



transforming



banking used to involve
waiting in line to
get served

now



serving you in
real-time wherever
you are



we used to be
product centric

now



customer
centric



we serve the mass market
segment giving them
financial solutions

now



empowering them
with technology



we have grown our revenue
by 22% in 10 years

now



growing revenue by
working smarter



over the past 8 years
we grew businesses by
innovating

now

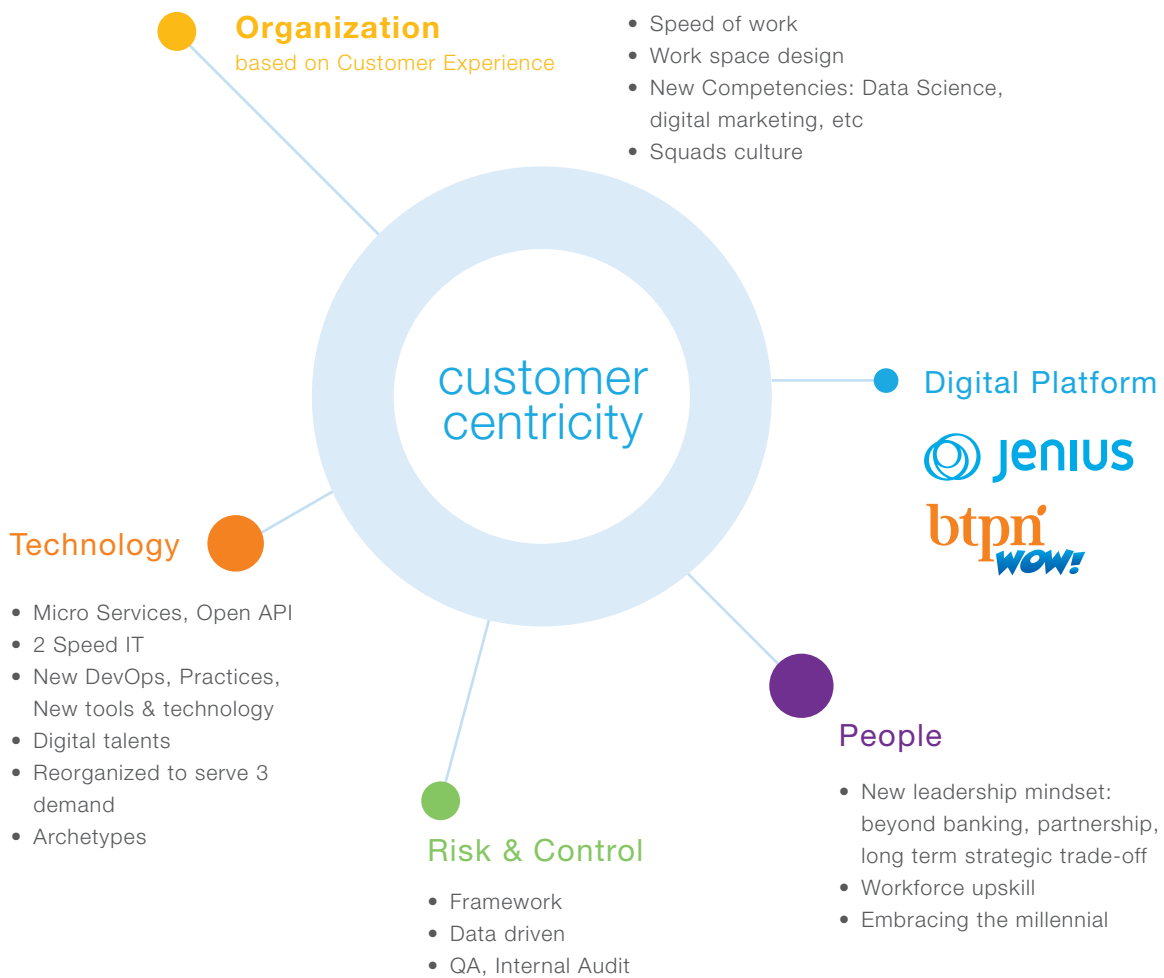
we are

transforming to
serve you better
tomorrow

With its customer centricity approach, today's digital disruption have not just impacted the way our customers connect with the Bank, but also how the Bank operates. Thus, this year, we have enhanced our customers' digital banking experience and equipped our team with new skills as well as a change of mindset.

Internally, the Bank's digital transformation journey has gained considerable momentum and will continue to ensure a more sustainable growth, going forward.

customer



centricity

PT Bank Tabungan Pensiunan Nasional Tbk (“BTPN” or “Bank”) is putting customer centricity as its focal point in transforming the Bank. Jenius, which has gained multiple awards, such as the “Digital Transformer of the Year” at the IDC Digital Transformation Awards in October 2017 and “Excellence in Mobile Banking Customization” in March 2017, has inspired the Bank to take a holistic approach in realigning the Bank.

With its customer centric approach, Jenius has not just impacted the way our customers connect with the Bank, but it also has impacted many areas of the Bank and the way it operates. As a result, the Bank has been improving the efficiency and effectivity of key processes in these impacted units.

In our Organization, this covers work space design; faster work speed; a ‘squad’ and ‘agile’ culture, where small teams from different parts of the bank converge to quickly generate innovative solutions; and new competencies covering areas, such as data science and digital marketing. In Technology, this involves adopting Micro Services, Open API, 2 speed IT, new DevOps, new tools & technology and hiring digital talents.

In Risk & Control the focus is on a more extensive and smarter way of using data as well as strengthening the Quality Assurance and Internal Audit (SKAI) functions. Lastly, with People, a focus on understanding the behavior of millennials, on upgrading the skill of the Bank’s workforce and a new leadership mindset that extends beyond banking, which is more open to partnerships and understands the long-term strategic trade offs of adopting digital technology.

This year, we have enhanced our customers’ digital banking experience, by making our banking service more simple, seamless and secure. As a result, our customers accessing and using our digital banking service continue to grow. In 2017, BTPN Wow! customers has reached 2.9 millions, while for Jenius the number has reached 330,630

To complement the initiatives linked to new digital business of Jenius and BTPN Wow!, the Bank also launched Gemilang Project in an effort to bring digital technology into the core business. Gemilang project covers four main initiatives, namely digitalization, centralization, digital channel migration and branch integration. The first two

initiatives focus on digitizing customer journey and streamlining operational processes and the rest focus on modernizing and standardizing customer touch points, all the while keeping customer centricity at its core.

This holistic transformation is supported and enabled by a more streamlined organization structure for the Bank to be more competitive in a fast-changing new digital era. An ongoing implementation of strategic cost management initiatives is also part of the Bank’s effort to increase efficiency.

BTPN is aware of the social cost resulting from Gemilang and has proactively taken steps to mitigate, not only potential operating risk, but also the social cost of this exercise. This was addressed through a program called New Sunrise, which involves providing individual counseling, job-seeking assistance and training of practical and entrepreneurial skills for those impacted by Gemilang.

The Bank’s digital transformation journey has gained considerable momentum and will continue, so that BTPN can better ensure a more sustainable growth, going forward.

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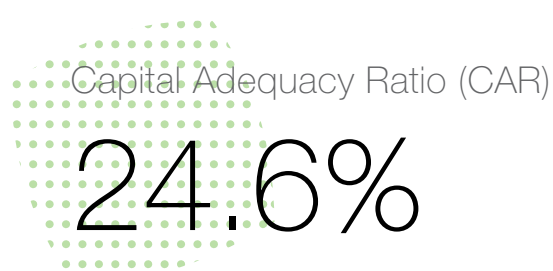
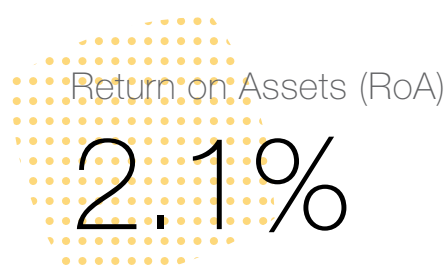
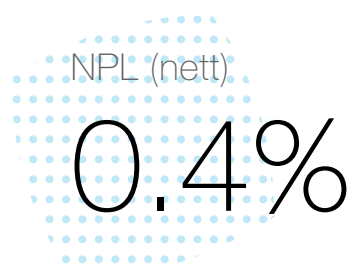
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financial highlights

	2017	Percentage Change
Balance Sheet (in millions of Rupiah)		
Total Assets	95,489,850	4.5%
Earning Assets ¹⁾	88,263,189	4.7%
Loans ²⁾	65,351,837	3.5%
Deposits from Customers ³⁾	67,918,073	2.6%
Borrowings	5,208,640	40.8%
Bonds Payable	2,543,401	3.0%
Total Liabilities ³⁾	78,289,053	4.3%
Total Shareholders' Equity	16,529,493	4.4%
Number of Shares Issued and Fully Paid (in units)	5,840,287,257	-
Income Statement (in millions of Rupiah)		
Interest Income	14,046,062	2.6%
Interest Expenses	(4,524,452)	-6.5%
Net Interest Income	9,521,610	7.5%
Other Operating Income	469,537	-23.0%
Operating Expenses	(6,915,102)	15.6%
Allowance for Impairment Losses	(1,097,619)	26.2%
Net Operating Income	1,978,426	-24.2%
Profit Before Tax	1,936,845	-25.6%
Net Profit For The Year	1,421,940	-24.2%
Profit Attributable to:		
Owners of the Parent	1,220,886	-30.3%
Non-Controlling Interest	201,054	62.5%
Other Comprehensive Income	(13,449)	-101.9%
Total Comprehensive Income	1,408,491	-45.8%
Total Comprehensive Income Attributable to:		
Owners of the Parent	1,211,719	-51.0%
Non-Controlling Interest	196,772	55.3%
Earning per Share (Full Value)	213	-29.9%

2016	2015	2014	2013
91,371,387	81,039,663	75,059,223	69,702,580
84,330,259	75,650,154	70,550,171	65,769,486
63,168,410	58,587,383	51,993,574	46,105,437
66,201,512	60,273,396	53,335,114	52,195,859
3,699,172	2,737,113	3,804,506	1,374,344
2,469,143	2,605,384	4,409,501	4,967,186
75,058,959	67,115,804	63,132,147	59,918,061
15,837,896	13,576,068	11,679,641	9,784,519
5,840,287,257	5,840,287,257	5,840,287,257	5,840,287,257
13,695,226	13,003,876	12,293,155	10,943,058
(4,841,247)	(5,308,265)	(5,252,372)	(3,894,609)
8,853,979	7,695,611	7,040,783	7,048,449
609,942	705,835	739,520	400,394
(5,984,444)	(5,155,853)	(4,479,816)	(3,969,849)
(869,761)	(785,886)	(743,983)	(591,327)
2,609,716	2,459,707	2,556,504	2,887,667
2,604,519	2,432,611	2,543,990	2,878,764
1,875,846	1,752,609	1,885,127	2,139,661
1,752,097	1,701,847	1,869,118	2,139,661
123,749	50,762	16,009	-
722,175	141,242	(25,254)	90,459
2,598,021	1,893,851	1,859,873	2,230,120
2,471,280	1,841,495	1,845,792	2,230,120
126,741	52,356	14,081	-
304	291	320	366



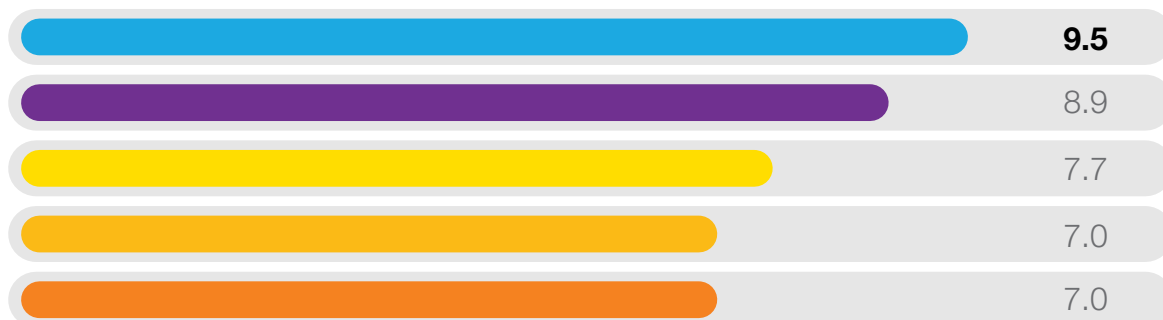
	2017	2016
Financial Ratios (%)		
CAPITAL		
Capital Adequacy Ratio (CAR) ⁴⁾	24.6	25.0
EARNING ASSETS		
Non Performing Earning Assets and Non Productive Assets to Total Earnings and Non Productive Assets	0.7	0.6
Non Performing Earning Assets to Total Productive Assets	0.7	0.6
Allowance for Impairment Losses for Financial Assets to Productive Assets	1.0	0.9
Gross Non Performing Loan (NPL)	0.9	0.8
Net NPL	0.4	0.4
PROFITABILITY		
Return on Assets (RoA) ⁵⁾	2.1	3.1
Return on Equity (RoE)	8.2	12.6
Net Interest Margin (NIM)	11.6	12.0
Liabilities to Asset Ratio	82.0	82.1
Liabilities to Equity Ratio	473.6	473.9
Operating Expenses to Operating Revenues	86.5	81.9
Cost of Funds	6.1	7.1
LIQUIDITY		
Loan to Deposit Ratio (LDR)	96.2	95.4
COMPLIANCE		
Percentage Violation of Legal Lending Limit		
Related Parties	-	-
Non-Related Parties	-	-
Percentage Lending in Excess of the Legal Lending Limit		
Related Parties	-	-
Non-Related Parties	-	-
Primary Statutory Reserve	6.6	6.6
Foreign Currency Reserve	8.4	8.6
Net Open Position	0.3	0.0
OTHERS		
Number of Branch Offices ⁶⁾	940	1,107
Number of ATM	207	154
Number of Employees ⁷⁾	20,912	25,437

	2015	2014	2013
	23.8	23.2	23.1
	0.6	0.5	0.5
	0.6	0.6	0.5
	0.8	0.8	0.8
	0.7	0.7	0.7
	0.4	0.4	0.4
	3.1	3.6	4.5
	14.1	18.6	26.2
	11.3	11.4	12.7
	82.8	84.1	85.8
	494.4	540.5	603.1
	82.1	80.4	74.6
	8.6	9.3	7.2
	97.2	97.5	88.3
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	7.6	8.1	8.1
	-	-	-
	-	-	-
	1,318	1,295	1,235
	107	94	84
	27,247	25,343	22,715

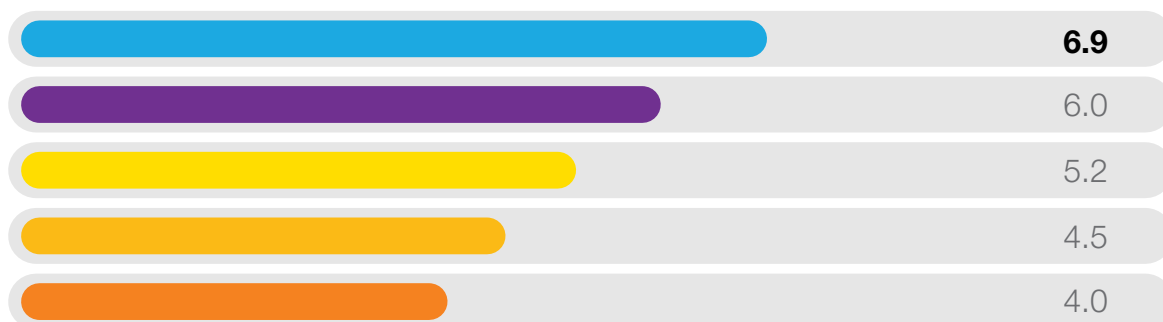
Note:

1. Including Loan and Sharia financing/receivables, current account with BI and other banks, placement with BI and other banks, marketable securities, reverse repo and derivatives receivables
2. Including Sharia financing/receivables
3. Including temporary syirkah funds
4. Including credit and operational risks
5. RoA before tax
6. Including Payment Service Points & Operational Function Offices
7. Including BTPN Syariah

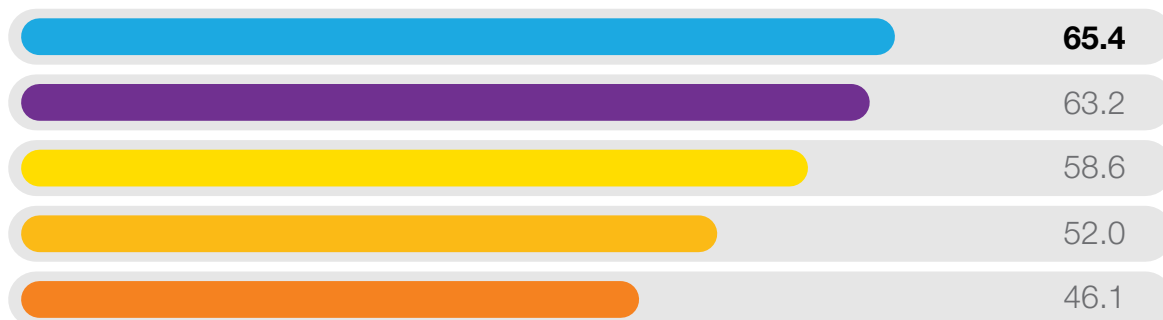
net interest income (in trillion rupiah)



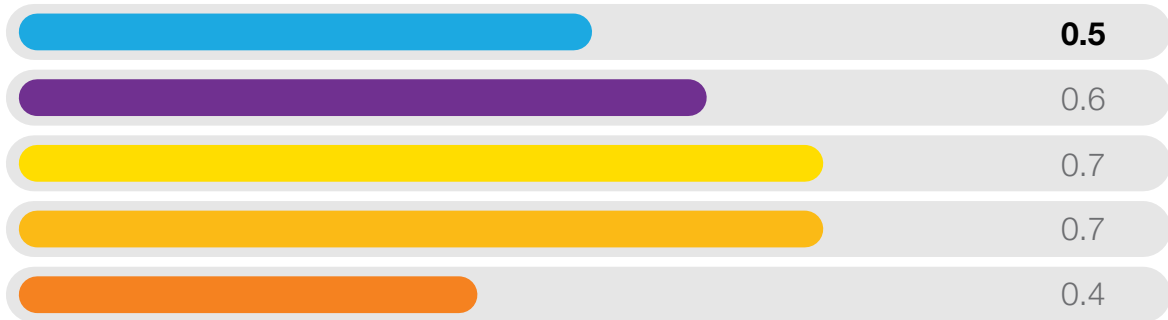
operating expenses (in trillion rupiah)



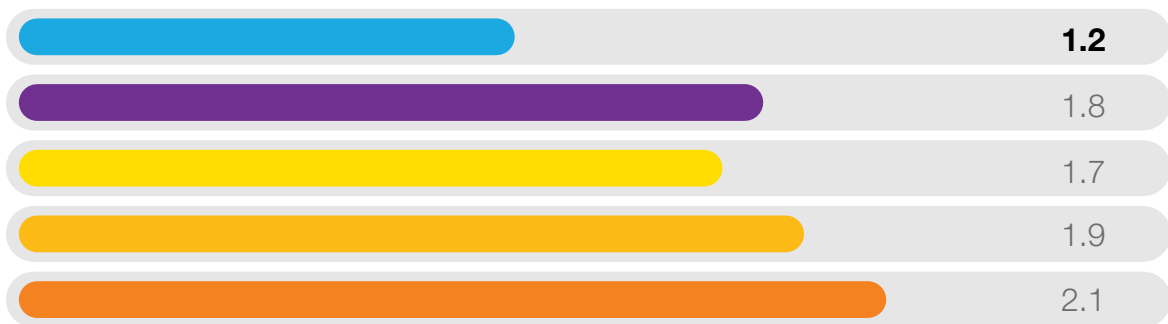
loans (in trillion rupiah)



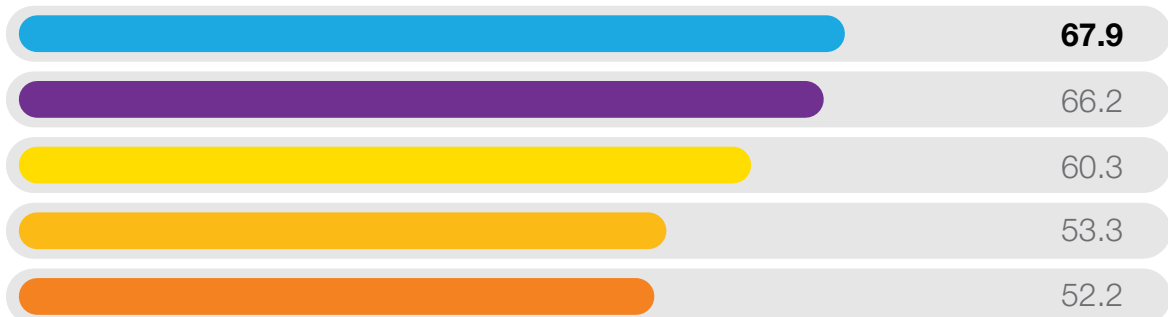
other operating income (in trillion rupiah)



net profit for the year (in trillion rupiah)

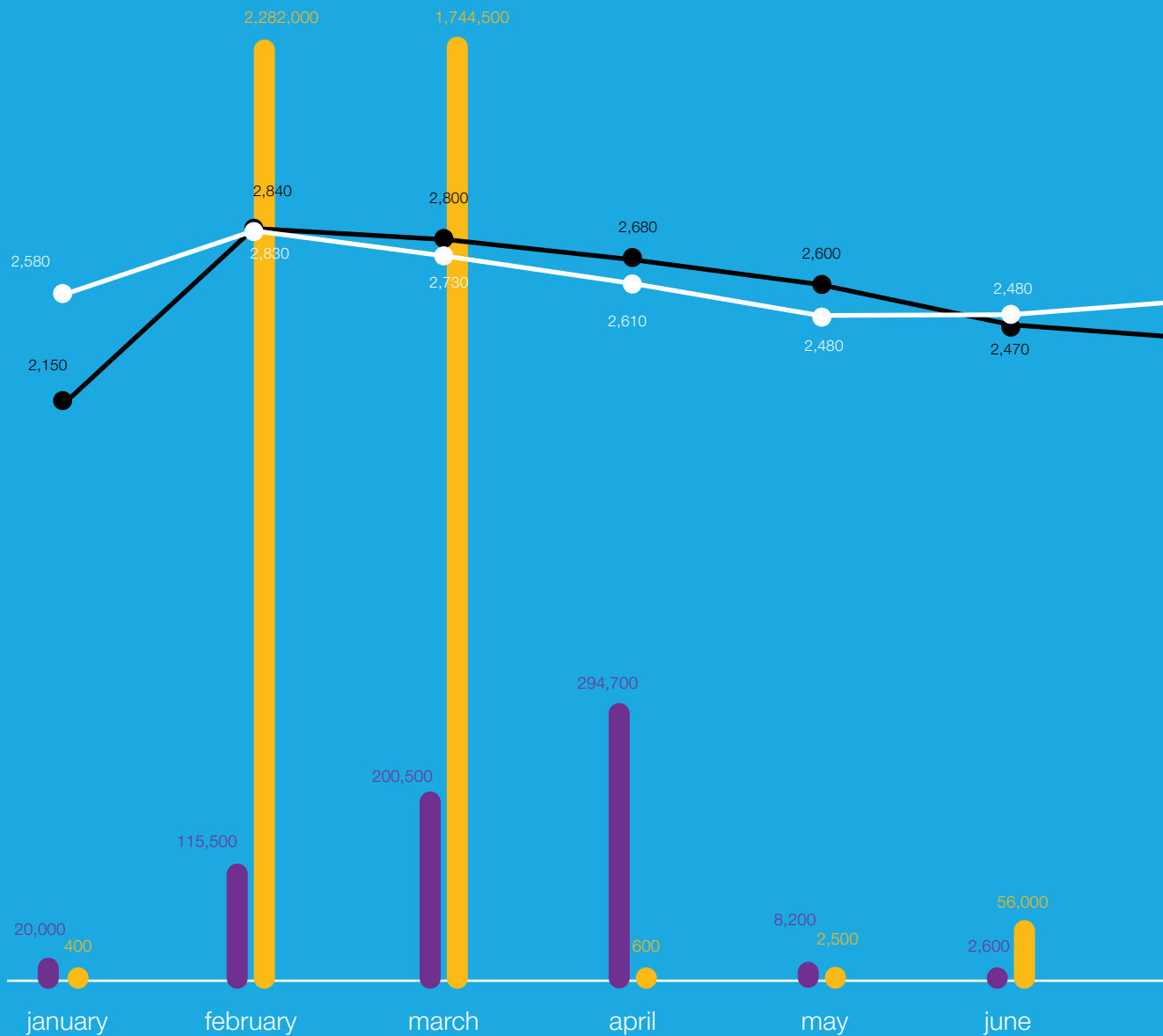


deposits from customers (in trillion rupiah)



● 2017 ● 2016 ● 2015 ● 2014 ● 2013

share performance



Period	Highest (Rp)		Lowest (Rp)		Closing (Rp)		Volume (Shares)	
	2017	2016	2017	2016	2017	2016	2017	2016
March	2,750	2,800	2,730	2,740	2,730	2,800	200,500	1,744,500
June	2,490	2,500	2,480	2,460	2,480	2,470	2,600	56,000
September	2,610	2,570	2,540	2,480	2,550	2,560	5,600	66,800
December	2,500	2,700	2,450	2,630	2,460	2,640	218,400	12,000



Market Capitalization

	2017	2016
	15,784,544,368,320	16,189,276,275,200
	14,339,073,272,320	14,281,254,428,480
	14,743,805,179,200	14,801,624,023,040
	14,223,435,584,640	15,264,174,773,760

significant events

09

march

In order to fulfill the needs of its various customers, BTPN introduced an innovation called LATAR to a BTPN Sinaya branch. LATAR is an art space in BTPN Tower Jakarta Branch of BTPN Sinaya that showcases art works from Indonesian artists. The launching of LATAR was held concurrently with the opening of Menara BTPN Branch of BTPN Sinaya.

24

march

BTPN held its 2017 Annual General Meeting of Shareholders (AGMS). The AGMS agreed to declare dividends of 2016 fiscal year amounting to Rp574.5 billion or Rp100 per share. This first declaration of dividends since BTPN's initial shares offering in March 2008 is meant to appreciate the shareholders for their ongoing trust and support.

AGMS also agreed on changing the composition of the Board of Commissioners, from Hiroshi Higuma to Shinichi Nakamura. Following the change, BTPN's Board of Commissioners is now composed of Mari Elka Pangestu as the President Commissioner (Independent), Arief T. Surowidjojo as Commissioner (Independent), Irwan Mahjudin Habsjah as Commissioner (Independent), Chow Ying Hoong as Commissioner, and Shinichi Nakamura as Commissioner.

17

september

In order to complement the pillar of Daya, namely Daya Sehat Sejahtera, BTPN launched Senam Purnabakti/Retiree Gymnastics, which was specifically designed to help retirees in having a healthier lifestyle. The launching of Senam Purnabakti was carried out by holding mass gymnastic events in six big cities in Indonesia, namely Jakarta, Bandung, Semarang, Surabaya, Medan, and Makassar. These events were attended by over 2,000 participants.



2017

02
october

BTPN Wow! became a showcase in improving global financial inclusion, based on the 2017 report from United Nations Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA), Queen Maxima from the Netherlands, titled "Financial Inclusion: Transforming Lives". After her visit to Indonesia in 2016, Queen Maxima reported about financial inclusion improvement and specifically named BTPN Wow! as the leading banking service in improving Indonesia's financial inclusion efforts.



22
november

BTPN officially introduced Jenius, a digital banking service in Bandung. After the first introduction in August 2016 in Jabodetabek, Jenius, which was designed and developed for the digital savvy community to manage life finance, is ready to provide integrated banking and personal financial management solutions in BTPN's hometown.

14
december

BTPN introduced Jenius Co.Create, a platform to share ideas, inspiration, and creativity to realize a better future for Indonesia, especially in the financial service sector. Through Jenius Co.Create, anyone can become a member and participate in developing Jenius, which can improve the quality of life and financial situation of its members in the future.



awards in 2017



#1st Ranked for Indonesia's
Best Bank in Buku III Category
with Asset of Rp50-100 Trillion

Anugerah Perbankan Indonesia 2017 by Economic Review Magazine



Best Financial Sector

9th IICD (Indonesian Institute for Corporate
Directorship) Corporate Governance Award

Name of Award	Category
iCIO Award 2017	Most Intelligent Chief Information Officer (CIO) 2017
Retail Banker International (RBI) Asia Trailblazer Awards 2017	Excellence in Business Model Innovation Highly Commended - Excellence in Mobile Banking Customization
Global Corporate Social Responsibility (CSR) Awards 2017	Bronze Award - Best Community Program
Bisnis Indonesia Award 2017	The Best Issuer in Non-Foreign Exchange Private Bank Category
Infobank Service Excellence Award 2017	Best Performing Bank in Account Opening Service through Web/Application
Infobank Awards 2017	Titanium Trophy for "Excellent" Performance in 15 Years (2002-2016)
Anugerah Perbankan Indonesia 2017 by Economic Review Magazine	1st Ranked for Indonesia's Best Bank in Buku III Category with Asset of Rp50-100 Trillion
Apresiasi Inovasi Award 2017 from Sindo Newspaper	Technology and Product Innovations
Indonesia Banking Award 2017 from Tempo Media Group	The Most Efficient Bank Best Parenting Bank The Most Reliable Bank
Best of the Best Awards 2017 from Forbes Indonesia Magazine	50 Best Performing Companies in 2017
Indonesia Good Corporate Governance Award 2017 from Economic Review Magazine	3rd Place for Indonesian Bank with the Best Good Corporate Governance
9th IICD (Indonesian Institute for Corporate Directorship) Corporate Governance Award	Best Financial Sector
IDC Digital Transformation Awards (DXa) 2017	Digital Transformer of the Year
The Asian Banker Indonesia Country Awards Programme 2017	Deposit Product of the Year
Public Relations Indonesia Awards 2017	Gold Winner of New Media Silver Winner of Marketing PR
Bubu Awards 2017	Best Corporate Website

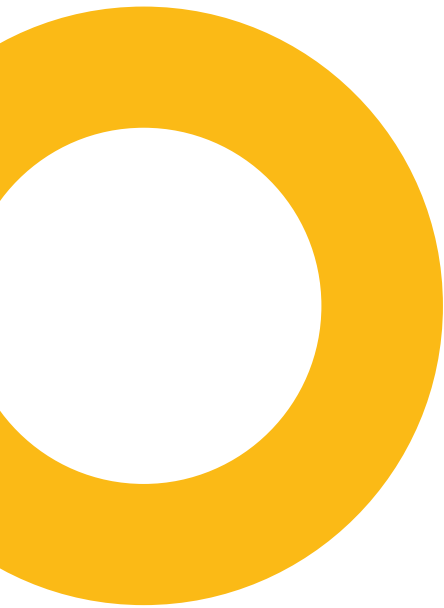


02
–
board of
commissioners &
board of directors
reports

In 2017, BTPN Purna Bakti has converted its customer behavior to use ATMs and payment points for repaying their pension loans rather than use the Bank's branches.

A slow economy raises a bank's risk across all areas. We are conscious of this and have continued to tighten and improve our internal control and risk management systems to ensure we address and contain these risks.

report from the president commissioner



I am pleased to report that amidst a challenging external environment, BTPN was able to record a respectable performance in 2017. The Bank reported a net profit of Rp1.2 trillion, which translates to a Return on Asset (before tax) of 2.1% and a Return on Equity of 8.2%



mari elka pangestu

Dear Shareholders,

There is much debate about whether the slower economic growth level at around 5% post global financial crisis, is becoming the new normal globally and in turn for Indonesia. What is certain is that the volume of trade has dropped and, despite the beginnings of an upturn last year, world trade growth is still around the same as world GDP growth. In comparison, world trade growth was double GDP growth pre Global financial crisis. Part of the reason is the maturation of global value chains. Therefore, for Indonesia not to stagnate at the current 5% growth level, export growth cannot just be reliant on commodities. There needs to be diversification and efforts to move up the value chain in manufacturing. Most importantly, there needs to be an increase in private investment and initiatives to address bottlenecks that hamper our productivity.

In Indonesia, inflation was kept low at 3.6% for 2017, well below Bank Indonesia's inflation target of 4%. This allowed Bank Indonesia to continue reducing its benchmark interest rate throughout the year. By year-end its 7-day repo rate was at 4.25%, down from 4.75%, a year ago. Although, the Federal Reserve's plan to continue its plan to raise US interest rates in 2018, would limit the room for Bank Indonesia to further lower its benchmark Rupiah interest rate next

I am happy to report that the challenging external environment and weakened sectoral performance has not prevented BTPN from continuing to grow along its long term road map.

year. The Rupiah exchange rate, although weakening towards year-end, remained fairly stable during the year. The currency opened in January at the Rp13,400 per USD level and closed twelve months later around Rp13,600 per USD.

Our sluggish economy continued to constrain the banking industry. Lower lending rates failed to stimulate loan growth, which was kept at 8.2% year-on-year by December 2017. Accordingly, deposits for the same period grew at slower pace at 9.4% and cost of funds declined as banks faced less pressure to raise deposits and reduced their rates. Meanwhile, the slowdown has kept the banking sector's non-performing loan (NPL) ratio at 2.6%, an improvement from last year's 2.9%.

With loan rates declining, the industry's net interest margin (NIM) as of end-year 2017, slightly narrowed to 5.3% from 5.6%, last year. Still, this helped maintain the industry's profitability. As a result, the industry's capital adequacy ratio (CAR) rose to 23.2% in 2017, reflecting the banking sector's ability to grow going forward.

2017 Performance

I am pleased to report the Bank's respectable performance in 2017, considering the market challenges it faced. BTPN's net profit reached Rp1.2 trillion for the financial year 2017, which translates to profitability ratios of 2.1% for Return on Asset (before tax) and 8.2% for Return on Equity.

In the past few years, the Bank successfully launched two digital banking platforms BTPN Wow! and Jenius to connect and provide bank services directly through a customers' mobile phone. This year, the Bank extended this digital transformation to its operations and branch network with the objective to make its services more efficient, effective and customer-centric.

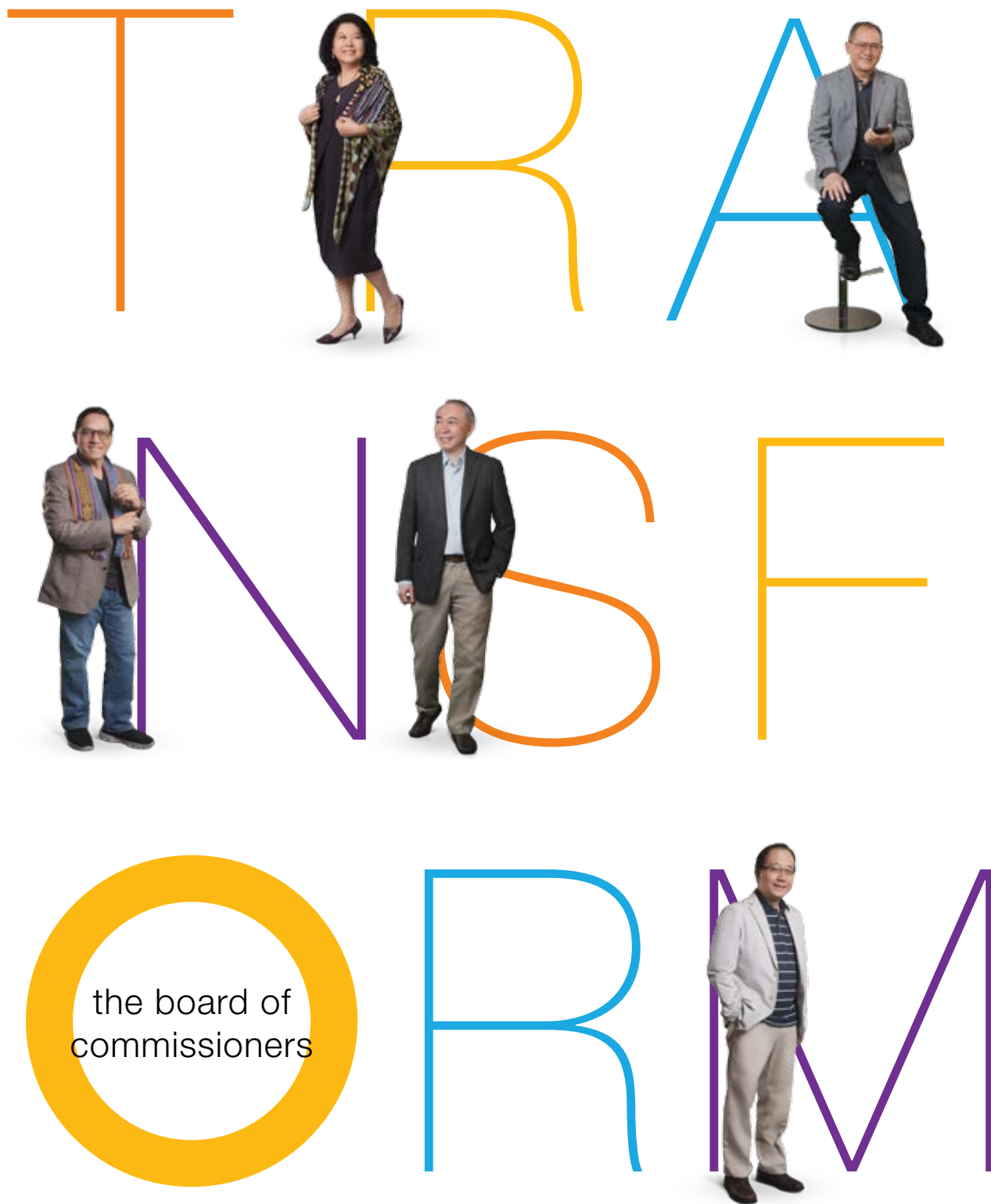
Investments in information technology will continue as BTPN prepares for the digital future ahead. I am confident that these initiatives will better prepare the Bank to face increased competition, not only from other banks, but also fintech companies. In sum, the Board of Commissioners are pleased with the satisfactory performance of the Board of Directors in implementing the Bank's strategy and plan during 2017 and commend its ability to execute the challenging transformation in an efficient, smooth and considerate manner.

