	107.228	70.633	37.353	*Sub-standard*
Diragukan	81.532	204.169	50.595	*Doubtful*
Macet	544.209	483.529	440.662	*Loss*
	40.997.725	36.606.356	31.422.988	
Mata uang asing				*Foreign currencies*
Lancar	11.095.410	8.300.293	7.817.446	*Current*
Dalam perhatian khusus	6.403	16.768	42.054	*Special Mention*
Kurang lancar	16.004	-	-	*Sub-standard*
Diragukan	-	14.704	-	*Doubtful*
Macet	100.550	40.662	74.420	*Loss*
	11.218.367	8.372.427	7.933.920	
Total	52.216.092	44.978.783	39.356.908	*Total*
Cadangan kerugian penurunan nilai	(345.652)	(502.877)	(491.131)	*Allowance for impairment losses*
Neto	**51.870.440**	**44.475.906**	**38.865.777**	***Net***

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan:

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.

b. Giro sejumlah Rp96.904, Rp132.710 dan Rp175.621 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011, digunakan sebagai jaminan atas kredit yang diberikan dan fasilitas bank lainnya (Catatan 15).

c. Tabungan sejumlah Rp77.461, Rp109.849 dan Rp43.603 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 16).

d. Deposito berjangka sejumlah Rp4.519.821, Rp3.007.126 dan Rp4.437.576 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 17).

e. Suku bunga kontraktual rata-rata tahunan untuk kredit adalah sebagai berikut:

10. Loans (continued)

The significant information relating to loans are as follows:

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. Demand deposits amounting to Rp96,904 Rp132,710 and Rp175,621 as of December 31, 2013, 2012 and 2011, respectively, are pledged as collateral for loans and other bank facilities (Note 15).

c. Savings deposits amounting to Rp77,461, Rp109,849 and Rp43,603, as of December 31, 2013, 2012 and 2011, respectively, are pledged as collateral for loans (Note 16).

d. Time deposits amounting to Rp4,519,821, Rp3,007,126 and Rp4,437,576, as of December 31, 2013, 2012 and 2011, respectively, are pledged as collateral for loans (Note 17).

e. The average contractual annual interest rate for loans are as follows:

	2013	2012	2011	
Rupiah	11,36%	10,98%	11,53%	*Rupiah*
Mata uang asing	5,63%	5,28%	4,78%	*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 Rp325.990, Rp277.513 dan Rp194.362 pada tanggal 31 Desember 2013, 2012 dan 2011.

g. Pada tanggal 31 Desember 2013, 2012 dan 2011, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp213.404, Rp52.319, dan Rp71.521, dengan cadangan kerugian penurunan nilai yang dibentuk masing-masing sebesar Rp4.003, Rp6.488 dan Rp9.589. 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 Rp325,990, Rp277,513 and Rp194,362 as of December 31, 2013, 2012 and 2011, respectively.

g. As of December 31, 2013, 2012 and 2011, total restructured loans amounting to Rp213,404, Rp52,319 and Rp71,521, respectively, are provided with allowance for impairment losses of Rp4,003, Rp6,488 and Rp9,589, 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)

10. Loans (continued)

Restrukturisasi kredit berdasarkan jenis kredit yang diberikan

Restructured loan by type of loan

	2013	2012	2011	
Rupiah				*Rupiah*
Angsuran	105.525	20.310	32.006	*Installment*
Investasi	31.665	11.734	11.262	*Investment*
Promes	10.000	19.111	-	*Promissory notes*
Rekening koran	3.872	1.014	300	*Current accounts*
Multiguna	-	-	442	*Multi-purpose*
Pemilikan rumah	74	150	345	*Housing*
	151.136	52.319	44.355	
Mata Uang Asing				*Foreign currencies*
Investasi	53.991	-	17.346	*Investment*
Promes	8.277	-	9.820	*Promissory notes*
	62.268	-	27.166	
Total	213.404	52.319	71.521	*Total*
Cadangan kerugian penurunan nilai	(4.003)	(6.488)	(9.589)	*Allowance for impairment losses*
Neto	**209.401**	**45.831**	**61.932**	***Net***

Restrukturisasi kredit berdasarkan Kolektibilitas menurut Peraturan Bank Indonesia

Restructured loan by collectability based on Bank Indonesia Regulation

	2013	2012	2011	
Rupiah				*Rupiah*
Lancar	139.542	21.753	28.369	*Current*
Dalam perhatian khusus	2.253	18.552	10.049	*Special Mention*
Kurang lancar	-	2.815	1.500	*Sub-standard*
Diragukan	-	-	-	*Doubtful*
Macet	9.341	9.199	4.436	*Loss*
	151.136	52.319	44.354	
Mata uang asing				*Foreign currencies*
Lancar	52.317	-	-	*Current*
Dalam perhatian khusus	1.674	-	21.740	*Special Mention*
Kurang lancar	-	-	-	*Sub-standard*
Diragukan	-	-	-	*Doubtful*
Macet	8.277	-	5.427	*Loss*
	62.268	-	27.167	
Total	213.404	52.319	71.521	*Total*
Cadangan kerugian penurunan nilai	(4.003)	(6.488)	(9.589)	*Allowance for impairment losses*
Neto	**209.401**	**45.831**	**61.932**	***Net***

h. Kredit yang telah dihentikan pembebanan bunganya (kredit non-performing/NPL) pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar Rp849.523, Rp813.697 dan Rp603.030.

h. Non-Performing Loans (NPL) amounted to Rp849,523, Rp813,697 and Rp603,030 as of December 31, 2013, 2012 and 2011, respectively.

10. Kredit yang Diberikan (lanjutan)

Rasio NPL kotor (NPL Gross) pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar 1,63%, 1,81% dan 1,53% dari total kredit (NPL Gross), sedangkan rasio NPL neto (NPL Net) masing-masing sebesar 1,15%, 1,13% dan 1,17% 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)

Gross NPL ratio as of December 31, 2013, 2012 and 2011 represents 1.63%, 1.81% and 1.53% of the total loans, respectively, and net NPL ratio represents 1.15%, 1.13% and 1.17% 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 May 20, 2013, net NPL ratio should not exceed 5% of a bank's total loans.

i. The changes in the allowance for impairment losses of loans are as follows:

	2013	2012	2011	
Saldo awal tahun	502.877	491.131	405.199	*Beginning balance*
Penyisihan (pemulihan) selama tahun berjalan	(70.811)	83.580	209.210	*Provision (reversal) during the year*
Penerimaan kembali kredit yang telah dihapusbukukan	29.573	24.401	17.607	*Recovery of loans previously written-off*
Penghapusbukuan selama tahun berjalan	(133.090)	(100.592)	(142.302)	*Loans written-off during the year*
Selisih kurs penjabaran	17.103	4.357	1.417	*Foreign exchange translation*
Saldo akhir tahun	**345.652**	**502.877**	**491.131**	***Ending balance***

Manajemen Bank berpendapat bahwa jumlah cadangan penurunan nilai di atas 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.

j . Keikutsertaan Bank sebagai anggota sindikasi terhadap jumlah seluruh kredit sindikasi yang diberikan berkisar antara 4,00% sampai dengan 25,00% untuk tahun 2013, 5,00% sampai dengan 40,00% untuk tahun 2012 dan 2,30% sampai dengan 33,33% untuk tahun 2011.

j. The participation of the Bank's as a member of a syndicated loans in the total syndicated loans ranged from 4.00% to 25.00% for 2013, 5.00% to 40.00% for 2012 and 2.30% to 33.33% for 2011.

k. Rasio kredit usaha kecil terhadap jumlah kredit yang diberikan adalah 0,98% pada tahun 2013, 0,92% pada tahun 2012 dan 1,57% pada tahun 2011.

k. The ratio of loans to small business to the total loans is 0.98% in 2013, 0.92% in 2012 and 1.57% in 2011.

l. Pada tanggal 31 Desember 2013, Bank menilai penurunan nilai secara individual untuk kategori kredit *non-performing*/NPL, kecuali kartu kredit. Pada tanggal 31 Desember 2012 dan 2011, Bank menilai penurunan nilai secara individual untuk kredit di atas Rp12 miliar.

l. As of December 31, 2013, Bank assessed the individual impairment for credit non-performing/NPL category, except for credit card. As of December 31, 2012 and 2011, Bank assessed the individual impairment for credit above Rp12 billion.

10. Kredit yang Diberikan (lanjutan)

m. Pada tanggal 31 Desember 2013, 2012 dan 2011, Bank telah mematuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik terhadap pihak-pihak berelasi maupun kepada pihak yang tidak berelasi.

10. Loans (continued)

m. As of December 31, 2013, 2012 and 2011, the Bank is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

11. 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:

11. Acceptances Receivable and Liabilities

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

	2013	2012	2011	
Dolar Amerika Serikat	1.556.061	1.162.747	1.018.141	*United States Dollar*
Rupiah	246.960	184.081	308.987	*Rupiah*
Euro Eropa	27.044	50.061	61.883	*European Euro*
Yen Jepang	15.196	12.939	42.372	*Japanese Yen*
Franc Swiss	-	-	40.618	*Swiss Franc*
Total	1.845.261	1.409.828	1.472.001	*Total*
Cadangan kerugian penurunan nilai	(2.106)	(3.326)	(15.125)	*Allowance for impairment losses*
Neto	**1.843.155**	**1.406.502**	**1.456.876**	***Net***

b. Liabilitas Akseptasi

b. Acceptances Liabilities

	2013	2012	2011	
Dolar Amerika Serikat	1.556.061	1.157.449	1.018.141	*United States Dollar*
Rupiah	246.960	169.308	308.987	*Rupiah*
Euro Eropa	27.044	50.061	61.883	*European Euro*
Yen Jepang	15.196	12.939	42.372	*Japanese Yen*
Franc Swiss	-	-	40.618	*Swiss Franc*
Total	**1.845.261**	**1.389.757**	**1.472.001**	***Total***

2. Berdasarkan jangka waktu

2. Based on period

a. Tagihan Akseptasi

a. Acceptances Receivable

	2013	2012	2011	
Rupiah				*Rupiah*
< 1 bulan	45.861	54.857	45.998	*< 1 month*
≥ 1 bulan < 3 bulan	143.388	90.875	234.187	*≥ 1 month < 3 months*
≥ 3 bulan	57.711	38.349	28.802	*≥ 3 months*
	246.960	184.081	308.987	

11. Tagihan dan Liabilitas Akseptasi (lanjutan)

11. Acceptances Receivable and Liabilities (continued)

2. Berdasarkan jangka waktu (lanjutan)

2. Based on period (continued)

a. Tagihan Akseptasi (lanjutan)

a. Acceptances Receivable (continued)

	2013	2012	2011	
Mata uang asing				*Foreign currencies*
< 1 bulan	594.809	684.157	327.369	*< 1 month*
≥ 1 bulan < 3 bulan	695.878	310.308	328.831	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	302.315	227.467	476.279	*≥ 3 months < 6 months*
≥ 6 bulan	5.299	3.815	30.535	*≥ 6 months*
	1.598.301	1.225.747	1.163.014	
Total	1.845.261	1.409.828	1.472.001	*Total*
Cadangan kerugian penurunan nilai	(2.106)	(3.326)	(15.125)	*Allowance for impairment losses*
Neto	**1.843.155**	**1.406.502**	**1.456.876**	***Net***

b. Liabilitas Akseptasi

b. Acceptances Liabilities

	2013	2012	2011	
Rupiah				*Rupiah*
< 1 bulan	45.861	49.569	45.998	*< 1 month*
≥ 1 bulan < 3 bulan	143.388	81.390	234.187	*≥ 1 month < 3 months*
≥ 3 bulan	57.711	38.349	28.802	*≥ 3 months*
	246.960	169.308	308.987	
Mata uang asing				*Foreign currencies*
< 1 bulan	594.809	683.343	327.369	*< 1 month*
≥ 1 bulan < 3 bulan	695.878	306.816	328.831	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	302.315	226.475	476.279	*≥ 3 months < 6 months*
≥ 6 bulan	5.299	3.815	30.535	*≥ 6 months*
	1.598.301	1.220.449	1.163.014	
Total	**1.845.261**	**1.389.757**	**1.472.001**	***Total***

Ikhtisar perubahan cadangan penurunan nilai tagihan akseptasi adalah sebagai berikut:

The changes in the allowance for impairment losses of acceptances receivable are as follows:

	2013	2012	2011	
Saldo awal tahun	3.326	15.125	3.628	*Beginning balance*
(Pemulihan) cadangan kerugian penurunan nilai	(1.813)	(11.963)	11.472	*(Reversal) addition of allowance for impairment loss*
Selisih kurs penjabaran	593	164	25	*Foreign exchange translation*
Saldo akhir tahun	**2.106**	**3.326**	**15.125**	***Ending balance***

Manajemen Bank berpendapat bahwa jumlah cadangan penurunan nilai yang dibentuk pada tanggal 31 Desember 2013, 2012 dan 2011, adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya tagihan akseptasi.

The Bank's management believes that the allowance for impairment losses as of December 31, 2013, 2012 and 2011 is adequate to cover any possible losses on uncollectible acceptances receivable.

12. Aset Tetap

12. Fixed Assets

Aset tetap terdiri dari:

Fixed assets consist of:

2013	Saldo Awal/ *Beginning Balance*	Perubahan Selama Satu Tahun/ *Changes During One Year*: Penambahan dan Reklasifikasi/ *Additions and Reclassification*	Pengurangan/ dan Reklasifikasi/ *Deductions and Reclassification*	Saldo Akhir/ *Ending Balance*	*2013*
Biaya Perolehan					***Cost***
Tanah	157.985	-	1.851	156.134	*Land*
Bangunan dan prasarana bangunan	515.801	58.065	1.796	572.070	*Buildings and building improvements*
Prasarana	137.786	7.840	525	145.101	*Infrastructure*
Peralatan Kantor	553.651	213.285	15.680	751.256	*Office equipments*
Kendaraan	31.626	63	14.506	17.183	*Vehicles*
Sub - Total	1.396.849	279.253	34.358	1.641.744	*Sub - Total*
Aset dalam Penyelesaian					***Construction in Progress***
Tanah, bangunan, dan prasarana bangunan	62.313	-	62.313	-	*Land, buildings and building improvements*
Peralatan Kantor	24.399	-	24.399	-	*Office equipment*
Sub - Total	86.712	-	86.712	-	*Sub - Total*
Total biaya perolehan	1.483.561	279.253	121.070	1.641.744	*Total cost*
Akumulasi Penyusutan					***Accumulated Depreciation***
Bangunan dan prasarana bangunan	147.702	28.183	1.160	174.725	*Buildings and building improvements*
Prasarana	32.521	4.409	3.393	33.537	*Infrastructure*
Peralatan kantor	392.464	51.938	11.169	433.233	*Office equipments*
Kendaraan	25.582	1.592	14.506	12.668	*Vehicles*
Total akumulasi penyusutan	598.269	86.122	30.228	654.163	*Total accumulated depreciation*
	885.292	193.131	90.842	987.581	
Penurunan nilai	(3.110)	-	-	(3.110)	*Impairment in value*
Nilai Buku	**882.182**			**984.471**	***Net Book Value***

2012	Saldo Awal/ *Beginning Balance*	Perubahan Selama Satu Tahun/ *Changes During One Year*: Penambahan dan Reklasifikasi/ *Additions and Reclassification*	Pengurangan/ dan Reklasifikasi/ *Deductions and Reclassification*	Saldo Akhir/ *Ending Balance*	*2012*
Biaya Perolehan					***Cost***
Tanah	163.064	1.084	6.163	157.985	*Land*
Bangunan dan prasarana bangunan	522.079	2.475	8.753	515.801	*Buildings and building improvements*
Prasarana	130.208	9.506	1.928	137.786	*Infrastructure*
Peralatan Kantor	501.792	77.867	26.008	553.651	*Office equipments*
Kendaraan	62.626	3.483	34.483	31.626	*Vehicles*
Sub - Total	1.379.769	94.415	77.335	1.396.849	*Sub - Total*
Aset dalam Penyelesaian					***Construction in Progress***
Tanah, bangunan, dan prasarana bangunan	21.655	62.313	21.655	62.313	*Land, buildings and building improvements*
Peralatan Kantor	6.231	24.399	6.231	24.399	*Office equipment*
Sub - Total	27.886	86.712	27.886	86.712	*Sub - Total*
Total biaya perolehan	1.407.655	181.127	105.221	1.483.561	*Total cost*
Akumulasi Penyusutan					***Accumulated Depreciation***
Bangunan dan prasarana bangunan	126.424	25.645	4.367	147.702	*Buildings and building improvements*
Prasarana	21.428	12.993	1.900	32.521	*Infrastructure*
Peralatan kantor	381.122	36.154	24.812	392.464	*Office equipments*
Kendaraan	57.930	1.996	34.344	25.582	*Vehicles*
Total akumulasi penyusutan	586.904	76.788	65.423	598.269	*Total accumulated depreciation*
	820.751	104.339	39.798	885.292	
Penurunan nilai	(3.417)	-	(307)	(3.110)	*Impairment in value*
Nilai Buku	**817.334**			**882.182**	***Net Book Value***

12. Aset Tetap (lanjutan)

12. Fixed Assets (continued)

2011	Saldo Awal/ *Beginning Balance*	Perubahan Selama Satu Tahun/ *Changes During One Year*: Penambahan dan Reklasifikasi/ *Additions and Reclassification*	Pengurangan/ dan Reklasifikasi/ *Deductions and Reclassification*	Saldo Akhir/ *Ending Balance*	*2011*
Biaya Perolehan					***Cost***
Tanah	158.789	5.266	991	163.064	*Land*
Bangunan dan prasarana bangunan	630.195	6.964	4.702	522.079	*Buildings and building improvements*
Prasarana	2.599	29.707	12.476	130.208	*Infrastructure*
Peralatan Kantor	490.842	70.703	59.753	501.792	*Office equipment*
Kendaraan	72.518	4.366	14.258	62.626	*Vehicles*
Sub - Total	1.354.943	117.006	92.180	1.379.769	*Sub - Total*
Aset dalam Penyelesaian					***Construction in Progress***
Tanah, bangunan, dan prasarana bangunan	7.559	21.655	7.559	21.655	*Land, buildings and building improvements*
Peralatan Kantor	1.106	6.231	1.106	6.231	*Office equipments*
Sub - Total	8.665	27.886	8.665	27.886	*Sub - Total*
Total biaya perolehan	1.363.608	144.892	100.845	1.407.655	*Total cost*
Akumulasi Penyusutan					***Accumulated Depreciation***
Bangunan dan prasarana bangunan	112.767	28.517	14.860	126.424	*Buildings and building improvements*
Prasarana	502	22.285	1.359	21.428	*Infrastructure*
Peralatan kantor	379.091	20.949	18.918	381.122	*Office equipments*
Kendaraan	70.069	2.089	14.228	57.930	*Vehicles*
Total akumulasi penyusutan	562.429	73.840	49.365	586.904	*Total accumulated depreciation*
	801.179	71.052	51.480	820.751	
Penurunan nilai	(3.444)	-	(27)	(3.417)	*Impairment in value*
Nilai Buku	**797.735**			**817.334**	***Net Book Value***

Rekonsiliasi penambahan aset tetap yang berasal dari pembelian dan reklasifikasi adalah sebagai berikut:

Reconciliation addition of fixed assets which comes from purchase and reclassification are as follows:

	2013	2012	2011	
Penambahan melalui pembelian aset tetap	192.527	64.584	66.941	*Addition through purchase of fixed assets*
Penambahan melalui reklasifikasi aset tetap	86.726	29.831	50.065	*Addition through reclassification of fixed assets*
Penambahan aset tetap dalam penyelesaian	-	86.712	27.886	*Addition of contruction in progress*
Total	**279.253**	**181.127**	**144.892**	***Total***

Rekonsiliasi pengurangan aset tetap yang berasal dari penjualan dan reklasifikasi adalah sebagai berikut:

Reconciliation deduction of fixed assets which comes from disposal and reclassification are as follows:

	2013	2012	2011	
Pengurangan melalui penjualan aset tetap	4.130	11.912	2.523	*Deduction through sales of fixed assets*
Penghapusan aset tetap	-	-	40.292	*Write off of fixed assets*
Pengurangan aset dalam penyelesaian melalui reklasifikasi aset tetap	86.712	27.886	8.665	*Deduction of construction in progress through reclassification to fixed assets*
Total	**90.842**	**39.798**	**51.480**	***Total***

12. Aset Tetap (lanjutan)

Penyusutan yang dibebankan pada laporan laba rugi komprehensif masing-masing sebesar Rp86.122, Rp76.788 dan Rp73.840 untuk tahun yang berakhir pada 31 Desember 2013, 2012 dan 2011 (Catatan 28).

Pada tanggal 31 Desember 2013, 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, PT Adira Insurance dan PT Asuransi Buana Independent dengan nilai pertanggungan sebesar Rp694.602 dan $AS16.285.294 (nilai penuh).

Penurunan nilai aset tetap merupakan selisih antara nilai buku aset tetap yang bersangkutan dengan nilai wajar aset tetap tanah dan bangunan tertentu berdasarkan laporan penilai independen.

Manajemen Bank berkeyakinan bahwa tidak terdapat penurunan nilai aset tetap lebih lanjut atau pemulihan cadangan penurunan nilai sebagaimana dimaksud dalam PSAK No. 48.

Hasil penjualan aset tetap adalah masing-masing sebesar Rp25.884, Rp58.830 dan Rp11.480 untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011. Keuntungan atas penjualan aset tetap masing-masing sebesar Rp21.754, Rp46.918 dan Rp8.957 dibukukan sebagai bagian dari "Pendapatan non-operasional - keuntungan penjualan aset tetap dan agunan yang diambil alih - neto" selama tahun berjalan.

12. Fixed Assets (continued)

Depreciation charged to statements of comprehensive income amounted to Rp86,122, Rp76,788 and Rp73,840 for the years ended December 31, 2013, 2012 and 2011, respectively (Note 28).

As of December 31, 2013, 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, PT Adira Insurance and PT Asuransi Buana Independent with sum insured amounting to Rp694,602 and US$16,285,294 (full amount).

The impairment on fixed assets represents the difference between the net book value and fair value of certain land and buildings based on an independent appraisal.

The Bank's management believes that there is no further impairment in fixed assets or recovery on allowance of impairment as mentioned in PSAK No. 48.

The proceeds from the sale of fixed assets amounted to Rp25,884, Rp58,830 and Rp11,480 for the years ended December 31, 2013, 2012 and 2011, respectively. The related gains on sales of fixed assets of Rp21,754, Rp46,918 and Rp8,957 are presented as part of "Non-Operating Income - Gain on Sale of Fixed Assets and Foreclosed Assets - net" during the year.

13. Aset Lain-lain

Aset lain-lain terdiri dari:

13. Other Assets

Other assets consist of:

	2013	2012	2011	
Piutang bunga	211.620	199.652	187.364	*Interests receivables*
Biaya dibayar di muka - neto	76.089	47.200	55.858	*Prepaid expenses - net*
Agunan yang diambil alih (setelah dikurangi cadangan penurunan nilai sebesar Rp15.563, Rp24.514 dan Rp18.128 pada tanggal 31 Desember 2013, 2012 dan 2011)	68.686	103.917	134.173	*Foreclosed assets (net of allowance for decline in value of Rp15,563, Rp24,514 and Rp18,128 as of December 31, 2013, 2012 and 2011, respectively)*
Uang muka	22.606	1.563	1.494	*Advances*
Setoran jaminan	10.502	6.947	6.639	*Security deposits*
Imbalan kerja ditangguhkan	5.769	26.816	43.999	*Deferred employee benefits*
Materai	3.956	3.471	2.937	*Stamp duty*
Taksiran tagihan pajak penghasilan	1.174	1.174	2.214	*Estimated claim for tax refund*
Penyelesaian transaksi kartu kredit	-	11.248	1.065	*Settlement of credit card transaction*
Debet sementara	-	10.394	21.588	*Temporary debet*
Lain-lain	6.096	6.407	16.683	*Others*
Neto	**406.498**	**418.789**	**474.014**	***Net***

13. Aset Lain-lain (lanjutan)

Ikhtisar perubahan cadangan kerugian penurunan nilai agunan yang diambil alih adalah sebagai berikut:

13. Other Assets (continued)

The changes in the allowance for decline in value of foreclosed assets are as follows:

	2013	2012	2011	
Saldo awal tahun	24.514	18.128	37.814	*Beginning balance*
Penambahan (pemulihan) cadangan selama tahun berjalan	(8.951)	6.386	(19.686)	*Addition (reversal) of allowance during the year*
Saldo akhir tahun	**15.563**	**24.514**	**18.128**	***Ending balance***

Manajemen Bank berpendapat 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 decline in value of foreclosed assets is adequate and the carrying value of foreclosed assets is stated at net realizable value.

14. Liabilitas Segera

Liabilitas segera sebesar Rp67.723, Rp217.802 dan Rp80.001 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011 terdiri dari kiriman uang/wesel akan dibayar, titipan dana nasabah, transaksi kliring/transfer yang belum diselesaikan dan liabilitas-liabilitas jangka pendek lainnya.

14. Current Liabilities

Current liabilities amounting to Rp67,723, Rp217,802 and Rp80,001 as of December 31, 2013, 2012 and 2011 represent cash remittances/draft payables, customers' funds, unsettled clearing/transfer transactions and other short-term liabilities.

15. Giro

Giro terdiri dari:

15. Demand Deposits

Demand deposits consist of:

	2013			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	*Total*	
Pihak ketiga	4.661.190	661.547	5.322.737	*Third parties*
Pihak berelasi (Catatan 34)	13.327	-	13.327	*Related parties (Note 34)*
Total	**4.674.517**	**661.547**	**5.336.064**	***Total***

	2012			2011			
	Rupiah	Mata Uang Asing/ *Foreign Currency*	Total	Rupiah	Mata Uang Asing/ *Foreign Currency*	Total	
Pihak ketiga	4.479.920	504.949	4.984.869	4.422.276	414.610	4.836.886	*Third parties*
Pihak berelasi (Catatan 34)	2.262	-	2.262	3.744	-	3.744	*Related parties (Note 34)*
Total	**4.482.182**	**504.949**	**4.987.131**	**4.426.020**	**414.610**	**4.840.630**	***Total***

Giro dalam mata uang asing hanya terdiri dari Dolar Singapura.