Good Corporate Governance

The consistent implementation of Good Corporate Governance (GCG) is essential to build customer, shareholder and stakeholder trust, and ensuring a sound business performance.

The Board of Commissioners (BOC) oversees the performance of the Bank's Board of Directors (BOD) through periodic BOC-BOD joint meetings. In 2017, the BOC convened 6 of these meetings with the BOD. During these meetings the BOC ensured the Bank is on track in realizing its strategy and plan, and at the same time, complies with relevant rules and regulation. Where necessary, the BOC has provided guidance and recommendations on key issues. The Board has also reviewed the adequacy of the Bank's 2018 outlook and plan and feels it is appropriate and in line with its long term plan.

The above meetings are supplemented by smaller BOC committees, comprising of the Audit, the Risk Monitoring, and the Remuneration & Nomination Committees. Each Committee monitors more specific functions and areas of the Bank and through their respective meetings, assesses the robustness of the Bank's internal controls and risk management functions as well as monitor and



Mari Elka Pangestu_ President Commissioner (independent)
Irwan Mahjudin Habsjah_ Commissioner (independent)
Arief T. Surowidjojo_ Commissioner (independent)
Chow Ying Hoong_ Commissioner
Shinichi Nakamura_ Commissioner

enhance its GCG practices. I would like to report that these committees continue to well perform their respective duties and that we are satisfied with the performance of the Bank's existing GCG, internal controls and risk management practices. However, we continue to seek ways to improve.

Composition of the Board of Commissioners

I would like to take this opportunity to thank Hiroshi Higuma for his invaluable contribution during his tenure as a member of our BOC and, at the same time, extend a warm welcome to Shinichi Nakamura, who has joined us this year.

Outlook

The volume of trade globally has dropped and has yet to recover. World trade used to be twice world GDP, now it is only one time world GDP. There is also talk about the global value chain maturing. For Indonesia,

this means that we cannot rely on producing and exporting our natural resource commodities to spur growth. Both our economy and exports needs to diversify and move up the value chain towards manufacturing.

Technological development has also proven to disrupt a broad array of sectors and businesses, including banks. This is why it is not enough to just adapt to changes. Instead, we need to be agile, by anticipating and taking advantage of changes. We have seen that both monetary and fiscal policies have their limitations, and that it is time to focus on implementing more difficult and longer term structural reforms. This involves getting rid of supply chain bottlenecks, streamlining regulation to ensure business consistency and improving our institutions to promote certainty.

Acknowledgements

In closing, allow me on behalf of the BOC, to extend our sincerest appreciation to all shareholders, business partners, and customers for their support, trust and loyalty. Also, to our financial regulators, Bank Indonesia and the Financial Services Authority (OJK), we are grateful for their continued guidance and support. Finally, we congratulate the Board of Directors and the Bank's management as well as our employees, for their continued dedication and hard work.

I would like to end by affirming the Bank's continued support and contribution to our country's development and welfare.



Mari Elka Pangestu
President Commissioner

report from the president director



We continued our two-pronged strategy of enhancing and expanding our BTPN Wow! and Jenius digital banking platforms as well as digitizing our core businesses to ensure operating efficiency and enhance customer experience.



jerry ng

Dear Shareholders,

For 2017, I am pleased to report that BTPN continued to generate positive results, despite a continued weak economy. The Indonesian economy grew by 5.1%, about the same pace as the previous year, which kept the banking industry's loan growth at 8.2%. Excluding the largest four banks, whose loans grew higher, the average loan growth for the rest of the industry was a more subdued 4-5%.

Bank Indonesia successfully kept inflation at a low 3.6% for the year, allowing it to lower its 7-day repo benchmark rate to 4.3%, down 50 basis points from the previous year. The banking sector's loan and deposit rates correspondingly declined, but was not sufficient to spur loan growth. Deposits dropped to 9.4%, non-performing loan (NPL) levels improved to 2.6%, while net interest margins narrowed to 5.3% and capital adequacy remained strong at 23.2%.

BTPN performance

For the last two years, BTPN has embarked on a two-pronged strategy. The first strategy was to continue enhancing and expanding the Bank's mobile digital banking platform, BTPN Wow! and Jenius. The second was

to start digitizing core businesses to ensure operating efficiency and improve customer experience.

In 2017, the Bank grew its loans by 3.5% and its deposits by 2.6%, roughly in line with peer banks in the industry. As such, we maintained our liquidity or loan-to-deposit (LDR) ratio at 96.2%, our net interest margin at 11.6%, while our loan quality, reflected in our Gross NPL ratio, remained the lowest in the industry, at 0.9%.

The net income from our major core businesses remained strong, growing 5.9% to Rp2.4 trillion and is in line with our business strategy and initial business plan. However, taking into account our continuous long-term investment to further expand our digital banking platforms and a one-time restructuring cost, the final 2017 net income dropped to Rp1.2 trillion. The Bank's capital adequacy ratio (CAR) at 24.6% also reflects sufficient room for future growth.

Growing our core businesses

In 2017, both of our SME business (Mitra Bisnis) and our BTPN Syariah showed strong growth. SME loans, accounting for 17.7% of our loan portfolio, grew 24.8%, while Syariah financing, amounting to 9.3% of total

loans, grew 21%. Consumer finance, which was still relatively small at 3.3% of loans, grew by a promising 110%. We were also constantly seeking to innovate, pilot and eventually launch new loan products to complement our existing business.

Two of our more established core businesses, Pension and Micro, accounting for 60.3% and 8.4% of loans, respectively, faced considerable challenges during the year. In the Pension business, we faced strong competition from state banks and our pension loans slightly declined by 2%. In addition, the government's subsidized Kredit Usaha Rakyat or KUR (People's Business-loan) program has made it difficult to grow our Micro business. We continue to support this business, although at a sustainable and reduced scale.

Extending our digital platform (BTPN Wow, Jenius and the Gemilang project)

We continued to enhance the features of our BTPN Wow! and Jenius digital banking platforms, which are at the cutting edge of what is available in Indonesia and even across the region. As a result, customers adopting and using these two mobile and digital banking services have grown significantly.

In addition, we have completed the first phase of our Gemilang project, a multi-faceted project designed to streamline our operational process. This involves standardizing and centralizing our operations as well as consolidating our different business branches to become a more universal branch network, that would cater to all our customer segments, both on loans as well as deposits. We also have streamlined our organization structure and human capital in line with our digital focus. We realized the social cost of this exercise and, in anticipation of this, we launched our New Sunrise program for those affected by the Gemilang project. Under this program, those impacted were provided counseling, training and assistance in finding new jobs or, for those preferring to set up their own business, they were provided practical training on relevant skills critical to run their own businesses. I am pleased to report that the Gemilang project has been executed smoothly and in a timely manner. We expect the impact of Gemilang project to be reflected in improved customer experience and reduced operating expense.

In risk management, we continued to tighten and improve our internal controls and risk management systems to ensure we address and contain potential risks.

Net income
from our major
core businesses
remained strong,
growing 5.9% to
Rp2.4 trillion.



the board of directors

- Djemi Suhenda_ Deputy President Director
- Jerry Ng_ President Director (Independent)
- Ongki Wanadjati Dana_ Deputy President Director
- Arief Harris Tandjung_ Finance & Funding Director
- Anika Faisal_ Compliance Director & Corporate Secretary (Independent)
- Wolf Arno Kluge_ Risk Management Director
- Kharim Indra Gupta Siregar_ Information Technology Director



the board of management

Hadi Wibowo_ Branchless Banking Head
Maya Kartika_ Human Capital Head
Vincentius Hidayat_ Pension Business Head
Merisa Darwis_ Operations Head
Helena_ Retail Funding Business Head
Peterjan van Nieuwenhuizen_ Digital Banking Head
Sonny Christian Joseph_ Business Banking Head

Reaching unbanked communities

Our BTPN Wow! program continues to support the Financial Services Authority's (OJK) branchless banking "Laku Pandai" initiative. This government program, which is supported by the banking community, is designed to introduce banking service to remote unbanked communities. Under this program, we use a network of agents and partner with the local mobile telecommunication companies. Since its launch two years ago, it has reached and been used by over 2.9 million customers, with 200,000 agents participating in our distribution network. These agents help facilitate cash transactions in remote locations.

Good Corporate Governance and Sustainability Commitments

Our efforts to improve our corporate governance processes and broaden our sustainability programs remained ongoing. We realize that these efforts are critical to sustain our long term journey going forward.

We continued to invest in our Corporate Social Responsibility (CSR) Daya program, which helps develop and empower communities where we operate. As part of our sustainability commitments, we have also improved our customer protection and created a more inclusive and dynamic working environment for our people. Our efforts to protect the environment is reflected in the design of our head office building and newer branches, which are energy efficient, and we continued to promote a more paperless working environment.

2018 Outlook and Priorities

We remain cautiously optimistic and prudent in projecting the 2018 outlook. The government is expecting a 5.3-5.4% growth rate, just slightly above 2017, which shows cautious optimism.

Next year, BTPN's will be focusing on three key initiatives:

The first will be to continue our two-pronged strategy and grow our core businesses. For two of our fast growing businesses, SME and BTPN Syariah, we will further expand our footprint and customer base, while for Pension and Micro, we plan to maintain our market share, to the extent possible, by further enhancing our products and services.

For our two innovative businesses, BTPN Wow! and Jenius, we will continue to upgrade its technology, invest in digital talents, expand the platforms' features, expand into other large cities and grow our customer base by enhancing their banking experience.

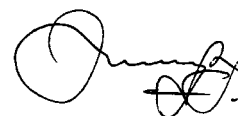
Supporting our business at the back-end, we will continue to simplify our processes through automation, centralizing operations and streamlining our branch network. We will build our data analytics capability, as well as assist our human capital to have them better aligned with our changing and growing business.

Second, we plan to launch an Initial Public Offering (IPO) for our BTPN Syariah subsidiary, the most profitable Syariah bank that provides banking services to unbanked communities in remote areas.

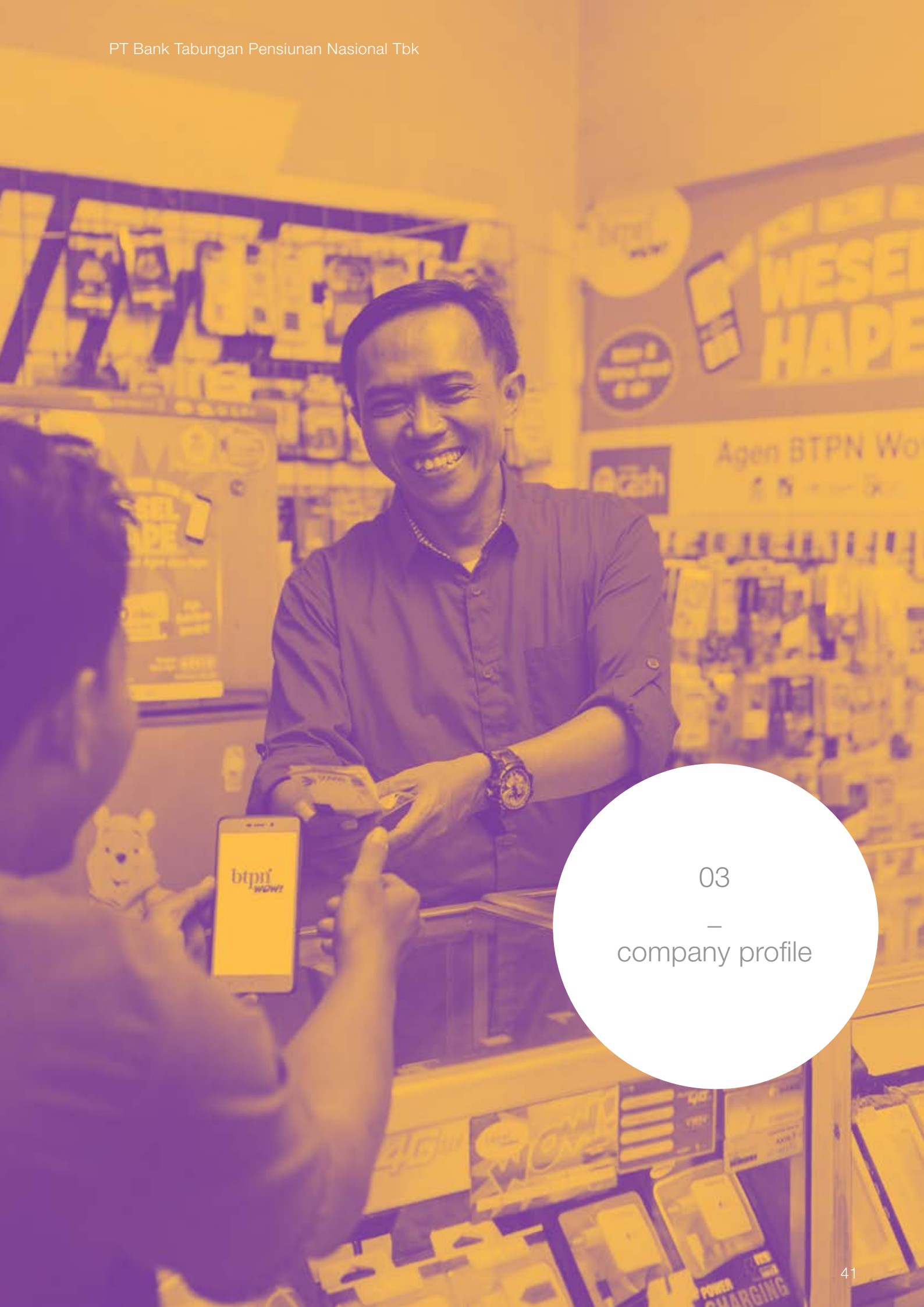
Third, we will assess the feasibility of a potential merger with PT Bank Sumitomo Mitsui Indonesia (BSMI), which subject to the final assessment and regulatory approvals, would make the combined BTPN and BSMI one of the top ten banks in the country serving a full spectrum of customer segments.

In closing, I would like to inform that Hiroshi Higuma is stepping down from our Board of Commissioners and would like to take this opportunity to extend my deepest appreciation for his contribution during his tenure at the Bank. At the same time, I would like to warmly welcome Shinichi Nakamura as a new member to the Board of Commissioners.

I would also like to acknowledge the support of our stakeholders, the cooperation of our business partners, the tireless efforts of our people and the trust of our customers, without which, we would not have achieved our 2017 results. Together, we hope to make a difference in the lives of millions.



Jerry Ng
President Director



03
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company profile

vision

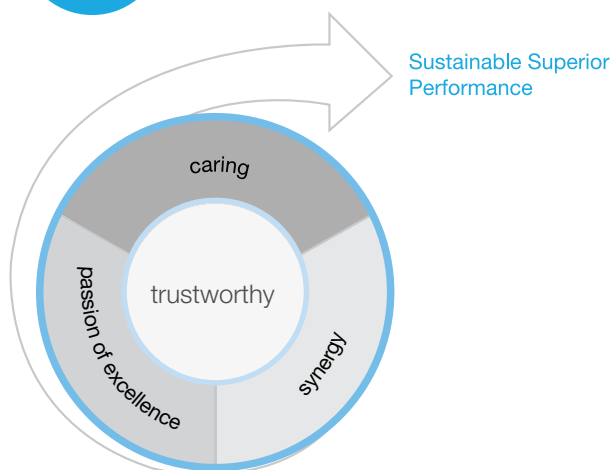
To be the best mass market bank, making a difference in the lives of millions.

powered by digital technology.

mission

Together with our stakeholders, we create opportunities for growth and greater significance.

values



Our values drive how we conduct our business.

- Trustworthy
- Caring
- Synergy
- Passion for Excellence



BTPN in brief

BTPN is a bank that focuses on serving and empowering low-income communities consisting of pensioners, micro, small and medium enterprises, as well as productive poor communities (mass market). Established in Bandung, West Java in 1958 under the name Bapemil, the Bank changed its name to Bank Tabungan Pensiunan Nasional in 1986. Today BTPN has its headquarter in Jakarta and branches in more than 300 cities throughout Indonesia.

BTPN provides a wide range of banking services that is divided into six businesses. The first is the BTPN Purna Bakti focusing on pensioners and pre-pensioners. The second is BTPN Mitra Usaha Rakyat focusing on micro entrepreneurs. The third is BTPN Mitra Bisnis focusing on the small and medium business segment. The fourth is BTPN Sinaya focusing on gathering deposits from institutions and high-income individuals. The last two are the Bank's two mobile phone banking platforms. BTPN Wow!, which services the lower-income segment using a simple mobile-phone, is the fifth business, while the last is Jenius, which caters to the more urban tech-savvy customers who use smartphones.

While most companies aspire to make a difference through CSR programs separate from their business, BTPN integrates its social program within its business. So much so that our tag-line, "Together with our stakeholders, we create opportunities for growth and greater significance" is not just our social responsibility—but integrated in our daily business activity down to the branch level.

At BTPN, we believe that all Indonesians desire opportunities for growth. We enable them by providing financial solution and capacity building.

Name	PT Bank Tabungan Pensiunan Nasional Tbk
Business	Banking Services
Ownership	Sumitomo Mitsui Banking Corporation (40.0%) Summit Global Capital Management B.V. (20.0%) Public (40.0%)
Year of Establishment	1958
Legal Basis of Establishment	PT Bank Tabungan Pensiunan Nasional Tbk (the “Bank”) was established by notarial deed No. 21 dated 6 October 1959 of Notary Noezar, SH. The deed was amended by notarial deed No. 203 dated 31 May 1960 and deed No. 53 dated 7 November 1960 of Notary Noezar, S. H. Articles of Association was published in Supplement No. 5 to State Gazette No. 13 dated 14 February 1961.
Authorized Capital	Rp150,000,000,000
Issued and Paid Up Capital	Rp116,805,745,140
Stock Exchange	Indonesia Stock Exchange
Share Code	BTPN
ISIN Code	101000118508
Head Office	Menara BTPN, CBD Mega Kuningan Jl. Dr. Ide Anak Agung Gde Agung, Kav 5.5-5.6 Jakarta Selatan 12950
Website & Email	www.btpn.com corporate.communications@btpn.com
Ratings (Fitch)	National Long-Term: AAA (idn); Stable Outlook National Short-Term: F1+ (idn)



milestones

1958

In 1958, initially, BTPN was established in Bandung, West Java, under the name Bank Pegawai Pensiunan Militer (Bapemil). In 1960, BTPN obtained license to become a commercial bank and later on, in 1986, changed its name into PT Bank Tabungan Pensiunan Nasional.

2008

In 2008, TPG Nusantara S.à r.l. (TPG) acquired a majority stake (71.6%) in BTPN through a public listing in the Indonesia Stock Exchange. BTPN became a publicly listed company and was a Rp13.7 trillion bank in assets.

2011

In 2011, BTPN launched its Daya program as an integral part of its business as a sustainable and measurable mass market enablement program that empowers the mass market. The Funding Business launched its Sinaya brand, which links up with the Bank's Daya initiative. BTPN successfully piloted its Sharia's Community Banking Business (BTPN Syariah – Tunas Usaha Rakyat). BTPN expanded its ATM network with ATM Prima network, in addition to its existing ATM Bersama network. This brings its ATM linked network to more than 57,331 ATMs throughout Indonesia.

2012

In 2012, BTPN Syariah - Tunas Usaha Rakyat, grew significantly with 28,927 community centers in Banten, West and East Java by the end of the year, empowering over 444,000 customers in the grass-root community. BTPN completed the piloting of its new mobile phone banking called BTPN Wow!, which later was rolled out in 2015.

2015

In 2015, BTPN formally launched BTPN Wow!, a digital mobile banking platform for the mass market that utilizes a simple mobile phone and is enabled by agents to widen its network reach in order to serve the previously unbanked communities. Enabled banking transactions include account opening, money transfers, withdrawals, bill payments and applying for micro loans or micro insurance products. The goal is to persuade customers to do banking transactions through their mobile phone, as if they have a bank in their hands.

2016

In February 2016, BTPN began operating as a foreign exchange Bank after the Bank received its foreign exchange license in December 2015, which enables it to conduct foreign currency transactions and this provides more flexibility to BTPN to start offering liability deposit products in foreign currency. In the latter half of the year, Jenius, the second mobile phone platform was launched. The Jenius mobile phone service, uses a smartphone to connect a customer's account with the Bank and conduct banking transactions. The service, which is intuitively user-friendly and uses social media features, is targeted to the urban tech-savvy higher income segment and has generated considerable interest since its launch. By December, it has 70,000 followers on social media sites and over 3 million YouTube views.

2009

In 2009, BTPN launched its micro - small business namely BTPN Mitra Usaha Rakyat by rolling out 539 branches and growing the unit's loans to Rp2.3 trillion in one year. The bank issued its first rupiah long term bond, which carried an A+ national scale rating from Fitch Ratings, and received a long-term rupiah facility from International Finance Corporation, a subsidiary of The World Bank.

2010

In 2010, BTPN increased its assets to Rp34.5 trillion, compared to Rp13.7 trillion two years before. The Bank ranked 10th among Indonesian banks according to market capitalization, ranked 5th in branch network and ranked 6th in the number of employees. The Bank's asset growth was funded in part by two long-term bonds issues totaling Rp2.4 trillion and a Rp1.3 trillion right issue in December.

2013

In 2013, the Bank's Syariah - BTPN Tunas Usaha Rakyat financing more than doubled in size to about Rp1.4trillion and now accounts for about 3.0% of total loan. The sharia unit has 69,500 community groups (sentra) across the country, empowering over 931,500 customers in village communities. BTPN acquired PT Bank Sahabat Purba Danarta (Bank Sahabat) and will convert it into a sharia bank before spinning off its sharia unit into the newly acquired entity in 2014. Sumitomo Mitsui Banking Corporation (SMBC) from Japan became 24.3% ownership in BTPN through the purchase of shares owned by TPG Nusantara S.à r.l. (TPG) and other shareholders.

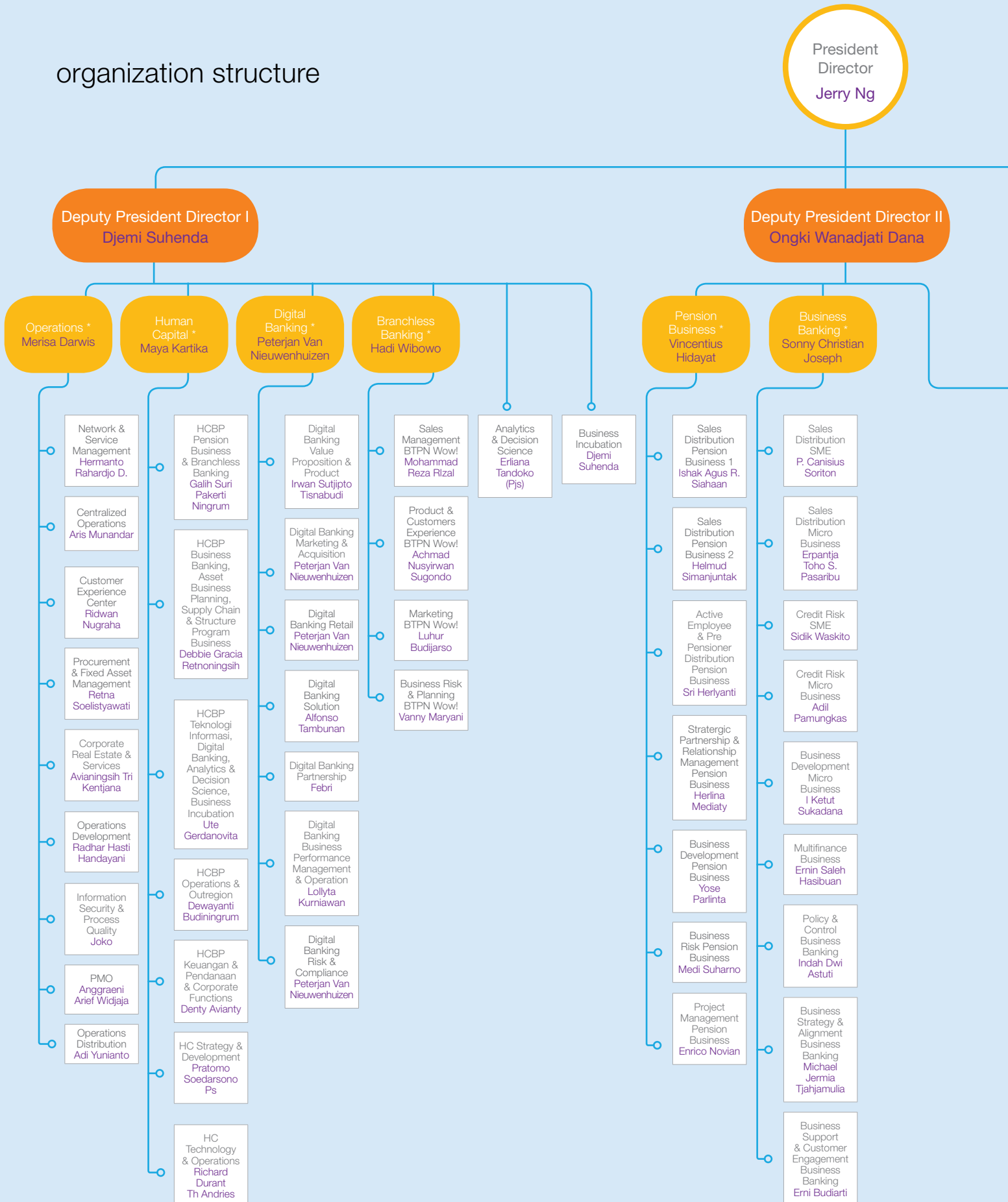
2014

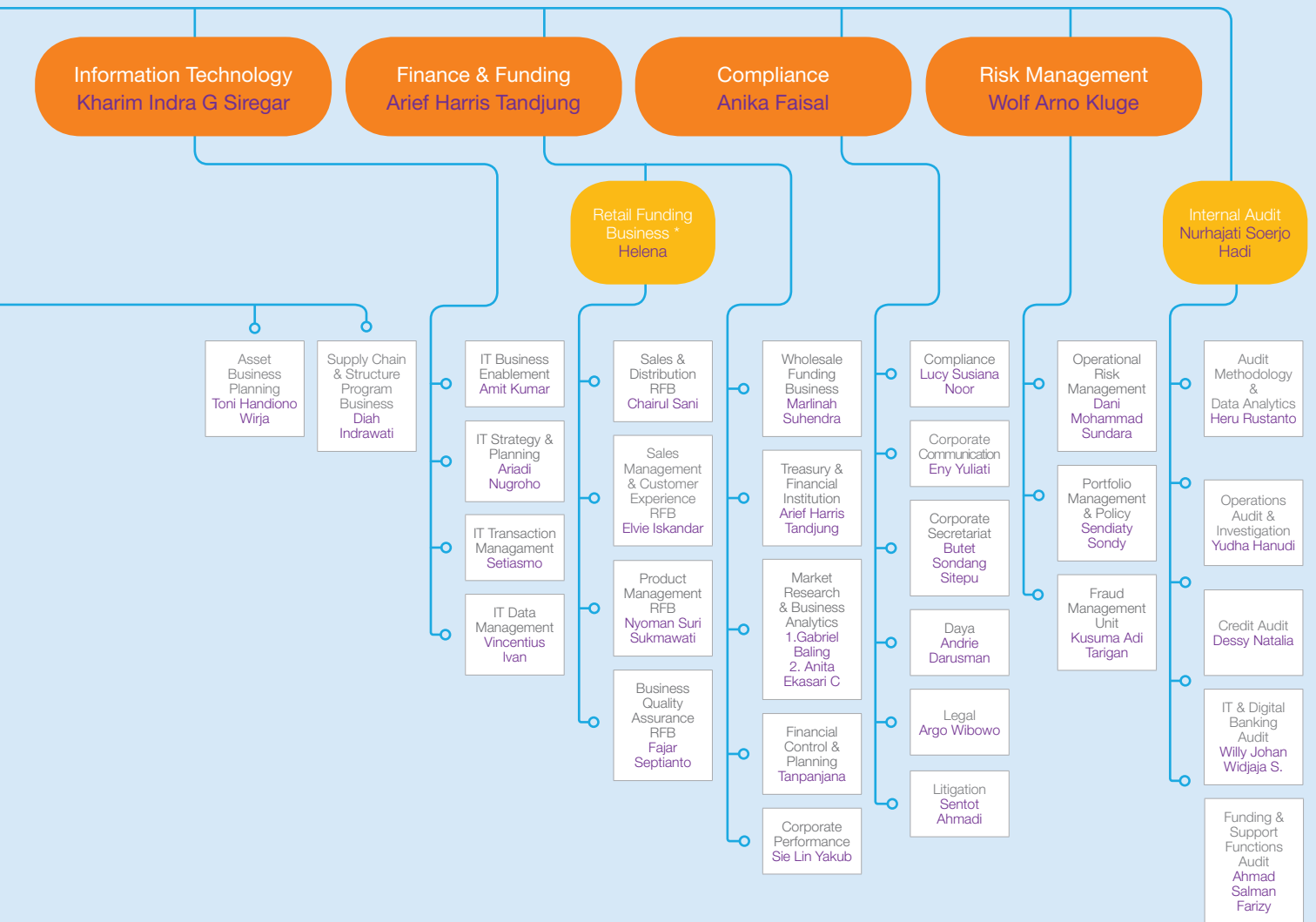
in 2014, Sumitomo Mitsui Banking Corporation (SMBC) of Japan has expanded its share ownership of BTPN to become the controlling shareholder with 40.0%. SMBC is Japan's second largest bank in Japan by market value with some USD1.3 trillion in assets. This puts BTPN in a favorable position of not just having a strong shareholder, but also through them, having access to the regional and international financial markets whenever needed.

2017

BTPN has expanded the features of its BTPN Wow! and Jenius mobile banking applications, which has helped expand the Bank's customer base and increase the level of banking transactions. The customer-centric focus of these two mobile banking services has lead to a considerable change in customer experience and impacted the way the Bank's supporting units operate. This transformation project, which is named 'Gemilang' covers the Bank's organization, technology, people and risk controls. The Bank's branch network has undergone a major transformation, where all branches can provide banking services to all of its different customer segments. This considerably improves operational and cost efficiency and lays the foundation for growth going forward.

organization structure





*Board of Management

board of commissioners' profile



President Commissioner

Mari Elka Pangestu

Indonesian citizen, age 61. Prof. Mari Elka Pangestu has been appointed as President Commissioner as well as Independent Commissioner of BTPN pursuant to the resolutions of AGMS on 29 April 2016. She is currently the Chairman of the Remuneration and Nomination Committee of the Bank.

She is currently a Professor of International Economics at the University of Indonesia and Senior Fellow at Centre for Strategic and International Studies (CSIS). She also serves as Audit Committee member at PT AKR Corporindo Tbk.

Prior to joining BTPN, Prof. Mari Elka Pangestu served as Indonesia's Minister of Trade (2004 – 2011), and as Minister of Tourism and Creative Economy (2011 – 2014). Prior to being a minister, she filled various strategic roles at CSIS, Deputy Director at Pusat Antar Universitas - Faculty of Economics University of Indonesia (1988-1990), as a Chairman of International Sector at Indonesian Economist Association (1988-1998). She started her career with University of Indonesia as a lecturer in 1986.

She obtained her Bachelor of Economics in 1978 and Master of Economics in 1979 from the Australian National University (ANU), and Ph.D. from Department of Economics - the University of California, Davis, USA in 1986.

Independent Commissioner



Irwan Mahjudin Habsjah

Indonesian citizen, age 70. Irwan Mahjudin Habsjah has been appointed Independent Commissioner of BTPN pursuant to the resolutions of EGMS on 28 April 2008. He is currently Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee of the Bank. He is also President Commissioner of PT Sriboga Marugame Indonesia. Previously, he was President Commissioner of PT Sari Melati Kencana/ Pizza Hut (2013-2016), Managing Director and Country Head - Wholesale Banking of ING Bank, Jakarta (2000-2009), as well as Managing Director and Country Head of Bankers Trust Company (1996-1999). Prior to that, he held the position as Deputy President Director - Corporate Banking of PT ING Indonesia Bank in Jakarta (1991-1996). He has 38 years of professional experience, which he gained from various senior positions at BSB Bank, American Express Bank, Citibank, and Indonesia Overseas Bank.

He graduated with a Master degree in Monetary and International Economics from the University of Amsterdam (1978), and a Bachelor degree in Economics from Erasmus University Rotterdam (1974) in the Netherlands.

Independent Commissioner



Arief T. Surowidjojo

Indonesian citizen, age 64. Arief Tarunakarya Surowidjojo has been appointed Independent Commissioner of BTPN pursuant to the resolutions of AGMS on 29 April 2016. He is currently the Chairman of the Risk Monitoring Committee of the Bank.

He also serves as Founding Partner at Law Firm Lubis Ganie Surowidjojo (since 1985), as Independent Commissioner and Chairman of Audit Committee and Remuneration & Nomination at PT ABM Investama (since 2015), He also as Chairman of Supervisory Board of WWF Indonesia (since 1997).

Prior to that, he served as Deputy President Commissioner at PT Holcim Indonesia Tbk (2001-2015), Deputy President Commissioner PT Vale Indonesia Tbk (2009-2016), Independent Commissioner PT Sampoerna Agro Tbk (2007-2013), Chairman of GCG Committee at PT Indika Energy Tbk (2009-2015) and Chairman of GCG Committee at PT Petrosea Tbk (2011-2015).

He graduated from the University of Indonesia in 1977 with degree in Law and Master of Law (LL.M) from University of Washington (1984).

Commissioner



Chow Ying Hoong

Singapore citizen, age 57. Chow Ying Hoong has been appointed Commissioner of BTPN pursuant to the resolutions of EGMS on 15 January 2015. He is a member of the Risk Monitoring Committee and Remuneration and Nomination Committee of the Bank.

He is currently the Managing Executive Officer, Deputy Head of Asia Growing Markets Division of Sumitomo Mitsui Banking Corporation (“SMBC”) in Singapore. In SMBC he filled various roles as follows Director and Executive Officer (April 2013), General Manager of Planning Department Asia Pacific Division (April 2011), General Manager of Debt Markets Department (April 2010). Prior to joining SMBC, he was with Societe Generale Bank as Branch Manager/ Managing Director (1997 – 2000) and as Head of Syndication for Asia in ABN Amro in Singapore. He started his career with United Overseas Bank in 1984.

He graduated from the National University of Singapore in 1984 with a degree in Business Administration (Finance).

Commissioner



Shinichi Nakamura

Japanese citizen, age 55. Shinichi has been appointed Commissioner of BTPN pursuant to the resolutions of AGMS on 24 March 2017. He is a member of the Risk Monitoring Committee of the Bank.