Foreign currency demand deposits only consist of Singapore Dollar.

15. Giro (lanjutan)

Suku bunga rata-rata tahunan untuk giro adalah sebagai berikut:

15. Demand Deposits (continued)

The annual average interest rate for demand deposits are as follows:

	2013	2012	2011	
Rupiah	1,75%	2,21%	2,59%	*Rupiah*
Mata uang asing	0,00%	0,00%	0,00%	*Foreign Currency*

Pada tanggal 31 Desember 2013, 2012 dan 2011, giro yang digunakan sebagai jaminan untuk kredit dan fasilitas Bank lainnya masing-masing sebesar Rp96.904, Rp132.710 dan Rp175.621 (Catatan 10).

As of December 31, 2013, 2012 and 2011, demand deposits amounting to Rp96,904, Rp132,710 and Rp175,621 are pledged as collateral for loan facilities and other Bank's facilities (Note 10).

16. Tabungan

Tabungan berdasarkan hubungan transaksi dengan Bank terdiri dari:

16. Savings Deposits

Savings deposits based on its relationship transaction with the Bank consist of:

	2013			
	Pihak Ketiga/ *Third Parties*	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	
Produktif	8.117.780	14.016	8.131.796	*Produktif*
Saving Plan	214.655	1.198	215.853	*Saving Plan*
High Yield	457.180	68	457.248	*High Yield*
Gold	298.201	621	298.822	*Gold*
Buana Plus	68.022	14.774	82.796	*Buana Plus*
Tabunganku	102.003	269	102.272	*Tabunganku*
Total	**9.257.841**	**30.946**	**9.288.787**	***Total***

	2012			2011			
Produk	**Pihak Ketiga/ *Third Parties***	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	**Pihak Ketiga/ *Third Parties***	**Pihak Berelasi (Catatan 34)/ *Related Parties (Note 34)***	**Total**	***Product***
Produktif	6.894.989	6.100	6.901.089	6.618.643	26.822	6.645.465	*Produktif*
Saving Plan	365.458	329	365.787	427.116	366	427.482	*Saving Plan*
High Yield	440.352	20	440.372	328.128	12	328.140	*High Yield*
Gold	281.361	540	281.901	292.608	264	292.872	*Gold*
Buana Plus	75.422	14.642	90.064	66.899	3.524	70.423	*Buana Plus*
Tabunganku	85.418	101	85.519	40.586	159	40.745	*Tabunganku*
Total	**8.143.000**	**21.732**	**8.164.732**	**7.773.980**	**31.147**	**7.805.127**	***Total***

16. Tabungan (lanjutan)

Tabungan berdasarkan jenis mata uang terdiri dari:

16. Savings Deposits (continued)

Savings deposits based on its Currencies consist of:

	2013			
Produk	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	***Product***
Produktif	3.670.589	4.461.207	8.131.796	*Produktif*
Saving Plan	215.853	-	215.853	*Saving Plan*
High Yield	457.248	-	457.248	*High Yield*
Gold	298.822	-	298.822	*Gold*
Buana Plus	82.796	-	82.796	*Buana Plus*
Tabunganku	102.272	-	102.272	*Tabunganku*
Total	**4.827.580**	**4.461.207**	**9.288.787**	***Total***

	2012			2011			
Produk	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	**Rupiah**	**Mata Uang Asing/ *Foreign Currencies***	**Total**	***Product***
Produktif	3.721.228	3.179.861	6.901.089	3.629.448	3.016.017	6.645.465	*Produktif*
Saving Plan	365.787	-	365.787	427.482	-	427.482	*Saving Plan*
High Yield	440.372	-	440.372	328.140	-	328.140	*High Yield*
Gold	281.901	-	281.901	292.872	-	292.872	*Gold*
Buana Plus	90.064	-	90.064	70.423	-	70.423	*Buana Plus*
Tabunganku	85.519	-	85.519	40.745	-	40.745	*Tabunganku*
Total	**4.984.871**	**3.179.861**	**8.164.732**	**4.789.110**	**3.016.017**	**7.805.127**	***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 , United States Dollar, Canadian Dollar, New Zealand Dollar, Singapore Dollar, Hong Kong Dollar, Japanese Yen and Swedish Croner.

Suku bunga rata-rata tahunan untuk tabungan adalah sebagai berikut:

The annual average interest rate for savings deposits are as follows:

	2013	**2012**	**2011**	
Rupiah	2,37%	2,56%	3,38%	*Rupiah*
Mata uang asing	0,49%	0,55%	0,43%	*Foreign currencies*

Pada tanggal 31 Desember 2013, 2012 dan 2011, tabungan yang diblokir untuk jaminan fasilitas kredit adalah masing-masing sebesar Rp77.461, Rp109.849 dan Rp43.603 (Catatan 10).

As of December 31, 2013, 2012 and 2011, savings deposits pledged as collateral for loan facilities amounted to Rp77,461, Rp109,849 and Rp43,603, respectively (Note 10).

17. Deposito Berjangka / *17. Time Deposits*

Deposito berjangka terdiri dari:

Time deposits consist of:

	2013			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	*Total*	
Pihak ketiga	32.015.089	10.536.447	42.551.536	*Third parties*
Pihak berelasi (Catatan 34)	51.915	50.132	102.047	*Related parties (Note 34)*
Total	**32.067.004**	**10.586.579**	**42.653.583**	***Total***

	2012			2011			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
Pihak ketiga	25.801.518	7.534.824	33.336.342	24.433.344	5.755.200	30.188.544	*Third parties*
Pihak berelasi (Catatan 34)	27.953	22.760	50.713	48.931	19.981	68.912	*Related parties (Note 34)*
Total	**25.829.471**	**7.557.584**	**33.387.055**	**24.482.275**	**5.775.181**	**30.257.456**	***Total***

Rincian deposito berjangka berdasarkan jangka waktu adalah sebagai berikut:

The details of time deposits based on maturities are as follows:

	2013			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	*Total*	
< 1 bulan	1.355.805	687.441	2.043.246	*< 1 month*
≥ 1 bulan < 3 bulan	21.074.164	7.063.189	28.137.353	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	5.483.839	941.536	6.425.375	*≥ 3 months < 6 months*
≥ 6 bulan	4.153.196	1.894.413	6.047.609	*≥ 6 months*
Total	**32.067.004**	**10.586.579**	**42.653.583**	***Total***

	2012			2011			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
< 1 bulan	1.220.952	32.311	1.253.263	1.627.565	134.094	1.761.659	*< 1 month*
≥ 1 bulan < 3 bulan	13.976.826	2.945.869	16.922.695	13.123.008	3.172.609	16.295.617	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	7.018.310	804.940	7.823.250	4.754.422	1.036.610	5.791.032	*≥ 3 months < 6 months*
≥ 6 bulan < 12 bulan	3.613.383	3.774.464	7.387.847	2.656.577	962.116	3.618.693	*≥ 6 months < 12 months*
≥ 12 bulan	-	-	-	2.320.703	469.752	2.790.455	*≥ 12 months*
Total	**25.829.471**	**7.557.584**	**33.387.055**	**24.482.275**	**5.775.181**	**30.257.456**	***Total***

17. Deposito Berjangka (lanjutan)

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut:

17. Time Deposits (continued)

The details of time deposits based on remaining maturities are as follows:

	2013			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	*Total*	
< 1 bulan	24.520.387	7.962.064	32.482.451	*< 1 month*
≥ 1 bulan < 3 bulan	5.770.476	1.473.513	7.243.989	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	1.636.316	842.188	2.478.504	*≥ 3 months < 6 months*
≥ 6 bulan < 12 bulan	139.825	308.814	448.639	*≥ 6 months < 12 months*
Total	**32.067.004**	**10.586.579**	**42.653.583**	***Total***

	2012			2011			
	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	Rupiah	Mata Uang Asing/ *Foreign Currencies*	Total	
< 1 bulan	15.080.270	2.550.947	17.631.217	15.484.054	3.662.281	19.146.335	*< 1 month*
≥ 1 bulan < 3 bulan	9.701.067	1.977.664	11.678.731	6.103.422	1.167.363	7.270.785	*≥ 1 month < 3 months*
≥ 3 bulan < 6 bulan	949.075	2.705.574	3.654.649	1.535.058	790.489	2.325.547	*≥ 3 months < 6 months*
≥ 6 bulan	99.059	323.399	422.458	1.359.741	155.048	1.514.789	*≥ 6 months*
Total	**25.829.471**	**7.557.584**	**33.387.055**	**24.482.275**	**5.775.181**	**30.257.456**	***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 Rp4.519.821, Rp3.007.126 dan Rp4.437.576 masing-masing pada tanggal 31 Desember 2013, 2012 dan 2011 (Catatan 10).

Time deposits pledged as collateral for loan facilities granted amounted to Rp4,519,821, Rp3,007,126 and Rp4,437,576 as of December 31, 2013, 2012 and 2011, respectively (Note 10).

Suku bunga rata-rata tahunan untuk deposito berjangka adalah sebagai berikut:

The annual average interest rate for time deposits are as follows:

	2013	2012	2011	
Rupiah	7,04%	6,29%	7,21%	*Rupiah*
Mata uang asing	2,44%	2,46%	1,97%	*Foreign currency*

18. Simpanan dari Bank Lain

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari:

18. Deposits from Other Banks

Deposits from other banks based on type and currency consist of:

	2013	2012	2011	
Rupiah				*Rupiah*
Call money	360.000	370.000	35.000	*Call money*
Deposito berjangka	164.543	226.285	280.273	*Time deposits*
Tabungan	18.361	30.654	26.138	*Savings deposits*
Giro	26.284	12.987	27.536	*Demand deposits*
	569.188	639.926	368.947	

18. Simpanan dari Bank Lain (lanjutan)

18. Deposits from Other Banks (continued)

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari: (lanjutan)

Deposits from other banks based on type and currency consist of: (continued)

	2013	2012	2011	
Mata uang asing				*Foreign currency*
Call money	1.010.110	992.663	938.486	*Call money*
Deposito berjangka dan deposito *on-call*	-	48.188	9.068	*Time deposits and deposit on-call*
Tabungan	18.321	876	-	*Savings deposits*
	1.028.431	1.041.727	947.554	
Total	**1.597.619**	**1.681.653**	**1.316.501**	***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:

	2013	2012	2011	
Rupiah				*Rupiah*
Pihak Ketiga	565.241	635.987	365.061	*Third Parties*
Pihak Berelasi	3.947	3.939	3.886	*Related Parties*
	569.188	639.926	368.947	
Mata uang asing				*Foreign currency*
Pihak Ketiga	18.321	222.539	439.774	*Third Parties*
Pihak Berelasi	1.010.110	819.188	507.780	*Related Parties*
	1.028.431	1.041.727	947.554	
Total	**1.597.619**	**1.681.653**	**1.316.501**	***Total***

Jangka waktu simpanan dari bank lain dalam *call money* adalah kurang dari satu bulan, sedangkan jangka waktu deposito berjangka dan deposito *on-call* dari bank lain adalah satu bulan.

The terms of deposits from other banks in call money are less than one month, while the terms of time deposits and deposit on-call from other banks are one month.

Tidak terdapat simpanan dari Bank lain yang diblokir atau dijaminkan pada tanggal-tanggal 31 Desember 2013, 2012 dan 2011.

There were no depositd from other banks pledged as of December 31, 2013, 2012 and 2011.

Suku bunga rata-rata tahunan untuk simpanan dari bank lain adalah sebagai berikut:

The average annual interest rate for deposits from other banks are as follows:

	2013	2012	2011	
Rupiah	4,47%	4,38%	4,56%	*Rupiah*
Mata uang asing	0,46%	0,26%	0,46%	*Foreign currency*

19. Hutang Pajak

19. Taxes Payable

Hutang pajak terdiri dari:

Taxes payable consist of:

	2013	2012	2011	
Hutang Pajak Penghasilan				*Income Taxes Payable*
Pasal 4 (2)	44.930	29.677	31.414	*Article 4 (2)*
Pasal 21	22.814	18.484	15.852	*Article 21*
Pasal 23	1.692	45	249	*Article 23*
Pasal 25	6.430	32.314	21.296	*Article 25*
Pasal 29	54.550	4.251	105	*Article 29*
Pajak Pertambahan Nilai	915	300	623	*Value Added Taxes*
Total hutang pajak	**131.331**	**85.071**	**69.539**	***Total taxes payable***

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi komprehensif dengan penghasilan kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

The reconciliation between income before tax expense, as shown in the statements of comprehensive income, and taxable income for the years ended December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011	
Laba sebelum beban pajak sebagaimana disajikan dalam laporan laba rugi komprehensif	1.539.673	1.488.907	1.075.559	*Income before tax expense as stated in the statements of comprehensive income*
Beda temporer:				***Temporary differences:***
Cadangan (pemulihan) penurunan nilai agunan yang diambil alih	(8.951)	6.387	(19.686)	*Provision for (reversal of) decline in value of foreclosed assets*
Cadangan atas imbalan kerja	8.739	17.836	13.853	*Provision for employees'benefits*
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(2.769)	7.435	(8.604)	*Unrealized gain (loss) on trading securities - net*
Penyusutan aset tetap	(9.125)	(7.872)	(9.781)	*Depreciation of fixed assets*
Pemulihan cadangan atas kerugian penurunan nilai aset produktif dan non-produktif	(282.743)	(193.325)	(29.163)	*Reversal of allowance for impairment losses on earning assets and non-earning assets*
Pendapatan *interest accretion*	11.784	2.971	4.462	*Interest accretion income*
Keuntungan penjualan aset tetap - neto	1.062	(2.981)	(3.337)	*Gain on sale of fixed assets - net*
Beda tetap:				***Permanent differences:***
Pemeliharaan	10	1.445	614	*Maintenance*
Penyusutan aset tetap	929	1.097	-	*Depreciation of fixed assets*
Keuntungan penjualan aset tetap - neto	(16.615)	(33.532)	-	*Gain on sale of fixed assets - net*
Pendapatan sewa	-	1.931	1.525	*Rental income*
Lain-lain - neto	48.063	48.912	50.314	*Others - net*
Penghasilan kena pajak - Bank	**1.290.057**	**1.339.211**	**1.075.756**	***Taxable income - Bank***

Jumlah penghasilan kena pajak dan hutang pajak penghasilan tahun 2013, 2012 dan 2011 tersebut di atas telah sesuai dengan Surat Pemberitahuan Tahunan (SPT) yang disampaikan ke Kantor Pajak.

The computation of taxable income and income tax payable for 2013, 2012 dan 2011 is consistent with what was reported in the Annual Tax Return (SPT) filed to the Tax Office.

19. Hutang Pajak (lanjutan)

Perhitungan beban pajak - tahun berjalan dan beban pajak - tangguhan - neto untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

19. Taxes Payable (continued)

The computation of tax expense - current and tax expense - deferred - net for the years ended December 31, 2013, 2012 and 2011 is as follows:

	2013	2012	2011	
Penghasilan kena pajak	**1.290.057**	**1.339.211**	**1.075.756**	***Taxable income***
Beban pajak penghasilan - tahun berjalan	322.515	334.802	268.939	*Income tax expense - current*
Beban pajak penghasilan - tangguhan				*Income tax expense- deferred*
Cadangan penurunan (pemulihan) nilai agunan yang diambil alih	(2.238)	1.597	(4.922)	*Provision (recovery) for decline in value of foreclosed assets*
Cadangan atas imbalan kerja - neto	2.184	4.459	3.463	*Provision for employees' benefits - net*
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(692)	1.859	(2.151)	*Unrealized gain (loss) on trading securities - net*
Penyusutan aset tetap	(2.281)	(1.968)	(2.445)	*Depreciation of fixed assets*
Pendapatan *interest accretion*	2.946	741	1.116	*Interest accretion income*
Pemulihan atas kerugian penurunan nilai aset produktif dan non produktif	(70.686)	(48.331)	(7.291)	*Reversal for impairment losses on earning assets and non-earning assets*
Keuntungan penjualan aset tetap - neto	265	(745)	(834)	*Gain on sale of fixed assets - net*
Beban pajak penghasilan - tangguhan - neto	**(70.502)**	**(42.388)**	**(13.064)**	***Income tax expense - deferred - net***
Beban pajak - neto	**393.017**	**377.190**	**282.003**	***Tax expense - net***

Rekonsiliasi antara beban pajak yang dihitung dengan menggunakan tarif pajak yang berlaku dari laba sebelum manfaat (beban) pajak, dengan beban pajak seperti yang disajikan dalam laporan laba rugi komprehensif untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

The reconciliation between tax expense calculated by using the applicable tax rate from income before tax benefit (expense), and tax expense presented in the statements of comprehensive income for the years ended December 31, 2013, 2012 and 2011 is as follows:

	2013	2012	2011	
Laba sebelum beban pajak	1.539.673	1.488.907	1.075.559	*Income before tax expense*
Beban pajak penghasilan berdasarkan tarif pajak yang berlaku	384.918	372.227	268.890	*Income tax expense at applicable tax rate*
Pengaruh beda tetap atas beban pajak penghasilan				*Effects of permanent differences on income tax expense*
Pemeliharaan	3	361	153	*Maintenance*
Penyusutan aset tetap	232	274	-	*Depreciation of fixed assets*
Keuntungan penjualan asset tetap – neto	(4.153)	(8.383)	-	*Gain on sale of fixed assets - net*
Pendapatan sewa	-	483	381	*Rental income*
Lain-lain - neto	12.017	12.228	12.579	*Others - net*
Beban pajak - neto	**393.017**	**377.190**	**282.003**	***Tax expense - net***

19. Hutang Pajak (lanjutan)

Perhitungan beban pajak - tahun berjalan dan hutang pajak penghasilan adalah sebagai berikut:

19. Taxes Payable (continued)

The computations of tax expense - current and income tax payable are as follows:

	2013	2012	2011	
Beban pajak penghasilan - tahun berjalan	322.515	334.802	268.939	*Tax expense - current*
Pembayaran pajak penghasilan di muka	(267.965)	(330.551)	(268.834)	*Prepayments of income taxes*
Hutang pajak penghasilan	**54.550**	**4.251**	**105**	***Income tax payable***

Rincian (liabilitas) aset pajak tangguhan adalah sebagai berikut:

The details of deferred tax (liabilities) assets are as follows:

	2013	2012	2011	
(Liabilitas) Aset Pajak Tangguhan - Neto				*Deferred Tax Assets (Liabilities) - Net*
Penurunan nilai agunan yang diambil alih	3.890	6.128	4.531	*Allowance for decline in value of foreclosed assets*
Cadangan kerugian penurunan aset produktif dan nilai non produktif	(110.984)	(40.298)	8.033	*Allowance for impairment losses on earning assets and non-earning assets*
Liabilitas atas imbalan kerja	19.679	17.495	13.036	*Liability for employees' benefits*
Penyusutan aset tetap	(7.677)	(5.396)	(3.428)	*Depreciation of fixed assets*
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual	59.020	(12.074)	(1.177)	*Unrealized gain on available-for-sale securities*
Keuntungan yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(2.203)	(1.511)	(3.370)	*Unrealized gain on trading securities - net*
Pendapatan *interest accretion*	-	(2.946)	(3.687)	*Interest accretion income*
Keuntungan penjualan aset tetap - neto	(1.314)	(1.579)	(834)	*Gain on sale of fixed assets - net*
(Liabilitas) Aset Pajak Tangguhan - Neto	**(39.589)**	**(40.181)**	**13.104**	***Deferred Tax (Liability) Assets - Net***

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.

On 2011, 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 August 30, 2012 and has received as a tax refund amounting to Rp1,040.

Pada tahun 2012, 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. Hingga 31 Desember 2013, belum ada keputusan terkait permohonan banding ini.

On 2012, 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. Until December 31, 2013, there is no decision for this appeal.

20. Liabilitas atas Surat Berharga yang Dijual dengan Janji Dibeli Kembali

Bank tidak mempunyai liabilitas atas surat berharga yang dijual dengan janji kembali pada tanggal 31 Desember 2013 dan 2012. Liabilitas atas surat berharga yang dijual dengan janji kembali pada tanggal 31 Desember 2011, terdiri dari:

20. Obligation on Securities Sold under Repurchase Agreements

Bank do not have obligation on securities sold under repurchase agreements as of December 31, 2013 and 2012. Obligation on securities sold under repurchase agreements as of December 31, 2011 consist of:

2011

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*
UOB Singapura/*UOB Singapore*	RI14N	72.540	8 Desember 2011/ *December 8, 2011*	9 Januari 2012/ *January 9, 2012*	86.868
UOB Singapura/*UOB Singapore*	RI15	181.350	29 Desember 2011/ *December 29, 2011*	27 Januari 2012/ *January 27, 2012*	207.256
UOB Singapura/*UOB Singapore*	RI15	63.472	5 Desember 2011/ *December 5, 2011*	5 Januari 2012/ *January 5, 2012*	72.947
UOB Singapura/*UOB Singapore*	RI15	40.804	9 Desember 2011/ *December 9, 2011*	9 Januari 2012/ *January 9, 2012*	46.927
UOB Singapura/*UOB Singapore*	RI16	163.215	5 Desember 2011/ *December 5, 2011*	5 Januari 2012/ *January 5, 2012*	195.349
UOB Singapura/*UOB Singapore*	RI16	117.878	9 Desember 2011/ *December 9, 2011*	10 Januari 2012/ *January 10, 2012*	142.540
UOB Singapura/*UOB Singapore*	RI17	154.147	9 Desember 2011/ *December 9, 2011*	11 Januari 2012/ *January 11, 2012*	182.649
UOB Singapura/*UOB Singapore*	RI17	216.523	29 Desember 2011/ *December 29, 2011*	31 Januari 2012/ *January 31, 2012*	255.761
Sub-Total/ *Sub - Total*		**1.009.929**			**1.190.297**

21. Estimasi Kerugian Komitmen dan Kontinjensi

Ikhtisar perubahan estimasi kerugian komitmen dan kontinjensi adalah sebagai berikut:

21. Estimated Losses on Commitments and Contingencies

The changes in the estimated losses on commitments and contingencies are as follows:

	2013	2012	2011	
Saldo awal tahun	-	-	11.210	*Beginning balance*
Pemulihan cadangan selama tahun berjalan	-	-	(11.356)	*Reversal of allowance during the year*
Selisih kurs penjabaran	-	-	146	*Foreign exchange translation*
Saldo akhir tahun	**-**	**-**	**-**	***Ending balance***

Manajemen Bank berpendapat bahwa jumlah cadangan penurunan nilai di atas adalah cukup untuk menutup kemungkinan kerugian atas tidak terealisasinya transaksi komitmen dan kontinjensi.

The Bank's management believes that the allowance for impairment losses is adequate to cover any possible losses on unrealized commitment and contingency transactions.

22. Liabilitas Lain-lain

Liabilitas lain-lain terdiri dari:

22. Other Liabilities

Other liabilities consist of:

	2013	2012	2011	
Pendapatan diterima di muka	221.149	252.888	282.744	*Unearned income*
Biaya yang masih harus dibayar	176.030	168.953	88.361	*Accrued expenses*
Setoran jaminan	96.103	41.138	38.895	*Guarantee deposits*
Lain-lain	31.433	37.481	30.389	*Others*
Total	**524.715**	**500.460**	**440.389**	***Total***

23. Modal Saham

Susunan pemegang saham Bank dan persentase kepemilikannya pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut (Catatan 1):

23. Share Capital

The Bank's shareholders and percentage of ownership as of December 31, 2013, 2012 and 2011 are as follows (Note 1):

	2013 dan 2012/*2013 and 2012*			
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***

	2011			
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	6.586.706.067	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%)	116.937	0,001 %	29	*Others (below 1% each)*
Total	**9.553.885.804**	**100,000%**	**2.388.471**	***Total***

Pada tahun 2012 dan 2011, UOB International Investment Private Limited, Singapura membeli masing-masing 810 dan 49.561 lembar saham dari pemegang saham tertentu.

In 2012 and 2011, UOB International Investment Private Limited, Singapore bought 810 and 49,561 shares from certain shareholders.

Dalam Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) yang diselenggarakan pada tanggal 18 Januari 2011 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 24 pada tanggal yang sama, para pemegang saham setuju untuk melakukan perubahan atas modal dasar Perseroan dari 18.000.000.000 lembar saham menjadi 36.000.000.000 lembar saham masing-masing bernilai Rp250 (rupiah penuh).

At the Shareholder Extraordinary General Meeting (EGM) held on January 18, 2011, the minutes of which were notarized under Deed No. 24 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to amend the Company's authorized capital from 18,000,000,000 shares to 36,000,000,000 shares amounted Rp250 (full amount) per shares.

Pengelolaan Modal

Tujuan utama pengelolaan modal Bank adalah untuk memastikan pemeliharaan rasio modal yang sehat untuk mendukung usaha dan memaksimalkan imbalan bagi pemegang saham.

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 shareholder value.

23. Modal Saham (lanjutan)

Pengelolaan Modal (lanjutan)

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 2013, 2012 dan 2011.

Kebijakan Bank adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

23. Share Capital (continued)

Capital Management (continued)

In addition, the Bank is also required by the Corporate Law effective August 16, 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 December 31, 2013, 2012 and 2011.

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

24. 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 2013, akun ini terdiri dari:

24. Additional Paid-in Capital

Related to 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 December 31, 2013, this account consists of:

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***

Per 31 Desember 2012 dan 2011, akun ini terdiri dari agio saham dikurangi biaya emisi saham Bank sebagai berikut:

As of December 31, 2012 and 2011, this account consists of paid-in capital-net of issuance cost of the Bank's shares as follows:

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*
Total	**812.595**	***Total***

25. Saldo Laba

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 19 April 2011 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 50 pada tanggal yang sama, para pemegang saham setuju untuk menetapkan tambahan dana cadangan umum sebesar Rp2.500 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank, serta membukukan seluruh laba bersih yang diperoleh tahun 2010 setelah dikurangi cadangan sebagai laba ditahan.

Pada tanggal 27 September 2011, Direksi dan Dewan Komisaris telah menyetujui pendistribusian dividen interim sebesar Rp247.120.

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 25 Mei 2012 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 67 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp2.500 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2011 setelah dikurangi cadangan dan dividen sebagai laba ditahan. Rapat Umum Pemegang Saham Tahunan juga menyetujui total dividen untuk tahun buku 2011 sebesar Rp277.741, termasuk didalamnya dividen interim sebesar Rp247.120 yang telah dibagikan pada tanggal 23 Agustus 2011. Sisanya sebesar Rp30.620 dibagikan pada tanggal 12 Juni 2012.

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 26 April 2013 yang berita acaranya diaktakan dengan Akta Notaris Ny. Lilik Kristiwati, S.H., No. 26 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp25.000 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2012 setelah dikurangi cadangan dan dividen sebagai laba ditahan. Rapat Umum Pemegang Saham Tahunan juga menyetujui pembagian dividen tunai untuk tahun buku 2012 sebesar Rp246.490 yang telah dibagikan pada tanggal 8 Mei 2013.

25. Retained Earnings

At the Shareholders' Annual General Meeting held on April 19, 2011, the minutes of which were notarized under Deed No. 50 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp2,500 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 2010 after deduction against reserve as retained earnings.

On September 27, 2011, The Board of Directors and the Board of Commissioners have approved the distribution of interim dividends amounting to Rp247,120.

At the Shareholders' Annual General Meeting held on May 25, 2012, the minutes of which were notarized under Deed No. 67 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp2,500 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 2011 after deduction against reserve and dividends as retained earnings. The Shareholders' Annual General Meeting also agreed of total dividends for 2011 fiscal year amounting to Rp277,741, included therein interim dividends in the amount of Rp247,120 distributed on 23 August 2011. The remaining amount of Rp30,620 was distributed on 12 June 2012.

At the Shareholders' Annual General Meeting held on April 26, 2013, the minutes of which were notarized under Deed No. 26 of Ny. Lilik Kristiwati, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp25,000 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 2012 after deduction against reserve and dividends as retained earnings. The Shareholders' Annual General Meeting also agreed to distribution of total dividends for 2012 fiscal year amounting to Rp246,490 which already paid on May 8, 2013.

26. Pendapatan Bunga

Pendapatan bunga diperoleh dari:

26. Interest Income

Interest income is derived from the following:

	2013	2012	2011	
Kredit yang diberikan	4.882.363	4.535.996	3.700.246	*Loans*
Investasi keuangan dan penempatan pada Bank Indonesia	484.206	287.478	360.867	*Financial investments and placements with Bank Indonesia*
Penempatan pada bank lain	27.901	24.960	38.822	*Placements with other banks*
Giro pada Bank Indonesia dan bank lain	35.424	17.343	13.451	*Current accounts with Bank Indonesia and other banks*
Total	**5.429.894**	**4.865.777**	**4.113.386**	***Total***

Provisi dan komisi yang diakui sebagai pendapatan bunga untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar Rp382.250, Rp288.402, dan Rp311.767.

Pendapatan bunga yang diperoleh dari pihak-pihak yang berelasi atas kredit yang diberikan untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011 masing-masing sebesar 0,11%, 0,56% dan 0,63% dari jumlah pendapatan bunga pada masing-masing tahun bersangkutan.

Provison and commission which recognized as interest income for the years ended December 31, 2013, 2012 and 2011 amounting to Rp382,250, Rp288,402, and Rp311,767, respectively.

Interest income earned from related parties from loans for the years ended December 31, 2013, 2012 and 2011 are 0.11%, 0.56% and 0.63% of the total interest income for each related years, respectively.

27. Beban Bunga

Akun ini merupakan beban bunga yang timbul atas:

27. Interest Expense

This account represents interest expense incurred on the following:

	2013	2012	2011	
Deposito berjangka	2.217.923	1.715.222	1.425.258	*Time deposits*
Tabungan	139.080	119.940	137.755	*Savings deposits*
Giro	74.424	114.853	113.691	*Demand deposits*
Premi penjaminan Pemerintah (Catatan 33)	103.510	94.568	64.887	*Premium on Government guarantee (Note 33)*
Simpanan dari bank lain	49.094	16.142	33.337	*Deposits from other banks*
Total	**2.584.031**	**2.060.725**	**1.774.928**	***Total***

Beban bunga atas transaksi dengan pihak-pihak yang berelasi masing-masing sebesar 0,25%, 0,89% dan 1,90% dari jumlah beban bunga untuk tahun yang berakhir pada tanggal 31 Desember 2013, 2012 dan 2011.

Interest expense on transactions with related parties is 0.25%, 0.89% and 1.90% of the total interest expense for the years ended December 31, 2013, 2012 and 2011, respectively.

28. Beban Umum dan Administrasi

Akun ini terdiri dari:

28. General and Administrative Expenses

This account consists of:

	2013	2012	2011	
Telekomunikasi, listrik dan air	150.122	102.680	89.307	*Telecommunication, electricity and water*
Jasa outsourcing	116.059	107.766	93.265	*Outsourcing service*
Sewa	99.270	55.199	37.685	*Rental*
Penyusutan aset tetap (Catatan 12)	86.122	76.788	73.840	*Depreciation of fixed assets (Note 12)*

28. Beban Umum dan Administrasi (lanjutan)

28. General and Administrative Expenses (continued)

Akun ini terdiri dari: (lanjutan)

This account consists of: (continued)

	2013	2012	2011	
Pemeliharaan dan perbaikan	78.007	49.463	72.997	*Repairs and maintenance*
Iklan dan promosi	70.177	56.857	77.961	*Advertising and promotion*
Pendidikan dan pelatihan	61.651	42.429	55.177	*Education and training*
Jasa tenaga ahli	25.415	20.296	16.548	*Professional fees*
Barang cetakan dan keperluan kantor	25.134	31.968	37.194	*Printed materials and office supplies*
Asuransi	8.975	4.982	4.976	*Insurance*
Keamanan	7.477	5.291	6.912	*Security*
Lain-lain	15.339	78.577	72.425	*Others*
Total	**743.748**	**632.296**	**638.287**	***Total***

29. Beban Gaji dan Kesejahteraan Karyawan

29. Salaries and Employee Benefits Expenses

Akun ini terdiri dari:

This account consists of:

	2013	2012	2011	
Gaji dan upah	769.135	536.444	477.321	*Salaries and wages*
Tunjangan Hari Raya	114.318	102.929	86.906	*Lebaran bonus*
Gratifikasi	75.989	192.208	95.470	*Gratification*
Makan, transportasi dan tunjangan lainnya	46.739	35.789	27.303	*Meals, transportation and other allowance*
Pengobatan	46.399	45.842	42.884	*Medical*
Jaminan Sosial Tenaga Kerja	24.745	22.052	19.223	*Obligatory employee insurance (Jamsostek)*
Lembur	17.858	22.871	19.605	*Overtime*
Imbalan kerja	9.288	59.311	32.314	*Employee benefits*
Lain-lain	147.942	138.050	128.211	*Obligatory employee insurance Others*
Total	**1.252.413**	**1.155.496**	**929.237**	***Total***

30. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing

30. Spot Foreign Currency Bought and Sold

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (*spot*) per 31 Desember 2013, 2012 dan 2011, adalah sebagai berikut:

The details of the notional values of spot foreign currencies bought and sold as of December 31, 2013, 2012 and 2011 are as follows:

	2013			
	Mata Uang Asing/ *Foreign Currencies*		**Rupiah**	
Pembelian tunai mata uang asing				*Spot foreign currency bought*
Pihak ketiga	EUR	1.020.072	17.113	*Third parties*
	GBP	10.732	216	
	USD	14.224.149	173.202	
	AUD	471.432	5.097	
			195.628	

30. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing (lanjutan)

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (spot) per 31 Desember 2013, 2012 dan 2011, adalah sebagai berikut: (lanjutan)

30. Spot Foreign Currency Bought and Sold (continued)

The details of the notional values of spot foreign currencies bought and sold as of December 31, 2013, 2012 and 2011 are as follows: (continued)

2013

	Mata Uang Asing/ *Foreign Currencies*		Rupiah	
Penjualan tunai mata uang asing				*Spot foreign currency sold*
Pihak ketiga	EUR	937.730	15.716	*Third parties*
	USD	2.157.537	26.264	
	AUD	81.472	883	
			42.863	

2012

	Mata Uang Asing/ *Foreign Currencies*		*Rupiah*	
Pembelian tunai mata uang asing				*Spot foreign currency bought*
Pihak ketiga	EUR	47.150.315	600.276	*Third parties*
	GBP	16.627.444	258.200	
	USD	12.746.392	122.823	
	AUD	1.486.673	14.865	
	HKD	7.500.000	9.325	
	CHF	236.000	2.489	
			1.007.978	
Penjualan tunai mata uang asing				*Spot foreign currency sold*
Pihak ketiga	EUR	46.713.541	595.780	*Third parties*
	GBP	17.081.687	265.449	
	USD	3.679.062	35.462	
	JPY	20.000.000	2.235	
	AUD	40.000	401	
			899.327	

2011

	Mata Uang Asing/ *Foreign Currencies*		*Rupiah*	
Pembelian tunai mata uang asing				*Spot foreign currency bought*
Pihak ketiga	USD	18.273.601	167.427	*Third parties*
	GBP	1.417.595	16.717	
	EUR	418.257	5.913	
	AUD	372.826	3.423	
	NZD	122.441	856	
			194.336	

30. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing (lanjutan)

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (spot) per 31 Desember 2013, 2012 dan 2011, adalah sebagai berikut: (lanjutan)

30. Spot Foreign Currency Bought and Sold (continued)

The details of the notional values of spot foreign currencies bought and sold as of December 31, 2013, 2012 and 2011 are as follows: (continued)

	2011			
		Mata Uang Asing/ *Foreign Currencies*	*Rupiah*	
Penjualan tunai mata uang asing				Spot foreign currency sold
Pihak ketiga	AUD	3.182.133	29.596	*Third parties*
	EUR	1.536.675	18.200	
	USD	1.924.254	17.565	
	GBP	160.340	2.246	
	NZD	165.396	1.162	
	SGD	20.000	139	
			68.908	

31. Komitmen dan Kontinjensi

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi sebagai berikut:

31. Commitments and Contingencies

The Bank's commitments and contingencies are as follows:

	2013	2012	2011	
Komitmen				*Commitments*
Tagihan komitmen				*Commitment receivables*
Irrevocable letters of credit yang masih berjalan	27.139	1.287.469	1.165.001	*Outstanding irrevocable letters of credit*
Liabilitas komitmen				*Commitment liabilities*
Fasilitas kredit yang belum digunakan	(20.201.547)	(7.706.149)	(7.668.584)	*Unused loan facilities granted*
Irrevocable letters of credit yang masih berjalan	(1.621.288)	(1.309.164)	(1.172.341)	*Outstanding irrevocable letters of credit*
Liabilitas komitmen - neto	(21.795.696)	(7.727.844)	(7.675.924)	*Commitment liabilities - net*
Kontinjensi				*Contingencies*
Tagihan kontinjensi				*Contingent receivables*
Pendapatan bunga dalam penyelesaian	478.086	386.751	185.007	*Interest on non-performing loans*
Standby letters of credit	-	274.741	192.629	*Standby letters of credit*
Liabilitas kontinjensi				*Contingent liabilities*
Bank garansi	(1.102.928)	(893.267)	(800.165)	*Bank guarantees*
Standby letters of credit	(784.953)	(274.741)	(192.629)	*Standby letters of credit*
Liabilities kontinjensi - neto	(1.409.795)	(506.516)	(615.158)	*Contingent liabilities - net*
Liabilitas komitmen dan kontinjensi - neto	**(23.205.491)**	**(8.234.360)**	**(8.291.082)**	***Commitments and contingent liabilities - net***

32. 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 PT Asuransi Jiwa Manulife Indonesia (pihak ketiga).

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 selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2013, 2012 dan 2011 masing-masing berjumlah Rp75.989, Rp61.374 dan Rp51.702.

Estimasi liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2013, 2012 dan 2011 dicatat berdasarkan penilaian aktuaria yang dilakukan oleh PT Sienco Aktuarindo Utama, aktuaris independen, berdasarkan laporannya masing-masing bertanggal 10 Januari 2014, 10 Januari 2013 dan 19 Januari 2012, dengan menggunakan metode "Projected Unit Credit". Asumsi-asumsi penting yang digunakan dalam penilaian tersebut adalah sebagai berikut:

32. Liability for Employee Benefits

The Bank has defined contribution retirement plan and also recognizes 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 PT Asuransi Jiwa Manulife Indonesia (a third party).

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 years ended December 31, 2013, 2012 and 2011 amounted to Rp75,989, Rp61,374 and Rp51,702, respectively.

The estimated liabilities for employee benefits as of December 31, 2013, 2012 and 2011 were determined based on the actuarial valuations performed by PT Sienco Aktuarindo Utama, an independent actuary, in its reports dated January 10, 2014, January 10, 2013 and January 19, 2012, respectively, using the "Projected Unit Credit" method. The principal assumptions used in the valuations are as follows:

	2013	2012	2011	
Tingkat bunga diskonto	8,50%	5,65%	8,50%	*Discount interest rate*
Tingkat proyeksi gaji	6%	6%	6%	*Salary projection rate*
Tingkat kematian	TMI2011	TMI2011	CSO 1980	*Mortality rate*
Usia pensiun	55 tahun/years old	55 tahun/*years old*	55 tahun/*years old*	*Retirement age*

Beban imbalan kerja - neto / *Employee benefits expense - net*

	2013	2012	2011	
Beban jasa kini	18.623	18.180	11.199	*Current service cost*
Beban bunga	5.330	5.205	7.290	*Interest cost*
Amortisasi atas beban jasa lalu yang belum diakui - *non-vested benefits*	106	106	106	*Amortization of unrecognized past service cost - non-vested benefits*
Keuntungan biaya jasa lalu - *vested*	130	-	-	*Gain on past service cost - vested*
Kerugian aktuarial yang diakui	2.292	380	3.808	*Recognized actuarial losses*
Beban imbalan kerja - neto (Catatan 29)	**26.481**	**23.871**	**22.403**	***Employee benefits expense - net (Note 29)***

32. Liabilitas atas Imbalan Kerja (lanjutan)

Jumlah imbalan kerja untuk tahun yang berakhir pada tanggal 31 Desember 2013 dan empat tahun sebelumnya adalah sebagai berikut:

32. Liability for Employee Benefits (continued)

Amounts for the year ended December 31, 2013 and previous four annual periods of employee benefits:

	2013	2012	2011	2010	2009	
Nilai kini liabilitas imbalan kerja	147.184	103.204	64.258	93.171	41.121	*Present value of employee benefit obligations*
Biaya jasa lalu yang belum diakui	(1.066)	(1.172)	(1.278)	(1.384)	(2.210)	*Unrecognized past service costs*
Kerugian aktuarial yang belum diakui	(67.398)	(32.050)	(10.834)	(53.494)	(14.165)	*Unrecognized actuarial losses*
Liabilitas imbalan kerja	**78.720**	**69.982**	**52.146**	**38.293**	**24.746**	***Employee benefits liability***

Jumlah penyesuaian yang timbul pada aset dan liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2013 dan empat tahun sebelumnya adalah sebagai berikut:

The amounts of experience adjustments arising on the plan liabilities and plan assets for the year ended December 31, 2013 and previous four annual periods of employee benefits:

	2013	2012	2011	2010	2009	
Nilai kini liabilitas	147.184	103.204	64.258	93.171	41.121	*Present value of benefit obligation*
Penyesuaian liabilitas	20.272	(5.488)	45.462	(27.006)	15.062	*Experience adjustment on liability*

Perubahan liabilitas atas imbalan kerja untuk tahun yang berakhir pada 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

The movements of employees' benefits liability for the years ended December 31, 2013, 2012 and 2011 are as follows:

	2013	2012	2011	
Saldo awal tahun	69.982	52.146	38.293	*Beginning balance*
Penambahan tahun berjalan	26.480	23.871	22.403	*Provisions during the year*
Pembayaran manfaat	(17.742)	(6.035)	(8.550)	*Payments of benefits*
Saldo akhir tahun	**78.720**	**69.982**	**52.146**	***Ending balance***

33. 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 diubah menjadi maksimum Rp2.000.

33. 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 September 22, 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, savings deposits and/or other equivalent forms. On October 13, 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 was amended to a maximum of Rp2,000.

34. Sifat dan Transaksi dengan Pihak Berelasi

Dalam kegiatan usaha normal, Bank melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi.

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut:

34. Nature and Transaction Balances with Related Parties

In the Bank's normal operations, the Bank have operational and financial transactions with related parties.

The details of transactions with related parties are as follows:

	2013		2012		2011		
	Total	Persentase/ *Percentage* (%)	Total	Persentase/ *Percentage* (%)	Total	Persentase/ *Percentage* (%)	
Giro pada bank lain (Catatan 5)							*Current accounts with other banks (Note 5)*
United Overseas Bank Ltd., Singapura	322.122	0,45	420.176	0,71	146.064	0,27	*United Overseas Bank Ltd., Singapore*
United Overseas Bank, Inggris	33.694	0,05	53.081	0,09	35.283	0,06	*United Overseas Bank, Great Britain*
United Overseas Bank, Jepang	36.445	0,05	31.995	0,05	17.117	0,03	*United Overseas Bank, Japan*
United Overseas Bank, Hong Kong	1.411	0,00	1.478	0,00	357	0,00	*United Overseas Bank, Hong Kong*
United Overseas Bank, Australia	623	0,00	504	0,00	460	0,00	*United Overseas Bank, Australia*
United Overseas Bank, Malaysia	46	0,00	39	0,00	36	0,00	*United Overseas Bank, Malaysia*
Total giro pada bank lain	394.341	0,55	507.273	0,85	199.317	0,36	*Total current accounts with other banks*
Penempatan pada bank lain (Catatan 6)							*Placements with other banks (Note 6)*
Call Money							*Call Money*
United Overseas Bank Ltd., Singapura	246.966	0,35	105.075	0,18	280.294	0,51	*United Overseas Bank Ltd., Singapore*
Tagihan derivatif							*Derivatives Receivable*
Swap valuta asing suku bunga							*Cross currency interest rate swap*
United Overseas Bank Ltd., Singapura (Catatan 9)	987	0,00	339	0,00	631	0,00	*United Overseas Bank Ltd., Singapore (Note 9)*
Kredit yang diberikan (Catatan 10)	407.662	0,57	348.724	0,58	354.423	0.64	*Loans (Note 10)*
							Outstanding balances above
Simpanan:							*Deposits:*
Giro (Catatan 15)	13.327	0,02	2.262	0,01	3.744	0,01	*Demand deposits (Note 15)*
Tabungan (Catatan 16)	30.946	0,05	21.732	0,04	31.147	0,07	*Savings deposits (Note 16)*
Deposito berjangka (Catatan 17)	102.047	0,16	50.713	0,10	68.912	0,14	*Time deposits (Note 17)*
Total simpanan	**146.320**	**0,23**	**74.707**	**0,15**	**103.803**	**0,22**	***Total deposits***
Simpanan dari bank lain:							*Deposits from other banks*
Call Money							*Call Money*
United Overseas Bank Ltd., Singapura (Catatan 18)	1.010.110	1,63	819.188	1,61	507.780	1.06	*United Overseas Bank Ltd., Singapura (Note 18)*
Giro dari bank lain	3.946	0,00	3.939	0,00	3.886	0,00	*Demand deposits from other bank*
Total simpanan dari bank lain	**1.014.056**	**1,63**	**823.127**	**1,61**	**511.666**	**1,06**	***Total deposits from other banks***
Liabilitas derivatif							*Derivatives payable*
Swap valuta asing suku bunga							*Cross currency interest rate swap*
United Overseas Bank Ltd., Singapura (Catatan 9)	4.668	0,01	667	0,00	425	0,00	*United Overseas Bank Ltd., Singapore (Note 9)*
Swap suku bunga							*Interest rate swap*
United Overseas Bank Ltd., Singapura (Catatan 9)	3.318	0,00	9.406	0,02	15.161	0,03	*United Overseas Bank Ltd., Singapore (Note 9)*
Total liabilitas derivatif	**7.986**	**0,01**	**10.073**	**0,02**	**15.586**	**0,03**	***Total derivatives payable***
Liabilitas lain-lain							*Other liabilities*
Biaya yang masih harus dibayar							*Accrued expenses*
United Overseas Bank Ltd., Singapura	23.128	0,04	15.066	0,03	4.558	0,01	*United Overseas Bank Ltd., Singapore*
Biaya *outsourcing*							*Outsourcing cost*
United Overseas Bank Ltd., Singapura							*United Overseas Bank Ltd., Singapore*
Dikapitalisasi ke aset tetap							*Capitalized to fixed assets*
Cardlink	6.018	0,01	5.820	0,01	7.506	0,01	*Cardlink*
Dibebankan pada usaha							*Charged to operations*
Cardlink	7.684	0,39	7.622	0,43	7.784	0,50	*Cardlink*
CACS	3.875	0,19	2.605	0,14	3.379	0,22	*CACS*
Wallstreet	3.251	0,16	2.582	0,14	2.746	0,18	*Wallstreet*
Merva	2.428	0,12	2.256	0,13	2.143	0,14	*Merva*
SAP/CARS	126	0,01	286	0,02	483	0,03	*SAP/CARS*
	17.364	0,86	15.351	0,86	16.535	1,07	

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan:

a. Persentase dari giro pada bank lain, penempatan pada bank lain, tagihan derivatif, aset lain-lain 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, 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.

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.

34. Nature and Transaction Balances with Related Parties (continued)

Notes:

a. The percentages of current accounts with other banks, placements with other banks, derivatives receivable, other assets and loans are computed based on the total assets at statements of financial position date.

b. The percentages of demand deposits, savings deposit, time deposits, deposits from other banks, derivatives payable, and accrued expenses are computed based on the total liabilities at statements of financial position date.

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 represent 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.

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 April 1, 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.

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan: (lanjutan)

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.

g. Seluruh pihak yang berelasi dengan Bank merupakan pihak berelasi melalui kepemilikan atau pemegang saham, para manajemen kunci dan anggota keluarga terdekatnya.

34. Nature and Transaction Balances with Related Parties (continued)

Notes: (continued)

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 of the party shall give the other party a written notice of intention not to renew the agreement at least six months prior to expiry. These transactions have been approved by the Bank's independent shareholders on June 20, 2008.

f. Interest income and expenses from/to related parties, which are received/incurred by the Bank is less than 10% of the Bank's total interest income and expenses, respectively, for each related year.

g. All related parties are related to the Bank due to common ownership/ shareholders, the key management personnel and their close family members.