Currently he is Senior General Manager of Asia Growing Markets Division at Sumitomo Mitsui Banking Corporation (“SMBC”) in Singapore. In SMBC he filled various roles among others General Manager of three offices (Ayase, Shinjuku, Ikebukuro) in Tokyo (April 2012 – March 2015), General Manager in Private Advisory Department as Head of project – joint venture with Barclays Bank (April 2009), General Manager of Planning Department of Consumer Banking Unit in Osaka (April 2007), Joint General Manager of Operations Planning Department in Tokyo (June 2005). During the merger of Sumitomo Bank and Sakura Bank, he was appointed Deputy Head of project team of human resources system (May 2000). Prior to that, he was Senior Vice President of Human Resources Department in Sumitomo Bank (July 1999), Corporate Research Department (January 1990). He started his banking career at Sumitomo Bank in 1985.

He received his Bachelor of Laws from Kyoto University in 1985 and Master of Laws (LL.M) from The University of Illinois at Urbana Champaign, School of Law in 1989.

board of commissioners committees' profile



Member of Audit Committee and Risk Monitoring Committee (Independent Party)

Kanaka Puradiredja

Indonesian citizen, age 72. Serving as a member of the Risk Monitoring Committee since 21 September 2011 and appointed as a member of the Audit Committee since 19 March 2014.

Graduate of the Faculty of Economics majoring in Accounting, Universitas Padjadjaran, Bandung in 1971.

Currently serving as Chairman of Certification Board of Indonesian Institute of Audit Committee, Head of the Honorary Board of Professional Risk Management Association and Chairman of the Indonesian Institute of Commissioners and Directors. Once served as Managing Partner and Chairman of KPMG Indonesia (1978-1999), Founder and Senior Partner of KAP Kanaka Puradiredja Suhartono (2000-2007). Once served as Chairman of the Honorary Board of IAI (2002-2010) and Chairman of the Board Audit Committee Association Indonesia (2004-2010).



Member of Audit Committee and Risk Monitoring Committee (Independent Party)

Yosef Antonius Boliona Badilangoe

Indonesian citizen, age 58. Serving as a member of the Audit Committee and Risk Monitoring Committee of the Bank since 29 April 2016.

Received his Bachelors Degree in Accounting from Universitas Gajah Mada in 1983.

Prior to joining BTPN, he served as Advisor, Asset Restructuring and Recovery PT Bank CIMB Niaga Tbk (2011 – 2016), Executive Director - Compliance & Human Resources PT Bank Bumiputera Indonesia Tbk (2009 – 2011), Executive Director-Compliance & Human Resources PT Bank Niaga Tbk (2007 – 2008). Started his career at PT Bank Niaga Tbk in 1984 and he filled various roles, including Senior Executive positions among others Executive Vice President - Head of Retail Sales & Services (2006 – 2007), Executive Vice President-Head of Network & Services (2004 – 2005) and Executive Vice President - Head of Subsidiaries & Special Asset Management (2002 – 2003).

Audit Committee

Chairman

Irwan Mahjudin Habsjah (Independent Commissioner)

Members

Arief T. Surowidjojo (Independent Commissioner)
Kanaka Puradiredja (Independent Party)
Yosef Antonius Boliona Badilangoe (Independent Party)

Risk Monitoring Committee

Chairman

Arief T. Surowidjojo (Independent Commissioner)

Members

Chow Ying Hoong (Commissioner)
Shinichi Nakamura (Commissioner)
Kanaka Puradiredja (Independent Party)
Yosef Antonius Boliona Badilangoe (Independent Party)

Remuneration and Nomination Committee

Chairman

Mari Elka Pangestu (President Commissioner/ Independent Commissioner)

Members

Irwan Mahjudin Habsjah (Independent Commissioner)
Chow Ying Hoong (Commissioner)
Maya Kartika (Executive Officer-Human Capital)

board of directors' profile



President Director

Jerry Ng

Indonesian citizen, age 52. Jerry Ng was appointed President Director of BTPN dated 9 July 2008. He leads an experienced senior management team committed to transform BTPN into the best mass market bank in Indonesia.

He has more than 30 years of experience in the financial services industry. He was Head of Indonesia and Senior Advisor for South-East Asia at TPG Capital before his appointment as President Director and Chief Executive Officer of BTPN. He began his banking career at Citibank before moving to senior positions in various leading banks and financial institution in Indonesia; including Deputy President Director at Bank Central Asia, Deputy President Director at Bank Danamon, and President Director at Federal International Finance. During the 1998 Asian financial crisis, he was appointed Deputy Chairman of the Indonesian Bank Restructuring Agency (IBRA) for restoring the banking industry back to normalcy.

He serves as member of the Board of Trustees of SymAsia Foundation in Singapore, WWF in Indonesia, the Blum Center for developing Economies at the University of California, Berkeley, and Board of Advisory of the Jackson Institute for Global Affairs at Yale University.

He holds a Bachelor of Business Administration degree from the University of Washington in Seattle, USA and has attended various senior management programmes, including those at Stanford Business School, Harvard Business School and Center for Creative Leadership. He is a fellow of the Eisenhower Fellowships.

Deputy President Director



Djemi Suhenda

Indonesian citizen, age 51. Djemi Suhenda has been Deputy President Director of BTPN pursuant to the resolutions of EGMS on 29 October 2009. He has been in banking for 28 years with a wide of experience in business strategy & planning, operations, human capital, and business incubation. Prior to BTPN, he worked at Citibank Indonesia, Citibank Singapore, Bank Universal, and Bank Danamon. In the last 9 years of his career in BTPN, Djemi has led the development of 5 new businesses from initial creative inception to implementation. The creation of BTPN Wow! and Jenius, the two new digital banking platforms launched recently, are led by him. He was also instrumental in the creation of Daya, BTPN's mass market enabling platform. He is passionate about developing organizations that can make a difference in people's lives, and in nurturing young leaders.

He completed a Bachelor of Economics degree from Universitas Trisakti, Jakarta in 1989 and has attended various executive training programs, including the Executive Program on Strategy and Organization at the Stanford Business School, USA, Leadership At the Peak at Center for Creative Leadership, Singapore.

Deputy President Director



Ongki Wanadjati Dana

Indonesian citizen, age 60. Ongki Wanadjati Dana has been Deputy President Director pursuant to the resolutions of EGMS dated 28 April 2008. He heads the Bank's retail banking business since he joined back in 2008. He brings to BTPN over 36 years of experience in the financial services sector. He served as Wholesale Banking Director of Bank Permata, as Vice President Director of PT Bank Universal Tbk, and President Director of Bank Subentra. He started his banking career at Citibank N.A. in 1982 and rose to Vice President - Consumer Banking Group in 1987.

He holds a Bachelor degree of Mechanical Engineering from Institut Teknologi Bandung from where he graduated in 1981. He has attended various executive education programs, including at Center for Creative Leadership, Singapore, Saïd Business School, Oxford University, UK and Harvard Business School, USA.

Compliance Director and Corporate Secretary



Anika Faisal

Indonesian citizen, age 50. Anika Faisal has been Compliance Director and Corporate Secretary pursuant to the EGMS resolution dated 28 April 2008.

In the last 9 years of her career, She has focused on reviewing BTPN's and Daya's performance from a compliance and corporate governance point of view.

Prior to that, she was Compliance Director at Bank Danamon Indonesia for six years. She has more than 25 years experience in the financial services industry. She initially began her career in Bank Niaga, where she rose to become the Legal Division Head for Corporate Banking. She then moved to Bahar, Tumbelaka and partner, a law firm where she rose to become a partner in 1999. The same year, she moved to the Indonesian Bank Restructuring Agency, where she served as Subject Matter Expert to the Head and Deputy Head of the Agency. She is actively involved in managing banking-related profession & industry associations, among others Indonesian Bankers Association (Ikatan Bankir Indonesia), Perbanas and the Compliance Director Communication Forum (Forum Komunikasi Direktur Kepatuhan/FKDKP). She is Chairwoman of FKDKP since 2015.

She holds a Bachelor Degree in Law from Universitas Indonesia. She has attended various executive training programs, including Authentic Leadership Program at Harvard Business School, USA. She also has contributed to several foundations as part of her contribution to the community namely as Head of Yayasan Dana Bakti Pendidikan UI since 2007 and General Secretary of Yayasan Indonesia Forum since 2016.

Information Technology Director



Kharim Indra Gupta Siregar

Indonesian citizen, age 53. Kharim I. G. Siregar was appointed Director of Information Technology at BTPN pursuant to the resolutions of EGMS dated 28 April 2008. He leads a team responsible for enabling the business units by delivering IT solutions and implementing digital processes. His unit is also responsible for maintaining the Bank's IT infrastructure to meet new process requirements, support timely decision-making and enable collaboration across the company. Prior to BTPN, he was Executive Vice-President/ Head of Business Support Division for Danamon Simpan Pinjam; Vice-President of Electronic Channels, Customer Loyalty and Business Alliances in Retail Banking at Bank Mega; and Vice-President and IT Group Head at Bank Universal. He started his career as a marketing representative for IBM Indonesia.

He graduated with a Bachelor's degree in Mechanical Engineering from Institut Teknologi Bandung in 1990. He also attended executive training programs in Insead, Singapore and Harvard Business School, USA.

Finance and Funding Director



Arief Harris Tandjung

Indonesian citizen, age 49. Arief Harris Tandjung was appointed as Director of BTPN pursuant to the resolutions of AGMS on 8 April 2010. Currently he is responsible in supervising Finance, Treasury & FI and Funding. Prior to that, he was the Bank's Executive Vice President, Chief Financial Officer for two years. Before joining BTPN, he served as Executive Vice President and Head of SME Banking Business for Bank Danamon, Senior Manager and Head of Consumer Banking Business Finance for Standard Chartered Bank, and Vice President for Corporate Performance Management at Bank Permata.

He graduated with a Bachelor Degree in Electrical Engineering from Universitas Indonesia in 1991, and has attended a number of education and training programs, such as the General Management Executive Program conducted by the National University of Singapore in 1999, the Leadership Program conducted by Temasek Learning Center, Singapore in 2006 and CFO Strategic Financial Leadership Program by Stanford Business School Executive Education in 2013.

Risk Management Director



Wolf Arno Kluge

German citizen, age 56. He was appointed Risk Management Director of BTPN pursuant to the resolutions of AGMS dated 26 March 2015. Previously, he was Chief Risk Officer at BTPN. Prior to joining BTPN, he was with Bank Central Asia as Consultant – Lending Process (June 2009 – May 2011) and Independent Member – Risk Monitoring Committee (January 2008 – May 2009), Head of Integrated Credit Risk Management for Bank Danamon (July 2004 – October 2007), serving as Commissioner for Adira Dinamika Multi Finance (June 2006 – June 2007), Director – Risk Management Advisory at Deutsche Bank AG, Jakarta Branch (September 2001 – June 2004), Director – Asset Management/ Credit Restructuring at Aegis Korea LLC (August 2000 – August 2001), Division Head – Credit Restructuring at Bank Mandiri (May 1999 – July 2000). He has also served in various senior positions at Deutsche Bank AG branches around the world.

He received Certified Banking Management Expert from Frankfurt School of Finance and Management in 1990.

board of management' profile



Branchless Banking Head

Hadi Wibowo

Indonesian citizen, age 50. Hadi Wibowo was appointed as Branchless Banking Head, after previously serving as Operations Head, Operations Director and Micro and Small Enterprises Business Director. He has spent almost all of his career in the banking industry, in various positions like Operations, Consumer Banking and Micro Banking. His banking career started when he joined as management trainee in Bank Universal/Permata, continued to Bank Danamon where was Executive Vice President in Consumer Banking, before he moved on to BTPN.

He earned a Bachelor degree in Civil Engineering from Institut Teknologi Bandung in 1991, and attended various executive training programs, like General Management Program at National University of Singapore, Danamon Leadership Academy at Insead Singapore, Berkeley-Nanyang Advanced Management Program at Nanyang Business School and Haas School of Business - UC Berkeley, and Leading for Organizational Impact at Center for Creative Leadership in Singapore.



Human Capital Head

Maya Kartika

Indonesian citizen, age 51. Maya Kartika was appointed as Human Capital Head, after serving as Human Capital Director and Chief Human Capital at BTPN. Prior to joining BTPN, she was Senior Vice President and Head of Human Resources at HSBC Indonesia (July 2010 – December 2014), Country Head of Human Resources at RBS Bank Indonesia (June 2003 – June 2010), Head of Human Resources at Kalbefood (August 2002 – May 2003), Manager – People Solution at Arthur Andersen Business Consulting (April 2000 – August 2002), HR RM – Corporate & Institutional Banking at Standard Chartered Bank (May 1999 – March 2000), Recruitment & Training Manager at PT Ongko Multicopora (April 1994 – May 1999). She started her career with Experd Consulting (August 1990 – March 1994).

She earned a Bachelor Degree in Psychology from Universitas of Indonesia in 1990.



Digital Banking Head

Peterjan van Nieuwenhuizen

Dutch citizen, age 39. Peter was appointed as Digital Banking Head, leading BTPN's new "Jenius" offering in 2016. Previously he had been Incubation Head Digital Banking since 2015. Prior to joining BTPN, Peter started his career at McKinsey & Company, where he spent almost 10 years advising clients across Europe, North America, Southeast Asia and Africa, especially on financial services and IT topics. He subsequently became Chief Operating Officer at VP Bank in Vietnam, before briefly running a digital banking start-up in Saigon.

Peter graduated from Pembroke College, Cambridge University in 2003, having read Mathematics, and also holds an MSc in Computer Science from the University of Twente in the Netherlands.



Pension Business Head

Vincentius Hidayat

Indonesian citizen, 53 years. Vincentius Hidayat was appointed Pension Business Head since April 2016, after previously serving as Deputy of Pension Business Director since October 2015 and Head of Network Product Management - Pension Business in BTPN.

Prior to his career in BTPN, he served in various positions at PermataBank, including Head of Sales & Channel Development, Head of Operational Excellence & Service Quality, Head of Corporate Project Management Office, Region Head - Central Java and East Indonesia.

He started his banking career at Bank Bali with his last position as General Manager of Sales & Service in Jabotabek. During the merger of Bank Bali with Bank Universal, Bank Prima Express, Bank Artamedia, and Bank Patriot, which became Bank Permata, he was appointed as Retail Banking Migration Coordinator.

He earned a degree in the Faculty of Public Administration from Brawijaya University, Malang in 1987. He also participated in several executive development programs, both domestically and abroad, among others, the University of California – Berkeley and Nanyang Business School.



Business Banking Head

Sonny Christian Joseph

Indonesian citizen, age 44. He joined at BTPN since 2012. Sonny was appointed as Business Banking Head after previously serving as Head of SME Business, SME Project Head and Credit Risk Head for BTPN Micro Business. Prior to his career in BTPN, he served as Asset Head in Bank DBS Indonesia for Institutional Banking Group 4 (SME Business) and at Bank Danamon as Senior Vice President and SME Credit Risk Head.

He completed a Bachelor of Economics degree from Universitas Hasanuddin in 1996 and has attended various educational and training programs, including Leadership Program in INSEAD, DBS Bank and in Centre for Creative Leadership, Singapore.



Operations Head

Merisa Darwis

Indonesian citizen, age 50. Merisa was appointed as Operations Head after 5 years serving as Head of Internal Audit since 2011. Before joining BTPN, she was the HR & Internal Control Director and Head of Internal Control at Bank Barclays Indonesia for 2.5 years. Prior to that, she worked for Citibank Indonesia as Operations - Control & Reporting Head, Transaction Services Head, Control & Support Head, Consumer IT Head & Country IT Financial Head and IT QA Head, Privacy Officer and BISO (Business Information Security Officer). She also worked for USI/IBM as programmer/analyst.

She graduated with a Bachelor Degree in Computer Science from Institut Teknologi Bandung in 1991 and attended various executive training programs organized by Citibank and Center for Creative Leadership in Singapore.



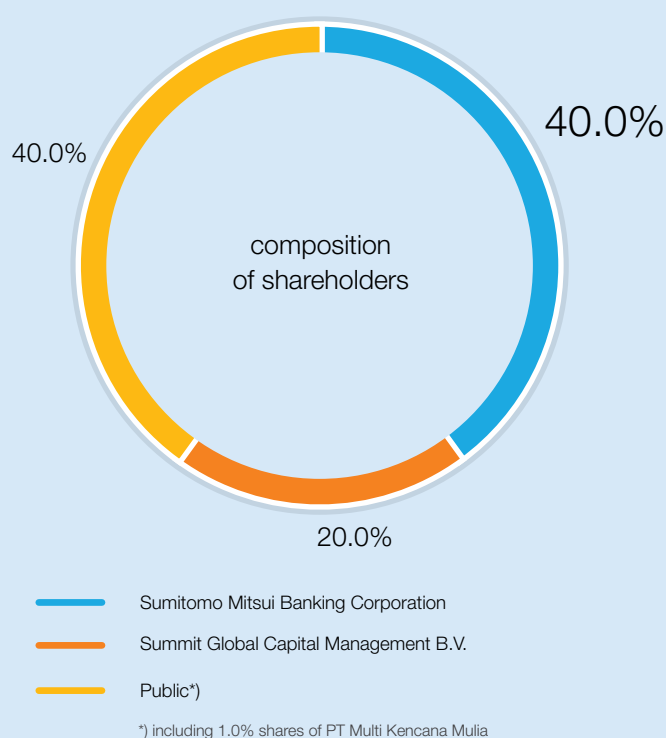
Retail Funding Business Head

Helena

Indonesia citizen, age 49. Helena was appointed as Retail Funding Business Head since October 2008. Prior to joining BTPN, She worked at PermataBank serving as Head, Customer Experience (May-October 2008), Head Branch Banking (October 2005-May 2008), GM Retail District I (February-October 2005), GM Retail Service (October 2003-January 2005) and Head of Retail Area (March-September 2003).

She earned a Bachelor degree in Veterinary Science from Institut Pertanian Bogor in 1992 and attended various executive training programs, like Berkeley-Nanyang Advanced Management Programme at University of California, Berkeley, USA and Nanyang Technological University, Singapore and also Leading for Organizational Impact from Center for Creative Leadership in Singapore.

shareholders composition and profile



Structure of ownership

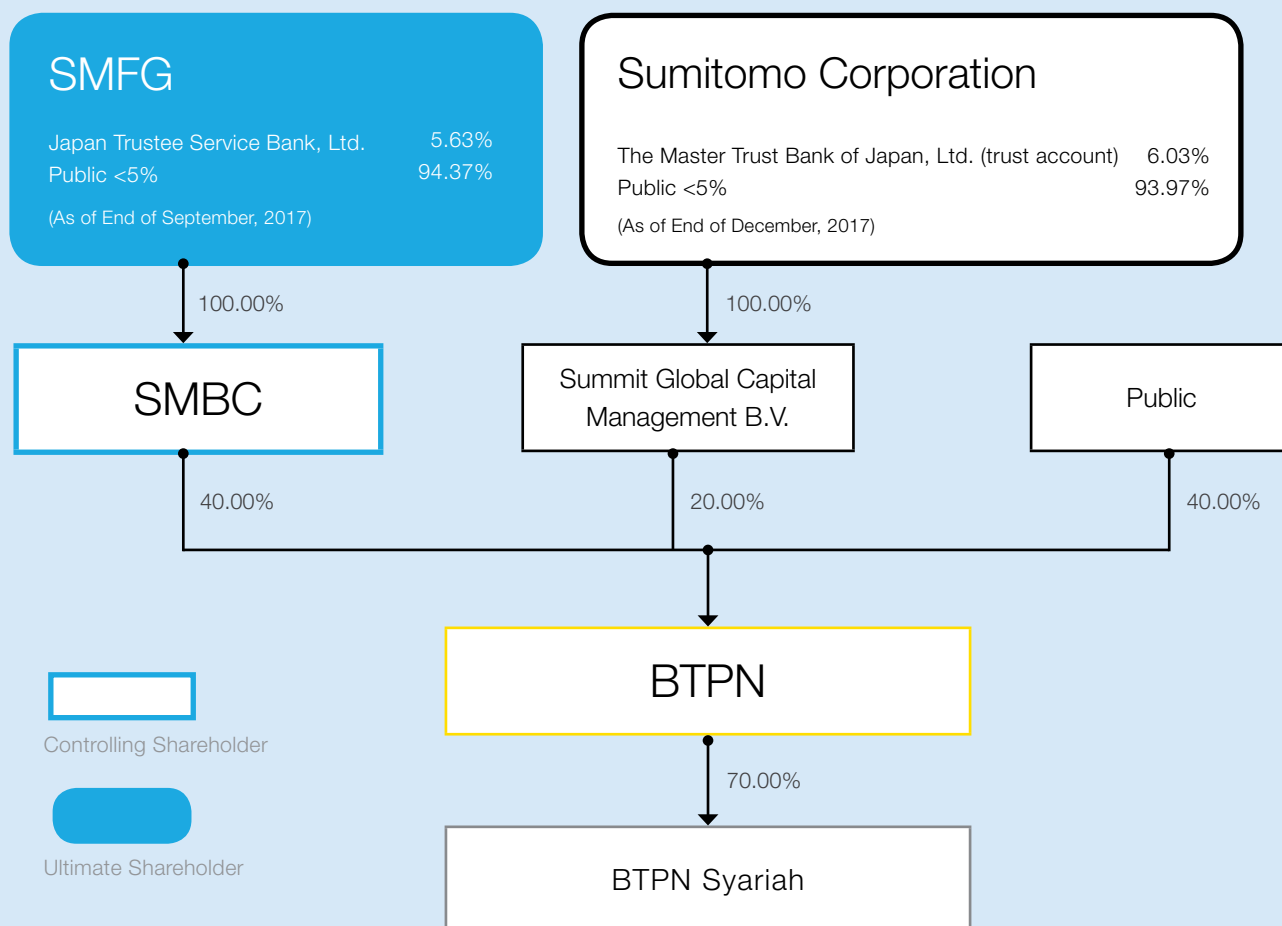
Ultimate Shareholder	Sumitomo Mitsui Financial Group through Sumitomo Mitsui Banking Corporation: 40.0%
Non-controlling shareholder through capital market (≥ 5%)	Summit Global Capital Management B.V.: 20.0%
Non-controlling shareholder not through capital market (≥ 5%)	None

Sumitomo Mitsui Banking Corporation (SMBC) is part of the Sumitomo Mitsui Financial Group, Inc. (SMFG), which is one of the three largest financial groups in Japan. As of March 31, 2017 the Bank has US\$1.76 trillion in total assets, US\$1.05 trillion in total deposits and US\$715.19 billion in total loan assets. The Bank is based in 1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan. SMBC was established in April 2001 through the merger of two leading banks: The Sakura Bank, Limited, and The Sumitomo Bank, Limited. SMFG was established in December 2002 as a holding company, through a stock transfer and SMBC became a wholly-owned subsidiary of SMFG.

Sumitomo Mitsui Banking Corporation (SMBC) and its group companies offer a broad range of financial services centered on banking. They are also engaged in the leasing, securities, credit card, investment, mortgage securitization, venture capital and other credit related businesses.

Structure of Share Ownership as of 31 December 2017

Share Ownership	Number of Shares	Percentage
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%
Summit Global Capital Management B.V.	1,168,057,451	20.00%
Board of Directors		
- Jerry Ng	25,504,500	0.44%
- Ongki Wanadjati Dana	11,255,000	0.19%
- Djemi Suhenda	13,860,000	0.24%
- Anika Faisal	4,600,000	0.08%
- Arief Harris Tandjung	11,975,000	0.20%
- Kharim Indra Gupta Siregar	1,130,500	0.02%
PT Multi Kencana Mulia	58,402,873	1.00%
Public	2,114,188,130	36.20%
	5,745,088,357	98.37%
Treasury shares	95,198,900	1.63%
Total	5,840,287,257	100.00%



subsidiary profile: BTPN Syariah

Committed to serve the low-income segment in rural and remote areas, known as the productive poor, BTPN established BTPN Syariah, which specifically focuses on that segment. BTPN Syariah's main goal is to be the best sharia bank for financial inclusion and making a difference in the lives of millions of Indonesians.

The Bank focuses on increasing financial service penetration to the productive poor segment and empowering women in remote villages. BTPN Syariah carries the reputation and credibility of its parent bank that has allowed it to develop in a dynamic way.

BTPN Syariah has shown significant growth. From being ranked as the 12th sharia bank in terms of total assets in 2014 when it started operations, to the 7th in 2016 and 2017, consecutively. In line with the full support from the Indonesia Financial Services Authority (Otoritas Jasa Keuangan) in promoting financial inclusion, BTPN Syariah continues to provide banking service access to the unbanked community.

BTPN Syariah's unique value proposition lies in its business model that empowers underprivileged productive families to build upon four key characteristics, namely Courage, Discipline, Hard work and Solidarity. This distinctively differentiates BTPN Syariah from other sharia banks.

There has been a change to BTPN Syariah's Board of Directors, with President Director, Harry A.S. Sukadis retiring and Deputy President Director, Ratih Rachmawaty taking over, Mulia Salim was appointed as Deputy President Director and Arief Ismail as Compliance Director as per the Bank's AGMS held on 6 March 2017. There were also changes in the Board of Commissioners by with Maya Kartika joining as a new member, as well as H. Muhamad Faiz, MA and H. Ikhwan Abidin, MA as the member and chairman, respectively, of the Sharia Supervisory Board to replace KH. Ahmad Cholil Ridwan, Lc and KH. Drs. Amidhan respectively.

SHARIA SUPERVISORY BOARD

Chairman
H. Ikhwan Abidin, MA

Member
H. Muhamad Faiz, MA

THE BOARD OF COMMISSIONERS

President Commissioner (Independent)
Kemal Azis Stamboel

Commissioner (Independent)
Dewie Pelitawati

Commissioner
Mahdi Syahbuddin

Commissioner
Maya Kartika

THE BOARD OF DIRECTORS

President Director
Ratih Rachmawaty

Deputy President Director
Mulia Salim

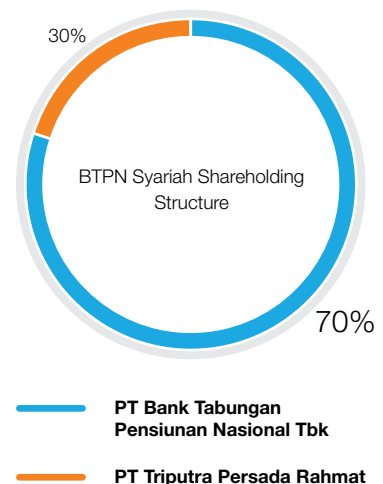
Director
Taras Wibawa Siregar

Director
M. Gatot Adhi Prasetyo

Compliance Director
Arief Ismail

HEAD OFFICE

Menara BTPN, 12th floor,
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung,
Kav 5.5-5.6 Jakarta Selatan 12950



corporate action

Share listing at Indonesia Stock Exchange

Description	Listing Date	Total Shares
Initial Public Offering	12 March 2008	943,936,190
Limited Public Offering I to Shareholders in the framework of Rights Issue	10 December 2010	188,787,238
Stock Split 1:5	28 March 2011	5,663,617,140
Capital Increase Without Pre-Emptive Rights (IFC Conversion Loan)	9 March 2012	176,670,117
Total Share Listing after Capital Increase Without Pre-Emptive Rights		5,840,287,257

BTPN bonds public offering

Description	Listing Date	Bond Amount (Rupiah)	Coupon Rate (%)	Due Date	Outstanding (Rupiah)
Public Offering Shelf Registry Bond I BTPN Fixed Coupon Rate Phase II Year of 2012					
Seri B	6 August 2012	725,000,000,000	8.25	3 August 2017	Settlement has been made on August 3, 2017
Public Offering Shelf Registry Bond I BTPN Fixed Coupon Rate Phase III Year of 2013					
Series B	6 March 2013	400,000,000,000	8.25	5 March 2018	400,000,000,000
Public Offering Shelf Registry Bond II BTPN Fixed Coupon Rate Phase I Year of 2013					
Series B	5 July 2013	350,000,000,000	8.25	4 July 2018	350,000,000,000
Public Offering Shelf Registry Bond III BTPN Fixed Coupon Rate Phase I Year of 2016					
Series A	11 July 2016	700,000,000,000	7.50	11 July 2017	Settlement has been made on July 11, 2017
Series B	11 July 2016	300,000,000,000	8.00	1 July 2019	300,000,000,000
Public Offering Shelf Registry Bond III BTPN Fixed Coupon Rate Phase II Year of 2017					
Series A	18 October 2017	600,000,000,000	6.60	27 October 2018	600,000,000,000
Series B	18 October 2017	900,000,000,000	7.50	17 October 2020	900,000,000,000

BTPN Bonds ratings

Shelf Registry Bond I BTPN Fixed Coupon Rate Phase III Year of 2013	AAA (idn); Stable Outlook
Shelf Registry Bond II BTPN Fixed Coupon Rate Phase I Year of 2013	AAA (idn); Stable Outlook
Shelf Registry Bond III BTPN Fixed Coupon Rate Phase I Year of 2016	AAA (idn); Stable Outlook
Shelf Registry Bond III BTPN Fixed Coupon Rate Phase II Year of 2017	AAA (idn); Stable Outlook

Use of Funds from Public Offerings

The Bank has conducted corporate actions, such as the issuance of bonds through public offering and shelf registry bonds, in which all fund proceeds from the public offering and shelf registry bonds, after deduction of issuance cost, was entirely used by the Bank in accordance with the use of funds as stipulated in their respective prospectuses. The issuances of bonds that the Bank has conducted are as follows:

in million Rupiah

No.	Type of bond	Effective date	Realizable value of the public offering			Realization of the use of funds		Remaining Proceeds from the public offering
			Offering Result	Offering Cost	Nett of Offering Result	Plan of the Use of Fund	Realization of the Use of Fund	
1.	Bond Bank BTPN I Year of 2009	29 September 2009	750,000	8,699	741,301	741,301	741,301	0
2.	Bond Bank BTPN II Year of 2010	18 May 2010	1,300,000	8,116	1,291,884	1,291,884	1,291,884	0
3.	Bond Bank BTPN III Year of 2010	14 December 2010	1,100,000	6,476	1,093,524	1,093,524	1,093,524	0
4.	Shelf Registry Bond Bank BTPN I Phase I Year of 2011	20 June 2011	500,000	5,057	494,943	494,943	494,943	0
5.	Shelf Registry Bond Bank BTPN I Phase II Year of 2012	20 June 2011	1,250,000	6,069	1,243,931	1,243,931	1,243,931	0
6.	Shelf Registry Bond Bank BTPN I Phase III Year of 2013	20 June 2011	750,000	3,668	746,332	746,332	746,332	0
7.	Shelf Registry Bond Bank BTPN II Phase I Year of 2013	26 June 2013	800,000	5,292	794,708	794,708	794,708	0
8.	Shelf Registry Bond Bank BTPN III Phase I Year of 2016	27 June 2016	1,000,000	6,483	993,517	993,517	993,517	0
9.	Shelf Registry Bond Bank BTPN III Phase II Year of 2017	27 June 2016	1,500,000	5,871	1,494,129	1,494,129	1,494,129	0

Total of shareholders and percentage of ownership based on classification as of 31 December 2017

No	Ownership Status	Number of Shareholders	Total Shares	Ownership Percentage
1	Insurance	1	67,800	0.00
2	Foreign Company	96	5,371,794,106	91.99
3	Pension Fund	4	140,600	0.00
4	Employee	253	632,500	0.01
5	Foreign Individual	18	317,900	0.01
6	Local Individual	1,165	195,164,229	3.34
7	Limited Liability Company	19	268,854,322	4.60
8	Mutual Fund	3	3,133,000	0.05
9	Foundation	2	182,800	0.00
Total		1,561	5,840,287,257	100.00

share and bond registrations

- On 19 October 2017, TPG Nusantara s.à r.l. sold shares ownership of the Bank amounting 203,233,698 shares or 3.5%, therefore there's changes of shares ownership originally 489,407,774 shares or 8.4% become 286,174,076 shares or 4.9%.

BTPN Shares Ownership Structure

Shareholders	Before 19 October 2017	
	Total Shares	Percentage
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%
Summit Global Capital Management B.V.	1,168,057,451	20.00%
TPG Nusantara S.à r.l.	489,407,774	8.38%
PT Multi Kencana Mulia	58,402,873	1.00%
Public	1,788,304,256	30.62%
Total	5,840,287,257	100.00%

Shareholders	After 19 October 2017	
	Total Shares	Percentage
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%
Summit Global Capital Management B.V.	1,168,057,451	20.00%
PT Multi Kencana Mulia	58,402,873	1.00%
Public*	2,277,712,030	39.00%
Total	5,840,287,257	100.00%

*Shareholders ownership less than 5%

- In October 2017, the Bank issued IDR1,5 trillion Shelf Registry Bond III Bank BTPN Fixed Coupon Rate Phase II Year of 2017 carrying the following terms:

Information	Listing Date	Bond Amount (IDR)	Coupon Rate (%)	Due Date
Series A	18 October 2017	600,000,000,000	6.60	27 October 2018
Series B	18 October 2017	900,000,000,000	7.50	17 October 2020
Total		1,500,000,000,000		

information for shareholders

Annual General Meeting of Shareholders

Annual General Meeting of Shareholders will be held on 29 March 2018

Share Listing

BTPN shares are listed in the Indonesian Stock Exchange with ticker code "BTPN".

Bonds Listing

- Shelf Registry Bond Bank BTPN I with Fixed Coupon Rate Phase III Year of 2013, listed in Indonesia Stock Exchange under the code "BTPN01BCN3"
- Shelf Registry Bond Bank BTPN II with Fixed Coupon Rate Phase I Year of 2013, listed in Indonesia Stock Exchange under the code "BTPN02BCN1"
- Shelf Registry Bond Bank BTPN III with Fixed Coupon Rate Phase I Year of 2016, listed in Indonesia Stock Exchange under the code "BTPN03BCN1"
- Shelf Registry Bond Bank BTPN III with Fixed Coupon Rate Phase II Year of 2017, listed in Indonesia Stock Exchange under the code " BTPN03ACN2" and " BTPN03BCN2"

Share Registrar

PT Datindo Entrycom
Jl. Hayam Wuruk No. 28 Jakarta 10120
Tel: +62 21 350 8077
Fax: +62 21 350 8078

Independent Auditor

Kantor Akuntan Publik Tanudiredja,
Wibisana, Rintis & Rekan
(a member firm of PwC global network)
Plaza 89
Jl. H.R. Rasuna Said Kav X-7 No.6
Jakarta 12940
Tel: +62 21 521 2901
Fax: +62 21 529 055 55 / 529 050 50

Rating Agency

PT Fitch Ratings Indonesia
DBS Bank Tower, 24th Floor, Suite 2403
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940
Tel: +62 21 2988 6800
Fax: +62 21 2988 6822

Corporate Secretary

Anika Faisal
PT Bank Tabungan Pensiunan Nasional Tbk
Menara BTPN, Lt. 29
Jl. Dr. Ide Anak Agung Gde Agung, Kav. 5.5 – 5.6
Jakarta Selatan 12950
Tel: +62 21 300 26 200
Fax: +62 21 300 26 308

Website

www.btpn.com

Annual Report and other information on BTPN can be accessed through our website.





04
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management
discussion & analysis

In 2017, under the Gemilang project, BTPN Mitra Usaha Rakyat (MUR) streamlined its branch network as well as continuously improving the business' cost of credit by focusing more on better performing loan products, secured loans.

economic and banking industry review

Economic Review

All of the major global economies were showing signs of recovery in the latter half of 2017. The global economy, as a whole, was estimated to grow by 3.5-3.6%. While, for next year the outlook for the global economy is cautiously becoming more positive. Growth, in 2018, is expected to reach a higher 3.6-3.7%.

The advanced economies, dominated by the United States (US), showed strong growth in 2017, reaching a growth of 2.2% from 1.7% a year ago. The strong showing of the US economy, has allowed the Federal Reserve (Fed) to continue raising its US bench mark rate.

The emerging markets also showed steady growth from 4.3% in 2016 to 4.6% this year and is projected to grow 4.8% in 2018. China, the world's second largest and Asia's

largest economy is expected to reach 6.8% in 2017, up from 6.7% last year. However, this is expected to cool down and grow at 6.5% next year. Part of this slack will be offset by India, which has grown 6.9% this year and is projected to grow by 7.2% in 2018.

As a result, commodity prices have been strengthening. For instance, oil prices are expected to close at US\$52.0 per barrel with an increase projected for next year, while other commodity prices are expected to rise as well.