35. Posisi Devisa Neto

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

35. Net Open Position

The Net Open Positions (NOP) as of December 31, 2013, 2012 and 2011 are as follows:

	2013					
	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 (statements of financial position and and administrative accounts)*
Dolar Amerika Serikat	2.310.824.404	2.322.634.758	28.122.733	28.266.465	143.732	*United States Dollar*
Dolar Singapura	320.325.190	321.035.847	3.082.193	3.089.031	6.838	*Singapore Dollar*
Dolar Australia	75.450.054	75.484.967	819.059	819.438	379	*Australian Dollar*
Euro Eropa	24.846.071	24.864.568	416.403	416.713	310	*European Euro*
Yen Jepang	1.241.745.140	1.246.730.022	143.732	144.309	577	*Japanese Yen*
Franc Swiss	141.288	80.444	1.932	1.100	832	*Swiss Franc*
Swedish Kroner	2.388.551	2.140.841	4.532	4.062	470	*Swedish Kroner*
Dolar Kanada	305.836	309.947	3.497	3.544	47	*Canadian Dollar*
Dolar Selandia Baru	1.312.847	1.286.737	13.123	12.862	261	*New Zealand Dollar*
Ringgit Malaysia	12.381	-	46	-	46	*Malaysian Ringgit*
Dolar Hong Kong	4.127.961	4.094.830	6.479	6.427	52	*Hong Kong Dollar*
Pound Sterling Inggris	3.338.682	3.324.361	67.144	66.856	288	*Great Britain Pound Sterling*
Total			**32.680.873**	**32.830.807**	**153.832**	***Total***

35. Posisi Devisa Neto (lanjutan)

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2013, 2012 dan 2011 adalah sebagai berikut:

35. Net Open Position (continued)

The Net Open Positions (NOP) as of December 31, 2013, 2012 and 2011 are as follows:

	2013					
	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*	
Laporan Posisi Keuangan						*Statements of Financial Position*
Dolar Amerika Serikat	2.176.487.839	2.126.757.108	26.487.857	25.882.634	605.223	*United States Dollar*
Dolar Singapura	224.371.978	270.267.484	2.158.924	2.600.534	441.610	*Singapore Dollar*
Dolar Australia	75.214.324	75.364.200	816.500	818.127	1.627	*Australian Dollar*
Euro Eropa	23.842.449	23.902.118	399.583	400.583	1.000	*European Euro*
Yen Jepang	1.191.559.395	1.245.278.618	137.923	144.141	6.218	*Japanese Yen*
Franc Swiss	141.288	80.444	1.932	1.100	832	*Swiss Franc*
Swedish Kroner	2.387.496	2.139.787	4.530	4.060	470	*Swedish Kroner*
Dolar Kanada	305.836	309.947	3.497	3.544	47	*Canadian Dollar*
Dolar Selandia Baru	1.292.839	1.256.724	12.923	12.562	361	*New Zealand Dollar*
Ringgit Malaysia	12.381	-	46	-	46	*Malaysian Ringgit*
Dolar Hong Kong	4.127.961	4.094.830	6.479	6.427	52	*Hong Kong Dollar*
Pound Sterling Inggris	3.333.312	3.324.361	67.036	66.856	180	*Great Britain Pound Sterling*
Total			**30.097.230**	**29.940.568**	**1.057.666**	***Total***
Total Modal Tier I dan Tier II bulan November 2013 (tidak diaudit) setelah dikurangi dengan modal pengurang					**8.809.718**	***Total Tier I and Tier II Capital November 2013 (unaudited) net of capital deduction***
Rasio PDN atas modal November 2013 (tidak diaudit) (Laporan Posisi Keuangan)					**12.01%**	***Percentage of NOP to November 2013 capital (unaudited) (Statements of Financial Financial Position)***
Rasio PDN atas modal November 2013 (Keseluruhan) (tidak diaudit)					**1.75%**	***Percentage of NOP to November 2013 capital (Aggregate) (unaudited)***
Total Modal Tier I dan Tier II bulan Desember 2013 setelah dikurangi dengan modal pengurang (Catatan 37)					**8.780.556**	***Total Tier I and Tier II Capital December 2013 net of capital deduction (Note 37)***
Rasio PDN atas modal Desember 2013 (Laporan Posisi Keuangan)					**12.05%**	***Percentage of NOP to December 2013 capital (Statements of Financial Position)***
Rasio PDN atas modal Desember 2013 (Keseluruhan)					**1.75%**	***Percentage of NOP to December 2013 capital (Aggregate)***

35. Posisi Devisa Neto (lanjutan)

35. Net Open Position (continued)

	2012					
	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 (statements of financial position and and administrative accounts)*
Dolar Amerika Serikat	4.610.678.681	4.610.731.140	44.435.416	44.435.921	505	*United States Dollar*
Dolar Singapura	675.941.698	676.762.181	5.325.477	5.331.942	6.465	*Singapore Dollar*
Dolar Australia	16.983.645	16.204.101	169.957	162.156	7.801	*Australian Dollar*
Euro Eropa	49.915.100	49.820.445	635.500	634.295	1.205	*European Euro*
Yen Jepang	1.950.118.094	1.935.018.860	217.955	216.267	1.688	*Japanese Yen*
Franc Swiss	1.409.403	1.198.015	14.850	12.623	2.227	*Swiss Franc*
Swedish Kroner	15.546.592	15.408.159	22.988	22.783	205	*Swedish Kroner*
Dolar Kanada	121.511	120.567	1.177	1.168	9	*Canadian Dollar*
Dolar Selandia Baru	1.663.286	1.591.201	13.170	12.599	571	*New Zealand Dollar*
Ringgit Malaysia	12.533	-	39	-	39	*Malaysian Ringgit*
Dolar Hong Kong	9.845.195	9.984.350	12.240	12.413	173	*Hong Kong Dollar*
Pound Sterling Inggris	11.790.967	11.823.661	182.936	183.444	508	*Great Britain Pound Sterling*
Total			**51.031.705**	**51.025.611**	**21.396**	***Total***
Laporan Posisi Keuangan						*Statements of Financial Position*
Dolar Amerika Serikat	3.924.652.808	3.948.020.652	37.823.841	38.049.048	225.207	*United States Dollar*
Dolar Singapura	661.795.388	674.494.405	5.214.024	5.314.075	100.051	*Singapore Dollar*
Dolar Australia	16.024.083	15.989.251	160.354	160.006	348	*Australian Dollar*
Euro Eropa	21.572.429	21.696.162	274.652	276.227	1.575	*European Euro*
Yen Jepang	1.147.942.943	1.126.959.384	128.300	125.955	2.345	*Japanese Yen*
Franc Swiss	177.320	83.965	1.868	885	983	*Swiss Franc*
Swedish Kroner	2.546.592	2.408.159	3.766	3.561	205	*Swedish Kroner*
Dolar Kanada	121.511	120.567	1.177	1.168	9	*Canadian Dollar*
Dolar Selandia Baru	1.603.293	1.591.201	12.695	12.599	96	*New Zealand Dollar*
Ringgit Malaysia	12.533	-	39	-	39	*Malaysian Ringgit*
Dolar Hong Kong	2.345.195	2.232.716	2.916	2.776	140	*Hong Kong Dollar*
Pound Sterling Inggris	3.427.481	3.282.817	53.177	50.933	2.244	*Great Britain Pound Sterling*
Total			**43.676.809**	**43.997.233**	**333.242**	***Total***
Total Modal Tier I dan Tier II bulan November 2012 (tidak diaudit) setelah dikurangi dengan modal pengurang					**8.073.544**	***Total Tier I and Tier II Capital November 2012 (unaudited) net of capital deduction***
Rasio PDN atas modal November 2012 (tidak diaudit) (Laporan Posisi Keuangan)					**4,13%**	***Percentage of NOP to November 2012 capital (unaudited) (Statements of Financial Financial Position)***
Rasio PDN atas modal November 2012 (Keseluruhan) (tidak diaudit)					**0,27%**	***Percentage of NOP to November 2012 capital (Aggregate) (unaudited)***
Total Modal Tier I dan Tier II bulan Desember 2012 setelah dikurangi dengan modal pengurang (Catatan 37)					**8.100.744**	***Total Tier I and Tier II Capital December 2012 net of capital deduction (Note 37)***
Rasio PDN atas modal Desember 2012 (Laporan Posisi Keuangan)					**4,11%**	***Percentage of NOP to December 2012 capital (Statements of Financial Position)***
Rasio PDN atas modal Desember 2012 (Keseluruhan)					**0,26%**	***Percentage of NOP to December 2012 capital (Aggregate)***

35. Posisi Devisa Neto (lanjutan)

35. Net Open Position (continued)

	2011					
	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 (statements of financial position and and administrative accounts)*
Dolar Amerika Serikat	3.389.418.634	3.386.370.182	30.733.553	30.705.912	27.641	*United States Dollar*
Dolar Singapura	400.780.563	399.612.487	2.798.869	2.790.712	8.157	*Singapore Dollar*
Dolar Australia	22.350.885	21.975.108	205.757	202.298	3.459	*Australian Dollar*
Euro Eropa	37.507.921	37.592.667	439.396	440.389	993	*European Euro*
Yen Jepang	969.033.177	962.091.060	113.202	112.391	811	*Japanese Yen*
Franc Swiss	7.599.682	7.526.442	73.200	72.494	706	*Swiss Franc*
Swedish Kroner	13.299.359	12.987.838	17.408	17.001	407	*Swedish Kroner*
Dolar Kanada	543.469	498.732	4.829	4.431	398	*Canadian Dollar*
Dolar Selandia Baru	3.110.113	3.073.809	21.773	21.518	255	*New Zealand Dollar*
Ringgit Malaysia	12.510	-	36	-	36	*Malaysian Ringgit*
Dolar Hong Kong	1.455.257	1.435.404	1.699	1.675	24	*Hong Kong Dollar*
Pound Sterling Inggris	7.217.589	7.218.257	100.868	100.877	9	*Great Britain Pound Sterling*
Total			**34.510.590**	**34.469.698**	**42.896**	***Total***
Laporan Posisi Keuangan						*Statements of Financial Position*
Dolar Amerika Serikat	2.603.616.392	2.587.498.227	23.608.292	23.462.140	146.152	*United States Dollar*
Dolar Singapura	349.947.710	395.554.144	2.443.876	2.762.370	318.496	*Singapore Dollar*
Dolar Australia	20.592.756	17.209.161	189.572	158.424	31.148	*Australian Dollar*
Euro Eropa	31.478.735	31.514.954	368.766	369.190	424	*European Euro*
Yen Jepang	602.176.095	606.331.295	70.346	70.832	486	*Japanese Yen*
Franc Swiss	5.042.879	5.044.207	48.573	48.585	12	*Swiss Franc*
Swedish Kroner	299.331	117.838	392	154	238	*Swedish Kroner*
Dolar Kanada	543.469	488.363	4.829	4.339	490	*Canadian Dollar*
Dolar Selandia Baru	2.987.672	2.951.369	20.915	20.661	254	*New Zealand Dollar*
Ringgit Malaysia	12.510	-	36	-	36	*Malaysian Ringgit*
Dolar Hong Kong	1.455.257	1.435.404	1.699	1.675	24	*Hong Kong Dollar*
Pound Sterling Inggris	6.206.250	6.798.319	86.734	95.008	8.274	*Great Britain Pound Sterling*
Total			**26.844.030**	**26.993.378**	**506.034**	***Total***
Total Modal Tier I dan Tier II bulan November 2011 (tidak diaudit) setelah dikurangi dengan modal pengurang					**7.531.910**	***Total Tier I and Tier II Capital November 2011 (unaudited) net of capital deduction***
Rasio PDN atas modal November 2011 (tidak diaudit) (Laporan Posisi Keuangan)					**6,72%**	***Percentage of NOP to November 2011 capital (unaudited) (Statements of Financial Position)***
Rasio PDN atas modal November 2011 (Keseluruhan) (tidak diaudit)					**0,57%**	***Percentage of NOP to November 2011 capital (Aggregate) (unaudited)***
Total Modal Tier I dan Tier II bulan Desember 2011 setelah dikurangi dengan modal pengurang (Catatan 37)					**7.394.259**	***Total Tier I and Tier II Capital December 2011 net of capital deduction (Note 37)***
Rasio PDN atas modal Desember 2011 (Laporan Posisi Keuangan)					**6,84%**	***Percentage of NOP to December 2011 capital (Statements of Financial Position)***
Rasio PDN atas modal Desember 2011 (Keseluruhan)					**0,58%**	***Percentage of NOP to December 2011 capital (Aggregate)***

35. 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. 12/10/PBI/2010 tanggal 1 Juli 2010, 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 2013, 2012 dan 2011 telah memenuhi ketentuan BI.

35. Net Open Position (continued)

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on July 15, 2004 and as further amended by BI Regulation No. 12/10/PBI/2010 dated July 1, 2010, 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 December 31, 2013, 2012 and 2011 is in compliance with BI regulations.

36. Informasi Penting

a. Rasio Kewajiban Penyediaan Modal Minimum

Pada tanggal 31 Desember 2013, 2012 dan 2011, rasio Kewajiban Penyediaan Modal Minimum (KPMM) Bank yang dihitung berdasarkan PBI No. 10/15/PBI/2008 tanggal 24 September 2008, SE NO. 13/30/DPNP tanggal 16 Desember 2011 dan PBI NO. adalah sebagai berikut:

36. Significant Information

a. Capital Adequacy Ratio

As of December 31, 2013, 2012 and 2011, the Bank's Capital Adequacy Ratio (CAR) is computed in accordance with BI Regulation No. 10/15/PBI/2008 dated September 24, 2008 and SE NO. 13/30/DPNP dated December 16, 2011 as follows:

	2013	2012	2011	
Modal inti				*Core capital*
Modal disetor	2.388.471	2.388.471	2.388.471	*Paid-in capital*
Cadangan tambahan modal				*Additional capital*
Agio saham	2.102.242	812.595	812.595	*Additional paid-in capital*
Laba bersih tahun berjalan	573.328	555.859	273.218	*Current year income*
Cadangan umum	70.000	45.000	42.500	*General reserves*
Saldo laba tahun-tahun yang lalu	3.635.375	2.795.148	2.281.793	*Prior years' income*
Selisih kurang antara PPA produktif dan cadangan kerugian nilai aset keuangan atas aset produktif	(549.224)	(231.520)	(105.997)	*Under difference between productive asset provision and reserve of financial asset losses over productive asset*
Selisih nilai transaksi restrukturisasi antara entitas sepengendali	-	1.289.647	1.289.647	*Difference in the value of restructuring transactions of entities under common control*
Provisi atas aset non produktif yang diwajibkan	(52.759)	(61.845)	(30.481)	*Non productive asset provision required*
Total modal inti	8.167.433	7.593.355	6.951.746	*Total core capital*
Modal pelengkap (maksimum 100% dari modal inti)				*Supplementary capital (maximum of 100% of core capital)*
Selisih nilai revaluasi aset tetap yang sebelumnya telah diklasifikasikan ke saldo laba	46.476	46.476	46.476	*Revaluation increment on fixed assets which previously has been classified to retained earnings*
Cadangan umum penyisihan kerugian aset produktif (maksimum 1,25% dari ATMR)	566.647	460.913	396.037	*General reserves on allowance for possible losses on earning assets (maximum of 1.25% of RWA)*
Total modal pelengkap	613.123	507.389	442.513	*Total supplementary capital*
Total modal	**8.780.556**	**8.100.744**	**7.394.259**	***Total capital***

36. Informasi Penting (lanjutan)

a. Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

36. Significant Information (continued)

a. Capital Adequacy Ratio (continued)

	2013	2012	2011	
Aset Tertimbang Menurut Risiko Kredit	53.287.174	43.525.036	37.693.549	*Credit Risk Weighted Assets*
Aset Tertimbang Menurut Risiko Pasar	179.537	60.125	131.321	*Market Risk Weighted Assets*
Aset Tertimbang Menurut Risiko Operasional	5.309.417	4.706.403	4.155.263	*Operational Risk Weighted Assets*
Rasio KPMM Bank untuk Risiko Kredit	16,48%	18,61%	19,62%	*Capital Adequacy Ratio for Credit Risk*
Rasio KPMM Bank untuk Risiko Kredit dan Risiko Pasar	16,42%	18,59%	19,55%	*Capital Adequacy Ratio for Credit Risk and Market Risk*
Rasio KPMM Bank untuk Risiko Kredit, Risiko Pasar dan Risiko Operasional	14,94%	16,77%	17,61%	*Capital Adequacy Ratio for Credit Risk, Market Risk and Operational Risk*
Rasio KPMM yang diwajibkan	8,00%	8,00%	8,00%	*Required Capital Adequacy Ratio*

Berdasarkan Surat Edaran No. 11/3/DPNP tanggal 27 Januari 2009 mengenai Perhitungan ATMR untuk Risiko Operasional dengan menggunakan Pendekatan Indikator Dasar, Bank telah melakukan perhitungan Aktiva Tertimbang Menurut Risiko (ATMR) untuk Risiko Operasional. Menurut Surat Edaran tersebut, perhitungan ATMR untuk Risiko Operasional dilakukan secara bertahap, yaitu:

1. Sejak tanggal 1 Januari 2011 sampai dengan 30 Juni 2011, perhitungan beban modal Risiko Operasional ditetapkan sebesar 5% (lima persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.
2. Sejak tanggal 1 Juli 2011 sampai dengan 31 Desember 2011, perhitungan beban modal Risiko Operasional ditetapkan sebesar 10% (sepuluh persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.
3. Sejak tanggal 1 Januari 2012, perhitungan beban modal Risiko Operasional ditetapkan sebesar 15% (lima belas persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.

Pada tahun 2012 Bank Indonesia melakukan revisi atas peraturan tersebut dan mengeluarkan Surat Edaran No. 14/37/DPNP tentang Kewajiban Penyediaan Modal Minimum sesuai dengan Profil Risiko dan Pemenuhan *Capital Equivalency Maintained Assets* (CEMA).

Based on Circular Letter No. 11/3/DPNP dated January 27, 2009 regarding the calculation of RWA for Operational Risk using the Basic Indicator Approach, the Bank has made the calculation of Risk Weighted Assets (RWA) for Operational Risk. According to the Circular Letter, the calculation of RWA for Operational Risk is applied gradually, as follows:

1. *Since January 1, 2011 until June 30, 2011, the calculation of Operational Risk capital charge is set at 5% (five percent) of the average positive annual gross income during the last three years.*
2. *Since July 1, 2011 until December 31, 2011, the calculation of Operational Risk capital charge is set at 10% (ten percent) of average positive annual gross income during the last three years.*
3. *Since January 1, 2012, the calculation of Operational Risk capital charge is set at 15% (fifteen percent) of the average positive annual gross income during the last three years.*

In 2012, Bank Indonesial did a revision of the regulation and issued circular letter No. 14/37/DPNP regarding Capital Adequancy Ratio with Risk Profile and Capital Equivalency Maintained Assets (CEMA).

36. Informasi Penting (lanjutan)

a. Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Bank wajib memiliki dan menerapkan proses perhitungan kecukupan modal secara internal atau *Internal Capital Adequacy Assessment Process* (ICAAP). Komponen ICAAP paling kurang mencakup :

a. Pengawasan Aktif Dewan Komisaris dan Direksi
b. Penilaian Kecukupan Modal
c. Pemantauan dan Pelaporan
d. Pengendalian Internal

Bank juga wajib menyediakan modal minimum sesuai dengan profil risiko, sebagai berikut:

a. 8% dari ATMR untuk Bank dengan profil risiko peringkat 1;
b. 9% s.d kurang dari 10% dari ATMR untuk Bank dengan profil risiko peringkat 2;
c. 10% s.d kurang dari 11% dari ATMR untuk Bank dengan profil risiko peringkat 3;
d. 11% s.d 14% dari ATMR untuk Bank dengan profil risiko peringkat 4 atau peringkat 5.

Selain kewajiban penyediaan modal minimum sesuai profil risiko, berdasarkan PBI No. 15/12/PBI/2013 tanggal 12 Desember 2013, Bank juga wajib membentuk tambahan modal sebagai penyangga (*buffer*), sebagai berikut:

a. Capital Conversation Buffer sebesar 2,5% (dua koma lima persen) dari ATMR

b. Countercyclical Buffer sebesar 0% (nol persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR
c. Capital Surcharge untuk D-SIB sebesar 1% (satu persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR

PBI No. 15/12/PBI/2013 akan berlaku efektif secara bertahap mulai 1 Januari 2016 hingga 1 Januari 2019.

36. Significant Information (continued)

a. Capital Adequacy Ratio (continued)

The Bank is obliged to have and apply the process of capital adequancy calculation internally or Internal Capital Adequancy Assessment Process (ICAAP). The components of ICAAP :

a. Active Supervision of Board of Commissioners and Board of Directors
b. Capital Adequancy Assessment
c. Monitoring and Reporting
d. Internal control

Bank also provides the minimum capital required according to the risk profile, as follow:

a. 8% of the RWA for bank with a rating of 1 risk profile;
b. 9% until less than 10% of the RWA for bank with 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 14% of RWA for bank with risk profile ratings of 4 or 5.

Besides providing the minimum capital adequacy risk profile, based on PBI No.15/12/PBI/2013 dated 12 Desember 2013, Banks also required to establish additional capital as a buffer , as follows:

a. Capital Conversation Buffer in the amount of 2.5% (two coma five percent) from RWA
b. Countercyclical Buffer in the amount of 0% (zero percent) up to 2.5% (two coma five percent) from RWA
c. Capital Surcharge for D-SIB in the amount of 1% (one percent) up to 2.5% (two coma five percent) from RWA

PBI No.15/12/PBI/2013 will be effective gradually starting on January 1, 2016 until January 1, 2019.

36. Informasi Penting (lanjutan)

36. Significant Information (continued)

b. Rasio-rasio keuangan lainnya

b. Other financial ratios

	2013	2012	2011	
Permodalan:				*Capital*
KPMM dengan memperhitungkan:				*CAR for:*
risiko kredit (butir a)	16,48%	18,61%	19,62%	*credit risk (point a)*
risiko kredit dan pasar (butir a)	16,42%	18,59%	19,55%	*credit risk and market risk (point a)*
risiko kredit, risiko pasar dan operasional (butir a)	14,94%	16,77%	17,61%	*credit risk, market risk and operasional risk(point a)*
Aset tetap terhadap modal	18,66%	18,28%	18,99%	*Fixed assets to equity*
Kualitas Aset:				*Earning Assets Quality:*
NPL - *gross* (Catatan 11)	1,63%	1,81%	1,53%	*NPL - gross (Note 11)*
NPL - *net* (Catatan 11)	1,15%	1,13%	1,17%	*NPL - net (Note 11)*
Rentabilitas (tidak diaudit):				*Rentability (unaudited):*
Laba sebelum pajak terhadap rata-rata:				
Aset	2,38%	2,60%	2,30%	*Return on assets*
Ekuitas	14,29%	14,97%	11,43%	*Return on equity*
Pendapatan bunga bersih terhadap rata-rata total aset produktif	4,55%	5,07%	5,14%	*Net interest income to average total earning assets*
Beban operasional terhadap pendapatan operasional	77,70%	74,61%	77,55%	*Operational expenses to operational income*
Likuiditas:				*Liquidity:*
Penyaluran kredit terhadap dana pihak ketiga	91,15%	96,64%	91,70%	*Loan to deposit ratio*
Kepatuhan:				*Compliance:*
Batas Maksimum Pemberian Kredit:				*Legal Lending Limit:*
Pihak berelasi	0,00%	0,00%	0,00%	*Related parties*
Giro Wajib Minimum Utama - Rupiah (Catatan 4)	8,12%	8,10%	8,10%	*Primary Minimum Reserve Requirement - Rupiah (Note 4)*
Posisi Devisa Neto (Catatan 36)	1,75%	0,26%	0,58%	*Net Open Position (Note 36)*

Pada tahun 2012 Bank Indonesia melakukan revisi atas peraturan tersebut dan mengeluarkan Surat Edaran No. 14/37/DPNP tentang Kewajiban Penyediaan Modal Minimum sesuai dengan Profil Risiko dan Pemenuhan *Capital Equivalency Maintained Assets* (CEMA).

In 2012, Bank Indonesial did a revision of the regulation and issued circular letter No. 14/37/DPNP regarding Capital Adequancy Ratio with Risk Profile and Capital Equivalency Maintained Assets (CEMA).

37. Jatuh Tempo Aset dan Liabilitas Keuangan

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut:

37. Remaining Maturity Periods of Financial Assets and Liabilities

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows:

	2013							
Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	*Description*
Aset Keuangan								***Financial Assets***
Kas	662.074	-	-	-	-	-	662.074	*Cash*
Giro pada Bank Indonesia	4.760.162	-	-	-	-	-	4.760.162	*Current accounts with Bank Indonesia*
Giro pada bank lain - neto	1.160.900	-	-	-	-	-	1.160.900	*Current accounts with other banks - net*
Penempatan pada Bank Indonesia dan bank lain - neto	3.119.976	-	-	-	-	-	3.119.976	*Placements with Bank Indonesia and other banks - net*
Efek-efek yang diperdagangkan	149.692	185.761	241.943	390	522	-	578.308	*Trading securities*
Investasi keuangan - neto	1.727.878	719.012	1.066.048	1.188.565	944.439	-	5.645.942	*Financial investments - net*
Tagihan derivatif - neto	8.121	82	20.544	321.534	-	-	350.281	*Derivatives receivable - net*
Kredit yang diberikan - neto	3.172.237	4.408.310	17.568.674	17.105.813	9.564.406		51.820.440	*Loans - net*
Tagihan akseptasi - neto	638.918	638.305	389.638	5.294	-	-	1.843.155	*Acceptances receivable - net*
Aset lain-lain - neto	211.620	-	10.502	-	-	-	222.122	*Other assets - net*
Total Aset Keuangan	**15.612.578**	**6.262.470**	**19.267.349**	**18.621.596**	**10.509.367**	**-**	**70.313.360**	***Total Financial Assets***

37. Jatuh Tempo Aset dan Liabilitas Keuangan (lanjutan)

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Financial Assets and Liabilities (continued)

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows (continued):

	2013							
Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	*Description*
Liabilitas Keuangan								***Financial Liabilities***
Liabilitas segera	67.723	-	-	-	-	-	67.723	*Current liabilities*
Simpanan	35.491.959	7.243.089	14.542.496	-	-	-	57.278.434	*Deposits*
Simpanan dari bank lain	1.597.619	-	-	-	-	-	1.597.619	*Deposits from other banks*
Bunga yang masih harus dibayar	196.174	-	-	-	-	-	196.174	*Interest payable*
Liabilitas derivatif	4.858	337	19.487	329.349	-	-	354.031	*Derivatives payable*
Liabilitas akseptasi	640.671	639.206	360.025	5.299	-	-	1.645.201	*Acceptances payable*
Liabilitas lain-lain	176.030	-	111.911	-	-	-	287.941	*Other liabilities*
Total Liabilitas Keuangan	**38.175.034**	**8.083.592**	**15.033.909**	**334.648**	**-**	**-**	**61.627.183**	***Total Financial Liabilities***
Neto	**(22.562.496)**	**(1.661.122)**	**4.233.440**	**16.288.948**	**10.509.367**	**-**	**8.566.177**	***Net***

37. Jatuh Tempo Aset dan Liabilitas Keuangan (lanjutan)

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Financial Assets and Liabilities (continued)

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows (continued):

	2013							
Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	Description
Aset Keuangan								***Financial Assets***
Kas	418.425	-	-	-	-	-	418.425	Cash
Giro pada Bank Indonesia	4.047.388	-	-	-	-	-	4.047.388	Current accounts with Bank Indonesia
Giro pada bank lain - neto	897.058	-	-	-	-	-	897.058	Current accounts with other banks - net
Penempatan pada Bank Indonesia dan bank lain - neto	2.153.792	595.812	-	-	-	-	2.749.604	Placements with Bank Indonesia and other banks - net
Efek-efek yang diperdagangkan	29.415	89.484	497.616	1.282	3.435	-	621.532	Trading securities
Investasi keuangan - neto	172.983	193.139	754.796	2.138.334	82.985	-	3.342.237	Financial investments - net
Tagihan derivatif - neto	1.468	1.520	7.048	101.940	1.506	-	113.482	Derivatives receivable - net
Kredit yang diberikan - neto	2.091.717	4.925.750	14.318.982	14.981.124	7.158.333	-	44.475.906	Loans - net
Tagihan akseptasi - neto	737.237	400.277	266.078	2.910	-	-	1.406.502	Acceptances receivable - net
Aset lain-lain - neto	199.652	-	6.947	-	-	-	206.599	Other assets - net
Total Aset Keuangan	**11.349.155**	**6.205.982**	**15.851.467**	**17.225.590**	**7.246.459**	**-**	**58.278.793**	***Total Financial Assets***

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37. Jatuh Tempo Aset dan Liabilitas Keuangan (lanjutan)

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Financial Assets and Liabilities (continued)

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows (continued):