In Indonesia, the Rupiah began the year at the Rp13,500 per US\$ level, then quickly strengthened, on the strength of a BBB- investment upgrade by the global rating agency, Standard & Poor's. The Rupiah strengthened to Rp13,300 per US\$

level and in the last quarter, with the US economy showing strong growth and the US Fed planning a rate hike at year-end, the currency weakened and closed the year at the Rp13,600 per US\$ level. Inflation for the year was maintained at a manageable 3.6%, still within Bank Indonesia's (BI) inflation target of 4%. This allowed BI to continue reducing its benchmark 7-day repo rate from 4.75%, early in the year to 4.25% by year-end. However, general consumption remained weak, so it was exports and investment that spurred growth this year. With commodity prices improving, exports showed slight improvement, keeping the current account deficit at a manageable 1.8% of GDP. By year-end economic growth slightly improved to 5.1% from 5.0% a year ago.

	2012	2013	2014	2015	2016	2017
National Real GDP Growth (% y-o-y)	6.3	5.8	5.0	4.9	5.0	5.1
GDP per capita (USD)-nominal	3,596	3,478	3,531	3,374	3,605	3,838
External Current account (% of GDP)	-2.7	-3.7	-3.2	-2.0	-1.8	-1.8
Central government debt (% of GDP)	23.0	24.9	24.7	27.4	27.7	28.6
International Reserves-IRFCL (USD bn)	112.8	99.4	111.9	105.9	116.4	130.2
Reserve Cover (Months of imports & ext. debt)	6.1	5.4	6.5	7.4	8.4	8.3
BI policy rate (% year end)	5.75	7.5	7.75	7.5	4.75	4.25
Consumer prices (% year end)	3.65	8.08	8.36	3.35	3.02	3.61
Fiscal balance (% of GDP; FY)	-1.8	-2.2	-2.3	-2.7	-2.5	-2.6
S&P's Rating-FCY	BB+	BB+	BB+	BB+	BB+	BBB-

Banking Industry Review

The prolonged economic slowdown continues to dampen bank industry growth. In 2017, the banking sector's December (year-on-year) loan growth stood at 8.2%, just slightly higher than the 7.9% recorded a year ago. This is lower than the 10.4% loan growth for full year 2015 and much below the 12% loan growth achieved in 2014. The drop in loan rates exceeded that of deposit rates, such that the sector's net interest margins narrowed from 5.6% to 5.3%. And, with loans growing less than deposits, the industry's loan-to-deposit ratio (LDR)

dropped to 90.0% as of 31 December 2017, from 90.7%, a year earlier.

With economic growth slightly improving, problem loan levels also declined. Non-performing loan (NPL) levels, which were at 2.9% last year declined to 2.6% by December 2017. As a result, for the 12 months in 2017, bank profits were up 23.1% to Rp131.1 trillion. This was driven to large extent from cost efficiency efforts. The ratio of operating and funding costs to operating and funding revenue improved from 82.2% for full year 2016 to 78.6% for full year 2017. Following

from this, banking sector's capital adequacy ratio (CAR) improved to 23.2% as of December 31, 2017 from 22.9% as of December 31, 2016. The sector's capital level remain sufficient to address its loan problems as well as help spur loan growth ahead.

The 2018 banking industry outlook is expected to improve, which corresponds to the improved outlook for the Indonesian economy. Loans are expected to show stronger growth and with a leaner operating cost structure, banks are expected to perform better next year.

Indonesia Banking Industry Statistics:

	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017
Capital Adequacy Ratio (CAR)	21.4%	22.9%	23.2%
Net Interest Margin (NIM)	5.4%	5.6%	5.3%
Loan to Deposit Ratio (LDR)	92.1%	90.7%	90.0%
Non Performing Loans (NPL)	2.5%	2.9%	2.6%
Special Mention (SM)	4.9%	4.5%	4.7%
	Full Year 2015 (12 months)	Full Year 2016 (12 months)	Full Year 2017 (12 months)
Loan Growth	+10.4%	+7.9%	+8.2%
Deposit Growth	+7.3%	+9.6%	+9.4%
	Full Year 2015 (12 months)	Full Year 2016 (12 months)	Full Year 2017 (12 months)
Net Profit After Tax	Rp104.6 trillion	Rp106.5 trillion	Rp131.1 trillion

business and operations review

BTPN has done well in its SME Mitra Bisnis, whose loan growth reached 24.8% in 2017. In addition, loans generated by the Bank's majority-owned subsidiary, BTPN Syariah, has continued to show strong growth, rising by 21.1%. However, the pension Purna Bakti and micro loan Mitra Usaha Rakyat faced considerable challenges this year. Supporting the loan growth of these businesses has been the Sinaya funding business, which continues to grow its customer base, broaden its product offering and extend its reach, especially through the Bank's digital platform, BTPN Wow! and Jenius. In response to weaker revenue growth from loans and fee-income and, at the same time, improve its service and operation efficiency, the Bank's focus was on streamlining its branch network and simplifying its processes. This was done by digitizing its back office operations, under the Bank's Gemilang Project.

BTPN Purna Bakti

The Bank's pension loan portfolio reached Rp39.4 trillion, down 1.9% from last year and still accounts for a sizable 60.3% of the Bank's

consolidated loan portfolio. The challenge going forward is to sustain the Bank's market share in an increasingly competitive market. This explains the unit's continued focus on extending and improving their services. The unit has also converted its customer behavior to use ATMs and payment points for repaying their pension loans rather than visit the Bank's branches.

The average pension loan size is about Rp50 million. The loans are secured by each pensioner's monthly state pension payments and all loans carries a life insurance. This explains the low NPL level of 0.4% for the Bank's pension loans.

2018 priorities

- Maintain closer ties with partner institutions, such as Taspen, BKN, Asabri, and POS.
- Improve processing for pre-pensioners and still-active employees.
- Explore opportunities to sell additional banking products required by pensioners.
- To continue assisting pensioners to utilize the Bank's ATM and digital banking services under its BTPN Wow! and Jenius platforms.

BTPN Purna Bakti is a business unit that is specially designed to suit the pensioners' needs, which does not only provide financial services for pensioners, but also other needs to remain healthy and prosperous.



BTPN Mitra Usaha Rakyat

In 2017, under the Gemilang project, BTPN Mitra Usaha Rakyat (MUR) focused on streamlining its branch network as well as continuously improving the business' cost of credit by focusing more on better performing secured loan products. This micro loan business has also faced significant competition from other banks and the government's subsidized Kredit Usaha Rakyat (KUR) or Loans targeted to the lower-income segment. In line with the Bank's customer-centric initiatives,

this year, MUR will focus on digitizing alternative channels and credit processes. This initiative is expected to improve MUR's cost structure in the years to come.

The MUR loan portfolio is now at Rp5.5 trillion, accounting for 8.4% of the Bank's consolidated loans. As part of the Bank's branch standardization effort under the Gemilang project, MUR is expected to improve its

performance next year. The unit operates through 340 branches and serves about 51,900 customers. The portfolio quality has a stable NPL of 3.0%.

2018 Priorities

- Focus on secured loan product growth.
- Continue participating in the government's KUR program.
- Further streamlining MUR's distribution network to improve efficiency.
- Further develop MUR digital acquisition channels and centralize processing systems.



BTPN Mitra Usaha Rakyat is BTPN's business unit that provides more than lending services for micro entrepreneurs. Through innovative development and training programs, we help to optimize customers' ability to grow in a sustainable way.



BTPN Mitra Bisnis is BTPN's business unit that is designed specifically to serve various needs of small and medium enterprises (SMEs), which provides reliable financial solutions and capacity development for our customers.

BTPN Mitra Bisnis

One of the Bank's newer business segment, BTPN Mitra Bisnis, which focuses on serving both financial and non-financial services to Small and Medium Enterprises (SMEs), has shown promising growth. This segment is designed to capture Micro customers that have grown into small SMEs and as such have outgrown their Micro financing needs. BTPN Mitra Bisnis also serve the more established SME businesses, and therefore will increase BTPN's business footprint and contribute to Indonesia's economy.

Mitra Bisnis customers comprises largely of family businesses employing between 5-50 people. These businesses are mostly engaged in trading, with others in services and manufacturing. Most have been operating between 3-20 years.

The particular needs of this segment are timely availability of working capital and investment loans, access to

markets, sustainable supplier links, market information, and competency enhancement. Mitra Bisnis addresses these needs by providing a "3 in 1" financial package which covers:

- Loan products and banking transactions tailored to customers' needs,
- An informal supply chain network to address the needs of market access,
- Capacity building program for customers.

Recently, BTPN Mitra Bisnis also provides non-financial services to assist its customers to develop their capacity in growing their business. This program provides market information and improve competencies. These include stories on successful businesses to expand insights and broaden networking opportunities among BTPN Mitra Bisnis customers.

Currently, Mitra Bisnis operates through 72 offices spread across 34 cities throughout Indonesia, and serving more than 2,880 customers, with a loan portfolio that has grown by 24.8% to Rp11.6 trillion at the end of 2017. BTPN Mitra Bisnis will continue growing its loans prudently.

2018 Priorities

- Develop strategic partnership for customers' acquisition.
- Strengthen supply chain's proposition.
- Explore and develop Trade Finance products.



BTPN Wow! is BTPN's arm designed to reach out to the unbanked segment, providing various affordable financial services.

BTPN Wow!

Since its launch in March 2015, BTPN Wow! has registered very encouraging growth and received many positive reviews from the industry.

BTPN Wow! is a mobile banking platform that offers easy access to affordable banking products for the mass-market segment, thereby supporting the nation's financial inclusion program pioneered by the Financial Services Authority (OJK). With BTPN Wow!, customers can enjoy easy access to banking services directly from their basic handphone. Customers can also visit BTPN Wow! agents near their area, to make cash payments.

By end of 2017, BTPN Wow! has acquired roughly 2.9 million customers, a significant increase from over 1.3 million customers a year earlier. Total number of agents also grew from roughly 170,000 to more than 200,000 agents by year end, serving more than 279 cities and counties in Java, Sumatra, Bangka-Belitung, Bali-Lombok, Kalimantan and Sulawesi.

Product development continued in 2017, with the introduction of new features for customers and BTPN Wow's agents.

Ayo Bayar (PayMe) is a newly added feature to facilitate payment collection transactions among BTPN Wow! customers with business relationships. Wesel HP is another feature developed for money transfer transactions, both for BTPN Wow! customers and non-customers. For customers, they can conduct transfer directly through their mobile phones. Meanwhile non-customers can access Wesel HP for money transfer by visiting the nearest BTPN Wow! agent.

For agents, the Bank is starting to develop an Apps based and USSD based application platform, aimed at establishing stronger bond between BTPN and its BTPN Wow! agents. This platform will feature a new set of facilities, such as a dashboard to view total income of agents and to view

business performance of other agents in the nearby area. In the near future, agents can also use this platform to sell products and services offered by BTPN's strategic partners, such as insurance and loan refinancing products.

2018 priorities

- Continue growing BTPN Wow!'s customer base and expanding the agent network.
- Expand product selection to increase agents' income and better serve the mass-market segment, among others by introducing a new lending product for BTPN Wow! customers and by positioning agents as selling channels for products from BTPN's strategic partners.

Jenius provides a mobile app as well as multiple international debit cards, which can be controlled from the app.



Jenius

Our Jenius mobile banking platform was launched in August 2016. In contrast to our BTPN Wow! Service, which can be accessed using a simple handphone, Jenius requires a smartphone. It also targets a more urban and digital-savvy customer base. To cater to this segment, Jenius provides a mobile app as well as multiple international debit cards, which can be controlled from the app. The combination allows customers to manage their financial affairs anytime, anywhere, in an intuitive and user-friendly way. Jenius offers many features that go beyond traditional banking and help simplify our customers' lives. Customers are in the driving seat when it comes to security, with the ability to set their own card and transaction limits and cut-offs, while the latest technologies (from encryption to multi-level authentication) keep everything safe.

In 2017, Jenius implemented several new features and enhancements, while expanding its physical footprint—which provides customers with somewhere to go when they have questions—beyond Jakarta. Marketing and (digital) customer engagement activities were also stepped up. This helped accelerate customer acquisition as well as greatly increase balances and active rates. The number of people who have registered to use Jenius now exceeds half a million and is growing rapidly.

The technology underpinning Jenius was strengthened considerably in 2017. This has not only helped improve stability and log-in performance, but has also laid the foundation for the rapid roll-out of further new features in 2018, using an advanced, fully agile method of software delivery.

2018 priorities

- Innovation: New features and enhancements to help our customers better manage their finances will be rolled out rapidly in 2018, including new product categories.
- Customer acquisition and engagement: By expanding further geographically and by employing new (mostly digital) ways of engaging our users, Jenius will continue to sign up new customers and increase usage and balances.



BTPN Sinaya is a funding business unit of BTPN that does not only make the customers' funds grow with.

BTPN Sinaya

In 2017, BTPN's Sinaya (funding) unit continued to grow its customer base and increase the Bank's third-party deposits by 0.9% to Rp61.4 trillion by year-end. This unit has been successful in lowering the Bank's cost of funds corresponding with the decline in Bank Indonesia (SBI) benchmark interest rates and has been instrumental in improving the Bank's net-interest-margins (NIMs).

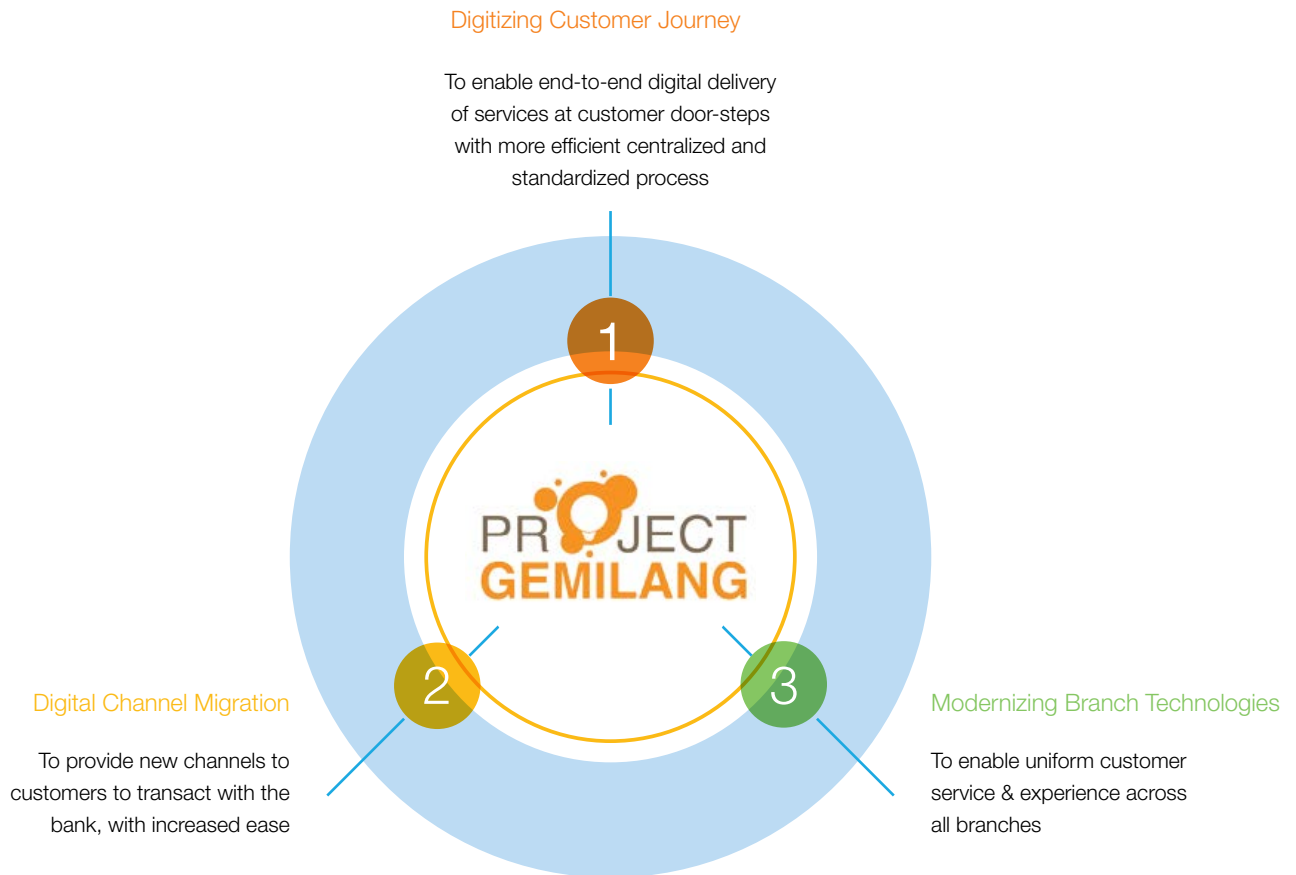
Sinaya mobilizes funds from individuals as well as corporations and financial institutions. With the Gemilang project, all Sinaya customers have access and can be serviced by all BTPN branches. This has improved network coverage and availability of services. Funding customers can also access banking services through various electronic banking facilities and through the new Jenius smartphone platform. Customers can access over 50,000

ATMs across the country through ATM Bersama and Prima shared network, as well as through internet banking and mobile banking services that provide a range of transaction facilities.

Aside from traditional bank time deposit, savings account and current account products, Sinaya also offers bancassurance products through a partnership with global insurer Allianz, primary bond products through partnership with third party provider and mutual fund products through partnership with PT Mandiri Manajemen Investasi, PT Schroders Investment Management Indonesia and PT Maybank Asset Management. With this range of products, BTPN can offer a more integrated wealth management solution to customers. Lastly, Sinaya customers can also participate in BTPN's social activities by joining Sahabat Daya initiatives, a social volunteer program that allows Sinaya customers to take part in creating opportunities for growth to the Bank's mass-market customers.

2018 priorities

- Strengthen Sinaya's wealth-management services by broadening its investment product offering.
- Continue to enhance its human capital as well as operations and processes to enhance its service.



Gemilang Project

This holistic transformation brings digital to the Bank's core business to improve customer experience and efficiency. The four main initiatives under Gemilang Project are digitalization, centralization, digital channel migration and branch integration. Along with the transformation of the Bank's operation, the Bank also streamlined the organization to better support the new business model, and put in place a structured change management program for the Bank's employees, throughout this transformation journey.

Digitization involves equipping the Bank's frontliners with tablets, enabling them to complete not only loan simulation but also the application at customer's door-step without having the customers visit the Bank's branches. Utilization of e-forms allow

for faster and more efficient data transfer for processing at a Shared Service Center.

Centralization of processes is done at a newly established Shared Service Center using a Workflow Management System, which allows for real-time processing and monitoring to improve productivity and turn-around-time.

Digital Channel Migration involves introducing, assisting and migrating customers to digital alternative channels for their banking transactions, providing more flexibility and convenience to customers.

Branch Integration converts the Bank's previously segment-specific branches to universal branches that would cater to all customer segments; from 'Purna Bakti' pensioners, 'Mitra Usaha Rakyat' Micro traders, 'Mitra

Bisnis' SMEs to Sinaya Funding customers. The integration is supported by a new universal branch processing system with standardized processes.

In order to support the new digital-focused business model, the Bank has streamlined the organization structure into a more lean and agile organization. While changes are critical, the Bank is well aware of the social cost resulting from Gemilang Project and has invested in considerable amount of effort to proactively mitigate the social cost of this exercise, through a program called New Sunrise. The program provides extensive support on individual counseling, job-seeking assistance and training of practical and entrepreneurial skills for those impacted by the project.

financial performance review

In line with BTPN's bank peers, BTPN loans grew by 3.5% for 2017. For the year, the Bank generated a Net Profit After Tax (NPAT) of Rp1.2 trillion. This translates into profitability ratios of 2.1% for Return on Asset (before tax) and 8.2% for Return on Equity.

Assets And Liabilities

Assets

	2017	2016	2015
Cash	1,496,785	1,448,180	1,352,401
Current accounts with Bank Indonesia	5,098,341	4,625,356	4,774,422
Current accounts with other banks	487,942	858,431	66,674
Placements with Bank Indonesia and other banks	8,489,491	7,003,585	6,205,640
Marketable securities :			
Available-for-sale financial assets	1,090,782	1,081,238	1,467,790
Held-to-maturity financial assets	5,247,049	4,852,820	3,453,844
Securities purchased under resale agreement (Reverse Repo)	2,495,409	2,696,767	1,094,401
Loans	65,351,837	63,168,410	58,587,383
Fixed assets - net	1,660,120	1,632,265	876,223
Intangible assets - net	769,062	635,375	380,034
Other assets	3,303,032	3,368,960	2,780,851
Total	95,489,850	91,371,387	81,039,663

In 2017, BTPN grew its assets by 4.5% or Rp91.4 trillion to Rp95.5 trillion mainly due to an increase in total loans and sharia financing which increased by Rp2.2 trillion.

Current Assets

	2017	2016	2015
Cash	1,496,785	1,448,180	1,352,401
Current accounts with Bank Indonesia	5,098,341	4,625,356	4,774,422
Current accounts with other banks	487,942	858,431	66,674
Placements with Bank Indonesia and other banks	8,489,491	7,003,585	6,205,640
Marketable securities :			
Available-for-sale financial assets	1,090,782	1,081,238	1,467,790
Held-to-maturity financial assets	5,247,049	4,852,820	3,453,844
Securities purchased under resale agreement (Reverse Repo)	2,495,409	2,696,767	1,094,401
Total Current Assets	24,405,799	22,566,377	18,415,172

In 2017, current assets rose by 8.2% or Rp1.8 trillion to Rp24.4 trillion from Rp22.6 trillion in 2016. The increase was due to increase in Placement with Bank Indonesia and other Bank by 21.2% or Rp1.5 trillion to Rp8.5 trillion in 2017.

Loans

Total loans reached Rp65.4 trillion, rising by 3.5% or Rp2.2 trillion from Rp63.2 trillion in 2016. The composition of loans per business segment are as follows:

Loans by Segment

	2017	2016	2015
Pensioners	39,418,969	40,180,236	37,882,366
Micro	5,459,556	7,169,863	8,731,972
Small medium enterprise	11,570,531	9,274,221	6,867,816
Consumer financing	2,158,649	1,026,146	675,033
Sharia financing / receivables	6,053,273	4,996,812	3,678,027
Others	690,858	521,131	752,169
Total	65,351,837	63,168,410	58,587,383

BTPN Purna Bakti loans totaling Rp39.4 trillion remains the major loan contributor, accounting for 60.3% of total loans and dropping 1.9% for the year. Micro loans accounts for 8.4% of total loans, dropping by 23.9% from last year to Rp5.5 trillion, while the SME unit grew its loans 24.8% to reach Rp11.6 trillion, accounting for 17.7% of total loans. The Bank's majority-owned subsidiary BTPN Syariah grew its loans by 21.0% reaching Rp6.1 trillion and accounting for 9.3% of BTPN consolidated loans. The drop in Micro loans was due to the migration of its larger customers to SME loans and loan repayments exceeding new loan bookings.

Loans by Collectability

	2017	2016	2015
Current	62,819,951	61,525,510	57,153,534
Special Mention	1,942,103	1,140,897	1,021,486
Performing Loan	64,762,054	62,666,407	58,175,020
Substandard	220,369	153,013	124,452
Doubtful	188,739	178,348	156,864
Loss	180,675	170,642	131,047
NPL	589,783	502,003	412,363
Total Loans	65,351,837	63,168,410	58,587,383
NPL - gross	0.9%	0.8%	0.7%
NPL - net	0.4%	0.4%	0.4%
LLP / NPL	134.6%	136.5%	131.8%

Non Performing Loan - NPL

Loans have grown prudently and is reflected in low non performing loan (NPL) ratios of 0.9% (gross) and 0.4% (net). These ratios reflect the Bank's prudent expansion strategy.

Fixed Assets and Other Assets

In 2017, the Bank's fixed assets amounted to Rp3.0 trillion, which caused an increase in fixed assets by 4.0% or Rp0.1 trillion. Meanwhile, other assets decreased by 2.0% or Rp65.9 billion, mainly due to settlement of suspense accounts.

Liabilities

	2017	2016	2015
Deposits from customers *)	67,918,073	66,201,512	60,273,396
Deposits from other banks	822,584	914,535	160
Bonds payable	2,543,401	2,469,143	2,605,384
Borrowings	5,208,640	3,699,172	2,737,113
Others	1,796,355	1,774,597	1,499,751
Total	78,289,053	75,058,959	67,115,804

*) Including temporary syirkah funds

On the liability funding side, the Bank, with its newly acquired foreign exchange license has begun to offer foreign currency deposits. These deposits are swapped into Rupiah to fund loans. The Banks has also received a foreign currency syndicated loan facility, which when swapped remains quite cost competitive with its traditional Rupiah cost of funds. On Rupiah funding, the Bank has issued new Rupiah bonds worth Rp1.5 trillion.

Deposits from customer

	2017	2016	2015
Current Account	623,352	371,921	354,658
Saving Deposits	7,313,507	7,359,109	7,468,856
Time Deposits	59,981,214	58,470,482	52,449,882
Total	67,918,073	66,201,512	60,273,396

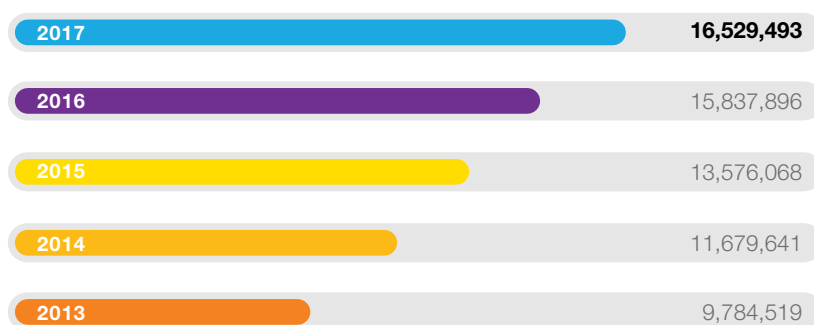
Total customer deposits increased by 2.6% reaching Rp67.9 trillion at end-2017 compared to Rp66.2 trillion in 2016. The growth came mainly from time deposits.

Long-term funding

Beside funding in the form of customer deposits, the Bank also raised long-term funding through bonds issuance and structured funding to reduce its maturity mismatch. Total amount of long-term funding, including bonds and structured funding from IFC/SMBC, was Rp7.8 trillion as of end-2017, an increase of 25.7% from Rp6.2 trillion in 2016. In 2017 there was a new bonds issuance worth Rp1.5 trillion and a loan from IFC amounting to USD300 million.

Equity

Total equity in 2017 reached Rp16.5 trillion, an increase of 4.4% compared to Rp15.8 trillion in 2016. The increase in equity was due to additional net income generated in the year. The Bank's 2017 Net Profit After Tax amounted to Rp1.2 trillion.



Profitability

For FY 2017, Net Interest Income and Operating Income grew 7.5% and 5.6% to Rp9.5 trillion and Rp10.0 trillion, respectively. With the subdued loan and deposit growth, the Bank was able to better manage its deposit mix. This resulted in a Net Interest Margin (NIM) of 11.6% compared to last year's 12.0%.

Operating expense (excluding loan impairment costs) increase 15.6% to Rp6.9 trillion, while, in terms of cost to income, this ratio rose to 69% from 63% a year ago.

The Bank continues to invest in information technology and digital infrastructure to improve its mobile banking services.

The Bank's cost of credit have been managed well this year. In 2017, the NPL for Pension, Micro, SME and Syariah was kept at 0.4%, 3.0%, 1.0% and 1.7%, respectively.

If we exclude expenses relating to new investment in technology and restructuring cost, the Bank's Net Profit After Tax (NPAT) from its core business increased by 5.9% to Rp2.4 trillion. The Bank's final NPAT result decreased 30.0% to Rp1.2 trillion, which translates into a ROA and ROE of 2.1% and 8.2%, respectively.

Cash Flow

	2017	2016	2015
Net cash flows provided from operating activities	1,125,968	2,682,181	3,497,600
Net cash flows used in investing activities	(1,375,982)	(1,394,563)	(816,413)
Net cash flows provided from / (used in) financing activities	981,941	543,118	(2,848,694)
Effect of exchange rate on cash and cash equivalent	703	4,914	-
Net (decrease) / increase in cash and cash equivalents	731,927	1,830,736	(167,507)
Cash and Cash equivalents at the beginning of the year	14,184,787	12,349,137	12,516,644
Cash and Cash equivalents at the end of the year	14,917,417	14,184,787	12,349,137

The Bank continues to maintain its liquid asset ratio at a comfortable 35.9%

At the end of 2017, cash and cash equivalents increased by 5.2% to Rp14.9 trillion compared to Rp14.2 trillion a year ago. This is due to an increase in financing activities amounting to Rp982 billion compared to last year.

Net Cashflow Provided from Operating Activities

Total net cash flow from operating activities decrease 58.0% to Rp1.1 trillion in 2017, compared to Rp2.7 trillion in 2016. This was due to the low third party fund raising, conforming to low loan growth in 2017.

Net Cashflow Used in Investing Activities

In 2017, net cash flow used for investments amounted to 1.4 trillion same as last year.

Total net cash flows used in investing activities exceeded underlying cash flows from investing activities.

Net Cashflow Provided from Financing Activities

In 2017, total net cash flow from financing activities recorded a significant 80.7% increase or Rp439 billion. This came about mainly due to an increase of borrowing amounted to Rp4.8 trillion and a Rp1.5 trillion bond issued, while interest installment payments and settlement of borrowings increased 58.0% (or Rp558 billion) to Rp1.5 trillion compared to Rp954 billion last year.

Liquidity

The Bank continues to maintain its liquid asset ratio at a comfortable 35.9%. This is to ensure sufficient liquidity in the event of potential market volatility. This year, the Bank has also managed its excess funds more efficiently, thus improving its yield to reduce carrying costs. The Bank's Loan to deposit ratio (LDR) on a consolidated basis amounted to 96.2% by year-end.

To address the maturity mismatch inherent between loans and funding, the Bank periodically issues Rupiah bonds with 1-3 years tenor. This year, the Bank

issued a Rupiah bond amounting to Rp1.5 trillion. The ratio of the Bank's loan to funding ratio (excluding equity) was maintained at 85.4%.

Debt Repayment Ability

Fitch Ratings maintains BTPN's rating at AAA (idn) with stable outlook. This is similar to Indonesia's sovereign rating. This AAA (idn) rating reflects Fitch's view that BTPN carries a very low default risk relative to other issuers or obligations in the same country.

The Bank's solvency is also reflected by the sufficiency of its capital level to cover credit, market and operational risk. BTPN's capital adequacy ratio (CAR) as of December 31, 2017, reached 24.6%, down from the 25.0% recorded a year ago. This is well above the provisions stipulated by Bank Indonesia and reflects adequate room for future growth.

Loan Asset Quality

This year, BTPN's gross Non-Performing Loans (NPLs) was at 0.9%, while the Bank's Cost of Credit (CoC) was at 1.6%. The Bank's favorable NPL and CoC ratios are due to its large pension business (BTPN Purna Bakti), which carries a Gross NPL ratio of 0.4%. BTPN Purna Bakti loans to retired civil servants are covered by their monthly government pension payments and a life insurance policy, which explains the Bank's high asset quality. With the continued slow economic growth, the loan quality of the micro business (BTPN Mitra Usaha Rakyat) resulted in an NPL ratio of 3.0%, while SME loans carried an NPL ratio of 1.0%. BTPN Syariah also recorded an NPF ratio of 1.7%. The resulting consolidated NPL ratio for BTPN and BTPN Syariah was kept at 0.9%.

Capital Structure

The Bank continues to maintain sufficient capital to support business growth as well as cover market volatility. In managing its capital, the Bank continues to balance capital efficiency and shareholder returns by having a sufficient cushion to cover any potential risk. In line with Basel II capital implementation, the Bank has reported to OJK its Internal Capital Adequacy Assessment Process (ICAAP), which is in line with prevailing regulations. The Bank also continues to ensure its capital is adequate and in line with its risk profile.

On the capital management of credit risks, the Bank uses the standardized approach, which calculates the risk-weighted assets (RWA) according to Bank Indonesia norms and rating agency ratings.

The Bank measures capital adequacy for operational risk based on Bank Indonesia's Basic Indicator Approach method. This method allows the Bank to allocate capital for operational risk, based on historical data, which is equal to the average sum of the last 3 years' gross income multiplied by the applicable coefficient factor of 15.0%.

Capital Structure

	2017	2016	2015
Capital			
Core Capital	15,109,418	14,584,659	12,693,754
Supplementary Capital	597,307	568,733	513,245
Total Capital	15,706,725	15,153,392	13,206,999
Risk Weighted Assets:			
With Credit Risk Charge	47,736,670	45,422,834	40,973,663
With Credit and Operational Risk Charge	63,708,206	60,539,206	55,500,147
With Credit, Operational and Market Risk Charge	63,755,973	60,540,301	55,500,147
Capital Adequacy Ratio:			
With Credit Risk Charge	32.9%	33.4%	32.3%
With Credit and Operational Risk Charge	24.7%	25.0%	23.8%
With Credit, Operational and Market Risk Charge	24.6%	25.0%	23.8%

Ownership Structure

BTPN's current ownership composition comprises of SMBC with 40.0% ownership, Summit Global Capital Management B.V. with 20.0% and the remaining 40.0% held by the public. The Bank's Capital Adequacy Ratio stands at 24.6% slightly down from 25.0% a year ago.

Commitments for Capital Expenditures

BTPN hasn't made any capital expenditure commitments.

Capital Expenditure

BTPN's capital expenditure for 2017 totals Rp786.0 billion and used for developing and launching the Bank's digital banking services as well as expanding its branch distribution network.

2017 Capital Expenditure

	in Rp billion
Fixed Assets	323.8
Intangible Assets	462.2
Total	786.0

Subsequent Events

The Bank has no material subsequent events to report.

Comparison of Target And Realization

As of December 31 2017, the Bank grew its loans by 3.5% reaching Rp65.4 trillion, below the initial plan of Rp68.0 trillion.

Net Interest Income and Operating Income, which reached Rp9.5 trillion and Rp10.0 trillion, respectively, were higher than the initial plan of Rp9.3 trillion and Rp9.8 trillion, respectively.

The Bank's 2017 Net Profit After Tax amounted to Rp1.2 trillion, which is higher than the initial plan, while its net interest margin at 11.6% was close to what was initially planned.

The Bank's capital adequacy ratio at 24.6% was also higher than initially planned.

2017 Comparison of Plan (Target) and Actual (Realization)

	Plan (Target)	Actual (Realization)	Commentary
Loan Growth	7.6%	3.5%	Lower
Deposit Growth	4.8%	2.6%	Lower
Net Interest Income	Rp9.3 trillion	Rp9.5 trillion	Exceeded
Operating Income	Rp9.8 trillion	Rp10.0 trillion	Exceeded
Net Income	Rp1.0 trillion	Rp1.2 trillion	Exceeded
Capital Adequacy Ratio	23.1%	24.6%	Exceeded
ROA	1.7%	2.1%	Exceeded
ROE	7.0%	8.2%	Exceeded

Dividend Policy

Dividend payout is determined in the Annual GMS by taking into consideration the adequacy of retained earnings, applicable rules and regulations such as long-term and short-term capital prerequisites, and the Bank's growth expectations and market conditions. Dividend payout proposal is submitted by Board of Directors and approved by Board of Commissioners. This proposal is listed in the Annual GMS to be approved by Shareholders.

Dividend Payout

In accordance to BTPN's Annual GMS dated 24 March 2017, shareholders approved the appropriation of the Company's net profit amounting Rp1,752,097,000,000,- as follows:

1. For book year ended on 31 Desember 2016, the Company shall distribute dividend to the shareholders in the aggregate amounted Rp574,509,000,000 or Rp100 per share, subject as follows:
 - i. The Board of Directors shall deduct tax on such dividend at the rate in accordance with the tax regulations applicable to the shareholder receiving the dividend, and

- ii. The Board of Directors is hereby granted power and authorization to resolve matters with respect or related to realization of payment of the dividend for book year 2016.
2. The remaining net profit in the amount of Rp1,177,588,000,000,-, shall remain as retained earnings.

Dividend Payout for Book Year 2016

There's no dividend payout for book year 2015.

Table of dividend payouts for book year 2016.

	2016	2015
Total Dividend	Rp574.509.000.000	-
Dividend Payout Ratio (DPR)	39.3%	-
Dividend per share	Rp100	-
Date of Announcement schedule and procedure of distribution of dividend	29 March 2017	-
Date of Dividend Payout	21 April 2017	-

Use of Fund from Public Offerings

The use of fund proceeds from BTPN's Rupiah bond of Rp1.5 trillion was used to fund the Bank's loan portfolio.

Material transaction (Investments, expansion, divestment, mergers & acquisitions, debt or capital restructuring, conflict of interest transactions)

BTPN had no material transaction during 2017.

Material Regulatory And Accounting Policy Changes

In 2017, there were no regulation or accounting policy changes that materially impacted bank financials reporting.

Regulation Changes with Significant Impact on BTPN

Up to the publication of this Annual Report, there have been no regulation changes that would significantly impact the financial condition of BTPN

Changes In Accounting Policies

Details of significant accounting policies are specified in note No.2 of Financial Report BTPN 2017.

2018 business outlook and plan

In 2018, the global economy is projected to improve, with the developed economies recovering and helping lift the emerging economies as well. As a result, commodity prices are slowly improving, which should help Indonesia's exports and thus its trade balance. This would also offset pressures on the Rupiah from the attraction of rising USD interest rates and a strong US economy. As a result, the Rupiah is expected to remain at its current Rupiah 13,500-13,600 per USD level. With USD interest rates rising, it might be difficult for Bank Indonesia to further lower Rupiah interest rates.

Government is expected to maintain its spending on infrastructure and social services, which will help maintain economic momentum in 2018. In addition, there will be the regional elections next year and the presidential elections in 2019. The rise in election campaign activities should help improve consumer spending. With exports improving, there should be a rise in income, which should also spur spending. As a result, growth projections are better next year and expected to reach 5.2-5.3%.

Following from this, loan growth is also expected to improve. And, with a growing economy non-performing loan (NPL) levels should ease, thus raising profit projections for the banking sector.

BTPN Priorities and Target For 2018

In 2018, the Bank's financial performance is expected to be in line with the Bank's Business Plan that was submitted to OJK.

BTPN targets loan growth at 8.2%, with the level of NPL maintained at 1.1%. The Bank will continue to grow the acquisition of third party funds by 6.9% from 2017, while maintaining the liquidity conditions, with a LDR range of 97.4%.

Mobile banking features and services (BTPN Wow! and Jenius) will be further expanded and applied across the Bank's businesses.

In the pension business (BTPN Purna Bakti), the Bank will continue to maintain its market share by offering its financial services to still active pre-pension civil service personnel, in addition to the traditional pensioner segment.

In the micro business (BTPN Mitra Usaha), the focus will be on improving the performance of this business by looking at different products as well as alternative channels to service customers.

For the SME business (BTPN Mitra Bisnis), financial services will be broadened and expanded geographically through a wider network.

For BTPN Syariah, the focus will be on growing the Sharia business by entering new market segments that might require different types of financial services.

On Sinaya, the funding unit, the Bank will be broadening and extending the reach of its retail banking coverage to reach more cities and communities. BTPN

Sinaya will continue to be more active cross-selling bancassurance and other new wealth management products.

The Bank's Daya program will continue to improve and expand its three pillars of Daya Health & Wellness, Daya Entrepreneurial Capacity Building and Daya Community Empowerment.

On the Bank's human capital and infrastructure network, the Bank will continue to invest in improving the productivity and quality of its people and the effectiveness and reach of its Information Technology network.

In 2018, the Bank hopes to further digitize its operations to improve cost-efficiency by centralizing key processes initiated by the Gemilang project.

Marketing Aspects

BTPN maintains and expands its market share in loans and deposits by improving its digital distribution network and its network of agents in remote areas.

BTPN promotes its various products and services through its branch network and outlets. The Bank advertises across print and electronic media. On the funding side, BTPN conducts periodic events for deposit customers, covering investment topics that are of interest to them.

05

—
supporting units
review



human capital

The year 2017 was marked with the launching of BTPN's Gemilang project, a multi-faceted project designed to transform the Bank's operation with the use digital technology. This project covers efforts to standardize and centralize bank operations, as well as consolidate BTPN's different business branches to a more universal branch network that would cater to all our customer segments.

Gemilang project also involves considerable streamlining of the organization structure and human capital in line with the Bank's digital focus, which brings major change in the Bank's human capital and organization.

As an extension of the communication initiatives conducted a year earlier, a nationwide readiness to change the communication program was launched in 2017 to communicate the impact of the transformation drive to the organization. This involved workshop sessions and roadshows in branches, followed with the introduction of the Bank's voluntary separation program during the third quarter of the year.

To support those affected by the Gemilang project, BTPN has launched a comprehensive career transition support called New Sunrise. The New Sunrise program covers

counselor services in 12 major cities in Indonesia that provide individual career counseling and job-seeking assistance. A contact center is established to provide employees with CV review assistance and job interview advisory support. Under the New Sunrise Program, BTPN also works together with a number of talent search firms with more than 1,100 career opportunities across different provinces in Indonesia.

For those preferring to set up their own business, BTPN offers 80 franchise business opportunities, carefully selected to fit with employees' severance package. In partnership with the Bank's empowerment platform, Daya, BTPN also provides various practical training opportunities to develop employees' business acumen and prepare them with the relevant skills critical to run their own businesses. Finally, employees can also benefit from Daya's business coaches that offer market access opportunities and practical tips on how to run a business.

The transformation process also requires the Bank to groom a new breed of talent for the digital future.

The year 2017 was the second year for the Bank's Corporate Acceleration Program (CAP), a management trainee development program to prepare BTPN's future leaders. This program complements other existing talent development programs for personal banker and banking operation positions.

Finally, a new management trainee program was launched during the year to prepare new talents for IT related positions.

2018 Priorities

- Ongoing execution of Gemilang and New Sunrise projects.
- Organization streamlining initiatives at headquarter level.
- Ongoing talent development to support the Bank's digital future.

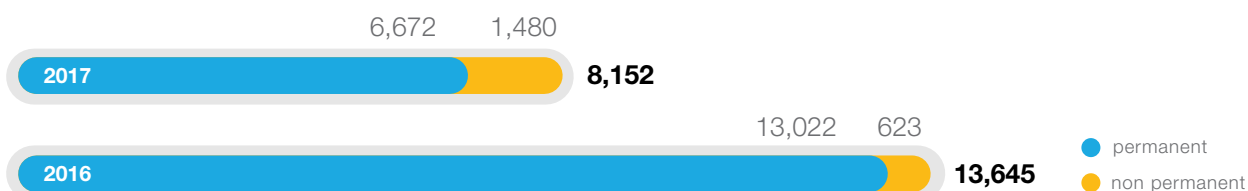
By Age	<25 Year	25-29 Year	30-34 Year	35-39 Year	40-44 Year	45-49 Year	50-54 Year	55-59 Year	>60 Year	Total
2017	314	2,000	2,558	1,699	790	509	267	15	-	8,152
2016	646	3,599	4,538	2,502	1,051	791	507	11	-	13,645

By Level	Grade 2-7	Grade 8-9	Grade 10-13	Grade 14-15	Grade 16-17	Grade 17 & above	Total
	Clerical	Officer/Supervisor	Management	Senior Management	Top Management	Board of Management	
2017	3,273	1,731	2,405	630	105	8	8,152
2016	6,374	2,989	3,469	698	107	8	13,645

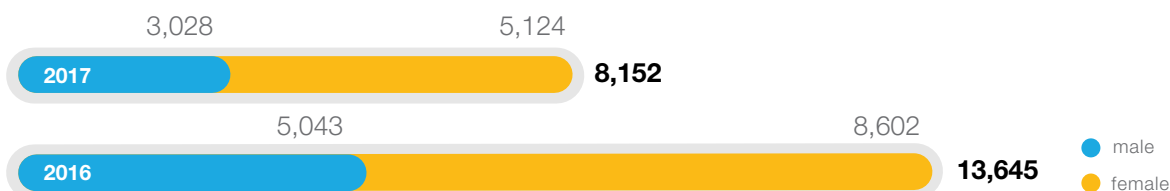
By Education	≤ D1-D3/Akademi	S1/Sarjana	S2-S3/Master	Total
2017	1,711	6,160	281	8,152
2016	1,216	10,223	327	13,645

By Year of Service	0-≤ 1 th	> 1-≤ 3 th	> 3-≤ 5 th	> 5-≤ 10 th	> 10-≤ 20 th	> 20 th	Total
2017	1,523	1,943	1,596	2,336	358	396	8,152
2016	1,364	2,902	3,085	4,990	526	778	13,645

By Status

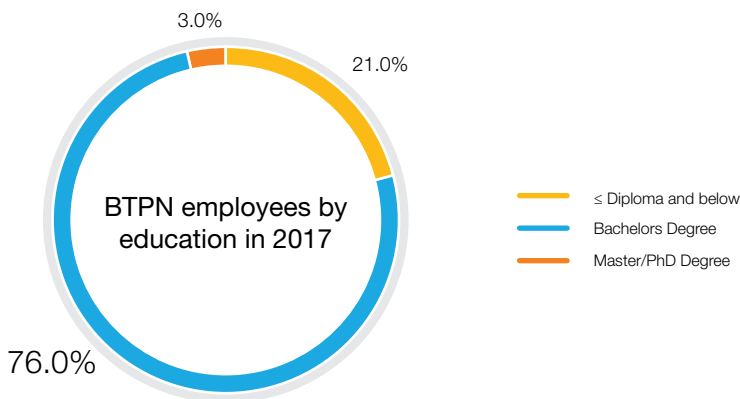
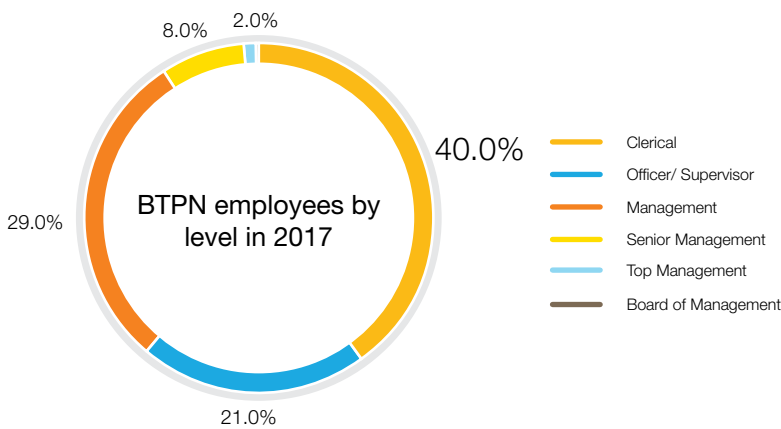
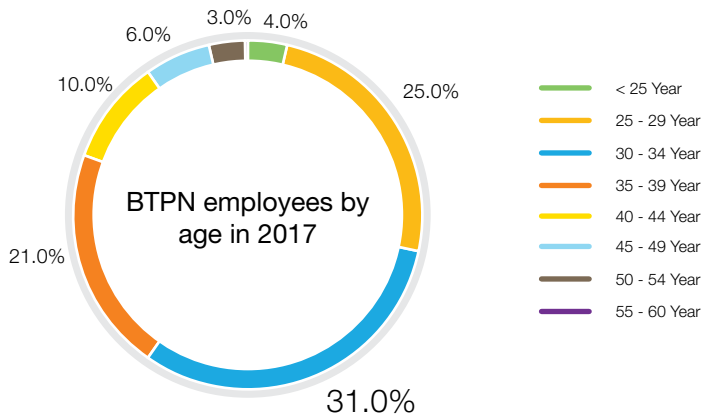


By Gender



	2017	2016
Total Man-days	16,291	50,203
Number of Training Programs	360	1,534
Number of Participants	16,928	61,836

total employee
8,152 people



information technology

The year 2017 continued to witness considerable progress on BTPN's efforts to transform the Bank through digitalization. This bank-wide strategic redirection is the key driver to IT unit's major priorities for the year.

Following the successful launching of Jenius last year, IT continued to improve Jenius' technology platform to meet the speed of feature development that this highly successful banking product requires. IT has also started to use Jenius' technology platform as the base to pilot the Bank's new digital businesses.

In line with growing needs for more robust data analytics capabilities, IT initiated a multi-year initiative for the implementation of a bank-wide data management approach, aimed at integrating the entire bank's data into a single architecture. To support this initiative, the Bank has also formed its Information Governance Steering Committee (*Komite Pengarah Tata Kelola Informasi*), tasked with setting and overseeing BTPN's information asset policies.

IT also recorded considerable progress in building the necessary platform that allows faster, more responsive and more flexible application development process.

Among the highlights, two new technology platforms were introduced this year, namely micro-services and low code platforms, which promise higher application reliability, faster new application deployment and easier application maintenance. A new, more modern, application development approach was also introduced following the implementation of a fully automated, end-to-end, infrastructure to accelerate the Bank's application development process. As part of this effort, a dedicated team for automated testing has been established in 2017 to deliver higher testing productivity and more comprehensive application testing.

Finally, IT has completed the pilot implementation of a new front-end system to support teller and customer service day-to-day operation for the new branch concept. When fully implemented, the new branch concept will be able to serve customers from BTPN's four business units from a single operation platform, to deliver both greater operation efficiency and better customer satisfaction.

2018 Priorities

1. Establishment of 'self-provisioning' IT infrastructure to support application development process.
2. Development of a stronger, end-to-end, customer interaction monitoring capabilities to ensure service quality and availability, which in the end will create improved customer satisfaction.

3. Development of loan application platform to support BTPN's digital businesses.
4. Development of a robust payment-processing platform based on micro-services principle.
5. Data warehouse and decision engine implementation to support data analytics capabilities.
6. Further adoption of the team based organization within IT unit for faster decision making process.

On the infrastructure side IT continued to introduce a number of tools to support the Bank's application development initiatives.

operations

With the advent of new digital tools & techniques, there have been multiple advancements in technology. To harness the full potential of digital, in 2017 BTPN launched the Gemilang Project to complement the existing efforts linked to Jenius and BTPN Wow!. This holistic transformation aims to bring digital technology to our core businesses.

The key objectives were:

- To improve sustainability of our business model by making it more customer centric (e.g., increased accessibility and flexibility to customers and integrated branches)
- To transform our capabilities to be more competitive in the new digital era
- To increase efficiency of our core businesses

Four initiatives that underpin Gemilang:

1. Digitization to enable delivery of services at customer door-steps.
2. Centralization to make internal operations more efficient and standardized.
3. Digital channel migration to provide alternative channels to customers to transact with the Bank, with increased ease.
4. Branch integration to enable uniform customer service & experience across all channels.

1. Digitization:
As part of the digitization initiative, the BTPN Purna Bakti sales team has been equipped with tablets which allow them to complete account opening and loan application processes at customer's door-steps without requiring them to visit bank branches. The new system has been rolled out across the bank and has been welcomed well by our pension customers.
2. Centralization:
To increase the efficiency of bank's internal processes, Purna Bakti loan processing has been centralized at a newly established Shared Service Center. This not only ensures faster processing time of loan applications but also ensures higher employee satisfaction through simpler processing. All pension loan applications are now processed at the Shared Service Center instead of branch back-office.
3. Digital channel migration:
More BTPN Purna Bakti customers now completed their transactions at ATM in addition to existing branches and payment points. This ensures availability of higher number of channels and provides more flexibility for our customers to access the bank.

4. Branch integration:
Earlier BTPN used to have branches serving a specific customer segment. BTPN has now integrated its branches to make all branches capable of serving all BTPN customers. In addition, the organization structure and processes within the branches have been simplified. This initiative is aimed to enhance customer experience as well as creating further opportunities for employee growth and job satisfaction. A new universal branch processing system has been developed to complement branch integration. The system has been piloted and will be rolled out in early 2018.

2018 Priorities

1. Bank-wide roll out of the new branch processing system to further enhance customer and employee satisfaction at the branches.
2. Further process transformation through digitization, automation and robotics solution.
3. Implementation of strategic cost management initiatives to achieve higher operational efficiency.

risk management

BTPN adopts an Integrated Risk Management structure, covering all risk areas faced by the Bank as well as its Sharia subsidiary. This critical oversight function is done in a coordinated and consistent way.

This year, the Bank focused on further strengthening its risk management system. More specifically, covering potential risks associated with the Bank's Gemilang project, such that bank services, delivered through a more unified and standardized branch network as well as its growing digital mobile platforms and agent network, can run smoothly and more efficiently. We are glad to report that these risks have been managed well.

The Bank's business continuity program is in place and continues to be periodically tested to assess its readiness and ensure that the designated back up sites are working. In addition, the Bank continues to improve its monitoring of and response to potential frauds. The Bank puts a major emphasis on fraud prevention and early detection. This is done, among others, through its whistleblower-system. Branch briefings and regular e-learning exercises on anti-fraud training are periodically conducted.

The Bank's quality assurance shows improving results, which coordinates closely with the fraud management unit to ensure an effective control environment.

Total bank loans remain denominated in Rupiah, with a large 60.3% comprising of loans from the Bank's Purna Bakti pension business. These loans are provided to retired government civil servants, those close to retirement (pre-pension loans) and selected active employees. Source of repayment comes from low risk government monthly pension payments. In addition, these loans are protected by life insurance policies, which explains this loan segment's low NPL ratio of 0.4%.

SME (Mitra Bisnis) and Micro (Mitra Usaha Rakyat) loans, comprises of 17.7%, and 8.4%, of total loans, respectively. SME loans has grown by a strong 24.8%, while Micro loans have been kept more or less steady. Most of these loans are secured, but carry a higher NPL ratio of 1.0% and 3.0% respectively.

Loans provided by the Bank's subsidiary, BTPN Syariah, accounts for 9.3% of total consolidated loans. BTPN Syariah financing grew by a strong 21.1% and carry a non-performing financing (NPF) ratio of 1.7%. The remaining financing come largely from consumer financing.

The Bank's overall asset quality comes to a consolidated NPL ratio of 0.9%, slightly higher than the 0.8% recorded last year.

The Risk Management Unit, at Head Office, consists of the Portfolio Management and Policy Unit, the Market and Liquidity Risk Unit, the Operational Risk Management Unit, the Business Continuity Management Unit and the Fraud Management Unit.

Each year, Risk Management reviews the adequacy of the Bank's risk management policies, contingency funding plan, disaster recovery plan and other key policies. At the Board of Directors level, the Risk Management Committee monitors and manages bank-wide risk. A Risk Monitoring Committee at the Board of Commissioners level oversees this Committee on a periodic basis.

In line with OJK Regulation No.18/POJK.03/2016 and Circular Letter No. 34/SEOJK.03/2016 on the Implementation of Risk Management for Commercial Banks, and OJK Regulation No. 38 /POJK.03/2017 on the Consolidated Implementation of Risk Management on Banks Controlling Subsidiaries, the Bank presents its quarterly risk profile report, on a stand-alone as well as on a consolidated basis.

In line with OJK Regulation No. 17/POJK.03/2014 dated 19 November 2014 concerning Implementation of the Integrated Risk Management for

Financial Conglomerate, Bank provides consolidated risk profile report to SMBCI every semester (to be reported to OJK).

The risk profile assessment, following Bank Indonesia and OJK regulations, is an assessment of the Bank's inherent risks. This comprises of the risks attached to the Bank's business activities, and on the quality of its Risk Management implementation. The assessment is conducted over 8 risks, namely Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. As of December 2017, the Bank's Risk Profile both on a stand-alone and consolidated basis was rated 2 (Low to Moderate).

2018 Priorities

- Continue enhancing the Bank's integrated risk management system to monitor and address all Bank risks and assess the risk of new BTPN and BTPN Syariah services.
- Prepare for IFRS 9, which becomes effective January 2020.
- Ensure Quality Assurance in each line of business adequately addresses additional risk issues at the business unit level.
- Conduct periodic stress tests to anticipate and pro-actively address potential macro economic risk events.

Internal Control System

Three Lines of Defense

BTPN's internal control working framework uses three lines of defense, each of which works independently:

- As the first line, the Risk Taking Unit (RTU), assisted by the relevant QA Function, strictly enforces daily operational risk management practices.
- As the second line, the Risk Management Unit works with the Compliance Unit to define, refine, and ensure the implementation of risk management through adequate identification, measurement, monitoring, and control, as well as appropriate policies and procedures, and coordinate/facilitate the overall risk management activities.
- As the third line, the Internal Auditor independently ensures that all inherent risks have been managed to keep the residual risk within the approved risk tolerance and the risk appetite determined by the Bank.

As the third line of defense in the internal control system, Internal Audit has a supervisory function to evaluate risk management, effectiveness of internal control, and governance of all aspects of the Bank's activities

using a risk-based approach. Thus, the supervisory function is performed towards the first (Risk Taking Unit and Quality Assurance) and second lines of defense (Compliance and Risk Management Unit).

Internal Audit performs evaluation of the effectiveness of internal control by taking into account the Bank's organization and human resources, customer service, infrastructure and quality of the implementation of key processes posing risks to the Bank.

For every finding, Internal Audit regularly monitors and reports to the President Director, Board of Directors, and Audit Committee on the progress of the corrective measures taken. The supervisory function is performed by Internal Audit based on the Standards for the Practice of the Bank Internal Audit Function (SPFAIB) set by Bank Indonesia. Every 3 years, Internal Audit is audited by an independent party to review the conformance of Internal Audit practice with the prevailing standards.

I. Disclosure of Capital

A. Capital Structure

The objective of the Bank's capital management is to maintain a robust capital position to support business growth and maintain the confidence of investors, depositors, customers, and the market. In terms of capital management, the Bank considers factors such as optimal capital return for shareholders, balance between higher returns and gearing ratio, as well as security afforded by a sound capital position.

The Bank's capital position as of 31 December 2017 based on the prevailing OJK regulations is as follows:

Table 1. Quantitative disclosure - Capital Structure

(in million Rupiah)

Capital Component	31 December 2017		31 December 2016	
	Bank	Consolidated	Bank	Consolidated
I Core Capital (Tier 1)	13,561,110	15,109,418	13,503,767	14,584,659
1. Common Equity Tier 1 (CET 1)	13,561,110	15,109,418	13,503,767	14,584,659
1.1 Paid in capital (less Treasury stock)	114,902	114,902	114,902	114,902
1.2 Disclosed reserves	14,943,308	15,929,513	14,734,915	15,227,730
1.2.1 Additional Factor	15,263,400	16,188,022	15,079,663	15,535,156
1.2.1.1 Other comprehensive income	734,307	737,974	727,819	731,486
1.2.1.1.1 Excess differences arising from translation of financial statement	-	-	-	-
1.2.1.1.2 Potential gains of the increase in the fair value of financial assets available for sale	13,525	13,525	7,037	7,037
1.2.1.1.3 Fixed asset revaluation	720,782	724,449	720,782	724,449
1.2.1.2 Other disclosed reserve	14,529,093	15,450,048	14,351,844	14,803,670
1.2.1.2.1 Agio	1,168,885	1,168,885	1,168,885	1,168,885
1.2.1.2.2 General reserves	23,361	26,861	23,361	23,361
1.2.1.2.3 Previous years profit	12,585,089	13,033,416	11,696,247	11,859,327
1.2.1.2.4 Current year profit	751,758	1,220,886	1,463,351	1,752,097
1.2.1.2.5 Capital paid in advance	-	-	-	-
1.2.1.2.6 Others	-	-	-	-
1.2.2 Deduction Factor	(320,092)	(258,509)	(344,748)	(307,426)
1.2.2.1 Other comprehensive income	(444)	(444)	(3,733)	(3,733)
1.2.2.1.1 Excess differences less from translation of financial statement	-	-	-	-
1.2.2.1.2 Potential loss of the decrease in the fair value of financial assets available for sale	(444)	(444)	(3,733)	(3,733)
1.2.2.2 Other disclosed reserve	(319,648)	(258,065)	(341,015)	(303,693)
1.2.2.2.1 Disagio	-	-	-	-
1.2.2.2.2 Previous years loss	-	-	-	-
1.2.2.2.3 Current year loss	-	-	-	-
1.2.2.2.4 Differences between allowance for possible losses and allowance for impairment losses of earning assets	(319,648)	(257,896)	(341,015)	(300,217)
1.2.2.2.5 Negative differences on adjustment of fair value on financial instrument in the trading book	-	-	-	-
1.2.2.2.6 Allowance for possible losses on non-productive assets	-	(169)	-	(3,476)
1.2.2.2.7 Others	-	-	-	-
1.3 Non-Controlling Interests that can be calculated	-	-	-	-

(in million Rupiah)

Capital Component	31 December 2017		31 December 2016	
	Bank	Consolidated	Bank	Consolidated
1.4 Deduction factor to common equity tier 1 (CET 1)	(1,497,100)	(934,997)	(1,346,050)	(757,973)
1.4.1 Deferred tax calculation	(97,246)	(165,935)	(84,621)	(122,598)
1.4.2 Goodwill	-	(61,116)	-	(61,116)
1.4.3 Other intangible asset	(670,243)	(707,946)	(537,843)	(574,259)
1.4.4 Investment that can be calculated as deduction factor	(729,611)	-	(723,586)	-
1.4.5 Shortage of capital on insurance subsidiary company	-	-	-	-
1.4.6 Securitization exposures	-	-	-	-
1.4.7 Other deduction factor to core capital	-	-	-	-
1.4.7.1 Placement of funds in instruments AT 1 and / or Tier 2 other banks	-	-	-	-
1.4.7.2 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-	-	-
2. Additional Tier 1 (AT 1)	-	-	-	-
2.1 The instrument meets the requirements of AT 1	-	-	-	-
2.2 Agio / Disagio	-	-	-	-
2.3 Deduction factor to Additional Tier 1	-	-	-	-
2.3.1 Placement of funds in instruments AT 1 and / or Tier 2 other banks	-	-	-	-
2.3.2 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-	-	-
II Supplementary Capital (Tier 2)	537,158	597,307	515,568	568,733
1. Capital instrument in form of shares or others which are qualified Tier 2 requirements	-	-	-	-
2. Agio/Disagio	-	-	-	-
3. General allowance for possible losses of earning assets (maximum 1.25% of Credit Risk RWA)	537,158	597,307	515,568	568,733
4. Deduction factor to supplementary capital	-	-	-	-
4.1 Sinking Fund	-	-	-	-
4.2 Placement of funds in instruments AT 1 and / or Tier 2 other banks	-	-	-	-
4.3 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-	-	-
Total Capital	14,098,268	15,706,725	14,019,335	15,153,392

	31 December 2017		31 December 2016			31 December 2017		31 December 2016	
	Bank	Consolidated	Bank	Consolidated		Bank	Consolidated	Bank	Consolidated
Risk Weighted Asset					CAR Ratio				
RWA Credit Risk	42,915,930	47,736,670	41,157,660	45,422,834	CET1 Ratio (%)	23.96%	23.70%	24.66%	24.09%
RWA Market Risk	47,767	47,767	1,095	1,095	Tier 1 Ratio (%)	23.96%	23.70%	24.66%	24.09%
RWA Operational Risk	13,639,739	15,971,536	13,598,809	15,116,372	Tier 2 Ratio (%)	0.95%	0.94%	0.94%	0.94%
Total RWA	56,603,436	63,755,973	54,757,564	60,540,301	CAR Ratio (%)	24.91%	24.64%	25.60%	25.03%
CAR Ratio Based On Risk Profile (%)	9.26%	9.26%	9.27%	9.26%	CET1 For Buffer (%)	15.65%	15.38%	16.33%	15.77%
CAR Allocation Based On Risk Profile					Buffer Percentage Should Be Fulfilled By Bank				
From CET1 (%)	8.31%	8.32%	8.33%	8.32%	Capital Conservation Buffer (%)	1.250%	1.250%	0.625%	0.625%
From AT1 (%)	0.00%	0.00%	0.00%	0.00%	Countercyclical Buffer (%)	0%	0%	0.00%	0.00%
From Tier 2 (%)	0.95%	0.94%	0.94%	0.94%	Capital Surcharge for Systemic Bank (%)	0%	0%	0.00%	0.00%

The capital component in general is dominated by permanent capital, in which the core capital is the largest component of the Bank's capital. In December 2017, the core capital to risk weighted assets (RWA) ratio is 23.7% (Consolidation). This ratio is above the minimum 6% stipulated by OJK.

BTPN's consolidated capital structure is largely dominated by core capital (96.0% of BTPN's total consolidated capital), which consists of paid-up capital and additional capital reserves.

BTPN's capital levels on stand-alone and consolidated bases are the same as its equity interest in the subsidiary is relatively immaterial, so it has no significant effect on BTPN's capital on a consolidated basis.

B. Capital Adequacy

The management uses the capital ratio standards to monitor capital adequacy in accordance with the industry standards. OJK's approach to capital measurement is mainly based on the monitoring of required capital (measured at 8.0% of the risk-weighted assets) based on the available capital.

In line with the implementation of Basel II concerning capital, the Bank has reported ICAAP in accordance with the applicable regulations and has been developing methodology for implementing the Internal

Capital Adequacy Assessment Process (ICAAP), a process to establish capital adequacy in accordance with the Bank's risk profile. This process is carried out to improve the Bank's effectiveness in risk management.

The Bank uses a standardized approach to capital management of credit risk, in which the calculation of RWA is generally performed by referring to the risk weight in compliance with OJK regulations and the rating published by rating agencies designated by the regulator.

In compliance with current BI/OJK regulations, the Bank measures capital adequacy for operational risk using a Basic Indicator Approach method. Following this method, the Bank allocates minimum capital for operational risk based on historical data, which is equal to the average of the sum of (positive) annual gross incomes over the last 3 years multiplied by the applicable alpha coefficient of 15.0%.

In managing market risk, the Bank uses a standardized method to calculate RWA for Market Risk.

The Bank's management has a good understanding of its capital management and views the capital planning as an essential element to achieve the Bank's strategic objectives by analyzing the Bank's current and future capital adequacy through strategic planning. This is demonstrated by maintaining the performance of the Bank and its parent company through continuous monitoring of risk management quality, audits by Internal Audit Unit on regular basis, adequate policies on distribution of dividends, as well as the management's commitment to the Bank's strategies and targets as set out in the Bank's Business Plan.

The Bank's capital ratio is rated very good, as it exceeds the requirements set by Bank Indonesia. The capital growth trend based on the Bank's Business Plan also indicates the ability to support the Bank's future business expansion. Similarly, if associated with the incentives for the Statutory Reserve Requirements for Loan to Funding Ratio (LFR), the Bank's CAR meets the minimum requirements set by OJK, namely 8.0% - 14.0%, based on the self-assessment of the Bank's risk profile, where KPMM position in accordance with the risk profile as of December 2017 is 9.26%.

II. Disclosure of Exposure

A. Credit Risk

Credit risk is the risk that arises from another party's failure to fulfill their obligation to the Bank, including credit risk due to debtor's failure, credit concentration risk, counterparty credit risk, and settlement risk.

1. Adequacy of Policy, Procedure, and Limit

In order to support business goals while maintaining portfolio quality, the Bank establishes credit policies and procedures in accordance with the Bank's policy hierarchy. The credit policy is the guidelines for credit process implementation, and policies and procedures are reviewed periodically, especially if there are changes in economic conditions, regulations and/or business approaches.

The Bank continues to actively manage and supervise the application of risk management and effectively refine its risk management policies, procedures, and systems development.

In addition to setting policies and procedures, the Bank also establishes limits to keep the credit risk exposure within the Bank's risk appetite. These limits include, among others, the authority limit to make credit decisions that are adjusted to the competence of the decision maker and the level of risk, as well as ensuring that there is no conflict of interest in the process of providing loans to customers. Meanwhile, the Legal Lending Limit is determined in accordance with the Bank Indonesia/OJK regulations.

The Bank manages and controls the concentration of credit risk wherever the risk is identified - specifically, in individual and group debtors, as well as industries and geographic sectors.

A Management Information System is available and includes a level detailed enough to detect any negative development as early as possible to allow a timely action to correct the declining credit quality or to minimize credit losses.

The Bank closely monitors the loan portfolio, which enables the Bank to take timely precautions in the event of declining credit quality, through early detection of problems and strict monitoring.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

The Credit Risk framework in BTPN is implemented through an integrated process and consists of risk Identification, Measurement, Monitoring, and Control/Mitigation processes.

The credit risk identification starts by determining the industrial sectors or customer segments that will be financed, analyzing the customer's loan applications, and analyzing any product and activity that potentially create credit risk by conducting a risk assessment of the Product Program. Based on the credit risk identification process,

the Bank measures credit risk by using several key indicators for customer credit quality, such as Non-Performing Loan ratio, as well as regularly measures the quality of low quality assets and customers categorized under the watchlist account.

As part of the credit risk measurement, stress testing is performed in order to assess the Bank's resilience during extreme conditions.

The Credit risk measurement system should consider product characteristics, tenors, collateral aspects, probability of default, and the ability of the Bank to absorb potential loss along with the quantification of, among others, the composition of asset portfolio including type, exposure feature, credit growth, adequacy of allowances, concentration level, and quality of the fund provision including the level of problem assets and assets that have been taken over, along with the mark to market on specific credit risk transactions.

The Bank monitors actual credit risk exposure compared against credit risk limit, management of problem loans, and conformity between policies and implementation of credit risk management.

The management information system is developed continuously to be able to present credit risk information on a regular basis.

3. Internal Control System for Credit Risk

The Internal Control System manages the risks that pose a threat to the Bank's business sustainability. An example is the implementation of effective problem loan management by segregating the problem loan settlement function from the loan initiation function. The result of problem loan handling must be documented for consideration by the risk taking unit in distributing or restructuring loans.

Credit risk can also be controlled through risk mitigation, active management of portfolio risks and positions, and determination of concentration risk limit targets.

4. Credit Concentration Risk Management Policy

The Bank manages credit concentration risk by establishing limits on, among others, exposure by industry sector, certain types of loan, and exposure of individuals and business groups.

5. Definition of Past Due Claim

Past due claims are all receivables in arrears for more than 90 (ninety) days, both in terms of principal and/or interest payments.

6. Definition of Impaired Claim

The Bank evaluates financial assets/financial asset groups with impairment losses for each balance sheet date. Any receivables with impairment losses are determined based on financial assets/financial asset groups if there is objective evidence that the impairment happens as a result of one or more events occurring subsequent to the initial recognition of asset (loss event). The loss event affects the estimated future cash flow of the financial assets or financial asset groups that can be reliably estimated.

7. Approach to Forming the Allowance for Impairment Loss

The approaches used to calculate the Allowance for Impairment Losses (CKPN) are divided into 2 (two) types, namely collective and individual approaches.

The Allowance for Impairment Losses for collective assessment is calculated using the historical incurred loss data (Incurred Loss is calculated based on Probability of Default and Loss Given Default estimates) of each particular asset group.

The Allowance for Impairment Losses for individual assessment is calculated based on the discounted cash flow.