	2012							
Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	*Description*
Liabilitas Keuangan								***Financial Liabilities***
Liabilitas segera	217.802	-	-	-	-	-	217.802	*Current liabilities*
Simpanan	30.783.080	11.678.731	4.077.107	-	-	-	46.538.918	*Deposits*
Simpanan dari bank lain	1.681.653	-	-	-	-	-	1.681.653	*Deposits from other banks*
Bunga yang masih harus dibayar	151.373	-	-	-	-	-	151.373	*Interest payable*
Liabilitas derivatif	1.902	2.144	6.346	96.840	8.919	-	116.151	*Derivatives payable*
Liabilitas akseptasi	732.912	388.206	265.722	2.917	-	-	1.389.757	*Acceptances payable*
Liabilitas lain-lain	168.953	-	66.136	-	-	12.483	247.572	*Other liabilities*
Total Liabilitas Keuangan	**33.737.675**	**12.069.081**	**4.415.311**	**99.757**	**8.919**	**12.483**	**50.343.226**	***Total Financial Liabilities***
Neto	**(22.368.575)**	**(5.863.099)**	**11.436.156**	**17.125.933**	**7.637.549**	**(12.483)**	**7.938.477**	***Net***

37. Jatuh Tempo Aset dan Liabilitas Keuangan (lanjutan)

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Financial Assets and Liabilities (continued)

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows (continued):

	2011							
Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	Description
Aset Keuangan								***Financial Assets***
Kas	376.864	-	-	-	-	-	376.864	Cash
Giro pada Bank Indonesia	3.553.147	-	-	-	-	-	3.553.147	Current accounts with Bank Indonesia
Giro pada bank lain - neto	666.276	-	-	-	-	-	666.276	Current accounts with other banks - net
Penempatan pada Bank Indonesia dan bank lain - neto	2.691.295	398.269	-	-	-	-	3.089.564	Placements with Bank Indonesia and other banks - net
Efek-efek yang diperdagangkan	49.935	-	1.076.728	101.026	74.113	-	1.301.802	Trading securities
Investasi keuangan - neto	575.838	854.426	1.523.834	1.466.587	128.200	-	4.550.885	Financial investments - net
Tagihan derivatif - neto	3.960	176	391	78.075	-	-	82.604	Derivatives receivable - net
Kredit yang diberikan - neto	2.156.575	4.051.388	13.229.022	13.824.061	5.602.131	-	38.865.777	Loans - net
Tagihan akseptasi - neto	389.275	557.341	525.964	4.306	-	-	1.476.876	Acceptances receivable - net
Aset lain-lain - neto	167.364	-	6.639	-	-	-	194.003	Other assets - net
Total Aset Keuangan	**10.632.531**	**5.861.600**	**16.362.568**	**15.476.655**	**5.804.444**	**-**	**54.137.798**	***Total Financial Assets***

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37. Jatuh Tempo Aset dan Liabilitas Keuangan (lanjutan)

Aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2013, 2012 dan 2011 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Financial Assets and Liabilities (continued)

As of December 31, 2013, 2012 and 2011, the Bank's financial assets and liabilities based on the remaining period of maturities are as follows (continued):

2011

Keterangan	Sampai dengan 1 Bulan/ up to 1 Month	1 Bulan sampai dengan 3 Bulan/ 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Tanpa jangka waktu/ On Demand	Total	*Description*
Liabilitas Keuangan								***Financial Liabilities***
Liabilitas segera	80.001	-	-	-	-	-	80.001	*Current liabilities*
Simpanan	31.792.091	7.270.785	3.840.337	-	-	-	42.903.213	*Deposits*
Simpanan dari bank lain	1.316.501	-	-	-	-	-	1.316.501	*Deposits from other banks*
Bunga yang masih harus dibayar	174.216	-	-	-	-	-	174.216	*Interest payable*
Liabilitas derivatif	3.525	190	330	69.874	8.086	-	82.005	*Derivatives payable*
Efek-efek yang dijual dengan janji dibeli kembali	1.190.297	-	-	-	-	-	1.190.297	*Securities sold under repurchase agreement*
Liabilitas akseptasi	373.367	563.018	531.286	4.350	-	-	1.472.021	*Acceptances payable*
Liabilitas lain-lain	86.361	-	57.741	-	-	11.543	157.645	*Other liabilities*
Total Liabilitas Keuangan	**35.016.359**	**7.833.993**	**4.429.674**	**74.224**	**8.086**	**11.543**	**47.375.879**	***Total Financial Liabilities***
Neto	**(24.385.828)**	**(1.872.393)**	**11.932.884**	**15.402.431**	**5.796.358**	**(11.543)**	**6.761.919**	***Net***

Dalam mengantisipasi *maturity gaps* yang ditimbulkan oleh beda waktu jatuh tempo antara aset dan liabilitas tersebut, Bank selalu menjaga likuiditas Bank, antara lain dengan memenuhi Giro Wajib Minimum (GWM) pada rekening giro pada Bank Indonesia sesuai dengan peraturan BI.

To anticipate the maturity gaps resulting from differences in the remaining maturity periods between assets and liabilities, the Bank always maintains its liquidity through maintenance of the minimum reserve requirement (GWM) of the current accounts with Bank Indonesia in accordance with BI regulation.

38. Kebijakan Manajemen Risiko

Risiko keuangan dan non-keuangan merupakan bagian yang melekat dalam bisnis Bank. Risiko dikelola dalam tingkat yang disetujui oleh Direksi dan dipantau oleh Dewan Komisaris. Sebuah kerangka kerja yang komprehensif atas kebijakan dan prosedur yang ditetapkan untuk identifikasi, pengukuran, pemantauan dan pengendalian risiko.

Risiko Kredit

Risiko kredit didefinisikan sebagai risiko kerugian yang timbul dari kegagalan debitur atau counterparty dalam memenuhi kewajiban keuangannya pada saat jatuh tempo.

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut:

1. Pemisahan fungsi Penyetuju Kredit dari Pengaju Kredit

   Terdapat pemisahan tugas antara Unit Bisnis, Unit Administrasi Kredit, Unit Penyetuju Kredit, dan Unit Manajemen Risiko untuk menjaga independensi dan integritas fungsi kredit.

   Unit Manajemen Risiko Kredit, melakukan pengawasan independen terhadap risiko kredit dan bertanggung jawab atas analisis dan pelaporan dari semua elemen risiko kredit kepada manajemen senior dan Direksi.

2. Kebijakan dan Prosedur Risiko Kredit

   Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain:

   a. Kebijakan Kredit Umum yang mengatur tata cara pemberian kredit dan berbagai prinsip dan standar kredit yang berlaku secara umum, untuk mengelola risiko kredit Bank.

   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.

38. Risk Management Policies

Financial and non-financial risks are inherent in the Bank's business. Risks are managed within levels approved by the Board of Directors and oversight by Board of Commissioners. A comprehensive framework of policies and procedures is established for the identification, measurement, monitoring and control of risks.

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.

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 Unit, Credit Administration Unit, Credit Approval Unit, and Risk Management Unit to maintain independence and integrity of the various credit functions.

   Credit Risk Management ("CRM") Unit, provides independent oversight of credit risk and is responsible for the analysis and reporting of all elements of credit risk to the senior management and the Board of Director.

2. *Credit Risk Policies and Procedures*

   The Bank has put in place the following policies, among others, to manage credit risk:

   a. The General Credit Policy that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages credit risk.

   b. The Consumer Credit Policy that governs the principles of consumer credit extension, the credit principles and standards by which the Bank undertakes and manages credit risk for the consumer segment.

38. Kebijakan Manajemen Risiko (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

   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. Pedoman Restrukturisasi Kredit 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. 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.

3. Pengelolaan dan Pemantauan Portofolio Kredit

   Unit *Manajemen Risiko Kredit* menjadi pengawas independen dan melakukan pemantauan portofolio dengan melakukan kaji ulang secara berkala atas risiko internal dan eksternal dan parameter-parameter risiko (seperti: tren *delinquency, special mention, watch list accounts*, risiko konsentrasi, pergerakan kualitas kredit, dll).

   Pengelolaan Risiko Konsentrasi Kredit

   Risiko konsentrasi kredit didefinisikan sebagai eksposur tunggal atau eksposur 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. Dimana kredit adalah aktivitas utama Bank, risiko konsentrasi kredit adalah risiko yang sangat material.

38. Risk Management Policies (continued)

2. Credit Risk Policies and Procedures (continued)

   c. The Credit Concentration Risk Management Policy that manages credit concentration risk.

   d. The Credit Risk Mitigation Policy that specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.

   e. The Credit Restructuring Guideline that gives guidance on credit restructuring for borrowers who have difficulties to meet their obligation to the bank.

   f. The Asset Classification Policy that gives the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.

   g. 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.

3. Management and Monitoring of Credit Portfolio

   Credit Risk Management Unit provides independent oversight and performs portfolio monitoring by conducting regular reviews of internal and external risk environment and risk parameters (i.e delinquency trend, special mention, watch list accounts, concentration risk, loan quality movement, etc).

   Credit Concentration Risk Management

   Credit risk concentration is defined as any single exposure or group of exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) to threaten the Bank's health or ability to maintain its core operations. As lending is the Bank's primary activity, credit risk concentration is its most material risk.

38. Kebijakan Manajemen Risiko (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Manajemen Kredit Bermasalah

Kredit bermasalah dikelola secara terpusat oleh unit 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 Unit Bisnis; dan
2. Unit Recovery yang mengelola kredit bermasalah dengan tujuan utama memaksimalkan pemulihan hutang.

Penghapusbukuan kredit meningkat selama tahun 2013 dengan mayoritas penghapus-bukuan berasal dari portofolio kartu kredit. Kredit bermasalah dari portofolio kartu kredit dihapusbukukan secara otomatis ketika tunggakan sudah mencapai lebih dari 180 hari.

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 rating 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

38. Risk Management Policies (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Managing Non-Performing Credits

Non-performing credits 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 credits. Its primary goal is to handle non-performing credits back to health so that these accounts can be transferred back to the Business Units; and
2. The Recovery Group which manages non-performing credits with the primary goal to maximize debt recovery.

Credit write-offs increased in 2013 with the majority write-off from credit card portfolio. Non-performing credit cards were automatically written-off when the delinquency exceeded 180 days.

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. 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

38. Kebijakan Manajemen Risiko (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur Kredit pada Basel II (lanjutan)

Saat ini, Bank hanya mengakui peringkat internasional dari *Moody `s, Standard and Poor* dan *Fitch*.

Pengembangan Infrastruktur dan Persiapan Penerapan Basel II

Bank telah memulai persiapan untuk penerapan pendekatan berdasarkan *Internal Rating* (IRB) Basel II. *Steering Committee* Basel II telah dibentuk untuk mendorong inisiatif ini. Untuk tujuan ini, perangkat tambahan yang signifikan telah dibuat pada sistem, proses, dan praktik manajemen risiko Bank untuk mencapai kepatuhan terhadap Basel II IRB.

Eksposur maksimum aset keuangan Bank untuk risiko kredit sebelum memperhitungkan agunan dan jaminan kredit lainnya adalah sebesar nilai tercatatnya (*carrying value)*. Lihat Catatan 40 untuk informasi mengenai *carrying value* dan nilai wajar dari instrumen keuangan Bank.

Bank menetapkan jenis dan nilai agunan yang dijaminkan sesuai skema kredit. Jenis dari agunan terdiri dari tanah dan bangunan, simpanan dan lainnya.

Informasi kualitas kredit belum jatuh tempo dan tidak mengalami penurunan nilai pada tanggal 31 Desember 2013:

38. Risk Management Policies (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit exposures under Basel II (continued)

Currently, 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 commenced its preparation for the adoption of Basel II Internal Rating Based (IRB) Approach. The Basel II Steering Committee has been established to drive this initiative. To this end, significant enhancements have been made to the Bank's risk management systems, processes and practices to achieve Basel II IRB compliance.

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. Please refer to Note 40 for the information regarding the carrying value and fair value of the Bank's financial instruments.

Bank determines the type and value of collateral pledged regarding to its credit scheme. Type of collateral consist of properties, deposits and others.

The information on the credit quality of neither past due nor impaired financial assets on 31 December, 2013:

	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	
Kas	662.074	-	-	662.074	*Cash*
Giro pada Bank Indonesia	4.760.162	-	-	4.760.162	*Current account with Bank Indonesia*
Giro pada bank lain	1.160.900	-	-	1.160.900	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain	3.119.976	-	-	3.119.976	*Placements with Bank Indonesia and other banks*
Efek-efek yang diperdagangkan	578.308	-	-	578.308	*Trading securities*
Investasi keuangan	5.646.652	-	-	5.646.652	*Financial investment*
Tagihan derivatif	350.281	-	-	350.281	*Derivatives receivable*
Tagihan Akseptasi	1.845.261	-	-	1.845.261	*Acceptances receivable*
Kredit yang diberikan	50.948.970	417.599	849.523	52.216.092	*Loans*
Aset lain-lain - neto	406.498	-	-	406.498	*Other assets - net*
Total	69.479.082	417.599	849.523	70.746.204	*Total*
Cadangan kerugian penurunan nilai	(49.558)	(45.804)	(250.290)	(345.652)	*Allowance for impairment losses*
Neto	**69.429.524**	**371.795**	**599.233**	**70.400.552**	***Net***

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Analisis umur pinjaman yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2013:

39. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

The aging analysis of past due but not impaired loans on 31 December, 2013:

	Kurang dari 30 hari/ *Less than 30 days*	31 sampai 60 hari/ *31 to 60 days*	Lebih dari 60 hari/ *More than 60 days*	Total	
Modal kerja	93.659	44.339	20.510	158.508	*Working capital*
Investasi	51.159	15.918	22.045	89.122	*Investment*
Konsumen	136.760	21.054	9.789	167.603	*Consumer*
Karyawan	413	-	-	413	*Employee*
Total	281.991	81.311	52.344	415.646	*Total*
Cadangan kerugian penurunan nilai	(33.170)	(7.838)	(4.796)	(45.804)	*Allowance for impairment losses*
Neto	**248.821**	**73.473**	**47.548**	**369.842**	***Net***

Risiko Pasar

Risiko pasar timbul dari perubahan tingkat suku bunga, nilai tukar valuta asing, dan *spread* kredit, serta korelasi dan volatilitas. Risiko pasar terdapat pada aktivitas bisnis tresuri.

Kerangka kerja risiko pasar Bank terdiri dari kebijakan dan praktek risiko pasar, pendelegasian wewenang dan limit risiko pasar, validasi atas penilaian dan model risiko, dll. 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.

Market Risk

Market risk arises from changes in interest rates, foreign exchange rates and credit spreads, as well as their correlations and implied volatilities.

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 launch.

The Board of Directors delegates authority to the Assets and Liabilities Committee (ALCO) to active monitoring on market risk management. ALCO reviews and provide 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. The roles and responsibilities are clearly stated in the Market Risk Management Policy.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

Bank menggunakan Pendekatan Standar untuk menghitung modal risiko pasar sesuai dengan ketentuan Bank Indonesia tentang Kewajiban Penyediaan Modal Minimum. Bank memiliki modal yang kuat dengan rasio kecukupan modal sebesar 14,94% pada Desember 2013, melebihi dari persyaratan minimum Bank Indonesia sebesar 8%. 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. Untuk melengkapi pengukuran VaR, *stress test* dilakukan pada portofolio buku perdagangan untuk mengidentifikasi ketahanan Bank dalam kondisi krisis (tidak diaudit).

38. Risk Management Policies (continued)

Market Risk (continued)

The Bank adopts the Standardized Approach to calculate the regulatory market risk capital in compliance with Bank Indonesia's regulation on Capital Adequacy Ratio. The Bank has a strong capital base with Capital Adequacy Ratio of 14.94% as of December 2013, which is higher than Bank Indonesia's minimum requirement of 8%. The Bank's capital is more than sufficient to cover any potential loss that might arise from interest rate and exchange rate fluctuations.

Internally, the market risk is measures and controls are 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 historical price changes. VaR estimates 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. 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 (unaudited).

	2013				
	Akhir Tahun/ *Year end*	**Tinggi/ *High***	**Rendah/ *Low***	**Rata-rata/ *Average***	
	SGD Thousand	***SGD Thousand***	***SGD Thousand***	***SGD Thousand***	
Total VaR	**85**	**682**	**85**	**268**	***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.

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.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

a. Risiko Nilai Tukar (lanjutan)

Risiko nilai tukar dikelola melalui kebijakan dan limit risiko yang disetujui oleh Komite Aktiva dan Pasiva ("ALCO"). Limit tersebut meliputi limit Value-at-Risk, limit FX NOP, limit PV01, eksposur berdasarkan mata uang, maksimum jatuh tempo, dan lainnya. Unit Market Risk Control ("MRC") 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.

b. Risiko Suku Bunga di *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.

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.

Pendekatan pada rentabilitas (pendapatan suku bunga bersih atau NII) dan 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.

38. Risk Management Policies (continued)

Market Risk (continued)

a. Foreign Exchange Risk (continued)

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 maturities and etc. Market Risk Control ("MRC") Unit on a daily basis monitors market risk activities and/or exposures against the approved ALCO limits, and escalates any excesses to appropriate channel for approval/ratification.

b. Interest Rate Risk in 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 environment.

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 the 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 high and low scenarios.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

b. Risiko Suku Bunga di Catatan Perbankan (lanjutan)

Stress testing juga dilakukan secara berkala untuk menentukan kecukupan modal dalam memenuhi dampak ekstrim perubahan suku bunga pada neraca. Tes tersebut juga dilakukan guna memberikan peringatan dini atas potensi kerugian ekstrim, guna mendukung pengelolaan risiko suku bunga secara pro-aktif dalam menyesuaikan perubahan pada pasar keuangan yang cepat.

Risiko Likuiditas

Risiko likuiditas didefinisikan sebagai risiko terhadap pendapatan atau modal Bank dari ketidakmampuan Bank untuk memenuhi kewajiban keuangannya atau peningkatan dana pada aset ketika jatuh tempo, tanpa menimbulkan biaya atau kerugian yang signifikan.

Risiko likuiditas diukur dan dikelola melalui proyeksi arus kas menggunakan skenario 'business as usual', 'bank-specific crisis' dan 'general market crisis'. Behavioral modelling dilakukan secara berkala untuk memastikan arus kas telah mencerminkan perilaku kegiatan bisnis secara normal. Pendanaan inti (core deposits) umumnya terdiri dari dana stabil non-Bank seperti giro, tabungan dan deposito. Bank memantau stabilitas pendanaan inti dengan menganalisa volatilitas secara berkala. Fungsi kerja Market and Balance Sheet Risk Management bertanggung jawab untuk menyempurnakan, menerapkan, menjaga, mengkaji ulang, mengembangkan dan mengkomunikasikan asumsi, metodologi, sumber data, delegasi wewenang, *stress testing* dan prosedur yang digunakan untuk mengukur risiko likuiditas.

Likuiditas dikelola berdasarkan per-mata uang. Bank melakukan evaluasi secara mendalam terhadap kapasitas pendanaan yang berfokus pada sumber dan konsentrasi pendanaan, jenis dan komposisi aktiva, dana bersih debitur / kreditur, likuiditas dan kesenjangan maturitas, sumber pendanaan dan akses ke pasar pendanaan, aset likuid, dan jika ada; kondisi pasar keuangan dan ekonomi saat ini dan proyeksi. Hal ini penting dilakukan guna mengetahui jumlah dana yang tersedia dari pasar pada saat kondisi normal maupun stress.

38. Risk Management Policies (continued)

Market Risk (continued)

b. Interest Rate Risk in Banking Book (continued)

Stress testing is also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. 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.

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 increases in assets as they fall due, without incurring significant costs or losses.

The liquidity risk is measured and managed by projected cash flow basis under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios. Behavioral modeling is carried out regularly to ensure the cash flow reflect the business-as-usual behavior. Core deposits generally consist of stable non-bank deposits, such as current account, savings account and fixed deposit. The Bank monitors the stability of its 'core deposits' by analyzing their volatility over time. Market and Balance Sheet Risk Management responsible for refine, implement, maintain, reviews, improve and communicate the assumptions, methodology, data sources, delegation of authority, stress testing and procedures used to measure liquidity risk.

Liquidity is managed on an individual currency basis. The Bank conduct an in-depth evaluation of its funding capacity focusing on Funding sources and concentrations, Type and mix of assets, Net borrower/lender of funds, Liquidity and maturity gaps; Cost of funds and access to funding markets; Liquid assets, if any; Current and projection financial market and economic conditions. It is critical to understand the amount of funding available from the market under normal and stress conditions.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Rencana Pendanaan Kontijensi 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 Kontijensi menguraikan tindakan yang harus diambil oleh Bank pada saat terjadi krisis likuiditas dan akan diaktifkan jika terjadi situasi *stress* likuiditas. Hal ini berfungsi untuk mengidentifikasi dan mengetahui 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 dan tidak terganggu 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 Working Group Team ("LWG")* yang bertanggung jawab untuk mengevaluasi posisi likuiditas dan menentukan tindakan yang akan diambil pada saat terjadi krisis.

Dalam rangka meminimalkan risiko konsentrasi, Bank juga melakukan diversifikasi sumber-sumber dana dan pembiayaan. Di akhir tahun 2013 Bank berhasil meningkatkan dana pihak ketiga sebesar Rp57,60 trilliun meningkat 23,08% dibandingkan dengan dana pihak ketiga di akhir tahun 2012. Tabungan meningkat sebesar 15,76% menjadi Rp9,42 triliun, deposito meningkat sebesar 27,20% menjadi Rp42,82 triliun dan giro meningkat sebesar 7,21% menjadi Rp5,36 triliun di akhir tahun 2013. *Loan Deposit Ratio*, yaitu rasio kredit yang diberikan terhadap dana pihak ketiga Bank masih berada dalam LDR target yang ditetapkan oleh Bank Indonesia sebesar 91,05%. Bank secara berkesinambungan akan terus menjaga tingkat rasio LDR agar berada dalam kisaran 78% dan 92% dan mempertahankan KPMM diatas 14%.

38. Risk Management Policies (continued)

Liquidity Risk (continued)

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 monitors liquidity and funding requirements on an ongoing basis, it is important to recognize that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause a liquidity crisis. The CFP outlines the actions that are 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 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 identifying the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a Liquidity Working Group Team ("LWG") which is responsible to evaluate the liquidity position and decides the actions to be taken when crisis occurs.

In order to minimize concentration risk, the Bank also diversifies its sources of funds and financing. At the end of 2013, the Bank increased the total third party funds to IDR 57.60 trillion, up by 23.08% compared to the end of 2012. Savings account increased by 15.76% to IDR 9.42 trillion, fixed deposit increased by 27.20% to IDR 42.82 trillion and current account increased by 7.21% to IDR 5.36 trillion at the end of 2013. Loan Deposit Ratio, which identifies the extent to which the Bank's loans are funded by customer deposits, was still within the LDR target set 91.05% by Bank Indonesia. The Bank will, on an ongoing basis, continue to maintain the LDR in the range of 78% and 92% as well as maintain the CAR above 14%.

38. 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, kaji ulang dan audit risiko, pelaporan risiko, dan modal yang dipersyaratkan. Ambang batas meliputi, namun tidak terbatas pada hal-hal berikut: pernyataan kualitatif terkait hal-hal yang tidak dapat ditoleransi atau dibiarkan oleh Bank, *Risk Assessment Criteria Matrix, Key Operational Risk Indicators and thresholds, Materiality & Notification Protocol, Operational risk event/loss event reporting criteria, Deductible/Limits* untuk pembelian asuransi, dll.

Pada tahun 2013, beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional:

- Melakukan kaji ulang atas Kebijakan Risiko Operasional.
- Menetapkan Kerangka Kerja Risiko Operasional.
- Melakukan kaji ulang atas Kebijakan dan Pedoman Manajemen Asuransi.
- Melakukan kaji ulang atas Kebijakan dan Pedoman Manajemen Kontinuitas Bisnis.
- Melakukan kaji ulang atas Komite Manajemen Kontinuitas Bisnis.
- Implementasi *General Control Environment Self Assessment* (GCESA) yang berlaku secara *bankwide*.
- Implementasi perangkat *Business Process – Operational Risk Self Assessment* (BP-ORSA) yang dilakukan untuk mengidentifikasi risiko dan kontrol yang melekat dalam proses operasional utama pada semua unit dan cabang.

38. 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 risk governance structure, risk policies and standards, risk culture and awareness, risk identification, assessment, monitoring and control, loss data, 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: Qualitative statements on what the Bank is not willing to tolerate or condone, Risk Assessment Criteria Matrix, Key Operating Risk Indicators and thresholds, Materiality & Notification Protocol, Operational risk event/loss event reporting criteria, Deductible/Limits for insurance cover purchased, etc.

In 2013, the following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk:

- *Conduct review on Operational Risk Management Policy*
- *Establish Operational Risk Management Framework*
- *Conduct review on Insurance Management Policy, Procedure & Guideline.*
- *Conduct review on Business Continuity Management Policy & Guideline.*
- *Conduct review on Business Continuity Management Committee.*
- *Implement General Control Environment Self Assessment (GCESA) bankwide.*
- *Implement Business Process – Operational Risk Self Assessment (BP-ORSA) tool to identify the inherent risks and controls in key operational processes for all units and branches.*

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

- Mengembangkan *Checklist Control* untuk Staf *Quality Assurance (QA)*.
- Melakukan validasi hasil penilaian perangkat risiko operasional, terutama GCESA, BP-ORSA, dan QA *Checklist* melalui kaji ulang ke sejumlah cabang yang dijadikan sampling untuk melihat tingkat kepatuhan cabang terhadap prosedur dan kontrol.
- Mengembangkan strategi pemulihan dalam menghadapi bencana yang meluas (*Wide Area Disruption*) untuk Jakarta.
- Memberikan pembekalan dan pelatihan kepada staf *Quality Assurance (QA)* pada setiap cabang dan menyelenggarakan forum ORISCO (Operational Risk Coordinator) untuk meningkatkan kesadaran risiko secara bankwide.
- Membantu unit kerja dalam melakukan kaji ulang atas sejumlah produk/aktivitas/prosedur baru.
- Latihan Kelangsungan Bisnis/ *Business Continuity Plan Exercise* seperti:
  - Simulasi Rencana Kelangsungan Bisnis (BCP).
  - *Disaster Recovery Exercise* untuk sistem IT.
  - *Management & Unit Call Tree Exercise.*
  - *Table top exercise* untuk Komite BCM

Risiko Kepatuhan

Risiko kepatuhan didefinisikan sebagai yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku.