8. Quantitative Credit Risk Disclosure

Table 1.a. Net Claims Disclosures based on Geographic Area - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2017					31 December 2016					
		Net claims based on geographic area					Net claims based on geographic area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total	Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1	Claims on sovereign	18,990,333	-	-	-	18,990,333	16,890,098	-	-	-	-	16,890,098
2	Claims on Public Sector Entity	-	-	-	-	-	99,032	-	-	-	-	99,032
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	1,134,325	-	-	-	1,134,325	2,107,536	-	-	-	-	2,107,536
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	20,577,049	2,638,528	8,243,507	8,319,577	39,778,661	21,629,188	2,576,153	8,494,671	7,950,637	40,650,649	
8	Claims on Micro, Small and Retail Portfolio	3,372,061	168,541	1,808,956	649,225	5,998,783	3,960,870	189,065	2,369,668	869,277	7,388,880	
9	Claims on Corporate	10,110,638	240,826	1,992,789	1,763,044	14,107,297	7,534,474	229,912	1,707,029	1,520,942	10,992,357	
10	Past due claims	107,139	13,309	90,323	53,245	264,016	98,467	7,796	92,041	33,784	232,088	
11	Other assets	5,733,877	-	-	-	5,733,877	5,456,409	-	-	-	-	5,456,409
	Total	60,025,422	3,061,204	12,135,575	10,785,091	86,007,292	57,776,074	3,002,926	12,663,409	10,374,640	83,817,049	

Table 1.b. Net Claims Disclosures based on Geographic Area - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2017					31 December 2016					
		Net claims based on geographic area					Net claims based on geographic area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total	Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1	Claims on sovereign	21,479,022	-	-	-	21,479,022	18,438,965	-	-	-	-	18,438,965
2	Claims on Public Sector Entity	-	-	-	-	-	99,032	-	-	-	-	99,032
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	1,134,325	-	-	38,443	1,172,768	2,142,026	-	-	-	-	2,142,026
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	20,577,049	2,638,528	8,243,507	8,319,577	39,778,661	21,629,188	2,576,153	8,494,671	7,950,637	40,650,649	
8	Claims on Micro, Small and Retail Portfolio	7,853,812	1,654,266	1,808,956	649,225	11,966,259	7,551,655	373,660	3,311,386	1,082,883	12,319,584	
9	Claims on Corporate	10,110,638	240,826	1,992,789	1,763,044	14,107,297	7,534,474	229,912	1,707,029	1,520,942	10,992,357	
10	Past due claims	109,809	13,892	90,323	53,245	267,269	104,917	8,397	94,214	34,728	242,256	
11	Other assets	6,286,146	-	-	-	6,286,146	6,000,638	26,729	117,576	36,192	6,181,135	
	Total	67,550,801	4,547,512	12,135,575	10,823,534	95,057,422	63,500,895	3,214,851	13,724,876	10,625,382	91,066,004	

Table 2.a. Net Claims Disclosure Based on Residual Contractual Maturity - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2017					31 December 2016					
		Net claims based on residual contractual maturity					Net claims based on residual contractual maturity					
		< 1 year	1 - 3 year	3 - 5 year	> 5 year	Total	< 1 year	1 - 3 year	3 - 5 year	> 5 year	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1	Claims on sovereign	18,990,333	-	-	-	18,990,333	16,890,098	-	-	-	-	16,890,098
2	Claims on Public Sector Entity	-	-	-	-	-	99,032	-	-	-	-	99,032
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	1,134,325	-	-	-	1,134,325	2,107,536	-	-	-	-	2,107,536
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	30,355,500	9,423,161	-	-	39,778,661	32,690,871	7,959,778	-	-	-	40,650,649
8	Claims on Micro, Small and Retail Portfolio	5,977,059	21,724	-	-	5,998,783	7,330,139	58,741	-	-	-	7,388,880
9	Claims on Corporate	14,106,381	916	-	-	14,107,297	10,990,453	1,904	-	-	-	10,992,357
10	Past due claims	240,584	23,432	-	-	264,016	226,038	6,050	-	-	-	232,088
11	Other assets	5,733,877	-	-	-	5,733,877	5,456,409	-	-	-	-	5,456,409
	Total	76,538,059	9,469,233	-	-	86,007,292	75,790,576	8,026,473	-	-	-	83,817,049

Table 2.b. Net Claims Disclosure Based on Residual Contractual Maturity - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2017					31 December 2016				
		Net claims based on residual contractual maturity					Net claims based on residual contractual maturity				
		< 1 year	1 - 3 year	3 - 5 year	> 5 year	Total	< 1 year	1 - 3 year	3 - 5 year	> 5 year	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Claims on sovereign	21,479,022	-	-	-	21,479,022	17,166,465	1,222,500	-	50,000	18,438,965
2	Claims on Public Sector Entity	-	-	-	-	-	99,032	-	-	-	99,032
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	1,134,325	-	-	38,443	1,172,768	2,142,026	-	-	-	2,142,026
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	30,355,500	9,423,161	-	-	39,778,661	32,690,871	7,959,778	-	-	40,650,649
8	Claims on Micro, Small and Retail Portfolio	10,458,810	1,507,449	-	-	11,966,259	11,103,340	1,216,244	-	-	12,319,584
9	Claims on Corporate	14,106,381	916	-	-	14,107,297	10,990,453	1,904	-	-	10,992,357
10	Past due claims	243,254	24,015	-	-	267,269	236,105	6,151	-	-	242,256
11	Other assets	6,286,146	-	-	-	6,286,146	6,181,135	-	-	-	6,181,135
	Total	84,063,438	10,955,541	-	38,443	95,057,422	80,609,427	10,406,577	-	50,000	91,066,004

Table 3.a. Net Claims Disclosure based on Economic Sector - Bank Stand Alone

No.	Economic Sector	Claims on sovereign	Claims on Public Sector Entity	Claims on Multilateral Development Banks and International Institute	Claims on Bank
(1)	(2)	(3)	(4)	(5)	(6)
December 2017					
1	Agriculture, hunting, and forestry	-	-	-	-
2	Fisheries	-	-	-	-
3	Mining and excavation	-	-	-	-
4	Manufacturing	-	-	-	-
5	Electricity, gas, and water	-	-	-	-
6	Construction	-	-	-	-
7	Wholesale and retail trading	-	-	-	-
8	Accommodation and restaurant services	-	-	-	-
9	Transportation, warehousing and communications	-	-	-	-
10	Financial intermediaries	-	-	-	-
11	Real estate, rental business and corporate services	-	-	-	-
12	Government administration, defense and compulsory social insurance	-	-	-	-
13	Education services	-	-	-	-
14	Health services and social activities	-	-	-	-
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-
16	Personal household services	-	-	-	-
17	International institute	-	-	-	-
18	Undefined services	-	-	-	-
19	Non-productive sector	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	18,990,333	-	-	1,134,325
Total		18,990,333	-	-	1,134,325
December 2016					
1	Agriculture, hunting, and forestry	-	-	-	-
2	Fisheries	-	-	-	-
3	Mining and excavation	-	-	-	-
4	Manufacturing	-	-	-	-
5	Electricity, gas, and water	-	-	-	-
6	Construction	-	-	-	-
7	Wholesale and retail trading	-	-	-	-
8	Accommodation and restaurant services	-	-	-	-
9	Transportation, warehousing and communications	-	-	-	-
10	Financial intermediaries	-	-	-	-
11	Real estate, rental business and corporate services	-	-	-	-
12	Government administration, defense and compulsory social insurance	-	-	-	-
13	Education services	-	-	-	-
14	Health services and social activities	-	-	-	-
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-
16	Personal household services	-	-	-	-
17	International institute	-	-	-	-
18	Undefined services	-	-	-	-
19	Non-productive sector	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	16,890,098	99,032	-	2,107,536
Total		16,890,098	99,032	-	2,107,536

(in million Rupiah)

Claims secured by Residential Property	Claims secured by Commercial Real Estate	Pensioners/Other institutions' employees loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporate	Past due claims	Other assets
(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	61,953	177,521	77,478	5,004	-
-	-	5,226	36,529	19,009	304	-
-	-	-	3,714	101,658	796	-
-	-	11,185	586,321	3,048,645	17,679	-
-	-	122	54	15,615	-	-
-	-	142	2,390	661,578	-	-
-	-	75,214	2,791,366	7,168,209	106,120	-
-	-	27,368	323,579	131,669	8,649	-
-	-	1,494	13,072	571,938	958	-
-	-	-	-	1,282,121	-	-
-	-	20,062	6,674	421,083	2,885	-
-	-	-	-	-	-	-
-	-	-	5,365	397	-	-
-	-	118	95,590	24,165	2,412	-
-	-	336	461,661	169,879	9,894	-
-	-	39,575,441	1,494,947	12,707	109,315	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	401,146	-	5,733,877
-	-	39,778,661	5,998,783	14,107,297	264,016	5,733,877
-	-	11,133	263,874	76,518	6,875	-
-	-	2,074	43,484	48,934	754	-
-	-	-	4,300	60,754	-	-
-	-	4,750	762,867	2,407,369	29,767	-
-	-	127	310	18,407	-	-
-	-	163	2,765	484,626	-	-
-	-	23,314	3,665,851	5,860,618	115,789	-
-	-	7,792	426,959	137,987	7,458	-
-	-	604	18,251	1,016,909	283	-
-	-	-	-	242,696	-	-
-	-	6,172	6,966	371,802	997	-
-	-	-	-	-	-	-
-	-	-	6,489	588	335	-
-	-	127	132,191	27,048	2,193	-
-	-	557	637,242	215,388	10,609	-
-	-	40,593,836	1,417,331	22,713	57,028	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,456,409
-	-	40,650,649	7,388,880	10,992,357	232,088	5,456,409

Table 3.b. Net Claims Disclosure based on Economic Sector - Consolidated Bank and Subsidiary

No.	Economic Sector	Claims on sovereign	Claims on Public Sector Entity	Claims on Multilateral Development Banks and International Institute	Claims on Bank
(1)	(2)	(3)	(4)	(5)	(6)
December 2017					
1	Agriculture, hunting, and forestry	-	-	-	-
2	Fisheries	-	-	-	-
3	Mining and excavation	-	-	-	-
4	Manufacturing	-	-	-	-
5	Electricity, gas, and water	-	-	-	-
6	Construction	-	-	-	-
7	Wholesale and retail trading	-	-	-	-
8	Accommodation and restaurant services	-	-	-	-
9	Transportation, warehousing and communications	-	-	-	-
10	Financial intermediaries	-	-	-	-
11	Real estate, rental business and corporate services	-	-	-	-
12	Government administration, defense and compulsory social insurance	-	-	-	-
13	Education services	-	-	-	-
14	Health services and social activities	-	-	-	-
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-
16	Personal household services	-	-	-	-
17	International institute	-	-	-	-
18	Undefined services	-	-	-	-
19	Non-productive sector	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	21,479,022	-	-	1,172,768
Total		21,479,022	-	-	1,172,768
December 2016					
1	Agriculture, hunting, and forestry	-	-	-	-
2	Fisheries	-	-	-	-
3	Mining and excavation	-	-	-	-
4	Manufacturing	-	-	-	-
5	Electricity, gas, and water	-	-	-	-
6	Construction	-	-	-	-
7	Wholesale and retail trading	-	-	-	-
8	Accommodation and restaurant services	-	-	-	-
9	Transportation, warehousing and communications	-	-	-	-
10	Financial intermediaries	-	-	-	-
11	Real estate, rental business and corporate services	-	-	-	-
12	Government administration, defense and compulsory social insurance	-	-	-	-
13	Education services	-	-	-	-
14	Health services and social activities	-	-	-	-
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-
16	Personal household services	-	-	-	-
17	International institute	-	-	-	-
18	Undefined services	-	-	-	-
19	Non-productive sector	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	18,438,965	99,032	-	2,142,026
Total		18,438,965	99,032	-	2,142,026

(in million Rupiah)

Claims secured by Residential Property	Claims secured by Commercial Real Estate	Pensioners/Other institutions' employees loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporate	Past due claims	Other assets
(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	61,953	466,756	77,478	5,073	-
-	-	5,226	59,740	19,009	318	-
-	-	-	5,906	101,658	796	-
-	-	11,185	750,059	3,048,645	17,771	-
-	-	122	54	15,615	-	-
-	-	142	2,390	661,578	-	-
-	-	75,214	7,962,397	7,168,209	108,988	-
-	-	27,368	409,192	131,669	8,703	-
-	-	1,494	22,833	571,938	962	-
-	-	-	-	1,282,121	-	-
-	-	20,062	10,323	421,083	2,887	-
-	-	-	-	-	-	-
-	-	-	5,365	397	-	-
-	-	118	96,896	24,165	2,413	-
-	-	336	476,277	169,879	9,900	-
-	-	39,575,441	1,697,903	12,707	109,458	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	168	-	-	-
-	-	-	-	401,146	-	6,286,146
-	-	39,778,661	11,966,259	14,107,297	267,269	6,286,146
-	-	11,133	470,615	76,518	7,136	-
-	-	2,074	63,937	48,934	805	-
-	-	-	6,146	60,754	-	-
-	-	4,750	923,415	2,407,369	30,213	-
-	-	127	310	18,407	-	-
-	-	163	2,765	484,626	-	-
-	-	23,314	7,923,525	5,860,618	124,425	-
-	-	7,792	528,383	137,987	7,813	-
-	-	604	29,574	1,016,909	302	-
-	-	-	-	242,696	-	-
-	-	6,172	10,932	371,802	1,017	-
-	-	-	-	-	-	-
-	-	-	6,489	588	335	-
-	-	127	132,852	27,048	2,193	-
-	-	557	642,949	215,388	10,610	-
-	-	40,593,836	1,577,602	22,713	57,407	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	90	-	-	-
-	-	-	-	-	-	6,181,135
-	-	40,650,649	12,319,584	10,992,357	242,256	6,181,135

Table 4.a. Claims and Allowances Disclosure based on Geographic Area - Bank Stand Alone

No.	Description	31 December 2017					Total
		Geographic Area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Gross claims	58,573,386	3,069,479	12,192,446	10,824,334	84,659,645	
2	Impaired claims						
	a. Not yet matured	223,629	21,583	147,159	92,316	484,687	
	b. Matured	4,057	1	35	172	4,265	
3	Allowance for impairment losses - individual	19,409	-	-	-	19,409	
4	Allowance for impairment losses - collective	325,506	25,977	168,246	97,320	617,049	
5	Amounts written-off	1,379,859	217,495	996,831	263,098	2,857,283	

Table 4.b. Claims and Allowances Disclosure based on Geographic Area - Consolidated Bank and Subsidiary

No.	Description	31 December 2017					Total
		Geographic Area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Gross claims	65,863,517	3,278,678	13,548,471	11,075,936	93,766,602	
2	Impaired claims	-	-	-	-	-	
	a. Not yet matured	223,629	21,583	147,159	92,316	484,687	
	b. Matured	67,684	6,149	17,622	13,641	105,096	
3	Allowance for impairment losses - individual	19,409	-	-	-	19,409	
4	Allowance for impairment losses - collective	427,470	33,962	196,767	116,508	774,706	
5	Amounts written-off	1,569,666	232,674	1,046,611	283,339	3,132,290	

(in million Rupiah)

31 December 2016				
Geographic Area				
Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total
(8)	(9)	(10)	(11)	(12)
55,296,290	3,023,612	12,823,915	10,463,440	81,607,257
189,554	15,162	150,060	62,085	416,861
72	-	39	8,625	8,736
21,173	-	-	-	21,173
280,283	20,686	160,506	88,800	550,275
1,172,957	181,539	830,987	201,076	2,386,559

(in million Rupiah)

31 December 2016				
Geographic Area				
Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Total
(8)	(9)	(10)	(11)	(12)
63,871,559	3,245,985	13,909,863	10,723,902	91,751,309
-	-	-	-	-
189,554	15,162	150,060	62,085	416,861
72	-	39	8,625	8,736
21,173	-	-	-	21,173
349,491	31,134	184,987	98,520	664,132
1,288,385	186,470	847,597	202,054	2,524,506

Table 5.a. Claims and Allowances Disclosure based on Economic Sector - Bank Stand Alone

(in million Rupiah)

No.	Economic Sector	Claims	Impaired claims		Allowance for impairment losses - Individual	Allowance for impairment losses - Collective	Amounts Written-Off
			Not yet matured	Matured			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
December 2017							
1	Agriculture, hunting, and forestry	326,627	9,675	-	-	13,220	15,562
2	Fisheries	61,186	422	-	-	1,580	2,915
3	Mining and excavation	106,391	1,019	-	-	523	5,069
4	Manufacturing	3,670,576	24,425	-	-	43,511	174,878
5	Electricity, gas, and water	15,791	-	-	-	43	752
6	Construction	665,710	1,600	-	-	3,468	31,717
7	Wholesale and retail trading	10,233,306	194,517	4,000	19,409	238,206	487,546
8	Accommodation and restaurant services	494,439	11,822	-	-	17,550	23,557
9	Transportation, warehousing and communications	587,798	1,294	-	-	2,659	28,005
10	Financial intermediaries	1,282,121	-	-	-	7,642	61,084
11	Real estate, rental business and corporate services	452,275	4,456	-	-	3,034	21,548
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	5,762	-	-	-	137	275
14	Health services and social activities	123,142	3,269	-	-	4,454	5,867
15	Social service, social and cultural, entertainment and other personal services	645,635	13,748	11	-	21,335	30,760
16	Personal household services	41,301,788	218,440	254	-	289,245	1,967,748
17	International institute	-	-	-	-	-	-
18	Undefined services	-	-	-	-	-	-
19	Non-productive sector	-	-	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	24,687,098	-	-	-	-	-
Total		84,659,645	484,687	4,265	19,409	617,049	2,857,283
December 2016							
1	Agriculture, hunting, and forestry	371,790	10,548	-	-	13,390	14,533
2	Fisheries	97,162	1,130	-	-	1,916	3,838
3	Mining and excavation	65,402	-	-	-	348	2,611
4	Manufacturing	3,270,013	56,163	-	18,631	46,629	129,695
5	Electricity, gas, and water	18,961	-	-	-	117	756
6	Construction	490,688	-	-	-	3,134	19,570
7	Wholesale and retail trading	9,892,331	181,254	8,500	2,542	224,217	390,934
8	Accommodation and restaurant services	601,653	12,464	-	-	21,457	23,489
9	Transportation, warehousing and communications	1,040,693	428	-	-	4,646	41,592
10	Financial intermediaries	244,215	-	-	-	1,519	9,742
11	Real estate, rental business and corporate services	388,175	1,269	-	-	2,238	15,502
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	7,709	471	-	-	297	303
14	Health services and social activities	167,431	3,414	-	-	5,872	6,534
15	Social service, social and cultural, entertainment and other personal services	892,912	18,433	-	-	29,116	34,986
16	Personal household services	42,286,287	131,287	236	-	195,379	1,692,474
17	International institute	-	-	-	-	-	-
18	Undefined services	-	-	-	-	-	-
19	Non-productive sector	-	-	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	21,771,835	-	-	-	-	-
Total		81,607,257	416,861	8,736	21,173	550,275	2,386,559

Table 5.b. Claims and Allowances Disclosure based on Economic Sector - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Economic Sector	Claims	Impaired claims		Allowance for impairment losses - Individual	Allowance for impairment losses - Collective	Amounts Written-Off
			Not yet matured	Matured			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
December 2017							
1	Agriculture, hunting, and forestry	617,601	9,675	1,880	-	16,770	22,480
2	Fisheries	84,609	422	363	-	2,141	4,512
3	Mining and excavation	108,599	1,019	27	-	566	5,104
4	Manufacturing	3,835,963	24,425	3,407	-	48,474	188,150
5	Electricity, gas, and water	15,791	-	-	-	43	752
6	Construction	665,710	1,600	-	-	3,468	31,717
7	Wholesale and retail trading	15,457,010	194,517	92,508	19,409	346,964	716,989
8	Accommodation and restaurant services	581,288	11,822	2,459	-	21,190	35,902
9	Transportation, warehousing and communications	597,644	1,294	104	-	2,844	28,647
10	Financial intermediaries	1,282,121	-	-	-	7,642	61,084
11	Real estate, rental business and corporate services	455,967	4,456	56	-	3,131	21,893
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	5,762	-	-	-	137	275
14	Health services and social activities	124,459	3,269	23	-	4,486	5,876
15	Social service, social and cultural, entertainment and other personal services	660,382	13,748	207	-	21,657	31,273
16	Personal household services	41,507,029	218,440	4,062	-	295,194	1,977,580
17	International institute	-	-	-	-	-	-
18	Undefined services	-	-	-	-	-	56
19	Non-productive sector	168	-	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	27,766,499	-	-	-	-	-
Total		93,766,602	484,687	105,096	19,409	774,706	3,132,290
December 2016							
1	Agriculture, hunting, and forestry	581,419	10,548	-	-	16,018	18,271
2	Fisheries	118,260	1,130	-	-	2,510	4,558
3	Mining and excavation	67,260	-	-	-	360	2,638
4	Manufacturing	3,435,824	56,163	-	18,631	51,446	136,846
5	Electricity, gas, and water	18,961	-	-	-	117	756
6	Construction	490,688	-	-	-	3,134	19,570
7	Wholesale and retail trading	14,255,944	181,254	8,500	2,542	321,519	502,270
8	Accommodation and restaurant services	707,314	12,464	-	-	25,339	30,653
9	Transportation, warehousing and communications	1,052,287	428	-	-	4,898	41,932
10	Financial intermediaries	244,215	-	-	-	1,519	9,742
11	Real estate, rental business and corporate services	392,308	1,269	-	-	2,385	15,665
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	7,709	471	-	-	297	305
14	Health services and social activities	168,094	3,414	-	-	5,874	6,590
15	Social service, social and cultural, entertainment and other personal services	898,658	18,433	-	-	29,154	39,130
16	Personal household services	42,451,120	131,287	236	-	199,562	1,695,523
17	International institute	-	-	-	-	-	-
18	Undefined services	-	-	-	-	-	57
19	Non-productive sector	90	-	-	-	-	-
20	Others (additional i.e. for SBI, SUN)	26,861,158	-	-	-	-	-
Total		91,751,309	416,861	8,736	21,173	664,132	2,524,506

Table 6.a. Allowance for Impairment Losses Movement - Bank Stand Alone

(in million Rupiah)

No.	Description	31 December 2017		31 December 2016	
		Individual impairment	Collective impairment	Individual impairment	Collective impairment
(1)	(2)	(3)	(4)	(3)	(4)
1	Beginning balance	21,173	550,275	13,712	467,873
2	Provision (recovery) for the period				
2.a.	Provision for the period	28,878	834,192	23,156	728,046
2.b.	Recovery for the period	-	79,782	4,974	89,707
3	Write-offs for the period	(30,642)	(808,098)	(20,669)	(735,353)
4	Other provision (recovery) for the period	-	(39,101)	-	2
	Ending balance	19,409	617,049	21,173	550,275

Table 6.b. Allowance for Impairment Losses Movement - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Description	31 December 2017		31 December 2016	
		Individual impairment	Collective impairment	Individual impairment	Collective impairment
(1)	(2)	(3)	(4)	(3)	(4)
1	Beginning balance	21,173	664,131	13,712	529,873
2	Provision (recovery) for the period				
2.a.	Provision for the period	28,878	1,049,941	23,156	846,605
2.b.	Recovery for the period	-	83,992	4,974	93,836
3	Write-offs for the period	(30,642)	(984,256)	(20,669)	(806,184)
4	Other provision (recovery) for the period	-	(39,102)	-	1
	Ending balance	19,409	774,706	21,173	664,131

9. Credit Risk Disclosure with Standardized Approach

In calculating Risk Weighted Assets (RWA) of credit risk, the Bank uses a standardized approach that complies with the prevailing OJK regulation, which is the SE OJK No 42/SEOJK.03/2016 concerning the Guidelines for Credit Risk Weighted Assets Calculation with Standardized Approach. Using the standardized approach, the risk weight is determined based on the rating of debtor or counterparty, in accordance with the category of portfolio or certain percentage for certain type of claim. The claim group portfolio is divided into claims on sovereign, claims on public sector entity, claims on bank, claims on employee and pensioner, claims on micro, small, and retail portfolio, claims on corporate, and past due claims. The risk weight is determined according to the provisions stipulated by the Regulator. If the claim is rated, the Bank will use the rating agency recognized by the Regulator.

Table 7.a. Net Claims Disclosure based on Portfolio Category and Rating Scale - Bank Stand Alone

No.	Portfolio Category	Rating Agencies			
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on sovereign		-	-	-
2	Claims on Public Sector Entity		-	-	-
3	Claims on Multilateral Development Banks and International Institute		-	-	-
4	Claims on Bank		455,622	203,313	279,503
5	Secured by Residential Property				
6	Secured by Commercial Real Estate				
7	Pensioners/Other institutions' employees loans				
8	Claims on Micro, Small and Retail Portfolio				
9	Claims on Corporate		351,530	95,129	235,689
10	Past due claims				
11	Other assets				
	Total		807,152	298,442	515,192

No.	Portfolio Category	Rating Agencies			
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-
1	Claims on sovereign		20,155	-	-
2	Claims on Public Sector Entity		99,032	-	-
3	Claims on Multilateral Development Banks and International Institute		-	-	-
4	Claims on Bank		509,319	694,315	827,514
5	Secured by Residential Property				
6	Secured by Commercial Real Estate				
7	Pensioners/Other institutions' employees loans				
8	Claims on Micro, Small and Retail Portfolio				
9	Claims on Corporate		442,647	17,252	25,141
10	Past due claims				
11	Other assets				
	Total		1,071,153	711,567	852,655

(in million Rupiah)

31 December 2017								
Net Claims								
Long Term Rating				Short Term Rating				Unrated
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3	
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3	
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3	
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)	
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4	
(7)	(8)	(9)	(10)	(11)	(12)	(14)	(15)	(16)
-	-	-	-	-	-	-	-	18,990,333
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	195,887
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	39,778,661
-	-	-	-	-	-	-	-	5,998,783
194,384	-	-	-	-	-	-	-	13,230,565
-	-	-	-	-	-	-	-	264,016
-	-	-	-	-	-	-	-	5,733,877
194,384	-	-	-	-	-	-	-	84,192,122
31 December 2016								
Net Claims								
Long Term Rating				Short Term Rating				Unrated
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3	
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3	
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3	
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)	
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4	
-	-	-	-	-	-	-	-	16,869,943
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	76,387
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	40,650,649
-	-	-	-	-	-	-	-	7,388,880
-	-	-	-	-	-	-	-	10,507,317
-	-	-	-	-	-	-	-	232,088
-	-	-	-	-	-	-	-	5,456,410
-	-	-	-	-	-	-	-	81,181,674

Table 7.b. Net Claims Disclosure based on Portfolio Category and Rating Scale - Consolidated Bank and Subsidiary

No.	Portfolio Category	Rating Agencies			
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on sovereign		-	-	-
2	Claims on Public Sector Entity		-	-	-
3	Claims on Multilateral Development Banks and International Institute		-	-	-
4	Claims on Bank		494,060	203,318	279,503
5	Secured by Residential Property				
6	Secured by Commercial Real Estate				
7	Pensioners/Other institutions' employees loans				
8	Claims on Micro, Small and Retail Portfolio				
9	Claims on Corporate		351,530	95,129	235,689
10	Past due claims				
11	Other assets				
	Total		845,590	298,447	515,192

No.	Portfolio Category	Rating Agencies			
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-
1	Claims on sovereign		20,155	-	-
2	Claims on Public Sector Entity		99,032	-	-
3	Claims on Multilateral Development Banks and International Institute		-	-	-
4	Claims on Bank		509,319	694,315	827,514
5	Secured by Residential Property				
6	Secured by Commercial Real Estate				
7	Pensioners/Other institutions' employees loans				
8	Claims on Micro, Small and Retail Portfolio				
9	Claims on Corporate		442,647	17,252	25,141
10	Past due claims				
11	Other assets				
12	Exposures in Sharia Business Unit (if any)		-	-	-
	Total		1,071,153	711,567	852,655

(in million Rupiah)

31 December 2017								
Net Claims								
Long Term Rating				Short Term Rating				Unrated
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3	
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3	
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3	
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)	
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4	
(7)	(8)	(9)	(10)	(11)	(12)	(14)	(15)	(16)
-	-	-	-	-	-	-	-	21,479,022
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	195,887
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	39,778,661
-	-	-	-	-	-	-	-	11,966,259
194,384	-	-	-	-	-	-	-	13,230,565
-	-	-	-	-	-	-	-	267,269
-	-	-	-	-	-	-	-	6,286,146
194,384	-	-	-	-	-	-	-	93,203,809
31 December 2016								
Net Claims								
Long Term Rating				Short Term Rating				Unrated
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3	
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3	
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3	
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)	
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4	
-	-	-	-	-	-	-	-	18,418,810
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	5	-	34,485	76,387
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	40,650,649
-	-	-	-	-	-	-	-	12,319,584
-	-	-	-	-	-	-	-	10,507,317
-	-	-	-	-	-	-	-	242,256
-	-	-	-	-	-	-	-	6,181,136
-	-	-	-	-	-	-	-	-
-	-	-	-	5	-	34,485	-	88,396,139

10. Counterparty Credit Risk Disclosure

Counterparty credit risk for the Bank is the risk arising from the counterparty's payment default over a contract with the Bank, which causes potential losses for the Bank. Counterparty credit risk generally occurs from FX swap, reverse repo transactions. Counterparty credit risk is mitigated in accordance with SE OJK No 42/SEOJK.03/2016 through recognition of collateral, warranty, guarantee, or credit insurance, complemented by the Bank's policies on management of counterparty credit risk.

Counterparty credit risk exposure as of 31 December 2017 as follow:

Table 8.a. Counterparty Credit Risk Disclosure (Over the Counter Derivative Transaction) - Bank Stand Alone

(in million Rupiah)

No	Underlying Variable	31 December 2017								31 December 2016									
		Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claims post CRM	Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claims post CRM		
		< 1 Year	> 1 Year - < 5 Years	> 5 years						< 1 Year	> 1 Year - < 5 Years	> 5 years							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Exchange Rate	5,433,784	-	-	2,338	2,886	56,676	-	56,676	4,089,921	-	-	43,651	8,344	84,473	-	84,473	-	-
3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	5,433,784	-	-	2,338	2,886	56,676	-	56,676	4,089,921	-	-	43,651	8,344	84,473	-	84,473	-	-

Table 8.b. Counterparty Credit Risk Disclosure (Over the Counter Derivative Transaction) - Consolidated Bank and Subsidiary

(in million Rupiah)

No	Underlying Variable	31 December 2017								31 December 2016									
		Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claims post CRM	Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claims post CRM		
		< 1 Year	> 1 Year - < 5 Years	> 5 years						< 1 Year	> 1 Year - < 5 Years	> 5 years							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Exchange Rate	5,433,784	-	-	2,338	2,886	56,676	-	56,676	4,089,921	-	-	43,651	8,344	84,473	-	84,473	-	-
3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Metal Other Than Gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	5,433,784	-	-	2,338	2,886	56,676	-	56,676	4,089,921	-	-	43,651	8,344	84,473	-	84,473	-	-

Table 9.a. Counterparty Credit Risk Disclosure (Reverse Repo Transaction) - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2017				31 December 2016			
		Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM	Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Claims on sovereign	1,515,907	-	-	-	2,699,099	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-	-	-
	Total	1,515,907	-	-	-	2,699,099	-	-	-

Table 9.b. Counterparty Credit Risk Disclosure (Reverse Repo Transaction) - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2017				31 December 2016			
		Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM	Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Claims on sovereign	1,515,907	-	-	-	2,699,099	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-	-	-
	Total	1,515,907	-	-	-	2,699,099	-	-	-

At the moment, the Bank does not have assets securitization exposures.

11. Credit Risk Mitigation Disclosure

The Bank adopts a range of policies and practices to mitigate credit risk, especially for micro, small and medium enterprises. The Bank implements guidelines on the accepted types of collateral to mitigate credit risk. The types of collateral accepted are as follows:

- Land/or building ;
- Vehicles; and
- Equipment (including machine and heavy equipment)
- Cash collateral
- Account receivable
- Inventory

Table 10.a. Net Claims based on Risk Weight post Credit Risk Mitigation - Bank Stand Alone

No.	Portfolio Category	31 December 2017										
		Net Claims post Credit Risk Mitigation										
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
A	Balance Sheet Exposures											
1	Claims on sovereign	17,474,426	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	1,077,649	-	-	-	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	39,778,661	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	57,606	-	-	-	-	5,941,177	-	-	-	-
9	Claims on Corporate	103,659	446,659	-	-	-	235,689	-	13,321,290	-	-	-
10	Past due claims	-	874	-	-	-	-	-	-	263,142	-	-
11	Other assets	1,268,260	-	-	-	-	-	-	4,465,595	22	-	-
	Total Balance Sheet Exposures	18,846,345	1,582,788	-	-	-	40,014,350	5,941,177	17,786,885	263,164	-	-
B	Off-Balance Sheet Exposures											
1	Claims on sovereign	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-	-	-	-	-	-	-
10	Past due claims	-	-	-	-	-	-	-	-	-	-	-
	Total Off-Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-	-
C	Counterparty Credit Risk											
1	Claims on sovereign	1,515,907	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	56,676	-	-	-	-	-	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	1,515,907	56,676	-	-	-	-	-	-	-	-	-

(in million Rupiah)

RWA	Capital Charge	31 December 2016										RWA	Capital Charge
		Net Claims post Credit Risk Mitigation											
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others		
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
-	-	14,125,220	-	-	-	-	-	-	-	-	-	-	-
-	-	-	99,032	-	-	-	-	-	-	-	-	19,806	1,585
-	-	-	-	-	-	-	-	-	-	-	-	-	-
215,530	17,242	-	2,088,840	-	-	-	-	-	-	-	-	417,768	33,421
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
19,889,331	1,591,146	-	-	-	-	-	40,650,649	-	-	-	-	20,325,325	1,626,026
4,467,404	357,392	-	30,174	-	-	-	-	7,358,706	-	-	-	5,525,064	442,005
13,528,496	1,082,280	206,179	459,900	-	-	-	25,140	-	10,301,138	-	-	10,405,688	832,455
394,888	31,591	-	-	-	-	-	-	-	-	232,088	-	348,132	27,851
4,465,628	357,250	1,256,517	-	-	-	-	-	-	4,199,871	22	-	4,199,904	335,992
42,961,276	3,436,901	15,587,916	2,677,946	-	-	-	40,675,789	7,358,706	14,501,009	232,110	-	41,241,687	3,299,335
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	2,764,878	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,499	920	-	18,695	-	-	-	-	-	-	-	-	3,739	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,499	920	2,764,878	18,695	-	-	-	-	-	-	-	-	3,739	-

Table 10.b. Net Claims based on Risk Weight post Credit Risk Mitigation - Consolidated Bank and Subsidiary

No.	Portfolio Category	31 December 2017										
		Net Claims post Credit Risk Mitigation										
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
A	Balance Sheet Exposures											
1	Claims on sovereign	19,963,115	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	1,116,092	-	-	-	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	39,778,661	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	57,606	-	-	-	-	11,908,653	-	-	-	-
9	Claims on Corporate	103,659	446,659	-	-	-	235,689	-	13,321,290	-	-	-
10	Past due claims	-	874	-	-	-	-	-	-	266,395	-	-
11	Other assets	1,496,785	-	-	-	-	-	-	4,789,339	22	-	-
	Total Balance Sheet Exposures	21,563,559	1,621,231	-	-	-	40,014,350	11,908,653	18,110,629	266,417	-	-
B	Off-Balance Sheet Exposures											
1	Claims on sovereign	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-	-	-	-	-	-	-
10	Past due claims	-	-	-	-	-	-	-	-	-	-	-
	Total Off-Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-	-
C	Counterparty Credit Risk											
1	Claims on sovereign	1,515,907	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Bank	-	56,676	-	-	-	-	-	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	1,515,907	56,676	-	-	-	-	-	-	-	-	-

(in million Rupiah)

		31 December 2016												
RWA	Capital Charge	Net Claims post Credit Risk Mitigation											RWA	Capital Charge
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
-	-	15,674,087	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	99,032	-	-	-	-	-	-	-	-	19,806	1,585	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
223,219	17,242	-	2,123,330	-	-	-	-	-	-	-	-	424,666	33,973	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19,889,331	1,591,146	-	-	-	-	-	40,650,649	-	-	-	-	20,325,325	1,626,026	
8,943,010	357,392	-	-	-	-	-	-	12,289,410	-	-	-	9,223,092	737,847	
13,528,496	1,082,280	-	459,900	-	-	-	25,140	-	10,301,138	-	-	10,405,688	832,455	
399,767	31,591	-	-	-	-	-	-	-	-	242,256	-	363,384	29,071	
4,789,372	357,250	1,256,517	-	-	-	-	-	-	4,924,591	22	-	4,732,968	378,637	
47,773,194	3,436,901	16,930,604	2,682,262	-	-	-	40,675,789	12,289,410	15,225,729	242,278	-	45,494,929	3,639,594	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	2,764,878	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11,499	920	-	18,695	-	-	-	-	-	-	-	-	3,739	299	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11,499	920	2,764,878	18,695	-	-	-	-	-	-	-	-	3,739	299	

Table 11.a. Net Claims and Credit Risk Mitigation Techniques - Bank Stand Alone

No.	Portfolio Category	31 December 2017				
		Net Claims	Claims guaranteed by:			
			Collateral	Guarantee letter	Credit Insurance	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposures					
1	Claims on sovereign	17,474,426	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	1,077,649	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	39,778,661	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	5,998,783	-	-	57,606	-
9	Claims on Corporate	14,107,297	103,659	-	-	-
10	Past due claims	264,016	-	-	874	-
11	Other assets	5,733,877	-	-	-	-
	Total Balance Sheet Exposures	84,434,709	103,659	-	58,480	-
B	Off-Balance Sheet Exposures					
1	Claims on sovereign	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-
10	Past due claims	-	-	-	-	-
	Total Off-Balance Sheet Exposures	-	-	-	-	-
C	Counterparty Credit Risk Exposures					
1	Claims on sovereign	1,515,907	1,515,907	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	56,676	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	1,572,583	1,515,907	-	-	-
	Total (A+B+C)	86,007,292	1,619,566	-	58,480	-

(in million Rupiah)