Unit Kepatuhan 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:

38. Risk Management Policies (continued)

Operational Risk (continued)

- *Develop Control Checklist for Quality Assurance (QA) staff.*
- *Validate the assessment results of operational risk tools, particularly GCESA, BP-ORSA, and QA Checklist through sample reviews of several branches to measure the compliance level of branches.*
- *Develop recovery strategy of Wide Area Disruption for Jakarta.*
- *Conduct briefing and training for Quality Assurance* (QA) *staff in branches and conduct ORISCO (Operational Risk Coordinator) Forum to increase bankwide risk awareness.*
- *Assist units in reviewing new products/activities/procedures.*
- *Business Continuity Plan Exercise, as follows:*
  - *Simulation of Business Continuity Plan (BCP).*
  - *Disaster Recovery Exercise for IT system.*
  - *Management & Unit Call Tree Exercise.*
  - *Table top exercise* untuk Komite BCM

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 Unit 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 follow:

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

1. Fungsi Kepatuhan Bank

   Mengatur mengenai Kerangka Pikir Fungsi Kepatuhan Bank (*Compliance Framework*) serta peran dan tanggung jawab seluruh *stakeholders*.

2. Kebijakan 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 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 Bank Indonesia.

4. 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.

5. Prosedur Penyusunan Ketentuan Internal Bank

   Mengatur mengenai mekanisme penyusunan sistem, prosedur maupun ketentuan internal Bank lainnya yang disusun oleh setiap fungsi kerja

6. Ketentuan-Ketentuan yang Terkait dengan Fungsi Kepatuhan

   Memberikan informasi mengenai Ketentuan-Ketentuan yang terkait dengan pelaksanaan Fungsi Kepatuhan Bank.

38. Risk Management Policies (continued)

Compliance Risk (continued)

A. Compliance Policies and Procedures (continued)

1. Bank's Compliance Function

   Regulating the Bank's Compliance Framework as well as the roles and responsibilities of all stakeholders.

2. Compliance Policy

   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. 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 Bank Indonesia

4. 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.

5. Procedures in Drafting Bank's Internal Provision

   Regulating the mechanism in drafting the Bank's internal systems, procedures or other provisions prepared by each work function.

6. Provisions Related to Compliance Function

   Providing information on provisions related to the implementation of Bank's Compliance Function.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

Direktur Kepatuhan melalui Divisi Kepatuhan juga telah menetapkan dan menerapkan kebijakan berupa Surat Edaran No.12/CMP/0005 perihal Pengurangan Nilai *Key Performance Indicator* (KPI) Sehubungan dengan Pengenaan Sanksi dari Regulator.

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 risiko kepatuhan potensial yang mungkin timbul jika Bank gagal untuk memenuhinya.

Unit Operational Risk Management bekerja sama dengan Direktorat Kepatuhan untuk melaporkan setiap potensi pelanggaran atau pelanggaran atas ketentuan yang berlaku. Secara berkesinambungan, bank meningkatkan pengelolaan risiko kepatuhan terhadap peraturan. Selama tahun 2013, masih terdapat pengenaan sanksi dari Bank Indonesia atas kesalahan yang bersifat administratif. Kelemahan yang menimbulkan pengenaan sanksi secara umum ialah *human error* dalam penyusunan dan penyampaian laporan-laporan reguler kepada Bank Indonesia, seperti LHBU, LBBU dan LKPBU. 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.

38. Risk Management Policies (continued)

Compliance Risk (continued)

A. Compliance Policies and Procedures (continued)

Compliance Director through Compliance Division has also stipulated and implemented a policy in the form of Circular Letter No.12/CMP/0005 concerning Deduction of Key Performance Indicator (KPI) Value Related to Sanctions Imposed by Regulator.

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 the potential compliance risks that may arise if the Bank fails to comply.

Operational Risk Management Unit works collaboratively with Compliance Directorate to report any potential violation or breach of the applicable regulations. On an ongoing basis, the bank has progressively enhanced the management of regulatory compliance risks. Throughout 2013, there were still sanctions imposed by Bank Indonesia due to administrative errors. The 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, Commercial Bank Monthly Report and Commercial Bank Head Office Report. 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.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Pada tahun 2013, Unit Kepatuhan telah merevisi Pedoman Implementasi Program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme, memfasilitasi pengkinian dan pengembangan materi pelatihan AML/CFT, melakukan revisi terhadap prosedur Pedoman Laporan Transaksi Keuangan Mencurigakan dan Transaksi Keuangan Tunai, dan membentuk Unit Kerja Khusus sebagai salah satu unit kerja yang membantu memastikan pengawasan dan pelaksanaan program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme.

Selain hal di atas, Unit Kepatuhan juga berperan penting sebagai penasehat dengan memberikan saran regulasi dan kepatuhan secara berkelanjutan kepada unit bisnis dan unit-unit lain.

Risiko Strategi

Risiko stratejik didefinisikan sebagai dampak pada saat ini maupun pada masa yang akan datang terhadap rentabilitas, modal, atau reputasi yang timbul akibat dari keputusan strategi bisnis yang merugikan, ketidaktepatan implementasi strategi, atau kegagalan dalam mengantisipasi perubahan industri, kondisi ekonomi, atau teknologi.

Kebijakan Manajemen Risiko Strategi telah ditetapkan guna memfasilitasi seluruh fungsi kerja dalam melakukan identifikasi, pengukuran, pemantauan, dan pelaporan risiko strategi.

Risiko Strategi telah dikelola secara berkesinambungan dimana salah satunya adalah pemantauan terhadap pencapaian visi dan misi Bank, termasuk pemantauan terhadap 5 pilar berikut:

1. Keuangan
2. *Branding*
3. Indeks Kepuasan Pelanggan
4. Organisasi dan Sumber Daya Manusia
5. Teknologi Informasi/Pendukung Infrastruktur

Semua unit bisnis bertanggungjawab untuk memantau risiko strategi.

38. Risk Management Policies (continued)

Compliance Risk (continued)

B. Monitoring the Financial Indicator (continued)

In 2013, Compliance Unit has revised the Anti Money Laundering and Countering the Financing on Terorism (AML & CFT) Program Implementation Guideline, facilitated the updating and development of AML & CFT Training material, revised the procedure on Suspicious Financial Transaction and Cash Transaction Reporting Guidelines, as well as establishing a Special Working Unit as one of the working unit to assist in ensuring the supervision and implementation of AML/CFT program.

Apart from the above, Compliance Unit 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 current or prospective impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or lack of responsiveness to industry, economic or technological changes.

Strategic Risk Management Policy has been established in order to support the identification, measurement, monitoring and reporting of strategic risk.

Strategic Risk is managed on an ongoing basis, and one measure is by monitoring the achievement of the Bank's vision and mission, including the monitoring of the following 5 pillars:

1. *Financial*
2. *Branding*
3. *Customer Satisfaction Index (CSI)*
4. *Organization/People*
5. *IT/Infrastructure Support*

All business units are responsible for the monitoring of strategic risk.

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Hukum

Risiko hukum didefinisikan sebagai risiko yang mungkin timbul dari kontrak yang tidak dapat diberlakukan/tidak menguntungkan/tidak sempurna/tidak diinginkan; gugatan atau klaim yang melibatkan Bank; perkembangan dalam hukum dan regulasi; dan ketidakpatuhan terhadap hukum, peraturan dan standar profesional yang berlaku.

Bank melakukan pemantauan atas potensi risiko hukum yang mungkin timbul dari kelemahan sistem hukum atau adanya tuntutan hukum, ketiadaan peraturan perundangan yang jelas, ketidakjelasan dalam kontrak, perkara atau jaminan. 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.

Selama tahun 2013, dalam upayanya untuk meningkatkan budaya dan kewaspadaan hukum di lingkungan Bank, Unit Legal telah mengadakan Pelatihan Hukum untuk *Teller* sebagai kelanjutan dari program serupa yang telah diberikan pada tahun 2012 untuk *Customer Service* dan Pejabat Cabang (*Branch Officials*). Di bidang operasional kredit, Unit Legal pada tahun 2013 menyelenggarakan *Legal Workshop* bagi para *Legal Credit Operation* dan beberapa perwakilan unit bisnis. Pada tahun 2013, Unit Legal juga melakukan kaji ulang tahunan (*annualy review*) terhadap standar perjanjian kredit untuk seluruh segmen kredit dan standar perjanjian jaminan serta perbaikan kebijakan terkait pengikatan jaminan.

38. Risk Management Policies (continued)

Legal Risk

Legal Risk is defined as risks that may arise from unenforceable/unfavorable/defective/ unintented contracts; lawsuits or claims involving the Bank; developments in laws and regulations; and non-compliance with applicable laws, rules, and professional standards.

Bank has monitored the potential legal risk that might arise from the weaknesses of juridical aspects or lawsuits, nonexistence of clear regulations, lack of clarity of contracts, litigations, or collaterals. 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.

In 2013, for the purpose of increasing the legal culture and legal awareness in the Bank, Legal Unit has conducted Legal Training for Teller as a continuation of a similar program that has been awarded in 2012 for Customer Service and Branch Officials. In Legal Credit Operation, Legal Unit in 2013 organized a workshop for Legal Credit Operation staffs and several representatives of the business units. In 2013, Legal unit also performed an annual review of all standard contracts/agreements for entire credit segments and standard collateral agreements and standard letters of offer, and improvements on collateral pledge Procedures.

38. Kebijakan Manajemen Risiko (lanjutan)

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.

Mitigasi atas risiko reputasi dilakukan melalui pemantauan dan pengelolaan secara intensif atas pemberitaan negatif di media dan semua perangkat *service* oleh Unit *Customer Advocacy and Service Quality.*

Kualitas layanan dan penanganan keluhan nasabah telah ditingkatkan melalui pemantauan secara regular dan pengembangan program yang dilakukan oleh Unit *Customer Advocacy and Service Quality*. Upaya Bank dalam memitigasi risiko reputasi berhasil mencapai tingkat penyelesaian keluhan nasabah sebesar 95% dari keseluruhan keluhan nasabah pada 2013. Upaya tersebut dilakukan melalui:

- Melakukan revisi atas kebijakan dan pedoman dalam penanganan keluhan nasabah.
- Mensosialisasikan kebijakan tersebut serta Alur kerja penanganan keluhan pada seluruh unit.
- Memaksimalkan peran Call Center dengan meningkatkan mekanisme untuk menangani keluhan/ancaman media serta mendelegasikan beberapa wewenang penyelesaian keluhan nasabah.
- Melakukan edukasi kepada nasabah terkait pencegahan atas fraud dengan menempatkan poster di cabang dan ATM, serta melalui iklan pada layar ATM.
- Pelatihan manajemen layanan kepada seluruh agen *collection*.
- Menetapkan Komite Service Quality Committee yang bertujuan untuk mengevaluasi dan memantau blue print layanan UOBI secara periodik.
- Menetapkan *Command Center* untuk eskalasi isu-isu terkait kartu kredit.

38. Risk Management Policies (continued)

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.

Mitigation of reputation risk was performed through intensive monitoring and management of negative publications in media and all service tools by Customer Advocacy and Service Quality Unit.

Service quality and handling of customer complaints have improved through the regular monitoring and development program by Customer Advocacy and Service Quality Unit. The Bank's effort in mitigating reputation risk has resulted in the achievement of customer complaints settlement in the year 2013 by 95% of all incoming complaints. Those efforts are made through:

- *Revising and adjusting policy and guidance for complaint handling.*
- *Socialization the revised policy and complaint management procedure to all units.*
- *Maximizing Call Center by improving the mechanism to handle hard/media threat complaints and delegation of duty regarding customer complaints settlement.*
- *Educate the customers on the precautionary against fraud by using posters placed in branches and ATMs as well as through the display space on the ATM screen.*
- *Service management training for all collection agents.*
- *Establishment of Service Quality Committee for periodic evaluation and monitoring UOBI's service blue print.*
- *Establishment of Command Center for the escalation of credit card issues.*

39. Nilai Wajar Instrumen Keuangan

Di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan.

39. Fair Value of Financial Instruments

Below is presented the comparison between the carrying values, as reported in the statements of financial position, and the fair values of all financial assets and liabilities.

	Nilai Tercatat/ *Carrying Value*	Nilai Wajar/ *Fair Value*	
Aset Keuangan			***Financial Assets***
Pinjaman yang diberikan dan piutang			***Loans and receivables***
Kas	662.074	662.074	*Cash*
Giro pada Bank Indonesia	4.760.162	4.760.162	*Currents accounts with Bank Indonesia*
Giro pada bank lain	1.160.900	1.160.900	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank lain - neto	3.119.976	3.119.976	*Placement with Bank Indonesia and other banks - net*
Kredit yang diberikan - neto	51.870.440	51.870.440	*Loans - net*
Tagihan akseptasi - neto	1.843.155	1.843.155	*Acceptances receivable - net*
Aset lain-lain	222.122	222.122	*Other assets*
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial assets designated at fair value through profit or loss***
Efek-efek yang diperdagangkan	578.308	578.308	*Trading securities*
Tagihan derivatif	350.281	350.281	*Derivatives receivable*
Aset keuangan tersedia untuk dijual			***Available-for-sale financial assets***
Investasi keuangan tersedia untuk dijual	4.974.650	4.974.650	*Financial investments available-for-sale*
Aset keuangan yang dimiliki hingga jatuh tempo			***Held-to-maturity financial assets***
Dimiliki hingga jatuh tempo	672.002	672.002	*Held-to-maturity*
Total	**70.398.446**	**70.398.446**	***Total***
Liabilitas Keuangan			***Financial Liabilities***
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi			***Financial liabilities designated at fair value through profit or loss***
Liabilitas derivatif	354.031	354.031	*Derivatives payable*
Liabilitas Lain-lain			***Other Liabilities***
Liabilitas segera	67.723	67.723	*Current liabilities*
Simpanan	57.278.434	57.278.434	*Deposits*
Simpanan dari bank lain	1.597.619	1.597.619	*Deposits from other banks*
Bunga yang masih harus dibayar	196.174	196.174	*Interests payable*
Liabilitas akseptasi	1.845.261	1.845.261	*Acceptances liabilities*
Liabilitas lain-lain	287.941	287.941	*Other liabilities*
Total	**61.863.957**	**61.863.957**	***Total***

39. Nilai Wajar Instrumen Keuangan (lanjutan)

Nilai wajar aset dan liabilitas keuangan mendekati nilai tercatatnya karena aset dan liabilitas keuangan dalam jumlah signifikan memiliki jangka waktu yang pendek dan/atau suku bunganya sering ditinjau ulang, kecuali untuk tagihan dan liabilitas yang nilai wajarnya berdasarkan teknik penilaian dan investasi keuangan yang nilai wajarnya berdasarkan harga yang dapat diperoleh atau dapat diobservasi. Penilaian atas nilai wajar instrumen keuangan berdasarkan hirarki nilai wajar dapat dilihat pada Catatan 2y.

39. Fair Value of Financial Instruments (continued)

The fair value of financial assets and liabilities approximate then its carrying values because financial assets and liabilities in significant amount have short-term period and/or the interest rate is frequently reviewed, except for derivatives receivable and liabilities whose fair value is based on valuation technique and financial investment whose fair value is based on quoted or observable prices. Valuation for the fair value of financial instruments based on the fair value hierarchy refer to Note 2y.

	31 Desember 2013/ *December 31, 2013*				
	Tingkat 1/ *Level 1*	Tingkat 2/ *Level 2*	Tingkat 3/ *Level 3*	Total	
Aset Keuangan					***Financial Assets***
Tagihan derivatif	-	350.281	-	350.281	*Derivatives receivable*
Efek-efek yang Diperdagangkan	578.308	-	-	578.308	*Trading securities*
Investasi keuangan tersedia untuk dijual	4.772.694	201.956	-	4.974.650	*Financial investments available-for-sale*
Total aset keuangan	**5.351.002**	**552.237**	**-**	**5.903.239**	***Total financial assets***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	-	354.031	-	354.031	*Derivatives liabilities*
Total Liabilitas Keuangan	**-**	**354.031**	**-**	**354.031**	***Total Financial Liabilities***

40. Penitipan Harta

Bank juga memberikan jasa penitipan harta. Total uang jasa yang diterima dari pemberian jasa ini selama tahun 2013, 2012 dan 2011 adalah masing-masing sebesar Rp3.949, Rp2.978 dan Rp4.400. 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.

40. Custodianship

The Bank engages in the provision of custodial services. Total fees received from custodial services during 2013, 2012 and 2011 amounted to Rp3,949, Rp2,978 and Rp4,400, respectively. On July 6, 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.

41. Standar Akuntansi Baru

Standar Akuntansi yang berlaku efektif pada atau setelah 1 Januari 2014 adalah:

ISAK No. 28: Pengakhiran Liabilitas Keuangan dengan Instrumen Ekuitas, yang diadopsi dari IFRIC 19.

41. New Accounting Standard

Accounting standard which effective on or after January 1, 2014 is as follow:

ISAK No. 28: Extinguishing Financial Liabilities with Equity Instruments, adopted from IFRIC 19.

41. Standar Akuntansi Baru (lanjutan)

Standar akuntansi yang berlaku efektif pada atau setelah 1 Januari 2015 adalah:

- PSAK 1 (2013): Penyajian Laporan Keuangan, yang diadopsi dari IAS 1

  PSAK ini mengubah penyajian kelompok pos-pos dalam Penghasilan Komprehensif Lain. Pos-pos yang akan direklasifikasi ke laba rugi disajikan terpisah dari pos-pos yang tidak akan direklasifikasi ke laba rugi.

- PSAK 24 (2013): Imbalan Kerja, yang diadopsi dari IAS 19

  PSAK ini, antara lain, menghapus mekanisme koridor dan pengungkapan atas informasi liabilitas kontinjensi untuk menyederhanakan klarifikasi dan pengungkapan.

- PSAK 68: Pengukuran Nilai Wajar, yang diadopsi dari IFRS 13

  PSAK ini memberikan panduan tentang bagaimana pengukuran nilai wajar ketika nilai wajar disyaratkan atau diizinkan.

41. New Accounting Standard (continued)

Accounting standards which effective on or after January 1, 2015 are as follow:

- *PSAK 1 (2013): Presentation of Financial Statements, adopted from IAS 1*

  This PSAK change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified to profit or loss would be presented separately from items that will never be reclassified.

- *PSAK 24 (2013): Employee Benefits, adopted from IAS 19*

  This PSAK, among other, removes the corridor mechanism and contingent liability disclosures to simplify clarifications and disclosures.

- *PSAK 68: Fair Value Measurement, adopted from IFRS 13*

  This PSAK provides guidance on how to measure fair value when fair value is required or permitted.

42. Peristiwa setelah tanggal periode pelaporan

Berdasarkan Memo No. 13/NDIR/0043 tanggal 10 Desember 2013 yang telah disetujui oleh Dewan Komisaris, Bank berencana melakukan penawaran umum obligasi subordinasi I Bank UOB Indonesia tahun 2014 dengan jumlah pokok obligasi subordinasi sebanyak-banyaknya sebesar Rp1.000.000.000.000,00 (satu triliun rupiah).

42. Event After the Reporting Period

Based on Memo No. 13.NDIR/0043 dated December 10, 2013 which has been approved by Board of Commissioners, Bank proposed initial public offering of subordinated bonds I Bank UOB Indonesia year 2014 with the principal amount of subordinated bonds amounting to as much as Rp1,000,000,000,000.00 (one trillion rupiah).

43. Penerbitan kembali laporan keuangan

Berdasarkan rencana Bank untuk melakukan penawaran umum obligasi subordinasi I dan surat OJK kepada Direksi Bank No. S-147/PM.221/2013 tanggal 21 Maret 2014 perihal perubahan atau tambahan informasi atas pernyataan pendaftaran, Bank telah melakukan perubahan penyajian pada laporan posisi keuangan dan Catatan 1a, 2a, 2b, 2c, 2u, 6, 8, 10, 16, 18, 39 atas laporan keuangan.

43. Completion of the financial statements

Pursuant to the Bank's plan to conduct initial public offering of subordinated bonds I and OJK's letter to the Bank's Board of Director No. S-147/PM.221/2013 dated March 21, 2014 on the changes and/or additional information for the registration statement, the Bank had been done certain changes in statements of financial position and Notes 1a, 2a, 2b, 2c, 2u, 6, 8, 10, 16, 18, 39 to the financial statements.

44. Penyelesaian Laporan Keuangan

Laporan keuangan telah diselesaikan dan diotorisasi untuk terbit oleh Direksi Bank pada tanggal 11 April 2014.

44. Completion of the Financial Statements

The financial statements were completed and authorized for issuance by the Bank's Board of Directors on April 11, 2014.

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Company Information

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Line of Business
Commercial Banking and Foreign Exchange Bank

Ownership
UOB International Investment Private Ltd 68.943 per cent
United Overseas Bank Ltd 30.056 per cent
Others 1.001 per cent

Share Capital
Par Value IDR250
Authorised Shares 36,000,000,000
Issued and Fully Paid 9,553,885,804 shares

Date of Establishment
31 August 1956

Legal Basis of Incorporation
- The Deed Establishment No. 150 of Eliza Pondaag, SH, Notary Public in Jakarta, dated 31 August 1956
- Decree of the Minister of Justice of the Republic of Indonesia (now Minister of Justice 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

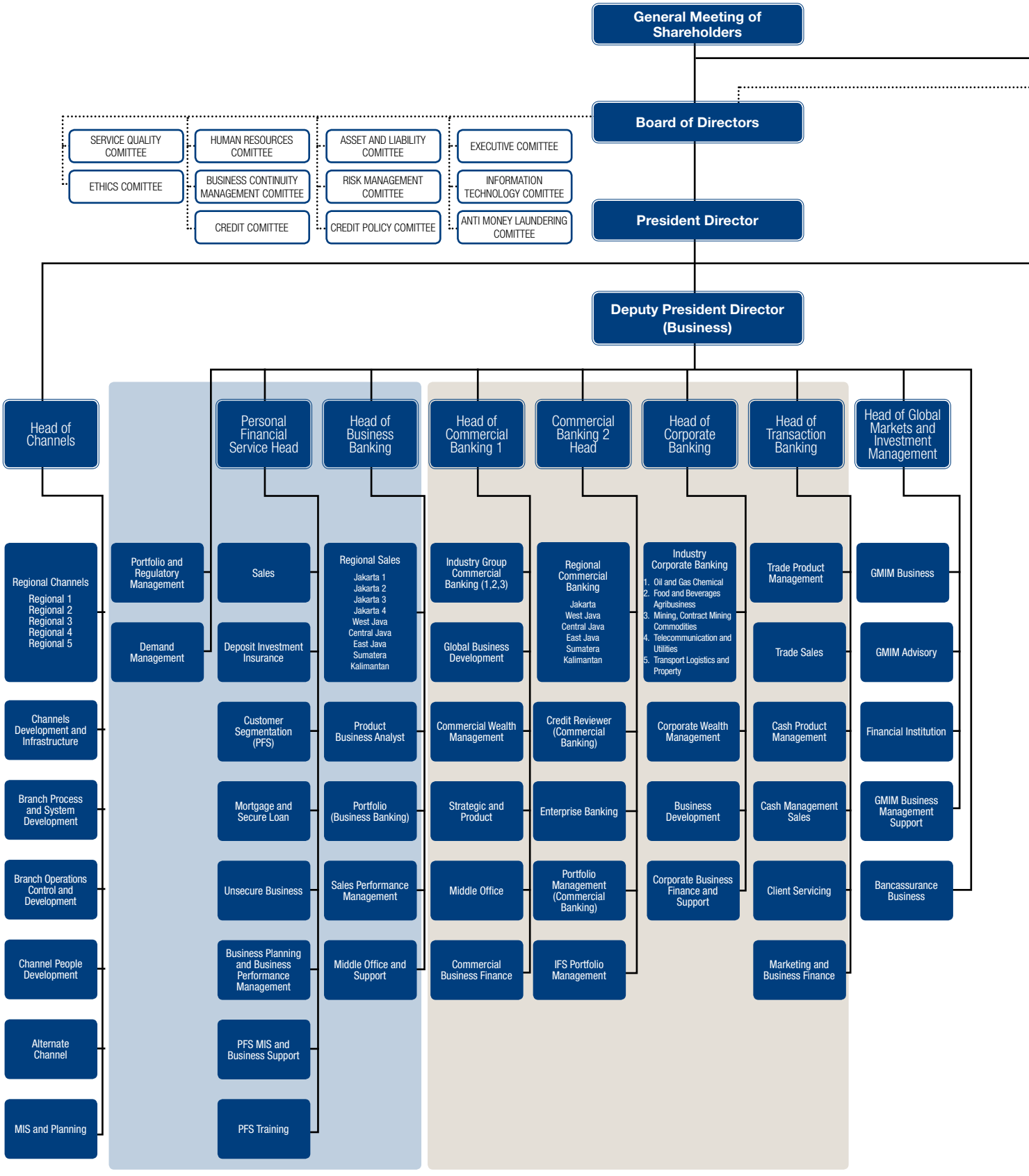
Business License
Pursuant to the Decree of the Finance Minister of the Republic of Indonesia No.203443/U.M.II dated 15 October 1956 concerning Business License for PT Bank Buana Indonesia, domiciled in Jakarta, as amended the last with the Decree of Bank Indonesia Governor No.12/45/KEP.GBI/2010 dated 10 June 2010, declared to remain in full force for PT Bank UOB Indonesia, domiciled in Central Jakarta. This matter is set forth in the Decree of Bank Indonesia Governor No.13/34/KEP.GBI/2011 concerning the change from business license on behalf of PT Bank UOB Buana to business license on behalf of PT Bank UOB Indonesia.