Claims not guaranteed	31 December 2016					Claims not guaranteed
	Net Claims	Claims guaranteed by:				
(8)=(3)- (4)+(5)+(6)+(7)	(9)	Collateral (10)	Guarantee letter (11)	Credit Insurance (12)	Others (13)	(14)=(9)- (10)+(11)+(12)+(13)
17,474,426	14,125,220	-	-	-	-	14,125,220
-	99,032	-	-	-	-	99,032
-	-	-	-	-	-	-
1,077,649	2,088,840	-	-	-	-	2,088,840
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,778,661	40,650,649	-	-	-	-	40,650,649
5,941,177	7,388,880	30,174	-	-	-	7,358,706
14,003,638	10,992,357	206,179	-	-	-	10,786,178
263,142	232,088	-	-	-	-	232,088
5,733,877	5,456,410	-	-	-	-	5,456,410
84,272,570	81,033,476	236,353	-	-	-	80,797,123
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,764,878	2,764,878	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,676	18,695	-	-	-	-	18,695
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,676	2,783,573	2,764,878	-	-	-	18,695
84,329,246	83,817,049	3,001,231	-	-	-	80,815,818

Table 11.b. Net Claims and Credit Risk Mitigation Techniques - Consolidated Bank and Subsidiary

No.	Portfolio Category	31 December 2017				
		Net Claims	Claims guaranteed by:			
			Collateral	Guarantee letter	Credit Insurance	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposures					
1	Claims on sovereign	19,963,115	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	1,116,092	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	39,778,661	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	11,966,259	-	-	57,606	-
9	Claims on Corporate	14,107,297	103,659	-	-	-
10	Past due claims	267,269	-	-	874	-
11	Other assets	6,286,146	-	-	-	-
	Total Balance Sheet Exposures	93,484,839	103,659	-	58,480	-
B	Off-Balance Sheet Exposures					
1	Claims on sovereign	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-
10	Past due claims	-	-	-	-	-
	Total Off-Balance Sheet Exposures	-	-	-	-	-
C	Counterparty Credit Risk Exposures					
1	Claims on sovereign	1,515,907	1,515,907	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-
4	Claims on Bank	56,676	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	1,572,583	1,515,907	-	-	-
	Total (A+B+C)	95,057,422	1,619,566	-	58,480	-

(in million Rupiah)

Claims not guaranteed	31 December 2017					
	Net Claims	Claims guaranteed by:				Claims not guaranteed
		Collateral	Guarantee letter	Credit Insurance	Others	
(8)=(3)-(4)+(5)+(6)+(7)	(9)	(10)	(11)	(12)	(13)	(14)=(9)-(10)+(11)+(12)+(13)
19,963,115	15,674,087	-	-	-	-	15,674,087
-	99,032	-	-	-	-	99,032
-	-	-	-	-	-	-
1,116,092	2,123,330	-	-	-	-	2,123,330
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,778,661	40,650,649	-	-	-	-	40,650,649
11,908,653	12,319,584	30,174	-	-	-	12,289,410
14,003,638	10,992,357	206,179	-	-	-	10,786,178
266,395	242,256	-	-	-	-	242,256
6,286,146	6,181,136	-	-	-	-	6,181,136
93,322,700	88,282,431	236,353	-	-	-	88,046,078
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,764,878	2,764,878	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,676	18,695	-	-	-	-	18,695
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,676	2,783,573	2,764,878	-	-	-	18,695
93,379,376	91,066,004	3,001,231	-	-	-	88,064,773

12. Risk Weighted Asset (RWA) of Credit Risk Calculation using Standardized Approach

Tabel 12.a. Credit Risk Risk Weighted Assets Calculation using Standardized Approach - Bank Stand Alone

Table 12.a.1. Asset Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	17,474,426	-	-	14,125,220	-	-
2	Claims on Public Sector Entity	-	-	-	99,032	19,806	19,806
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	1,077,649	215,529	215,529	2,088,840	417,768	417,768
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	39,778,661	19,889,331	19,889,331	40,650,649	20,325,325	20,325,325
8	Claims on Micro, Small and Retail Portfolio	5,998,783	4,499,087	4,467,404	7,388,880	5,541,660	5,525,064
9	Claims on Corporate	14,107,297	13,632,126	13,528,350	10,992,357	10,611,867	10,405,688
10	Past due claims	264,016	396,024	394,888	232,088	348,132	348,132
11	Other assets	5,733,877	-	4,465,628	5,456,410	-	4,199,904
Total		84,434,709	38,632,097	42,961,130	81,033,476	37,264,558	41,241,687

Table 12.a.2. Off Balance Sheet Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-	-
10	Past due claims	-	-	-	-	-	-
Total		-	-	-	-	-	-

Table 12.a.3. Counterparty Credit Risk Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(3)	(4)	(5)
1	Claims on sovereign	1,515,907	-	-	2,764,878	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	56,676	11,335	11,335	18,695	3,739	3,739
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-
7	Credit Valuation Adjustment Weighted Average			164			
Total		1,572,583	11,335	11,499	2,783,573	3,739	3,739

Table 12.a.4. Settlement Risk Exposures

(in million Rupiah)

No	Jenis Transaksi	31 December 2017			31 December 2016		
		Exposure	Capital Deduction Factor	RWA	Exposure	Capital Deduction Factor	RWA
1.	Delivery versus payment	-	-	-	-	-	-
	a. 8% capital charge (5-15 days)	-	-	-	-	-	-
	b. 50% capital charge (16-30 days)	-	-	-	-	-	-
	c. 75% capital charge (31-45 days)	-	-	-	-	-	-
	d. 100% capital charge (more than 45 days)	-	-	-	-	-	-
2.	Non delivery versus payment	-	-	-	-	-	-
Total		-	-	-	-	-	-

Table 12.a.5. Securitisation Exposures

(in million Rupiah)

No	Jenis Transaksi	31 December 2017		31 December 2016	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
1.	Eligible credit facility	-	-	-	-
2.	Non-eligible credit facility	-	-	-	-
3.	Eligible liquidity facility	-	-	-	-
4.	Non-eligible liquidity facility	-	-	-	-
5.	Eligible Asset-Backed Securities purchases	-	-	-	-
6.	Non-eligible Asset-Backed Securities purchases	-	-	-	-
7.	Other securitisation exposure which not included in Bank Indonesia regulation regarding prudent principles in undergoing assets securitisation activities in banking industries	-	-	-	-
Total		-	-	-	-

Table 12.a.6. Credit Risk Exposure

(in million Rupiah)

	31 December 2017	31 December 2016
Total Credit Risk RWA	42,972,629	41,245,426
Total Capital Deduction Factor	-	-

Table 12.b. Credit Risk Risk Weighted Assets Calculation using Standardized Approach - Consolidated Bank and Subsidiary

Table 12.b.1. Asset Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	19,963,115	-	-	15,674,087	-	-
2	Claims on Public Sector Entity	-	-	-	99,032	19,806	19,806
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	1,116,092	223,218	223,218	2,123,330	424,666	424,666
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	39,778,661	19,889,331	19,889,331	40,650,649	20,325,325	20,325,325
8	Claims on Micro, Small and Retail Portfolio	11,966,259	8,974,694	8,943,011	12,319,584	9,239,688	9,223,092
9	Claims on Corporate	14,107,297	13,632,126	13,528,350	10,992,357	10,611,867	10,405,688
10	Past due claims	267,269	400,904	399,768	242,256	363,384	363,384
11	Other assets	6,286,146	-	4,789,372	6,181,135	-	4,732,968
	Total	93,484,839	43,120,272	47,773,049	88,282,430	40,984,736	45,494,929

Table 12.b.2. Off Balance Sheet Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	-	-	-	-	-	-
10	Past due claims	-	-	-	-	-	-
	Total	-	-	-	-	-	-

Table 12.b.3. Counterparty Credit Risk Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2017			31 December 2016		
		Net Claims	RWA pre CRM	RWA post CRM	Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(3)	(4)	(5)
1	Claims on sovereign	1,515,907	-	-	2,764,878	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	56,676	11,335	11,335	18,695	3,739	3,739
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-
7	Credit Valuation Adjustment Weighted Average			164			
Total		1,572,583	11,335	11,499	2,783,573	3,739	3,739

Table 12.b.4. Settlement Risk Exposures

(in million Rupiah)

No	Transaction Type	31 December 2017			31 December 2016		
		Exposure	Capital Deduction Factor	RWA	Exposure	Capital Deduction Factor	RWA
1.	Delivery versus payment	-	-	-	-	-	-
	a. 8% capital charge (5-15 days)	-	-	-	-	-	-
	b. 50% capital charge (16-30 days)	-	-	-	-	-	-
	c. 75% capital charge (31-45 days)	-	-	-	-	-	-
	d. 100% capital charge (more than 45 days)	-	-	-	-	-	-
2.	Non delivery versus payment	-	-	-	-	-	-
Total		-	-	-	-	-	-

Table 12.b.5. Securitisation Exposures

(in million Rupiah)

No	Transaction Type	31 December 2017		31 December 2016	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
1.	Eligible credit facility	-	-	-	-
2.	Non-eligible credit facility	-	-	-	-
3.	Eligible liquidity facility	-	-	-	-
4.	Non-eligible liquidity facility	-	-	-	-
5.	Eligible Asset-Backed Securities purchases	-	-	-	-
6.	Non-eligible Asset-Backed Securities purchases	-	-	-	-
7.	Other securitisation exposure which not included in Bank Indonesia regulation regarding prudent principles in undergoing assets securitisation activities in banking industries	-	-	-	-
Total		-	-	-	-

Table 12.b.7. Credit Risk Exposure

(in million Rupiah)

	31 December 2017	31 December 2016
Total Credit Risk RWA	47,784,548	45,498,668
Total Capital Deduction Factor	-	-

B. Market Risk

Market risk is the risk inherent in the financial positions and administrative accounts, including derivative transactions, which may arise owing to a general change in market conditions. Included in this risk category is the risk of option price change.

1. Adequacy of Policies, Procedures, and Limit

The Bank regularly reviews the adequacy of policies, procedures, and limit setting in managing the market risk, so to be align with external regulations, as well as the Bank's risk appetite and business strategy, complexity of transactions, as well as business and product characteristics.

The Bank's policies and procedures have clearly defined the division of duties, responsibilities, and authority between the risk taking unit (Business/First Line of Defense) and the risk monitoring unit (Risk Management Unit/Second Line of Defense), which includes revaluation process, measurement methodology, monitoring process, and escalation process to support effective management of market risk.

The stipulation of market risk limits is review periodically to ensure compliance with business development as well as the current economic and market conditions based on the risk factors of exchange rate and interest rate.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

Market risk identification perform through analysis of every product, transaction or service offered by the Bank through a product program and continues until the product, transaction or service becomes market risk exposure that is measured, monitored, and controlled on a daily basis.

For every feature development and significant growth, market risk is constantly re-identified and discussed between the Risk Management Unit, in this case Market & Liquidity Risk Management work unit, and the relevant business units.

The internal policy stipulates that the Bank shall not have any trading book exposure in securities. All securities owned by the Bank are categorized as banking book, with the purpose of maintaining them as liquid assets to be used at any time deemed necessary. Risk measurement is performed on the securities booked as available for sale (AFS) using a sensitivity approach, to measure the potential of any change in the present value arising from a change in interest rate by 1 basis point (PV01).

The banking book exposure of the Bank's assets and liabilities are measured using a sensitivity analysis based on the interest rate repricing gap profile to calculate the impact of changes in interest rate on the Bank's net income within a period of up to 1 year, or using the Earning-at-Risk (EAR) approach.

Foreign exchange exposures of the Treasury were carried out mainly through FX swap transactions on sources of fund obtained in foreign currencies. The measurement of exchange rate risk exposure is performed on the Bank's net open position. The average net open position of the Bank was below 1.0% of the capital, or far below Bank Indonesia's maximum threshold of 20.0% of capital.

The Bank conducts the mark to market process based on the market prices at the end of the day and observe the market risk exposure on a daily basis as part of its risk mitigation, and ensures that it does not exceed the limit set by the Assets & Liabilities Committee (ALCO).

The calculation of risk-weighted assets for market risk and capital requirement on market risk exposure is performed based on the standard approach in accordance with the prevailing regulations.

The following is the Table of Market Risk Disclosure using the Standardized Method

Table 13. Market Risk Disclosure using Standardized Approach

(in million Rupiah)

No	Risk Type	31 December 2017				31 December 2016				
		Stand Alone		Consolidated		Stand Alone		Consolidated		
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
1	Interest Rate Risk									
	a. Specific Risk	-	-	-	-	-	-	-	-	-
	b. General Risk	-	-	-	-	-	-	-	-	-
2	Foreign Exchange Risk	3,821	47,767	3,821	47,767	88	1,095	88	1,095	
3	Equity Risk	-	-	-	-	-	-	-	-	-
4	Commodity Risk	-	-	-	-	-	-	-	-	-
5	Option Risk	-	-	-	-	-	-	-	-	-
	Total	3,821	47,767	3,821	47,767	88	1,095	88	1,095	

*) For a bank with subsidiary exposed to the risk

Market risk management is performed by reporting the daily monitoring and measurement results of the market risk limit set by ALCO. The Bank also regularly performs a simulation of net interest income and earning at risk projections in the ALCO and Risk Management Committee meetings.

Each year, or in case of new feature or product, the Bank validates the existing system measurement. The current information system can facilitate revaluation process (mark to market), provide up-to-date information on the Bank's market risk exposure, and monitor the movement of the Bank's market risk factor.

3. Internal Control System on Market Risk

Monitoring on market risk is performed by the ALCO and the Risk Management Committee. Internal control system has been effective in supporting the implementation of market risk management. The Internal Audit has conducted regular audits on the adequacy of policies, procedures, limit setting, and the tolerance and compliance of every related to the implementation of market risk management according to the Bank's established Audit plan.

C. Liquidity Risk

Liquidity risk is a risk that may arise from the Bank's inability to serve its maturing obligations using its cash flow and/or its high quality liquid assets that can be placed as collateral, without disrupting the Bank's activities and financial condition.

Liquidity risk also relates to the optimization of balance sheet structure and the structural risk of dependency on certain funding sources. The Bank's liquidity risk management works towards managing liquidity risk in both short-term and structural perspectives.

In a short-term perspective, liquidity risk is managed by optimizing cash flow on contractual and behavioral bases, and simulating Liquidity Coverage Ratio (LCR) through stress testing. Liquidity risk is structurally managed using indicators set by the regulators and internally based on the ALCO's decision as reflected in the balance sheet structure and the maturity profile.

The contractual maturity profile as of 31 December 2017 is as follows:

Table 14.a.1. Maturity Profile in Rupiah Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Descriptions	31 December 2017					
		Saldo / Total	Maturity				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ASSETS						
	A. Assets						
	1. Cash	1,265,816	1,265,816	-	-	-	-
	2. Placements with Bank Indonesia	14,531,655	11,536,230	1,034,926	1,668,602	291,897	-
	3. Placements in other banks	640,402	640,402	-	-	-	-
	4. Marketable securities	3,644,076	109,605	631,684	311,108	702,647	1,889,032
	5. Loans	59,298,564	1,572,657	2,366,018	2,783,452	4,826,043	47,750,395
	6. Other receivables	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-
	Total Asset	79,380,513	15,124,710	4,032,627	4,763,161	5,820,587	49,639,427
	B. Liabilities						
	1. Third party fund	56,531,669	38,120,590	11,774,174	4,834,911	1,782,937	19,058
	2. Liabilities to Bank Indonesia	-	-	-	-	-	-
	3. Deposits from other bank	859,357	858,157	1,200	-	-	-
	4. Marketable securities	2,543,401	-	400,000	-	950,000	1,193,401
	5. Borrowings	2,978,894	-	-	998,530	664,250	1,316,114
	6. Other liabilities	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-
	Total Liabilities	62,913,321	38,978,747	12,175,374	5,833,441	3,397,187	2,528,572
	Net assets (liabilities)	16,467,192	(23,854,037)	(8,142,746)	(1,070,280)	2,423,400	47,110,855
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	-	-	-	-	-	-
	B. Off Balance Sheet Payable						
	1. Commitment	5,328,527	1,393,275	532,675	1,110,193	1,845,522	446,862
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Payable	5,328,527	1,393,275	532,675	1,110,193	1,845,522	446,862
	Net Off Balance Sheet Receivable (Payable)	(5,328,527)	(1,393,275)	(532,675)	(1,110,193)	(1,845,522)	(446,862)
	Net [(IA-IB)+(IIA-IIIB)]	11,138,665	(25,247,312)	(8,675,422)	(2,180,473)	577,879	46,663,993
	Cumulative Differences		(25,247,312)	(33,922,734)	(36,103,207)	(35,525,328)	11,138,665

(in million Rupiah)

		31 December 2016					
No.	Descriptions	Total	Maturity				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month
(1)	(2)						
I	ASSETS						
A	Assets						
1.	Cash	1,255,134	1,255,134	-	-	-	-
2.	Placements with Bank Indonesia	13,166,084	10,301,035	1,165,960	1,026,011	673,078	-
3.	Placements in other banks	1,207,214	1,207,214	-	-	-	-
4.	Marketable securities	3,042,898	104,276	254,459	354,370	355,701	1,974,092
5.	Loans	58,171,598	865,648	1,543,555	2,185,446	4,466,431	49,110,518
6.	Other receivables	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	Total Asset	76,842,927	13,733,306	2,963,974	3,565,827	5,495,210	51,084,610
B.	Liabilities						
1.	Third party fund	56,657,378	33,900,312	15,226,772	4,708,621	2,651,623	170,050
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	948,363	236,119	1,200	170,700	540,344	-
4.	Marketable securities	2,469,143	-	-	-	1,425,000	1,044,143
5.	Borrowings	1,616,496	668,250	325,375	-	622,871	-
6.	Other liabilities	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	Total Liabilities	61,691,380	34,804,681	15,553,347	4,879,321	5,239,838	1,214,193
	Net assets (liabilities)	15,151,548	(21,071,374)	(12,589,373)	(1,313,494)	255,372	49,870,417
II	OFF BALANCE SHEET						
A.	Off Balance Sheet Receivables						
1.	Commitment	-	-	-	-	-	-
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	-	-	-	-	-	-
B.	Off Balance Sheet Payable						
1.	Commitment	8,803,826	3,853,453	1,105,929	1,503,240	2,217,306	123,898
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Payable	8,803,826	3,853,453	1,105,929	1,503,240	2,217,306	123,898
	Net Off Balance Sheet Receivable (Payable)	(8,803,826)	(3,853,453)	(1,105,929)	(1,503,240)	(2,217,306)	(123,898)
	Net [(IA-IB)+(IIA-IIB)]	6,347,721	(24,924,828)	(13,695,302)	(2,816,734)	(1,961,934)	49,746,519
	Cumulative Differences		(24,924,828)	(38,620,130)	(41,436,864)	(43,398,798)	6,347,721

Table 14.a.2. Maturity Profile in Foreign Currency Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Descriptions	31 December 2017						
		Total	Maturity					
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I	ASSETS							
	A. Assets							
	1. Cash	180	180	-	-	-	-	-
	2. Placements with Bank Indonesia	94,571	94,571	-	-	-	-	-
	3. Placements in other banks	25,119	25,119	-	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-	-
	5. Loans	-	-	-	-	-	-	-
	6. Other receivables	-	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-	-
	Total Asset	119,870	119,870	-	-	-	-	-
	B. Liabilities							
	1. Third party fund	356,774	271,612	52,026	29,119	4,017	-	-
	2. Liabilities to Bank Indonesia	-	-	-	-	-	-	-
	3. Deposits from other bank	-	-	-	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-	-
	5. Borrowings	164,345	-	-	-	164,345	-	-
	6. Other liabilities	-	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-	-
	Total Liabilities	521,118	271,612	52,026	29,119	168,362	-	-
	Net assets (liabilities)	(401,248)	(151,742)	(52,026)	(29,119)	(168,362)	-	-
II	OFF BALANCE SHEET							
	A. Off Balance Sheet Receivables							
	1. Commitment	485,500	485,500	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	485,500	485,500	-	-	-	-	-
	B. Off Balance Sheet Payable							
	1. Commitment	-	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Payable	-	-	-	-	-	-	-
	Net Off Balance Sheet Receivable (Payable)	485,500	485,500	-	-	-	-	-
	Net [(IA-IB)+(IIA-IIB)]	84,252	333,758	(52,026)	(29,119)	(168,362)	-	-
	Cumulative Differences		333,758	281,732	252,613	84,252	84,252	

(in million Rupiah)

		31 December 2016					
No.	Descriptions	Total	Maturity				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ASSETS						
	A. Assets						
	1. Cash	1,384	1,384	-	-	-	-
	2. Placements with Bank Indonesia	1,442,506	1,442,506	-	-	-	-
	3. Placements in other banks	710,678	710,678	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-
	5. Loans	-	-	-	-	-	-
	6. Other receivables	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-
	Total Asset	2,154,568	2,154,568	-	-	-	-
	B. Liabilities						
	1. Third party fund	4,156,570	2,170,178	1,810,362	108,533	67,497	-
	2. Liabilities to Bank Indonesia	-	-	-	-	-	-
	3. Deposits from other bank	-	-	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-
	5. Borrowings	2,082,676	-	2,082,676	-	-	-
	6. Other liabilities	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-
	Total Liabilities	6,239,246	2,170,178	3,893,038	108,533	67,497	-
	Net assets (liabilities)	(4,084,678)	(15,610)	(3,893,038)	(108,533)	(67,497)	-
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	4,082,168	3,610,630	471,538	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	4,082,168	3,610,630	471,538	-	-	-
	B. Off Balance Sheet Payable						
	1. Commitment	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Payable	-	-	-	-	-	-
	Net Off Balance Sheet Receivable (Payable)	4,082,168	3,610,630	471,538	-	-	-
	Net [(IA-IB)+(IIA-IIB)]	(2,510)	3,595,020	(3,421,500)	(108,533)	(67,497)	-
	Cumulative Differences		3,595,020	173,520	64,987	(2,510)	(2,510)

Table 14.b.1. Maturity Profile in Rupiah Disclosure - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Descriptions	31 December 2017						
		Total	Maturity					
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I	ASSETS							
	A. Assets							
	1. Cash	1,494,341	1,494,341	-	-	-	-	-
	2. Placements with Bank Indonesia	15,980,538	12,250,113	1,079,926	1,948,602	701,897	-	-
	3. Placements in other banks	678,845	678,845	-	-	-	-	-
	4. Marketable securities	3,682,948	109,605	631,684	311,108	702,647	1,927,904	-
	5. Loans	65,426,949	1,668,362	2,688,175	3,764,483	8,062,401	49,243,529	-
	6. Other receivables	-	-	-	-	-	-	-
	7. Others	552,269	552,269	-	-	-	-	-
	Total Asset	87,815,890	16,753,535	4,399,784	6,024,192	9,466,945	51,171,433	
	B. Liabilities							
	1. Third party fund	63,077,548	42,940,317	13,305,460	4,908,831	1,903,063	19,878	-
	2. Liabilities to Bank Indonesia	-	-	-	-	-	-	-
	3. Deposits from other bank	859,357	858,157	1,200	-	-	-	-
	4. Marketable securities	2,543,401	-	400,000	-	950,000	1,193,401	-
	5. Borrowings	2,978,894	-	-	998,530	664,250	1,316,114	-
	6. Other liabilities	-	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-	-
	Total Liabilities	69,459,200	43,798,474	13,706,660	5,907,361	3,517,313	2,529,392	
	Net assets (liabilities)	18,356,690	(27,044,939)	(9,306,875)	116,831	5,949,632	48,642,041	
II	OFF BALANCE SHEET							
	A. Off Balance Sheet Receivables							
	1. Commitment	-	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Receivable	-	-	-	-	-	-	
	B. Off Balance Sheet Payable							
	1. Commitment	5,328,527	1,393,275	532,675	1,110,193	1,845,522	446,862	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Payable	5,328,527	1,393,275	532,675	1,110,193	1,845,522	446,862	
	Net Off Balance Sheet Receivable (Payable)	(5,328,527)	(1,393,275)	(532,675)	(1,110,193)	(1,845,522)	(446,862)	
	Net [(IA-IB)+(IIA-IIB)]	13,028,163	(28,438,214)	(9,839,551)	(993,362)	4,104,111	48,195,179	
	Cumulative Differences		(28,438,214)	(38,277,765)	(39,271,127)	(35,167,016)	13,028,163	

(in million Rupiah)

No.	Descriptions	31 December 2016					
		Total	Maturity				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ASSETS						
A.	Assets						
1.	Cash	1,446,796	1,446,796	-	-	-	-
2.	Placements with Bank Indonesia	14,714,361	10,576,812	2,388,460	1,026,011	723,078	-
3.	Placements in other banks	1,241,704	1,241,704	-	-	-	-
4.	Marketable securities	3,042,898	104,276	254,459	354,370	355,701	1,974,092
5.	Loans	63,168,410	946,162	1,809,676	3,014,302	7,136,089	50,262,181
6.	Other receivables	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	Total Asset	83,614,169	14,315,750	4,452,595	4,394,683	8,214,868	52,236,273
B.	Liabilities						
1.	Third party fund	57,650,228	34,893,162	15,226,772	4,708,621	2,651,623	170,050
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	948,363	236,119	1,200	170,700	540,344	-
4.	Marketable securities	2,469,143	-	-	-	1,425,000	1,044,143
5.	Borrowings	1,616,496	668,250	325,375	-	622,871	-
6.	Other liabilities	-	-	-	-	-	-
7.	Others	46,730	36,967	7,072	1,437	1,254	-
	Total Liabilities	62,730,960	35,834,498	15,560,419	4,880,758	5,241,092	1,214,193
	Net assets (liabilities)	20,883,209	(21,518,748)	(11,107,824)	(486,075)	2,973,776	51,022,080
II	OFF BALANCE SHEET						
A.	Off Balance Sheet Receivables						
1.	Commitment	-	-	-	-	-	-
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivable	-	-	-	-	-	-
B.	Off Balance Sheet Payable						
1.	Commitment	8,803,826	3,853,453	1,105,929	1,503,240	2,217,306	123,898
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Payable	8,803,826	3,853,453	1,105,929	1,503,240	2,217,306	123,898
	Net Off Balance Sheet Receivable (Payable)	(8,803,826)	(3,853,453)	(1,105,929)	(1,503,240)	(2,217,306)	(123,898)
	Net [(IA-IB)+(IIA-IIB)]	12,079,383	(25,372,201)	(12,213,753)	(1,989,315)	756,470	50,898,182
	Cummulative Differences		(25,372,201)	(37,585,954)	(39,575,269)	(38,818,799)	12,079,383

Table 14.b.2. Maturity Profile in Foreign Currency Disclosure - Consolidated Bank and Subsidiary

(dalam jutaan Rupiah)

No.	Descriptions	31 December 2017						
		Total	Maturity					
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
I	ASSETS							
A	Assets							
	1. Cash	180	180	-	-	-	-	-
	2. Placements with Bank Indonesia	94,571	94,571	-	-	-	-	-
	3. Placements in other banks	25,119	25,119	-	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-	-
	5. Loans	-	-	-	-	-	-	-
	6. Other receivables	-	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-	-
	Total Asset	119,870	119,870	-	-	-	-	-
B.	Liabilities							
	1. Third party fund	356,774	271,612	52,026	29,119	4,017	-	-
	2. Liabilities to Bank Indonesia	-	-	-	-	-	-	-
	3. Deposits from other bank	-	-	-	-	-	-	-
	4. Marketable securities	-	-	-	-	-	-	-
	5. Borrowings	164,345	-	-	-	164,345	-	-
	6. Other liabilities	-	-	-	-	-	-	-
	7. Others	-	-	-	-	-	-	-
	Total Liabilities	521,118	271,612	52,026	29,119	168,362	-	-
	Net assets (liabilities)	(401,248)	(151,742)	(52,026)	(29,119)	(168,362)	-	-
II	OFF BALANCE SHEET							
A.	Off Balance Sheet Receivables							
	1. Commitment	485,500	485,500	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Receivable	485,500	485,500	-	-	-	-	-
B.	Off Balance Sheet Payable							
	1. Commitment	-	-	-	-	-	-	-
	2. Contingencies	-	-	-	-	-	-	-
	Total Off Balance Sheet Payable	-	-	-	-	-	-	-
	Net Off Balance Sheet Receivable (Payable)	485,500	485,500	-	-	-	-	-
	Net [(IA-IB)+(IIA-IIB)]	85,252	333,758	(52,026)	(29,119)	(168,362)	-	-
	Cummulative Differences		333,758	281,732	252,613	84,252	84,252	

(in million Rupiah)

No.	Descriptions	31 December 2016					
		Total	Maturity				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 -12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ASSETS						
A	Assets						
1.	Cash	1,384	1,384	-	-	-	-
2.	Placements with Bank Indonesia	1,442,506	1,442,506	-	-	-	-
3.	Placements in other banks	710,678	710,678	-	-	-	-
4.	Marketable securities	-	-	-	-	-	-
5.	Loans	-	-	-	-	-	-
6.	Other receivables	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	Total Asset	2,154,568	2,154,568	-	-	-	-
B.	Liabilities						
1.	Third party fund	4,156,570	2,170,178	1,810,362	108,533	67,497	-
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	-	-	-	-	-	-
4.	Marketable securities	-	-	-	-	-	-
5.	Borrowings	2,082,676	-	2,082,676	-	-	-
6.	Other liabilities	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	Total Liabilities	6,239,246	2,170,178	3,893,038	108,533	67,497	-
	Net assets (liabilities)	(4,084,678)	(15,610)	(3,893,038)	(108,533)	(67,497)	-
II	OFF BALANCE SHEET						
A.	Off Balance Sheet Receivables						
1.	Commitment	4,082,168	3,610,630	471,538	-	-	-
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivable	4,082,168	3,610,630	471,538	-	-	-
B.	Off Balance Sheet Payable						
1.	Commitment	-	-	-	-	-	-
2.	Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Payable	-	-	-	-	-	-
	Net Off Balance Sheet Receivable (Payable)	4,082,168	3,610,630	471,538	-	-	-
	Net [(IA-IB)+(IIA-IIB)]	(2,510)	3,595,020	(3,421,500)	(108,533)	(67,497)	-
	Cummulative Differences		3,595,020	173,520	64,987	(2,510)	(2,510)

1. Adequacy of Policy, Procedure, and Limit

On a regular basis, the Bank reviews the adequacy of liquidity risk policies, procedures, and limits, and their consistency with risk appetite and business strategy, in line with business growth, transaction complexity, as well as economic and market conditions.

To effectively adopt policies and procedures and set limits on liquidity risk, the Bank has made clear division of duties, responsibilities, and authority among the units responsible for liquidity risk management, which includes any work units of which activities are exposed to liquidity risk. The Risk Management Unit provides independent objective input and analysis for liquidity risk identification, measurement, monitoring, and management processes.

The current policies and procedures also provide for liquidity risk management in time of crisis by activating the contingency funding plan (CFP) and continuing with its implementation until returning to business as usual (BAU).

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

Liquidity risk identification is made on all possible sources, including new banking products and activities, as well as significant increases in certain funding sources and proceeds, whether for assets, liabilities, or administrative accounts. Any increases in interest rate risk, credit risk, operational risk, legal risk, and regulatory risk from new Bank Indonesia regulations are also identified.

The Bank measures and monitors the indicators for liquidity risk to identify any potential liquidity issues through the Early Warning Indicators (EWI) that monitor the roll-over rate, replacement rate of outgoing funds, interest rate applied on the customers, interest rate to be paid to the customers and the money market, and secondary reserve ratio. The Bank also measures liquidity risk structurally, using among others the loan to deposit ratio (LDR), loan to funding ratio (LFR), as well as calculating outgoing funds and conducting stress testing.

Internal policy stipulates that the Bank shall always comply with the prevailing regulations, among others on the Statutory Reserve (GWM) and the Liquidity Coverage Ratio (LCR). The Bank has also performed a trial on its readiness for implementing the Net Stable Funding Ratio (NSFR) regulation in 2018.

Disclosure of Interest Rate Risk Banking Book

Tabel 14.c. Interest Rate Risk Banking Book Disclosure

a. Interest rate sensitivity to net interest income calculation

No.	Descriptions	Earning Approach	
		Dec 2017	Dec 2016
1.	The impact due to interest rate increase of 200 bp (parallel)	(696,289)	(819,811)
2.	The impact due to interest rate decrease of 200 bp (parallel)	696,289	819,811

b. PV01 of AFS marketable securities

No.	Descriptions	PV01	
		Dec 2017	Dec 2016
1.	Available for sale marketable securities	36	32

Liquidity Coverage Ratio Report as of 31 December 2017:

Tabel 15. Liquidity Coverage Ratio (LCR) Disclosure

	LCR Value (%)			
	2017			
	Quarter I	Quarter II	Quarter III	Quarter IV
	(1)	(2)	(3)	(4)
Bank Stand Alone	135,58%	130,67%	137,79%	152,75%
Bank Consolidated	134,53%	130,58%	137,96%	156,15%

	LCR Value (%)			
	2016			
	Quarter I	Quarter II	Quarter III	Quarter IV
	(1)	(2)	(3)	(4)
Bank Stand Alone	-	-	184,68%	151,46%
Bank Consolidated	-	-	182,48%	151,03%

The management of liquidity risk is performed by reporting the results of monitoring on the EWI and Liquidity Risk Limit, performed on a daily basis. The Bank also regularly reports the conditions and developments related to liquidity key risk indicators at the ALCO and Risk Management Committee meetings.

The Risk Management Unit (SKMR), through the Market & Liquidity Risk Management unit, monitors liquidity risk indicators, funding sources and proceeds, and liquidity positions that include interest rate setting strategies, changes in customer behavior, including changes in funding source structure and funding source volatility. For every exceedance or certain risk event, the Risk Management Unit communicates with and asks for a follow-up from the relevant business units, including escalating the issue to higher management.

The current information system can provide information on daily liquidity condition for liquidity risk measurement, monitoring, and control purposes.

3. Internal Control System for Liquidity Risk

Monitoring on liquidity risk is performed by the ALCO and the Risk Management Committee. The liquidity risk is managed also by preparing a contingency funding plan to anticipate adverse liquidity situations. Internal control system has been effective in supporting the implementation of liquidity risk management. The Internal Audit has conducted regular audits on the adequacy of policies, procedures, limit setting, and the tolerance and compliance of every party according to the Bank's established Audit plan.

D. Operational Risk

Operational risk is a risk of loss arising from inadequate and/or non-functioning internal processes, human errors, system failures, or uncontrollable external events.

1. Adequacy of Policy, Procedure, and Limit
The Bank has policies in place for managing its operational risks, both for day-to-day operations and for every business line and support function. The policies come with Standard Operating Procedures (SOP) that lay down the required operational process flow and control mechanism to mitigate any inherent risk.

To manage the Bank's fraud risk, its policies and procedures are regularly reviewed and updated to continue to minimize fraud incidents and losses.

The establishment of operational risk limits to limit the maximum potential losses that can be absorbed by the Bank includes limits on transaction/operational process.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

The identification of operational risk is made over all activities/processes, products, systems, and organizations at both business and support function levels. In addition to reviews on new initiatives (e.g. digital banking products and services, Jenius), risk is reviewed for regular development or revision/review. The process is also complemented with risk registers according to process, product, risk event, and information asset of the Bank.

The risk measurement involves periodic self-assessment activities, operational loss/risk event database management, and capital adequacy calculation for operational risk. Furthermore, the Bank also maintains Key Operational Risk Indicators (KORI) based on human,

process, and system factors at the Bank level, which are reported regularly in Risk Management Committee meetings.

Operational risk is monitored through reporting to the senior management and reporting of risk profiles to the regulators on a regular or ad-hoc basis, including reporting any fraud incidents and losses. It aims to provide immediate recourse to any event and analyze the adequacy of the current control system.

The operational work unit and the Risk Management Unit are responsible for controlling risk by applying effective prevention, detection, and corrective control mechanisms and/or maintaining adequate insurance to minimize the impacts of operational loss on the Bank. As a control measure, BTPN applies a guideline for comprehensive Business Continuity Management and refers to the industry standard ISO-22301, with periodic testing.

The operational risk management information system is made available to present accurate, timely, and up-to-date information, and to support management function for easier planning, analysis, and decision-making.

3. Internal Control System for Operational Risk

At operational level, the Bank's internal control is implemented through a multilayer system (three lines of defense). As the first line of defense, the Risk Taking Unit (RTU) is supported by the Internal Control Function (QA) in day-to-day operational risk management. On the next line, the Operational Risk Management (ORM) unit is in charge of identifying and measuring inherent risk, as well as ensuring the adequacy of the current control mechanism.

Lastly, the independent Internal Auditor is responsible for keeping residual risk within risk tolerance.