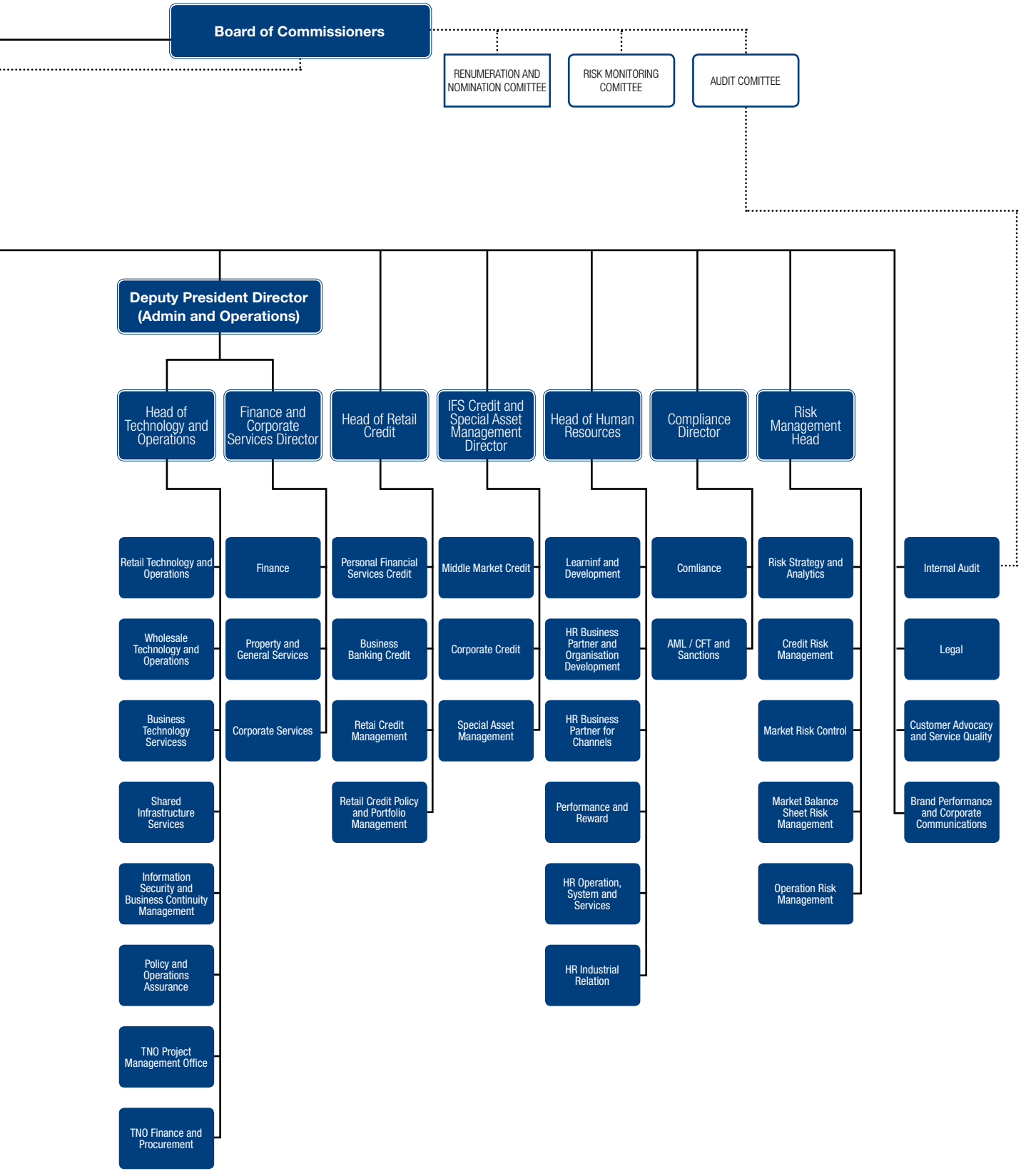
Public Accountant
Purwantono, Suherman and Surja (Ernst and Young)
Indonesia Stock Exchange Building
Tower 2, 7th Floor
Jl. Jend. Sudirman, Kav. 52-53
Jakarta 12910, Indonesia
Phone: (021) 52895000
Fax: (021) 52894100

Share Registar
PT Sirca Datapro Perdana
Wisma Sirca
Jl. Johar No. 18, Menteng
Jakarta 10340, Indonesia
Phone: (021) 3140032
Fax: (021) 3900652

Corporate Rating
PT Fitch Ratings Indonesia
Prudential Tower, 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta 12910, Indonesia
Phone: (021) 57957755
Fax: (021) 57957750
Website: www.fitchratings.com

Organisational Structure




Board of Commissioners
RENUMERATION AND NOMINATION COMITTEE
RISK MONITORING COMITTEE
AUDIT COMITTEE
Deputy President Director (Admin and Operations)
Head of Technology and Operations
Finance and Corporate Services Director
Head of Retail Credit
IFS Credit and Special Asset Management Director
Head of Human Resources
Compliance Director
Risk Management Head
Retail Technology and Operations
Wholesale Technology and Operations
Business Technology Servicess
Shared Infrastructure Services
Information Security and Business Continuity Management
Policy and Operations Assurance
TNO Project Management Office
TNO Finance and Procurement
Finance
Property and General Services
Corporate Services
Personal Financial Services Credit
Business Banking Credit
Retai Credit Management
Retail Credit Policy and Portfolio Management
Middle Market Credit
Corporate Credit
Special Asset Management
Learninf and Development
HR Business Partner and Organisation Development
HR Business Partner for Channels
Performance and Reward
HR Operation, System and Services
HR Industrial Relation
Comliance
AML / CFT and Sanctions
Risk Strategy and Analytics
Credit Risk Management
Market Risk Control
Market Balance Sheet Risk Management
Operation Risk Management
Internal Audit
Legal
Customer Advocacy and Service Quality
Brand Performance and Corporate Communications

Profiles of Board of Commissioners

Wee Cho Yaw

President Commissioner

Age 85. Dr Wee has been the President Commissioner of UOB Indonesia since December 2005. Dr Wee was first appointed to the Board in May 1958 and last re-appointed as Director on 25 April 2013. A banker with more than 50 years' experience, Dr Wee was conferred the title of Chairman Emeritus and Adviser in 2013 after stepping down as Chairman, a position he was appointed to in 1974. Between 1974 and 2007, he was concurrently the Chief Executive Officer of UOB. A non-independent and non-executive director, Dr Wee is the chairman of the UOB Executive, Remuneration and Board Risk Management Committees and a member of the Nominating Committee.

Dr Wee is Chairman Emeritus and Adviser of UOB subsidiaries Far Eastern Bank and United Overseas Bank (Malaysia). He is also Chairman of United Overseas Insurance, United Overseas Bank (Thai) Public Company and Supervisor of United Overseas Bank (China).

Dr Wee also chairs the boards of Haw Par Corporation, UOL Group and its subsidiary, Pan Pacific Hotels Group, United Industrial Corporation and Singapore Land and its subsidiary, Marina Centre Holdings. He is also the Chairman of the Wee Foundation. He was the Chairman of United International Securities from 1973 to December 2013.

Dr Wee was named Businessman of the Year at the Singapore Business Awards in 2001 and 1990. In 2006, he received the inaugural Credit Suisse-Ernst and Young Lifetime Achievement Award for his outstanding achievements in the Singapore business community. *The Asian Banker* conferred the Lifetime Achievement Award on him in 2009. Dr Wee is the Pro-Chancellor of the Nanyang Technological University and the Honorary President of the Singapore Chinese Chamber of Commerce and Industry, the Singapore Federation of Chinese Clan Associations and the Singapore Hokkien Huay Kuan. He received a Chinese high school education and was conferred an Honorary Doctor of Letters by the National University of Singapore in 2008. For his outstanding contributions in community work, he was conferred the Distinguished Service Order, Singapore's highest National Day Award, in 2011.

Wee Ee Cheong

Vice President Commissioner

Age 61. Mr Wee had been appointed as Board of Commissioners' member of UOB Indonesia since August 2007 and currently serves as Vice President Commissioner.

Mr Wee was appointed to the Board on 3 January 1990 and last re-elected as Director on 25 April 2013. A career banker, Mr Wee joined UOB in 1979 and served as Deputy Chairman and President of the Bank from 2000 to 2007. On 27 April 2007, he was appointed as Chief Executive Officer. A non-independent and executive director, he is a member of the Executive and Board Risk Management Committees.

Mr Wee holds directorships in several UOB subsidiaries including Far Eastern Bank (where he is also Deputy Chairman), United Overseas Insurance, United Overseas Bank (Malaysia) and United Overseas Bank (Thai) Public Company. He is Chairman of United Overseas Bank (China).

Active in industry development, Mr Wee serves as a council member of The Association of Banks in Singapore, a director of The Institute of Banking and Finance and chairman of the Financial Industry Competency Standards Steering Committee. He is a member of the Board of Governors of the Singapore-China Foundation, Visa APCEMEA Senior Client Council and Advisory Board of INSEAD East Asia Council and International Council and an honorary council member of the Singapore Chinese Chamber of Commerce and Industry. He had also previously served as deputy chairman of the Housing and Development Board and as a director of the Port of Singapore Authority, UOL Group, Pan Pacific Hotels Group and United International Securities. In 2013, he was awarded the Public Service Star for his contributions to the financial industry.

A keen art enthusiast, Mr Wee is the Patron of the Nanyang Academy of Fine Arts. He is also a director of the Wee Foundation.

Mr Wee holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, DC.

Profiles of Board of Commissioners

Lee Chin Yong Francis

Commissioner

Age 60. Mr Lee joined UOB in 1980 and has been appointed as a member of the Board of Commissioners of UOB Indonesia since December 2005.

He currently leads the Group's consumer and small business retail divisions. Prior to his appointment in Singapore in 2003, he was the CEO of UOB (Malaysia). He holds a Malaysian Certificate of Education and has more than 30 years of experience in the financial industry.

Rusdy Daryono

Independent Commissioner

Age 64. Mr Rusdy joined UOB Indonesia in 2006 and currently serves as Independent Commissioner and Chairman of the Audit Committee.

He started his career at the public accounting firm of Drs. Utomo, Mulia and Co in 1973. He joined PT Salim Economic Development Corp in 1978, PT Hardy Trading in 1982 and the public accounting firm of Drs. Mulia Iskandar and Co in 1983. He served as a Partner and Division Head at the public accounting firm of Prasetio, Utomo and Co from 1987 to 2002, and was a Partner at Osman Ramli Satrio and Partner from 2003 to 2006.

He holds a Bachelor of Economics from the University of Indonesia and has more than 40 years of experience in the financial industry.

Aswin Wirjadi

Independent Commissioner

Age 66. Mr Aswin joined UOB Indonesia in 2009 and currently serves as Independent Commissioner and Chairman of the Remuneration and Nomination Committee.

He started his career at PT IBM Indonesia in 1972. He joined Chase Manhattan Bank, NA, in 1977 and last held the position of Country Consumer and Private Banking Head at its Jakarta Branch in 1989. 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.

He holds a Bachelor of Engineering from the Catholic University of Atma Jaya, Jakarta and has more than 36 years of experience in the banking industry.

Wayan Alit Antara

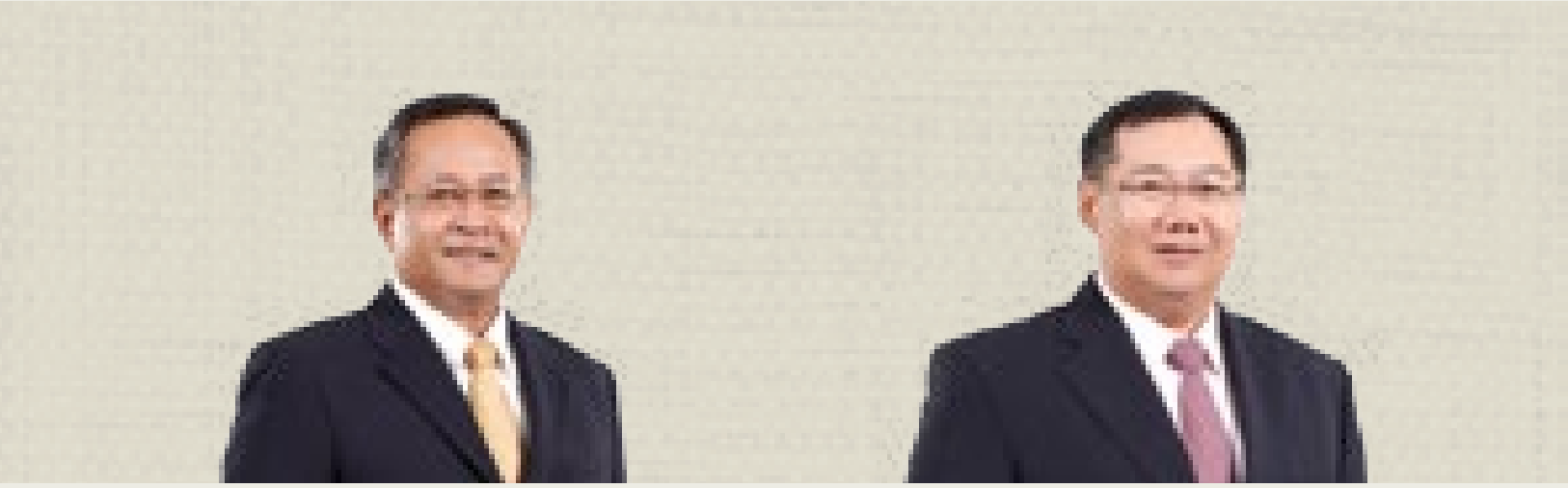
Independent Commissioner

Age 66. Mr Antara joined UOB Indonesia in 2009. He currently serves as Independent Commissioner and Chairman of the Risk Monitoring Committee.

He started his banking career in Bank Rakyat Indonesia in 1976 and last held the position of Vice President Director in 2006. Throughout his 30 years of career at Bank Rakyat Indonesia, he had also served in several positions such as Director of Treasury and International Banking, Chief Financial Officer and Director of Micro and Retail Credit. He had been an Independent Commissioner of PT Bhakti Securities from 2007 to 2008 and as a Commissioner of PT Sumber Abadi Tirtasentosa from 2008.

He holds a Bachelor of Agriculture Economy degree from the Agriculture Faculty of University of Gajah Mada, Yogyakarta and has more than 37 years of experience in the banking industry.

Profiles of Board of Directors



Armand Bachtiar Arief

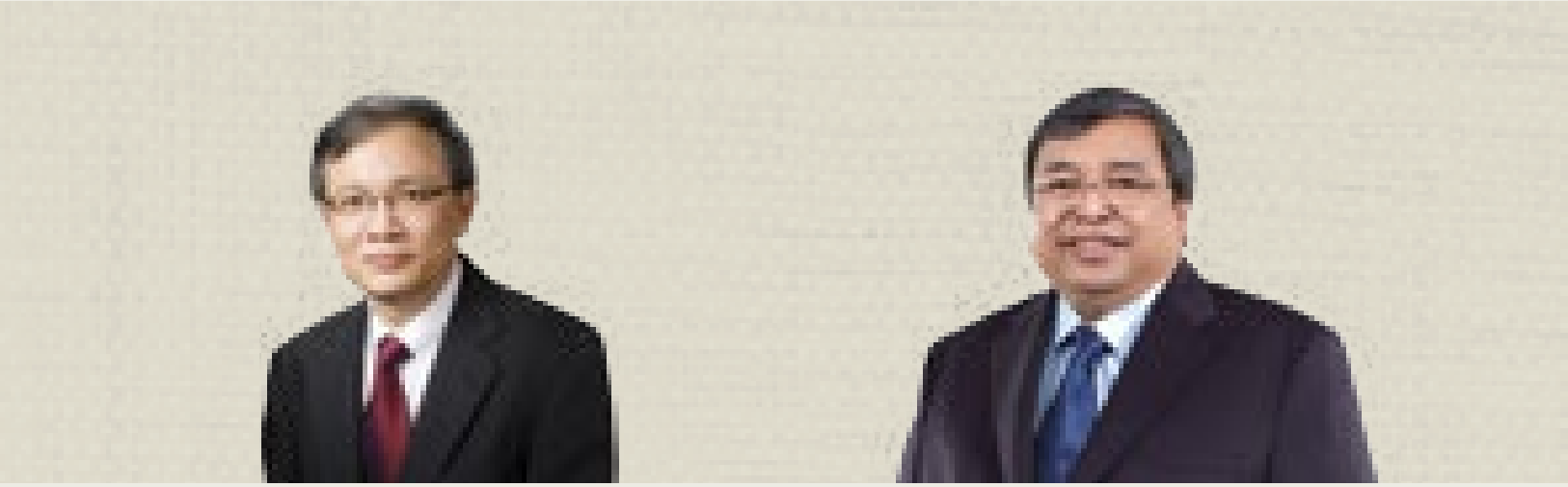
President Director

Age 62. Mr Armand joined UOB Indonesia in 2007 as President Director. He holds a Bachelor of Business Administration from Curry College, Milton, Massachusetts, USA, and a Master of Business Administration from Suffolk University, Boston, Massachusetts, USA. He has more than 26 years of experience in the banking industry.

Iwan Satawidinata

Deputy President Director

Age 46. Mr Iwan has been appointed as Deputy President Director of UOB Indonesia in 2010. Prior to his appointment, he joint with ex. PT Bank UOB Indonesia (previously United Overseas Bank Bali) from 1991 to June 2010 where he last held the position of President Director. He received Bachelor of Science in Business Administration degree from University of Southern California, USA and has more than 23 years experience in banking industry.



Tan Chin Poh

Deputy President Director

Age 56. Mr Tan joined UOB Indonesia in 2013 as Deputy President Director. Prior to his assignment in UOB Indonesia, he worked in UOB Singapore with latest position of Managing Director Head of Finance. He earned his Bachelor of Science in Accounting degree from the National University of Singapore and has more than 30 years worth of experience in the field of banking.

Safrullah Hadi Saleh

Director

Age 59. Mr Safrullah joined UOB Indonesia in 2001 as Director. He holds a Bachelor of Science in Accounting from De La Salle University, Manila, Philippines and has more than 38 years experience in finance and accounting and banking industry.

Profiles of Board of Directors

Ajeep Rassidi bin Othman

Director

Age 53. Mr Ajeep joined UOB Indonesia in 2006 and currently serves as Director. Prior to his appointment in UOB Indonesia, he served at UOB (Malaysia) Bhd from 1988 until 2006, with last position as Head of Commercial Credit Division. He holds a Bachelor of Science (Hons) degree from University of Reading, United Kingdom and has more than 25 years experience in financial service industry.

Soehadie Tansol

Compliance Director

Age 55. Mr Soehadie joined UOB Indonesia in 1980 and was appointed as Compliance Director in 2003. He participated in overseas banker programmes at the Pacific Bankers Management Institute at the University of Washington, USA and has more than 33 years of experience in banking industry.

Remuneration and Nomination Committee

Lee Chin Yong Francis

Member

Profile of Mr Lee Chin Yong Francis can be found on page 246.

Aswin Wirjadi

Chairman

Profile of Mr Aswin Wirjadi can be found on page 247.

Roy Fahrizal Permana

Member

Age 38. Mr Roy joined UOB Indonesia in 2009. He currently serves as Performance and Rewards Head and member of Remuneration and Nomination Committee. He has 15 years of experience in human resources and holds Bachelor of Industrial Engineering from UPN Veteran, Surabaya and Magister of Industrial Engineering from Institute of Technology Bandung.

Audit Committee

Thomas Abdon

Member (Independent Party)

Age 72. Mr Thomas joined UOB Indonesia in 2001. He was appointed as a member of Audit Committee in 2007 and Risk Monitoring Committee in 2009. He holds a Bachelor of Economics from the University of Indonesia and has 49 years of experience in finance and accounting as well as banking industry.

Rusdy Daryono

Chairman

Profile of Mr Rusdy Daryono can be found on page 246.

Winny Widya

Member (Independent Party)

Age 62. Mrs Winny joined UOB Indonesia in 1981. She was appointed as a member of the Audit Committee in June 2007. She has 36 years of experience in banking industry and holds Bachelor of Economics in Accounting from the University of Indonesia.

Risk Monitoring Committee

Thomas Abdon

Member (Independent Party)

Profile of Mr Thomas Abdon can be found on page 252.

Wayan Alit Antara

Chairman

Profile of Mr Wayan Alit Antara can be found on page 247.

Yohanes Lilis Sujanarto

Member (Independent Party)

Age 47. Mr Lilis joined UOB Indonesia in 2011 as a member of Risk Monitoring Committee. He has more than 25 years of experience in banking industry and risk management. Mr Lilis is also active as a risk management lecturer and consultant. He holds a Bachelor of Economics from the University of Indonesia and Bachelor of Physics from the Institute of Meteorology and Geophysics, both in Jakarta, and also holds a Magister of Management from Post Graduate Programme of the University of Indonesia.

Profiles of Board of Management

Pardi Kendy

Head of Human Resources

Age 55. Mr Pardi joined UOB Indonesia in 1996 and currently serves as Head of Human Resources. He is a certified Wealth Manager of University of Greenwich, England and has more than 37 years experience in banking industry. He is also an active member of Honorary member of Association Cambiste Internationale, Indonesia and Indonesian Banking Human Capital Forum.

Goh Seng Huat

Head of Technology and Operations

Age 53. Mr Goh joined UOB Indonesia in 2006 and currently serves as Head of Technology and Operations. Prior to his appointment in Indonesia, he served as UOB First Vice President, International in 2005 after 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 more than 32 years experience in banking industry.

Widjaja Hendra

Head of Business Banking

Age 45. Mr Widjaja joined UOB Indonesia in 2008 and currently serves as Head of Business Banking. He received Bachelor of Art degree from University of Auckland, New Zealand and has 20 years experience in banking industry.

Frederikus P. Weoseke

Head of Global Markets and Investment Management

Age 50. Mr Frederikus joined UOB Indonesia in 2009 and currently serves as 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 more than 21 years experience in banking industry.

Suryati Budiyanto

Head of Commercial Banking

Ms Suryati joined UOB Indonesia in 2010 and currently serves as Head of Commercial Banking. Prior to her appointment, she joint with ex. PT Bank UOB Indonesia (previously United Overseas Bank Bali) from 1994 to June 2010. She received Bachelor Degree from California State University, USA and Master Degree from National University. She has more than 19 years experience in banking industry.

Wong Kartyono

Head of Transaction Banking

Age 36. Mr Kartyono joined UOB Indonesia in 2010 and currently serves as Head of Transaction Banking. He holds a bachelor of Engineering from the Tarumanegara University, Jakarta and has 15 years experience in banking industry.

Rika Saskia

Head of Retail Credit

Age 53. Mrs Rika joined UOB Indonesia in 2013 and currently serves as Head of Retail Credit. She holds a Bachelor of Accountancy from the University of Indonesia and has more than 25 years experience in finance and accounting and banking industry.

Internal Audit

Ridwan Moezwir

Internal Audit Head

Age 51. Mr Ridwan joined UOB Indonesia in 2008 as an Internal Audit Head. He has 27 years experience as an auditor in 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 Gajah Mada, Yogyakarta.

Corporate Secretary

Lina

Corporate Secretary

Age 37. Mrs Lina joined UOB Indonesia in May 2008. She currently serves as Corporate Secretary and has more than 12 years of experience in banking industry. She holds a Bachelor of Economics from the Tarumanegara University, Jakarta.

Executive Officers

Head Office

Aditya Galih Prihartono
Retail Credit Management Head
Joined UOB Indonesia in 2013, has more than 14 years of experience in banking industry.

Ali Marjono
Industry Group Head 1
Joined UOB Indonesia in 2012, has more than 20 years of experience in banking industry.

Agatha Indah Krisnawati
Business Banking Credit Head
Joined UOB Indonesia in 2008, has more than 21 years of experience in banking industry.

Andry Kurniawan
PFS Training Head
Joined UOB Indonesia in 2010, has more than 21 years of experience in banking industry.

Amandalia Johanes
Market Balance Sheet Risk Management Head
Joined UOB Indonesia in 2007, has more than 21 years of experience in banking industry.

Aries Dawami
Channel Development and Infrastructure Head
Joined UOB Indonesia in 2011, has more than 20 years of experience in banking industry, especially in branch development.

Bambang Eko Karjono Joewono
Deputy Global Markets and Investment Management Business Head
Joined UOB Indonesia in 2007, has more than 23 years of experience in banking industry, especially in treasury.

Bratha
Middle Market Credit Head
Joined UOB Indonesia in 2010, has more than 18 years of experience in banking industry.

Budi Sanjaya
Trade Product Management Head
Joined UOB Indonesia in 2010, has more than 21 years of experience in banking industry.

Budi Wardana
Middle Office and Support Head
Joined UOB Indonesia in 2011, has more than 23 years of experience in various industries.

Budy Setiawan
Unsecured Business Head
Joined UOB Indonesia in 2011, has more than 22 years of experience in banking industry, especially in credit card business.

Bontor Sitio
Channel People Development Head
Joined UOB Indonesia in 2010, has more than 16 years of experience in banking industry, especially in human resources.

Candra Putra
Operation Risk Management Head
Joined UOB Indonesia in 2011, has more than 8 years of experience in banking industry, especially in risk management.

Ciauciau Kusumawati
Corporate Business Finance and Support Head
Joined UOB Indonesia in 2010, has more than 8 years of experience in banking industry.

Daniel Prabawa
Trade Sales Head
Joined UOB Indonesia in 2010, has more than 19 years of experience in banking industry.

Denny Irawan
Portfolio and Regulatory Management Head
Joined UOB Indonesia in 2011, has more than 12 years of experience in banking industry.

Ditto Harnando
Strategic and Product Head
Joined UOB Indonesia in 2010, has more than 11 years of experience in banking industry.

Dwi Sari Suwarman
Corporate Wealth Management Head
Joined UOB Indonesia in 2011, has more than 18 years of experience in banking industry.

Dwiyono Bayuwinantio
Customer Advocacy and Service Quality Head
Joined UOB Indonesia in 2011, has more than 28 years of experience in banking industry, especially in human resources and service quality.

Efriel Lydia
Retail Credit Policy and Portfolio Management
Joined UOB Indonesia in 2013, has more than 10 years of experience in banking industry.

Executive Officers

Eko Sigit Cahyanto
Portfolio Head (Business Banking)
Joined UOB Indonesia in 2013, has more than 12 years of experience in banking industry.

Elisa Majasari Halim
Cash Management Sales Head
Joined UOB Indonesia in 2011, has more than 20 years of experience in banking industry, especially in transaction banking.

Endang Prastiwi
Learning and Development Head
Joined UOB Indonesia in 2007, has more than 15 years of experience in various industries.

Endang Santi
GMIM Business Management Support Head
Joined UOB Indonesia in 2010, has more than 11 years of experience in banking industry, especially in treasury support.

Epri Senowibowo Apryanto
Credit Card Operations Head
Joined UOB Indonesia in 2009, has more than 20 years of experience in banking industry.

Erry Erawan Priolaksono
TNO Finance and Procurement Head
Joined UOB Indonesia in 2011, has more than 12 years of experience in finance and accounting.

Febian Satria Nugraha
Compliance Head
Joined UOB Indonesia in 2000, has more than 14 years of experience in banking industry.

Felicia Recisca Handojo
Industry Group Head 2
Joined UOB Indonesia in 2001, has more than 22 years of experience in banking industry, especially in credit and marketing.

Fera Indratie Prajitno
Brand Performance and Corporate Communications Head
Joined UOB Indonesia in 2010, has more than 23 years of experience in financial industry, especially in corporate and marketing communications.

Fransisca Ririn Endang Diatri Nariratih
Client Servicing Head
Joined UOB Indonesia in 2011, has more than 25 years of experience in banking industry.

Frederikus P Weoseke
Head of Global Markets and Investment Management
Profile of Frederikus P Weoseke can be found on page 254.

Goh Seng Huat
Head of Technology and Operations
Profile of Goh Seng Huat can be found on page 254.

Golfina Cusmarningroem
Financial Institution Head
Joined UOB Indonesia in 2010, has more than 17 years of experience in banking industry, especially in treasury.

Hendy Widjaja
Retail Technology and Operations Head
Joined UOB Indonesia in 2012, has more than 18 years of experience in banking industry.

Howard Lee
Industry Group Head (Mining, Contract Mining, Commodities)
Joined UOB Indonesia in 2009, has more than 13 years of experience in banking industry.

Irawan Rukmanto
Wholesale Technology and Operations Head
Joined UOB Indonesia in 2012, has more than 14 years of experience in banking industry.

Iswahjudi Widjajakusuma
Personal Financial Services Credit Head
Joined UOB Indonesia in 2011, has more than 27 years of experience in various industries.

Jeanny Halim
Industry Group Head (Oil and Gas Chemicals)
Joined UOB Indonesia in 2005, has more than 21 years of experience especially in credit and marketing.

Jenny
IFS Portfolio Management Head
Joined UOB Indonesia in 2008, has more than 6 years of experience in financial industry.

Jieni
Business Technology Services Head
Joined UOB Indonesia in 1999, has more than 22 years of experience in banking industry.

Jimmy Loritz
Branch Process and System Development Head
Joined UOB Indonesia in 2011, has more than 18 years of experience in banking industry.

Katarina Chitra
Industry Group Head 3
Joined UOB Indonesia in 2001, has more than 19 years of experience in banking industry, especially in credit and marketing.

Laurentius Eko Purwatmoko
AML/CFT and Sanctions Head
Joined UOB Indonesia in 2002, has more than 12 years of experience in banking industry.

Lena
Special Asset Management Head
Joined UOB Indonesia in 2010, has more than 22 years of experience in banking industry.

Lina
Corporate Secretary/Corporate Services Head
Profile of Lina can be found on page 256.

M. A. Kartika Ayu
Middle Office (Commercial Banking) Head
Joined UOB Indonesia in 2013, has more than 19 years of experience in banking industry.

Melani Misniwaty
Policy and Operations Assurance Head
Joined UOB Indonesia in 1999, has more than 28 years of experience in banking industry, especially in banking system and procedure.

Miemie Murniati
Mortgage and Secured Loan Head
Joined UOB Indonesia in 2013, has more than 29 years of experience in banking industry.

Miko
Sales Head
Joined UOB Indonesia in 2010, has more than 14 years of experience in banking industry, especially in sales area.

Pardi Kendy
Head of Human Resources
Profile of Pardi Kendy can be found on page 254.

R. Andiona Boedisoejoto
Cash Product Management Head
Joined UOB Indonesia in 2010, has more than 25 years of experience in banking industry.

Ratnasari Kartawiria
Corporate Credit Head
Joined UOB Indonesia in 2011, has more than 22 years of experience in banking industry.

Rd. Ali Akbar
Property and General Services Head
Joined UOB Indonesia in 2013, has more than 17 years of experience in banking industry.

Ridwan Moezwir
Internal Audit Head
Profile of Ridwan Moezwir can be found on page 256.

Rita Gosal
Commercial Banking 2 Head
Joined UOB Indonesia in 2013, has more than 25 years of experience in banking industry.

Ritaria Tjokromulio
Industry Group Head (Telecommunication and Utilities)
Joined UOB Indonesia in 2005, has more than 22 years of experience in banking industry.

Rika Saskia
Head of Retail Credit
Profile of Rika Saskia can be found on page 255.

Rony Iskandar Kustendro
Information Security and Business Continuity Management Head
Joined UOB Indonesia in 2011, has more than 13 years of experience in banking industry.

Rony Teja Sukmana
Branch Operations Control and Development Head
Joined UOB Indonesia in 2013, has more than 25 years of experience in banking industry.

Roy Fahrizal Permana
Performance and Rewards Head
Profile of Roy Fahrizal Permana can be found on page 251.

Executive Officers

Salvy Gunawan
Business Planning and Business Performance Management Head
Joined UOB Indonesia in 2012, has more than 11 years of experience in banking industry.

Saroso Hadi
Human Resources Industrial Relation Head
Joined UOB Indonesia in 1986, has more than 27 years of experience in banking industry.

Shirley
Commercial Wealth Management Head
Joined UOB Indonesia in 2009, has more than 16 years of experience in banking industry.

Sigit Arnanto
Retail technology and Ops Head
Joined UOB Indonesia in 2011, has more than 23 years of experience in banking industry.

Surja Kirana Sulistijo
Legal Head
Joined UOB Indonesia in 2008, has more than 23 years of experience in banking industry.

Suryati Budiyanto
Head of Commercial Banking
Profile of Suryati Budiyanto can be found on page 255.

Susan Kwanto
TNO Project Management Office Head
Joined UOB Indonesia in 1992, has more than 21 years of experience in banking industry.

Susanto Lukman
Industry Group Head (Food and Beverages Agribusiness)
Joined UOB Indonesia in 2002, has more than 14 years of experience in banking industry.

Sutyas Hantoyo
GMIM Advisory Head
Joined UOB Indonesia in 2012, has more than 24 years of experience in banking industry.

Teguh Lestiono Santoso
Product and Business Analyst Head
Joined UOB Indonesia in 2008, experienced in banking industry, especially in commercial and retail banking.

Thay Fong
Credit Risk Management Head
Joined UOB Indonesia in 2010, has more than 16 years of experience in banking industry, especially in risk management.

Tippy Joesoef
Risk Management Head
Joined UOB Indonesia in 2013, has more than 19 years of experience in banking industry.

Wong Kartyono
Transaction Banking Head
Profile of Wong Kartyono can be found on page 255.

Widjaja Hendra
Head of Business Banking
Profile of Widjaja Hendra can be found on page 254.

Widyarini Utami
Human Resources Business Partner and Organisation Development Head
Joined UOB Indonesia in 2008, has more than 17 years of experience in banking industry, especially human resources area.

Winanto
Credit Reviewer (Commercial Banking) Head
Joined UOB Indonesia in 2008, has more than 19 years of experience in various industries.

Wiradian
Demand Management Head
Joined UOB Indonesia in 2010, has more than 19 years of experience in various industries.

Yusuf Taojiri
Market Risk Control Head
Joined UOB Indonesia in 2010, has more than 21 years of experience in banking industry.

Yutrizal
MIS and Planning Head
Joined UOB Indonesia in 2011, has more than 18 years of experience in banking industry.

Regional Manager

Adji Anggono
Regional Manager 3
Joined UOB Indonesia in 2009, has more than 25 years of experience in banking industry.

Alexis Marzo Tan
Regional Manager 1
Joined UOB Indonesia in 2010, experienced in banking industry.

Amir Abidin
Regional Manager 5
Joined UOB Indonesia in 1981, has more than 32 years of experience in banking industry, especially in commercial and retail banking.

Goenawan Surip
Regional Manager 4
Joined UOB Indonesia in 1993, has more than 20 years of experience in banking industry, especially in credit and marketing.

Sari
Regional Manager 2
Joined UOB Indonesia in 2012, has more than 21 years of experience in banking industry, especially in commercial banking.

Regional Business/Operations Manager

Alex
Regional Commercial Banking Head - Kalimantan
Joined UOB Indonesia in 2013, has more than 11 years of experience in banking industry.

Andreas Budiatmodjo
Regional Business Banking Sales Head – Kalimantan
Joined UOB Indonesia in 1987, has more than 26 years of experience in banking industry, especially in retail banking.

Bambang Suradi
Regional Business Banking Sales Head – East Java
Joined UOB Indonesia in 1981, has more than 32 years of experience in banking industry, especially in commercial and retail banking.

David
Regional Business Banking Sales Head – Jakarta 2
Joined UOB Indonesia in 2003, has more than 10 years of experience in banking industry, especially in retail banking.

Edhy Susanto
Regional Business Banking Sales Head – Central Java
Joined UOB Indonesia in 1988, has more than 25 years of experience in banking industry, especially in retail banking.

Edisono Limin
Regional Business Banking Sales Head – Jakarta 4
Joined UOB Indonesia in 2013, has more than 15 years of experience in banking industry, especially in retail banking.

Herman Sjahli
Regional Business Banking Sales Head – West Java
Joined UOB Indonesia in 2010, has more than 26 years of experience in banking industry, especially in credit.

Inge Irawati
Regional Commercial Banking Head - Central Java
Joined UOB Indonesia in 2013, has more than 29 years of experience in banking industry.

Johnny Alexander Gunawan
Regional Commercial Banking Head - East Java
Joined UOB Indonesia in 2013, has more than 11 years of experience in banking industry.

Siaou Kwong
Regional Business Banking Sales Head - Jakarta 1
Joined UOB Indonesia in 2013, has more than 25 years of experience in banking industry.

Sudianto
Sales Performance Management Head
Joined UOB Indonesia in 2013, has more than 11 years of experience in banking industry.

Sudijanto
Regional Business Banking Sales Head – Sumatera
Joined UOB Indonesia in 2010, has more than 30 years of experience in various industries.

Executive Officers

Area Manager

Ai Na Widjaja
Area Manager – UOB Plaza
Joined UOB Indonesia in 2011, has more than 17 years of experience in banking industry.

Akbar Cahyo Nugroho
Area Manager – Magelang
Joined UOB Indonesia in 2002, has more than 12 years of experience in banking industry, especially in retail banking.

Andi Kurniawan
Area Manager - Jambi
Joined UOB Indonesia in 2013, has more than 9 years of experience in retail banking.

Bambang Siyono
Area Manager – Banyuwangi
Joined UOB Indonesia in 1998, has more than 15 years of experience in banking industry, especially in retail banking.

Daniel Irawan Ariesanto Winata
Area Manager - Surabaya
Joined UOB Indonesia in 2013, has more than 15 years of experience in banking industry.

Daniel Muljadi Djaya
Area Manager – Dago
Joined UOB Indonesia in 2010, has more than 20 years of experience in banking industry, especially in marketing.

David Gosal
Area Manager – Makassar
Joined UOB Indonesia in 2012, has more than 20 years of experience in banking industry.

Decy Indera Indah Gentania
Area Manager – Harmoni
Joined UOB Indonesia in 2011, has more than 18 years of experience in banking industry.

Didi Hermawan
Area Manager – Bandung
Joined UOB Indonesia in 2010, has more than 21 years of experience in banking industry, especially in retail banking.

Dismas Irawan Ziadi
Area Manager - Bandar Lampung
Joined UOB Indonesia in 2013, has more than 24 years of experience in banking industry.

Eva Lie Hwa
Area Manager - Tegal
Joined UOB Indonesia in 2013, has more than 12 years of experience in banking industry.

Fenny Djayasaputra
Area Manager – Jember
Joined UOB Indonesia in 1997, has more than 16 years of experience in banking industry, especially in retail banking.

Hadijono
Area Manager – Green Garden (Tangerang)
Joined UOB Indonesia in 1988, has more than 25 years of experience in banking industry, especially in retail banking.

Harri Thunardi
Area Manager – Green Garden
Joined UOB Indonesia in 2012, has more than 18 years of experience in banking industry, especially as Branch Manager.

Hartoyo
Area Manager – Semarang
Joined UOB Indonesia in 2007, has more than 25 years of experience in banking industry, especially in retail banking.

Indrianto
Area Manager – Solo
Joined UOB Indonesia in 2010, has more than 21 years of experience in banking industry, especially in retail banking.

Irfan Iskandar
Area Manager - Malang
Joined UOB Indonesia in 2013, has more than 11 years of experience in banking industry.

Jonny
Area Manager – Pekanbaru
Joined UOB Indonesia in 2010, has more than 9 years of experience in banking industry, especially in retail banking.

July Liman Hermanto
Area Manager – Serang
Joined UOB Indonesia in 1993, has more than 21 years of experience in banking industry, especially in retail banking.

Junardi
Area Manager – Medan
Joined UOB Indonesia in 1992, has more than 21 years of experience in banking industry, especially in retail banking.

Ketut Suartini
Area Manager – Bali Renon
Joined UOB Indonesia in 2012, has more than 21 years of experience in banking industry, especially as Area Business Manager.

Lie Liu Tjin
Area Manager – Pontianak
Joined UOB Indonesia in 1986, has more than 31 years of experience in banking industry, especially in banking operations and retail banking.

Lilik Soesana
Area Manager – Bukit Darmo
Joined UOB Indonesia in 2010, experienced in banking industry, especially in retail banking.

Lindawati Halim
Area Manager – Bandung Rivai
Joined UOB Indonesia in 1992, has more than 21 years of experience in banking industry, especially in banking operations.

Mali S
Area Manager – Asemka
Joined UOB Indonesia in 1981, has more than 32 years of experience in banking industry, especially in retail banking.

Manhudi Wijaya
Area Manager – Kelapa Gading
Joined UOB Indonesia in 1998, has more than 15 years of experience in banking industry, especially in retail banking.

Maria Natalia Ristianty
Area Manager – Sawah Besar
Joined UOB Indonesia in 1994, has more than 19 years of experience in banking industry, especially in banking operations and retail banking.

Muchtaris
Area Manager – Purwokerto
Joined UOB Indonesia in 2010, has more than 18 years of experience in banking industry, especially in retail banking.

Nugroho Santosa
Area Manager – Jombang
Joined UOB Indonesia in 2011, has more than 16 years of experience in banking industry, especially in commercial and retail banking.

Obet Hasudungan Sihombing
Area Manager – Bogor
Joined UOB Indonesia in 2011, has more than 18 years of experience in banking industry, especially in retail banking.

Richard Azarya Sondakh
Area Manager - Surabaya Manyar Kertoarjo
Joined UOB Indonesia in 2013, has more than 11 years of experience in banking industry.

Ritawaty Mandata
Area Manager – Samarinda
Joined UOB Indonesia in 1990, has more than 23 years of experience in banking industry, especially in retail banking.

Romauli L S Gultom
Area Manager – Radio Dalam
Joined UOB Indonesia in 2007, has more than 13 years of experience in banking industry, especially in sales.

Rynaldo
Area Manager - Bengkulu
Joined UOB Indonesia in 2013, has more than 10 years of experience in banking industry.

Soenji Harijanto
Area Manager – Yogyakarta
Joined UOB Indonesia in 2009, has more than 20 years of experience in banking industry, especially in retail banking.

Syandi Irawan
Area Manager – Jatinegara
Joined UOB Indonesia in 2011, has more than 16 years of experience in banking industry, as Branch Manager.

Teddy Polandra
Area Manager – Denpasar
Joined UOB Indonesia in 2010, experienced in banking industry, especially in retail banking.

Teguh Herri Waskito
Area Manager – Banjarmasin
Joined UOB Indonesia in 2012, has more than 16 years of experience in banking industry, especially as Branch Manager.

Theresia Sherry Tjoa
Area Manager – Batam Centre
Joined UOB Indonesia in 1993, has almost 21 years of experience in banking industry, especially in banking operations.

Executive Officers

Tjendrajani Farman
Area Manager – Asemka (Pluit)
Joined UOB Indonesia in 1989, has almost 24 years of experience in banking industry, especially in banking operations.

Wong Bun Hock
Area Manager – Batam
Joined UOB Indonesia in 1999, has more than 14 years of experience in banking industry, especially in commercial banking.

Yemmy Priantoro
Area Manager – Semarang (Majapahit)
Joined UOB Indonesia in 2008, has more than 17 years of experience in banking industry, especially in commercial banking.

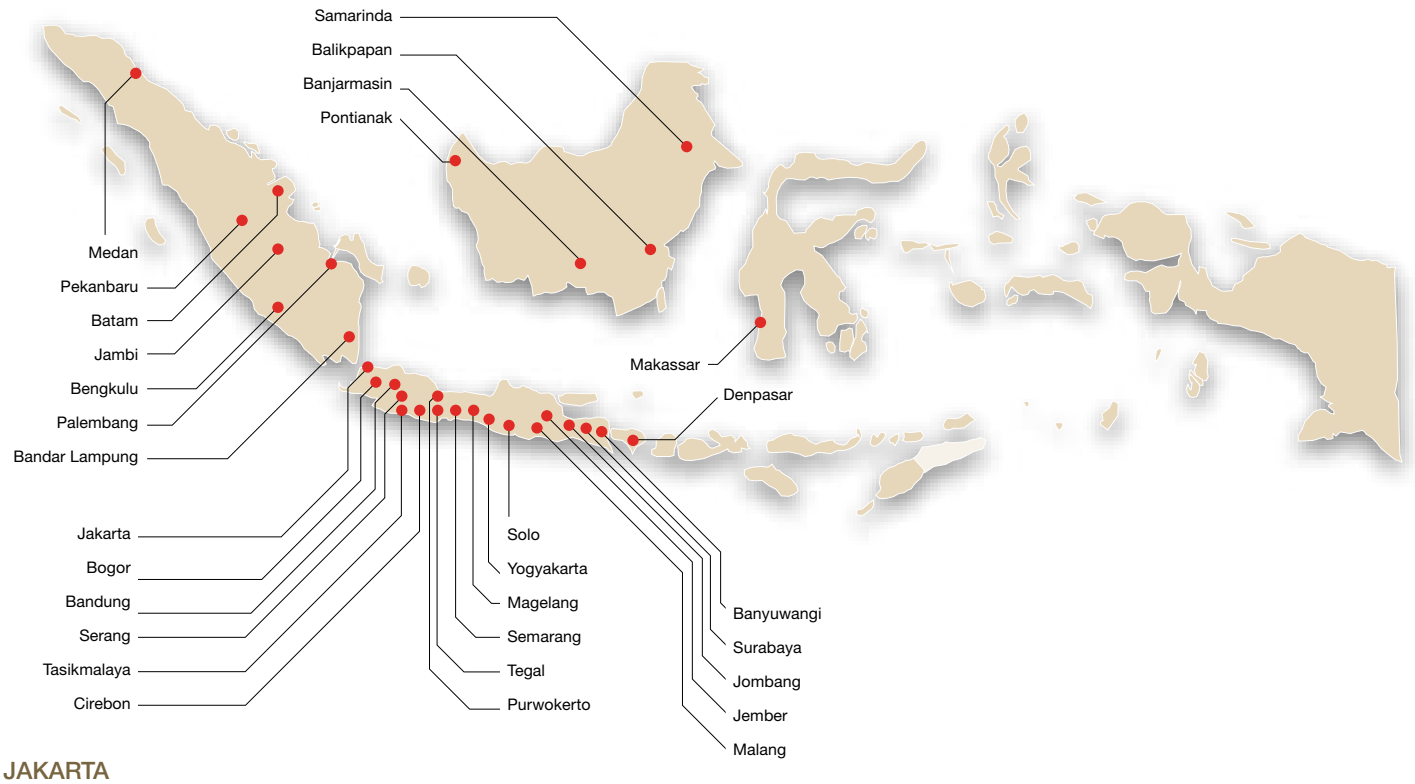
Yopie
Area Manager – Cirebon
Joined UOB Indonesia in 1992, has more than 21 years of experience in banking industry, especially in retail banking.

Yusda Elfani
Area Manager – Balikpapan
Joined UOB Indonesia in 2012, has more than 18 years of experience in banking industry, especially in funding.

Yusra
Area Manager – Medan Uniplaza
Joined UOB Indonesia in 1992, has more than 21 years of experience in banking industry, especially as Branch Manager.

Yustinus Oswari
Area Manager – Palembang
Joined UOB Indonesia in 2009, experienced in banking industry, especially in retail banking.

Office Network



JAKARTA
1 Head Office
6 Branches
55 Sub branches

DENPASAR
2 Branches
5 Sub branches

BALIKPAPAN
1 Branch
3 Sub branches

BANDAR LAMPUNG
1 Branch
3 Sub branches

BANDUNG
2 Branches
12 Sub branches

BANJARMASIN
1 Branch
1 Sub branch

BANYUWANGI
1 Branch
3 Sub branches

BATAM
2 Branches
3 Sub branches

BENGKULU
1 Branch
2 Sub branches

BOGOR
1 Branch
5 Sub branches

CIREBON
1 Branch
3 Sub branches

JAMBI
1 Branch
1 Sub branch

JEMBER
1 Branch
3 Sub branches

JOMBANG
1 Branch
1 Sub branch

MAGELANG
1 Branch
4 Sub branches

MAKASSAR
1 Branch
3 Sub branches

MALANG
1 Branch
3 Sub branches

MEDAN
2 Branches
7 Sub branches

PALEMBANG
1 Branch
6 Sub branches

PEKANBARU
1 Branch
2 Sub branches

PONTIANAK
1 Branch
3 Sub branches

PURWOKERTO
1 Branch
3 Sub branches

SAMARINDA
1 Branch
2 Sub branches

SEMARANG
1 Branch
7 Sub branches

SERANG
1 Branch
2 Sub branches

SOLO
1 Branch
6 Sub branches

SURABAYA
3 Branches
14 Sub branches

TASIKMALAYA
1 Branch
3 Sub branches

TEGAL
1 Branch

YOGYAKARTA
1 Branch
3 Sub branches

Products and Services

Loan Products

- UOB Mortgage
- UOB Multi Purpose Loan
- Overdraft Facility (IDR and Foreign Currencies)
- Revolving Credit Facility
- Fixed Loan
- Fixed Investment Loan
- Commercial Vehicle Financing
- Construction Investment Loan
- Heavy Equipment Financing
- Business Property Financing
- Installment Loan (IDR and Foreign Currencies)
- Micro Business Loan
- Import and Export Financing
- UOB Credit Card (Visa and MasterCard) for non-cash transactions:
  - Preferred Platinum
  - Gold/ONE Card
  - Lady's Card and Lady's Platinum
  - Credit card for corporate needs such as Corporate Card, Purchasing/D-Card and Business Platinum Card
- Business Express
- Business Solution
- Supply Chain and Distributor Financing
- Invoice Financing
- Secured Back to Back

Funding Products

- Time Deposit (IDR and Foreign Currencies)
- UOB Rupiah Savings
- UniPlus Savings Account
- UOB Gold Savings Account
- UOB High Yield Savings Account
- TabunganKu
- UOB Saving Plan
- Foreign Currency Productive Account
- Current Account (IDR and Foreign Currencies)
- UOB Giro

Services

- Letter of Credit (L/C)
- Negotiation and Diskonto Draft Export
- Tax Payment
- Bank Guarantee
- Safe Deposit Box
- Draft and Collection Payment Facility (Foreign Currencies)
- Bank Draft (Foreign Currencies)
- Inward and Outward Transfer (IDR and Foreign Currencies)
- Kliring
- UOB Bill Pay: PLN, Telkom, Telkomsel, Indosat, XL, Esia, Fren and Indovision
- UOB ATM and Debit Card
- Autodebit Savings
- 24-hour Call Centre (14008)
- Trust Receipt
- Escrow Account
- Cash Pick-up
- Cash Sweeping and Concentration
- Bulk Payment / Payroll
- Shipping Guarantee
- Usance Payable At Sight (UPAS)
- Invoice Collection Solution
- Transaction Charging
- FX Electronic Dealing System (FEDS)

Investment Products

- Selling Agent for Mutual Funds
- Selling Agent for Government Retail Bond (ORI) 010 and SUKUK Ritel SR-005
- UOB Maxi Yield

Insurance Products - Bancassurance

- UOB Indonesia in cooperation with insurance companies, offers customers financial solutions such as life and health insurance products with single or regular premium payment.

Treasury Products

- Foreign Exchange (FX) Transactions: Value Today Transactions, Value Tom Transactions and Value Spot Transactions.
- Derivative Transactions: Forward, Swap, Interest Rate Swap (IRS) and Cross Currency Swap (CCS).
- Structured Product, combining 2 (two) or more financial instruments in the form of non-derivative financial instruments with Derivative or Derivative with Derivative where the value or cash flow of the product is associated with 1 (one) or a combination of the base variables such as interest rates, exchange rates and commodity or equity.
- Securities/Bond Transactions with maturities of more than 1 (one) year.

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