The work of units in charge of the Bank's internal control practices are continuously synchronized through periodic forums and routine facilitations organized by the Quality Assurance Coordinator Function under the Risk Management Unit.

4. Fraud Risk Management

BTPN adopts zero tolerance for fraud, and in line with this, the Bank has established adequate anti-fraud strategy policies and procedures, and continuously refined them. Fraud risk is managed systematically through a number of processes/strategies.

The risk is prevented by continually promoting anti-fraud awareness at all organizational levels and identifying fraud risk in every activity/process and product of the Bank.

The Bank implements a whistleblower system (speak your mind) as a medium for detecting fraud incidents, which is frequently communicated to all employees via the Bank's various internal media. Through the "speak your mind" program, an employee can also uncover and report any misconduct.

The Bank also adopts adequate policies on fraud incident investigation and reporting. For every proven fraud case, a sanction is given and decided by the Fraud Committee by involving the relevant work units, Business Risk/QA Functions, Human Capital, and FMU. The implementation of the Fraud Committee's decision is monitored and evaluated on a regular basis to determine future improvements.

Quantitative Operational Risk Disclosure - Bank Stand Alone

Table 16.a. Quantitative Operational Risk Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Approach	31 December 2017			31 December 2016		
		Gross Income (average 3 years)	Capital Charge	RWA	Gross Income (average 3 years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Basic Indicator Approach	7,274,528	1,091,179	13,639,739	7,252,698	1,087,905	13,598,809
	Total	7,274,528	1,091,179	13,639,739	7,252,698	1,087,905	13,598,809

Quantitative Operational Risk Disclosure - Consolidated Bank and Subsidiary

Table 16.b. Quantitative Operational Risk Disclosure - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Approach	31 December 2017			31 December 2016		
		Gross Income (average 3 years)	Capital Charge	RWA	Gross Income (average 3 years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Basic Indicator Approach	8,518,152	1,277,723	15,971,536	8,062,065	1,209,310	15,116,372
	Total	8,518,152	1,277,723	15,971,536	8,062,065	1,209,310	15,116,372

E. Legal Risk

Legal risk is a risk that may arise from litigations and or weakness in terms of legal aspect. In addition, this risk may also arise from, among others, the lack of laws and regulations to be used as a foundation for legal agreements, thus rendering these agreements weak before the law, such as the non-fulfillment of the legal requirements of a contract, or the presence of a weak clause in an agreement, or the non-fulfillment of the requirements previously agreed upon.

1. Adequacy of Policies and Guidelines

BTPN through the relevant divisions has conducted measures to improve awareness of the legal risk among the business teams. This has been achieved by among others issuing policies and guidelines to manage legal risk, i.e. a standard set of guidelines for managing legal risk to provide legal protection for the Company's actions in line with the prevailing regulation, both external and internal.

The Reference Legal Framework and SOP on Legal Risk Management Implementation can be accessed on the portal.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Control Processes, as well as Risk Management Information System

BTPN manages its legal risk through the Legal Division and Litigation Division. BTPN's Legal Division manages legal risk arising from the legal aspect in the lack of or inconsistency of the regulations, which may result in legally unsound agreements.

To manage the legal risk of the legal aspect of agreements, the Bank has standardized the agreements BTPN is entering into. Agreements or contracts that do not use the standard template shall be made and examined by the Legal Division. In order to maintain the quality of these agreements and the review thereof, mentoring and legal competence enhancement of the Legal Division staff is continuously carried out.

To manage the legal risk arising from the lack of or inconsistency of the prevailing regulations, dissemination has been conducted on the management and employees of the Company in relation to the issuance of new regulations. This is held in coordination with the various divisions within BTPN.

The legal risk arising from litigations is analyzed and reported by the Litigation Division to the Bank's management, including in determining the legal risk parameters the Bank uses. From this report, the Board of Commissioners and the Board of Directors evaluate and take necessary steps of improvement in order to strengthen the quality of legal risk management implementation.

3. Legal Risk Control System

Regular information sharing and training on the latest developments in legal risk in banking transactions continue to be performed, in order to maintain legal risk control. Legal risk monitoring is performed by the Risk Management Committee. The Internal Audit has conducted regular audits on the adequacy of policies and

procedures in line with the Audit Plan. The Bank has an internal control system for compliance risk, in order to ensure the Bank's compliance with the regulations of Bank Indonesia, OJK, and other prevailing regulations. The Internal Audit has conducted regular audits on the compliance risk management processes as well as the compliance of every related party, including the management of compliance risk with respect to APU & PPT provisions, in line with the Audit Plan.

F. Compliance Risk

Compliance Risk is the risk arising from the Bank's violation of and/or negligence towards the applicable laws and regulations.

1. Adequacy of Policy, Procedure, and Limit

The Bank has Compliance Policies and Procedures, including Policies and Procedures on AML (Anti Money Laundering) and CFT (Combatting the Financing of Terrorism). This represents the Bank's basic infrastructure in implementing the governance of the compliance function and are used to guide the application of the Bank's

compliance function. Periodically on regular basis review and improvements towards policy and procedure is performed in order to ensure compliant to prevailing regulation, including improvements to the forms that were used in applying AML and CFT.

2. Adequacy of Identifying, Measuring, Monitoring, and Managing Risk, including Risk Management Information Systems

Compliance Risk is managed in a sustainable manner by identifying, measuring, monitoring and controlling risk to ensure the Bank's compliance with laws and regulations as follows:

- The Compliance Risk Identification process is done through test compliance with policies, procedures, including new product / activity even in the development phase as well as corporate actions that will be implemented, including the Bank's material transactions.
- The Process of Measuring Compliance Risk is done through self-assessment, by implementing Risk Compliance as part of preparing the Bank's risk profile, which is done regularly

- The Process of Monitoring Compliance Risk is conducted through QA inspection reports and / or Internal Audit, as an input to improve operational processes in a sustainable way.
- The Process of Controlling Compliance Risk is assessed through the compliance unit to ensure the Bank's understanding of internal and external regulations.
- Periodically the implementation of the Bank's compliance function, in a sustainable way, is reported to the Director of Compliance and the Director with a copy to the Board of Commissioners and the Board of Directors Meeting forum and Bank Risk Monitoring Committee.

3. Internal Control System for Compliance Risk

Bank owns/has an internal control system for compliance risk to ensure compliance with Bank Indonesia and OJK regulations as well as the prevailing laws and regulations.

Internal Audit regularly carries out checks on compliance risk management process as well as compliance of all related parties including risk management compliance with the provisions of AML and CFT, in accordance with the Bank's established Audit Plan.

G. Strategic Risk

Strategic Risk is the risk arising from inaccurate strategic decision making and/or implementation, as well as failure in anticipating changes in business environment.

1. Adequacy of Policy, Procedure, and Limit

The Bank has established policies and procedures to govern the formulation and preparation of the Bank's Business Plan, including assessing strategies and key activities to support the implementation of existing strategies.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

The Bank ensures the adequacy of strategic risk identification, measurement,

monitoring, and controlling by reviewing strategic risk on a quarterly basis. This includes the review of the Bank's financial performance, which will be compared with the performance of the banking industry and current business plan. The strategic risk review is a part of the Bank's overall risk profile review process. In addition, the Bank's business plan achievement and performance will be monitored, and the result will be included in the quarterly business plan realization report.

3. Internal Control System for Strategic Risk

The Bank maintains an internal control system to manage strategic risk through periodic monitoring of the Bank's quantitative and qualitative performance.

H. Reputation Risk

Reputation Risk is the risk arising from stakeholders' declining confidence, due to negative perceptions of the Bank. The inherent risk within reputation risk is a negative perception that can

be caused by, among others: negative publications of Bank's operations and/or owner, weak corporate governance, violations of business ethics, as well as frequent and material customer complaints.

1. Reputation Risk Management

Reputation Risk is managed by the Corporate Communications Division, which works together with the Business Unit and Customer Complaint Handling Unit.

Reputation risk is managed by aligning it with the Bank's business strategy and incorporating this into standard operating procedures. Reputation Risk is managed on an ongoing basis through reputation risk identification, measurement, monitoring, and control processes.

- Reputation Risk is identified by undertaking a Reputation Risk Assessment of the Bank's new products or activities, their development, as well as planned corporate actions, including material transactions.

- Reputation Risk is measured by undertaking a Reputation Risk Self-Assessment as part of preparing, on a regular basis, the Bank's risk profile.
- Reputation Risk is monitored by conducting media monitoring of negative publications and customer complaints on mass media. There are 2 key parameters in Reputation Risk measurement: (1) Negative Publication and (2) Customer complaint frequency and resolution time. The 2 parameters are continuously monitored to be able to provide prompt and proper responses to negative publications and customer complaints to avoid any adverse impact on the Bank's reputation.
- Reputational risk control process is conducted through internal audit report as a feedback for sustainable operational process improvement.

Periodical reputation risk reports are delivered to the Board of Directors and Board of Commissioners and are presented at the Bank's Risk Monitoring Committee Meetings.

2. Reputation Risk Control System

Reputation Risk is monitored by, among others, the Bank's Risk Management Committee. Furthermore, the Internal Audit Unit regularly audits the management of reputation risk of every relevant party according to the Bank's established Audit plan. The negative publication and customer complaint handling audit covers records, follow-ups, and reports to mitigate the reputation risk assessed at the time of the audit.

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corporate governance



corporate governance report

Implementation of corporate governance principles inside the Bank will improve accountability and efficiency in business processes, enhance operational performance, and minimize fraud risks. Implementation of corporate governance becomes BTPN's solid foundation in running its business. From time to time, BTPN continues to improve the quality of corporate governance implementation by keeping the Bank up to date with the best practices through various corporate governance initiatives, including Anti-Bribery and Anti-Corruption policy formulation; self-assessment formulation for members of Board of Directors and Board of Commissioners; improvement of the Bank's Corporate Governance Policies as the reference of the Bank's other policies; dissemination of Code of Ethics, Compliance, and Anti-Fraud in all areas of Active Employee Business Unit; update of Guidelines and Charter of Board of Commissioners as well as Committee Charters at the Board of Directors and Board of Commissioners levels. Furthermore, BTPN continues to keep its financial and non-financial conditions transparent to gain more trust from Shareholders and Stakeholders.

In regard to internal control and risk management aspects, the Bank has continuously broadened the scope and enhanced the effectivity of operational risk management process and fraud risks to minimize operational risk/loss events, including fraud. The improvement in operational risk framework's effectiveness was carried out constantly throughout 2017.

To strengthen Internal Audit function in carrying out its role, Internal Audit unceasingly strengthens its data analytics function, by creating and developing Internal Audit Dashboard, consisting of information such as performance of each business line, data anomaly, macro risk assessment, and others, which is updated regularly. The aim is to help Internal Audit team in analyzing data and, in turn, improve the implementation of continuous auditing process.

As part of Integrated Corporate Governance implementation, BTPN actively reviews and gives feedback on Integrated Corporate Governance Guidelines and Integrated Corporate Governance Committee Guidelines as well as completes and delivers the Integrated Corporate Governance checklist to the Main Entity for the purpose of Integrated Corporate Governance Implementation Report.

Corporate Governance Implementation Commitment and Corporate Governance Policy

BTPN is fully committed to implementing Good Corporate Governance (GCG) across all levels the organization by using various GCG policies and requirements as guidelines, which is demonstrated by:

- a. Performing the duties and responsibilities of the Board of Commissioners and Board of Directors.
- b. Implementing the duties of the committees and working units responsible for the Bank's internal control function.

- c. Implementing compliance, internal auditor, and external auditor functions.
- d. Implementing risk management, including internal control system.
- e. Provision of funds to related parties and large exposures.
- f. Developing the Bank's strategic plan.
- g. Promoting transparency of the Bank's financial and non-financial conditions.

The principles of GCG are implemented in a comprehensive and structured manner on three governance aspects, namely governance structure, governance process, and governance outcome.

BTPN maintains a Corporate Governance Policy, which is regularly updated and refined by referring to the applicable laws and regulations, as well as best practices. The latest policy update has been approved by the Board of Commissioners and Board of Director. On August 2017 such policy gives a complete overview of the Bank's corporate governance structure, management system, and internal control system, as well as provides greater accountability or clearer function and responsibility for every level of the organization.

Implementation of Corporate Governance Guidelines for Public Companies

In compliance with Financial Services Authority Regulation (POJK) No. 21/POJK.04/2015 and Circular Letter of Financial Services Authority (SEOJK) No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies, the following are the implementations of aspects and principles of corporate governance based on “comply or explain” approach by BTPN:

Principle	Recommendation	Compliance Status	Implementation
Principle 1 Improving the Value of General Meeting of Shareholders (GMS) Convention.	1.1 Public company has technical procedures for opened or closed voting that promote independency and shareholders' interest.	Comply	Technical procedures for voting stated in GMS SOP.
	1.2 All members of the Board of Directors and Board of Commissioners are present at Annual GMS.	Explain	The Annual GMS, held on 24 March 2017, was attended by all members of the Bank's Board of Commissioners and Board of Directors, except Chow Yin Hoong (Commissioner), to whom the GMS-related matters have been relayed afterwards.
	1.3 Summary of GMS Minutes is available on public company's website by no less than 1 (one) year.	Comply	Summary of GMS Minutes is available on BTPN's website.
Principle 2 Improving Communication Quality of Public company with Shareholders or Investors.	2.1 Public Company has a communication policy with shareholders or investors.	Comply	BTPN has a communication policy with shareholders or investors (detail description is available in the Corporate Governance section). The policy include: 1. Strategy 2. Program 3. Implementation time
	2.2 Public Company discloses its communication policy with shareholders or investors in Website.	Comply	Communication policy with shareholders has been disclosed in Bank's Website. This communication policy is regulated in the Bank's Corporate Governance policy.
Principle 3 Strengthening the Membership and Composition of Board of Commissioners.	3.1 Determination of number of Board of Commissioners' member shall consider the condition of Public Company.	Comply	Determination of number of Board of Commissioners' members has considered the necessity and complexity of the Bank.
	3.2 Determination of composition of Board of Commissioners' member considers the variety of expertise, knowledge, and experiences required.	Comply	Composition of Board of Commissioners based on expertise, professional experience, background to support effectiveness of duties and responsibilities of Board of Commissioners.
Principle 4 Improving the Quality of Duties and Responsibilities Performance of Board of Commissioners.	4.1 Board of Commissioners has self-assessment policy to assess the performance of Board of Commissioners.	Comply	BTPN has a self assessment policy to assess the performance of Board of Commissioners which covers among others: 1. The purpose and objective of the activity and assessment 2. Implementation time 3. Assessment parameter or criteria The policy has been stated in Remuneration and Nomination Committee Charter.
	4.2 Self-assessment policy to assess the performance of Board of Commissioners is disclosed in Annual Report of Public Company.	Comply	Self-assessment policy to assess the performance of Board of Commissioners is regulated in the Remuneration and Nomination Committee Charter and has disclosed in Annual Report 2017, in Performance Assessment of Board of Commissioners section.
	4.3 The Board of Commissioners has a policy with respect to the resignation of the member of The Board of Commissioners if such member involved in financial crime.	Comply	Provision related to the resignation of the member of The Board of Commissioners if such member involved in financial crime has been stated in Board of Commissioners Charter.
	4.4 The Board of Commissioners or Committees that conduct nomination and remuneration function arrange succession policy in nomination process of Director member.	Comply	Succession policy in nomination process of Directors member has been stated in Remuneration and Nomination Charter.
Principle 5 Strengthening the Membership and Composition of the Board of Directors.	5.1 Determination of number of Board of Directors member subject to the condition of Public Company and the effectiveness of decision-making.	Comply	Determination of number of Board of Directors member has considered the necessity and complexity of the Bank.
	5.2 Determination of composition of Board of Directors member considers the variety of expertise, knowledge and experiences required.	Comply	Composition of Board of Directors has considered banking knowledge, expertise and professional experiences as well as background to support the effectiveness of Board of Directors' duties.

Principle	Recommendation	Compliance Status	Implementation
	5.3 Member of Board of Directors who is liable for accounting or finance has expertise of accounting and/or knowledge.	Comply	Finance Director of BTPN is capable in accounting field and prior to serving as Finance Director, he served as Chief Financial Officer for 2 years.
Principle 6 Improving the Quality of Job and Responsibility Performance of Board of Directors.	6.1 Board of Directors has self-assessment policy to assess performance of Directors.	Comply	BTPN Directors has had self-assessment policy to assess performance of Directors, which covers among others: 1. The purpose and objective of the activity and assessment 2. Implementation time 3. Assessment parameter or criteria The policy has been stated in Remuneration and Nomination Committee Charter.
	6.2 Self-assessment Policy to assess the performance of Board of Directors is disclosed in Annual Report of Public Company.	Comply	Self-assessment Policy to assess the performance of Board of Directors has been disclosed in Annual Report 2017, in performance Assessment of Board of Directors section.
	6.3 Directors have a policy related to resignation of Board of Directors' member if involved in financial crime.	Comply	Provision related to resignation of Board of Directors' member if involved in financial crime has been stated in Board of Directors Charter.
Principle 7 Improving Corporate Governance Aspect through Participation of Stakeholders.	7.1 Public Company has a policy to prevent insider trading.	Comply	Provision related to prevent insider trading stated in SOP Information Ownership, Confidentiality and Investment for Employee. The above-mentioned provision has been disclosed in Bank's website.
	7.2 Public Company has anti corruption and anti-fraud policy.	Comply	BTPN has Anti Bribery and Policies and such has been disclosed on the Bank's website.
	7.3 Public Company has policies concerning selection and capability improvement of suppliers or vendors.	Comply	The scope of the policies among others: a. Criteria of selecting vendors. b. Effort for capability improvement of vendors. c. Rights fulfillment of vendors. Provision related to selection and capability improvement of suppliers and vendors has been disclosed in Bank's website.
	7.4 Public Company has a policy concerning the fulfillment of creditor's rights.	Comply	The scope of the policy includes the consideration in making agreement as well as follow up in the fulfillment of the obligation to creditor. The above-mentioned provision has been disclosed in Bank's website.
	7.5 Public Company has a policy of whistleblowing system.	Comply	The scope of policy of whistleblowing: 1. Type of violation reported through whistleblowing system. 2. Complaint mechanism. 3. Protection and confidentiality assurance of informer. 4. Complaint handling. 5. Complaint handling party. 6. Complaint handling report and follow up. The above-mentioned provision has been disclosed in Bank's website.
	7.6 Public Company has long-term incentive policy for Directors and employee.	Comply	Long-term incentive policy for Directors and employee has been stated in SOP of Management and Employee Stock Option Program.
Principle 8 Improving the Implementation of Information Disclosure.	8.1 Public Company takes benefit from the application of a broader information technology other than website as information disclosure media.	Comply	BTPN has an official social-media account as follows: Facebook : @BankBTPNOfficial https://facebook.com/BankBTPNOfficial Twitter: @sahabatBTPN https://twitter.com/sahabatbtpn Instagram: @lifeatbtpn https://www.instagram.com/lifeatbtpn/ Youtube: Bank BTPN https://www.youtube.com/user/BTPNBank
	8.2 Annual Report of Public Company discloses beneficial owner in share ownership of Public Company at least 5% (five percent), other than disclosure of beneficial owner in share ownership of Public Company through majority and Controlling Shareholders.	Comply	Bank's Annual Report has disclosed beneficial owner in share ownership of Public Company at least 5% (five percent). The above-mentioned information has been disclosed in Bank's website.

Corporate Governance Structure General Meeting of Shareholders (GMS)

General Meeting of Shareholders (GMS) is the organ of the company which has all the authorities that are not delegated to the Board of Commissioners and Board of Directors. Through AGMS, shareholders are able use their rights in decision-making.

The Rights and Responsibilities of Shareholders

The rights of shareholders among others as follows:

- 1) Shareholders are entitled to attend GMS in either in their own or their representative based on power of Attorney letter, in giving response to the agenda of the GMS as well as participating in decision-making in accordance with the number of shares owned.
- 2) Shareholders are entitled to obtain information that is accurate, adequate and in timely manner with regard to the company all in relation with agenda of GMS and not conflicting to the interests of the company, the shareholders are able to take the right decisions in the AGMS.
- 3) Shareholders are entitled to obtain company's profit in the form of dividends and in other forms in accordance with the number of shares owned.

The responsibilities of shareholders among others as follows:

- 1) Every shareholder is subject and obedient towards to the Bank's Articles of Association and the prevailing laws and regulations.
- 2) Controlling shareholder is obligated to consider the interests of minority shareholders and other shareholders in accordance with the applicable laws and regulations.
- 3) Minority shareholders is responsible to exercise his rights in accordance with the applicable law and regulation and the Bank's Articles of Association.
- 4) Disclosure of List of related parties, whenever shareholder acts as a controlling shareholder in the Bank.

The Implementation of GMS

Within 2017 BTPN has conducted 1 (one) General Meeting of Shareholders, which is Annual General Meeting of Shareholders for book year ended 2016 dated on 24 March 2017, in Ballroom 3&5, 2nd Floor, The Ritz-Carlton Jakarta, Jl. Doktor Ide Anak Agung Gde Agung Kaveling E.1.1 No. 1, Kawasan Mega Kuningan, Jakarta 12950.

The material and agenda for the Annual GMS, the underlying explanations and considerations of each agenda, have been published on BTPN's website on 2 March 2017, together with the invitation date of the Annual GMS.

The Annual GMS (AGMS) was attended by Public Notary and Share Registrar as independent parties to conduct quorum calculation and voting.

Mechanisms of Voting and Decision-Making in GMS

Mechanism of voting and votes calculation are set in the AGMS' code of conduct, which is disclosed on the Bank's website and distributed to the shareholders.

Each Shareholder or Shareholder's representative has the right to ask and/or dispute to the chairman of the meeting before the voting was held for each of the agenda of the meeting. In the calculation of voting, 1 share entitles its holder to issue 1 vote, when one shareholder having more than 1 share, he/she can only give 1 vote to represent the whole number of shares owned.

Decision-making mechanism of voting is performed publicly, and should the shareholders and shareholders' representatives have voted disagreed or abstained to the proposed resolution of the agenda, the Chairman of the meeting requested them to come forward by raising hand. In order to simplify the calculation, shareholders and shareholders' representatives that voted disagreed or abstained to state their names and number of votes issued in the voting card supplied by Share Registrar. The notary officer will collect the filled out voting card and count them. The notary will report the results of the calculation to the Chairman of the meeting.

The Annual General Meeting of Shareholders (AGMS)

The AGMS was attended by shareholders and or their proxies representing 3,763,258,125 shares or 65.5% of the total number of 5,840,287,257 shares issued by the Bank. Notary Hadijah, S.H. as independent party who is appointed to calculate and validate the vote in AGMS.

In the AGMS, the shareholders/its proxies were given the opportunity to ask question in relation to agenda of the AGMS, however nobody proceeded to ask questions.

The AGMS was attended by incumbent members of the Board of Commissioners and the Board of Directors of the Company except Chow Ying Hoong (Commissioner).

AGMS was opened and chaired by Mari Elka Pangestu, President Commissioner.

Agenda	AGMS Resolutions
<p>AGENDA 1: Submission of the Annual Report (which includes the Financial Report and report on the supervision by the Board of Commissioners) for book year ended on 31 December 2016</p> <p>AGENDA 2: To approve the Annual Report and to ratify the Financial Statements of the Company for book year ended 31 December 2016 and the grant of release and discharge (acquit et de charge) to the members of the Board of Directors and Commissioners of the Company for the management and supervision performed in book year ended on 31 December 2016.</p> <p>Voting: 1. Agree : 3,763,258,125 (100%) 2. Disagree : - 3. Abstain : -</p> <p>Decision : Amicable Decision</p> <p>Realization/Follow up: Annual Report and Financial Statements of the Company was approved by shareholders and available in the Company website.</p>	<ol style="list-style-type: none"> 1. Approved the Annual Report, including the report on the supervision performed by the Board of Commissioners, for book year ended on 31 December 2016 as contained in the book Annual Report 2016. 2. Approved and ratified the Company's Financial Statements for book year ended on 31 December 2016, audited by Tanudiredja, Wibisana, Rintis and Partners, Registered Public Accountants in Jakarta, as set forth in the book Annual Report 2016. 3. Full release and discharge (<i>acquit et decharge</i>) is hereby granted to the members of the Board of Directors of the Company holding offices in book year ended on 31 December 2016, for all acts of management, and all the members of the Board of Commissioners of the Company holding offices in book year ended 31 December 2016, for all acts of supervision, performed by each of them during book year ended on 31 December 2016, to the extent that such acts are recorded in the Annual Report and the Financial Statements of the Company for book year ended on 31 December 2016, except in the event of fraud, embezzlement and other criminal acts.
<p>AGENDA 3: To resolve on the appropriation of the Company's profit acquired in book year ended 31 December 2016</p> <p>Voting: 1. Agree : 3,763,258,125 (100%) 2. Disagree : - 3. Abstain : -</p> <p>Decision : Amicable Decision</p> <p>Realization/Follow up: Dividend payment has been delivered on 21 April 2017.</p>	<ol style="list-style-type: none"> 1. Confirmed that in accordance with the Profit and Loss Statements of the Company in book year ended on 31 December 2016, the net profit acquired by the Company amounts to Rp1,752,097,000,000. 2. Approved the appropriation of the Company's net profit acquired in book year ended on 31 December 2016 amounted Rp1,752,097,000,000, as follows: <ol style="list-style-type: none"> a. For book year ended on 31 December 2016, the Company shall distribute dividend to the shareholders in the aggregate amount Rp574,509,000,000 or Rp100 per share, subject as follows: <ol style="list-style-type: none"> i. The Board of Directors shall deduct dividend tax on such dividend at the rate in accordance with the tax regulations applicable to the shareholders receiving the dividend, and ii. The Board of Directors is hereby granted power and attorney to resolve on matter with respect or related to realization of payment of the dividend for book year 2016. b. The remaining net profit in the amount of Rp1,177,588,000,000, shall remain as retained earnings.

Agenda	AGMS Resolutions																								
<p>AGENDA 4: To approve the modification in the composition of members of the Board of Commissioners of the Company.</p>	<ol style="list-style-type: none"> 1. Approved and accepted the resignation of Hiroshi Higuma as a Commissioner of the Company, taking effect as of 24 March 2017, with thanks and high appreciation for services rendered during his respective tenures of office as a Commissioner of the Company. 2. Approved the appointment of Shinichi Nakamura as a Commissioner of the Company, which shall take effect as of the closing of the AGMS. 3. Confirmed that effective as of the closing of the AGMS, the members of the Board of Directors and the Board of Commissioners of the Company are as follows: <p style="margin-left: 40px;">THE BOARD OF DIRECTORS</p> <table style="margin-left: 40px; border: none;"> <tr><td>President Director (Independent)</td><td>: Jerry Ng</td></tr> <tr><td>Deputy President Director</td><td>: Ongki Wanadjati Dana</td></tr> <tr><td>Deputy President Director</td><td>: Djemi Suhenda</td></tr> <tr><td>Compliance Director (Independent)</td><td>: Anika Faisal</td></tr> <tr><td>Director</td><td>: Kharim Indra Gupta Siregar</td></tr> <tr><td>Director</td><td>: Arief Harris Tandjung</td></tr> <tr><td>Director</td><td>: Wolf Arno Kluge</td></tr> </table> <p style="margin-left: 40px;">THE BOARD OF COMMISSIONERS</p> <table style="margin-left: 40px; border: none;"> <tr><td>President Commissioner (Independent)</td><td>: Mari Elka Pangestu</td></tr> <tr><td>Commissioner (Independent)</td><td>: Irwan Mahjudin Habsjah</td></tr> <tr><td>Commissioner (Independent)</td><td>: Arief Tarunakarya Surowidjojo</td></tr> <tr><td>Commissioner</td><td>: Chow Ying Hoong</td></tr> <tr><td>Commissioner</td><td>: Shinichi Nakamura,</td></tr> </table> <p style="margin-left: 40px;">subject however that the term of office said Board of Directors and Board of Commissioners shall expire at the conclusion of the Annual GMS that shall be convened in the year 2019, subject further to changes that may occur prior to the expiration of the terms of office as referred to above.</p>	President Director (Independent)	: Jerry Ng	Deputy President Director	: Ongki Wanadjati Dana	Deputy President Director	: Djemi Suhenda	Compliance Director (Independent)	: Anika Faisal	Director	: Kharim Indra Gupta Siregar	Director	: Arief Harris Tandjung	Director	: Wolf Arno Kluge	President Commissioner (Independent)	: Mari Elka Pangestu	Commissioner (Independent)	: Irwan Mahjudin Habsjah	Commissioner (Independent)	: Arief Tarunakarya Surowidjojo	Commissioner	: Chow Ying Hoong	Commissioner	: Shinichi Nakamura,
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Commissioner	: Shinichi Nakamura,																								
<p>Voting:</p> <table style="border: none;"> <tr><td>1. Agree</td><td>: 3,763,209,125 (99.99%)</td></tr> <tr><td>2. Disagree</td><td>: 49,000 (0.01%)</td></tr> <tr><td>3. Abstain</td><td>: -</td></tr> </table> <p>Decision : Amicable Decision</p> <p>Realization/Follow up: Notarial Deed (The changes of the Board of Commissioners composition) PT Bank Tabungan Pensiunan Nasional Tbk No.53 dated 24 March 2017, Notary by Hadijah,SH.</p>	1. Agree	: 3,763,209,125 (99.99%)	2. Disagree	: 49,000 (0.01%)	3. Abstain	: -	<p>AGENDA 5: To resolve on the amount and form of salary and remunerations to the Board of Directors and the amount and form of honorarium and remunerations to the Board of Commissioners for book year ending on 31 December 2017 and to resolve on the amount of bonus payable to the members of the Board of Directors and the Board of Commissioners for services rendered in book year ended on 31 December 2016, but shall be paid in book year 2017.</p> <p>Full power and authorisation is hereby granted to the Board of Commissioners of the Company to determine, in a resolution of the Board of Commissioners, the aggregate amount of salary and other remunerations that shall be paid by the Company to the members of the Board of Directors for book year ending on 31 December 2017 and the aggregate amount of bonus payable to the members of the Board of Directors for services rendered during book year ended on 31 December 2016, however payable in the year 2017, and to determine the distribution among the members of the Board of Directors.</p> <p>Confirmed that the amount of honorarium and remunerations for the Board of Commissioners for book year ending on 31 December 2017 and the amount of bonus of the Board of Commissioners for services rendered during book year ended on 31 December 2016, however payable in 2017, shall not exceed the aggregate amount Rp27,300,000,000 gross before deduction of Income Tax, and to grant power and authorization to the Board of Commissioners to determine, in a resolution of the Board of Commissioners, the distribution of said amount of honorarium, remunerations and bonus among the members of the Board of Commissioners.</p>																		
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3. Abstain	: -																								
<p>Voting:</p> <table style="border: none;"> <tr><td>1. Agree</td><td>: 3,681,150,725 (97.81%)</td></tr> <tr><td>2. Disagree</td><td>: 49,000 (0.01%)</td></tr> <tr><td>3. Abstain</td><td>: 82,058,400 (2.18%)</td></tr> </table> <p>Decision : Majority Vote</p> <p>Realization/Follow up: Full power and authorisation is hereby granted to the Board of Commissioners of the Company to determine the total amount of salary and remuneration that shall be paid by the Company to the members of the Board of Directors and remunerations for the Board of Commissioners has been distributed by the Company according to decision related to distribution of the amount of total salary, remunerations and bonus among the member of the Board of Commissioners.</p>	1. Agree	: 3,681,150,725 (97.81%)	2. Disagree	: 49,000 (0.01%)	3. Abstain	: 82,058,400 (2.18%)	<p>AGENDA 6: To appoint the Public Accountant to audit the books of the Company for book year ending on 31 December 2017 and to determine the amount of fees and other conditions of appointment of such Public Accountant.</p> <p>The Board of Commissioners is hereby granted full power and authorisation to appoint the Public Accountant that shall audit the books and records of the Company for book year ending 31 December 2017 and to determine the honorarium and others term and conditions of such appointment.</p>																		
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3. Abstain	: 82,058,400 (2.18%)																								

Agenda	AGMS Resolutions
<p>Voting:</p> <p>1. Agree : 3,763,209,125 (99.99%)</p> <p>2. Disagree : 49,000 (0.01%)</p> <p>3. Abstain : -</p> <p>Decision : Amicable Decision</p> <p>Realization/Follow up: Circular resolution of the Board of Commissioners No. PS/BOC/004/VIII/2017 regarding The Appointment of Registered Public Accountant that shall audit the Financial Statements of the Company for period ending on 31 December 2017 and Circular Resolutions Approval of Audit Committee No. PS/AC/01/VIII/2017 regarding Audit Committee Approval in relation with the proposal of appointment of Registered Public Accountant that shall audit the Financial Statements of the Company for period ending on 31 December 2017.</p>	
<p>AGENDA 7: To render accountability on the utilization of funds acquired from the Public Offering of the Continuing Bond III BTPN With Fixed Coupon Rate Phase I Year of 2016 in the aggregate amount of Rp1,000,000,000,000.- (One Trillion Rupiah)</p> <p>There's no vote</p> <p>Realization/Follow up: The utilization of funds from the Public Offering of the Continuing Bond III BTPN With Fixed Coupon Rate Phase I Year of 2016 has been utilized by the Company as mentioned in the prospectus and has been reported to Financial Services and Authority.</p>	<p>There's no resolution seeing this agenda to render accountability on the utilization of funds from the Public Offering of the Continuing Bond III BTPN With Fixed Coupon Rate Phase I Year of 2016.</p>
<p>AGENDA 8: To reconfirm the resolution on the Management And Employee Stock Option Program (MESOP) of the Company resolved in the Extra-Ordinary General Meeting of Shareholders of the Company convened dated 26 March 2015, and in the Extra-Ordinary General Meeting Of Shareholders of the Company convened dated 29 April 2016, and to grant power and authorization to the Board of Commissioners to perform all acts or deeds of any kind for or in connection with the MESOP Program, inter alia (however not limited to) from time to time to increase the amount of the issued and paid up capital of the Company, in accordance with the resolution of aforesaid Extra-Ordinary General Meeting Of Shareholders</p> <p>Voting:</p> <p>1. Agree : 3,708,491,831 (98.54%)</p> <p>2. Disagree : 54,766,294 (1.46%)</p> <p>3. Abstain : -</p> <p>Decision : Amicable Decision</p> <p>Realization/Follow up: The transfer of authority and grant full powers to the Board of Commissioners of the Company to increase the issued and paid up capital of the Company.</p>	<p>1. To reconfirm the resolution on the establishment and implementation of the Management and Employee Stock Option Program (the MESOP Program 2015) adopted in the Extraordinary General Meeting of Shareholders of the Company convened in Jakarta on 26 March 2015 ("the EGMS 2015), in conjunction with the Extraordinary General Meeting of Shareholders convened in Jakarta dated 29 April 2016 ("the EGMS 2016").</p> <p>2. To transfer authority and grant full powers to the Board of Commissioners of the Company to do and perform each or all acts and deeds which are required by applicable laws and regulations or the articles of association of the Company, or considered necessary, to be done and performed, for and in connection with the implementation or realization of the MESOP Program 2015, among others (however not limited to) from time to time, to increase the issued and paid up capital of the Company by an additional amount in the aggregate not exceeding Rp4,672,229,820, by way of issuance of new shares in the total number not exceeding 233,611,491 shares, each having a nominal value of Rp20, in accordance with the resolution of the Extra-Ordinary GMOS 2015, as re-confirmed in the Extra-Ordinary GMOS 2016.</p>
<p>AGENDA 9: To re-confirm the resolution on the Employee Stock Option Program to the Employee of the Company (ESOP) resolved in the Extra-Ordinary General Meeting Of Shareholders of the Company convened on the 29-th day of April 2016 and to grant power and authorization to the Board of Commissioners to perform all acts or deeds of any kind for or in connection with the ESOP Program, inter alia (however not limited to) from time to time to increase the amount of the issued and paid up capital of the Company in accordance with the resolution of aforesaid Extra-Ordinary General Meeting of Shareholders.</p> <p>Voting:</p> <p>1. Agree : 3,708,491,831 (98.54%)</p> <p>2. Disagree : 54,766,294 (1.46%)</p> <p>3. Abstain : -</p> <p>Decision : Majority Vote</p> <p>Realization/Follow up: The transfer of authority and grant full powers to the Board of Commissioners of the Company to increase the issued and paid up capital of the Company.</p>	<p>1. To reconfirm the resolution on the establishment and implementation of the Employees Stock Option Program of the Company and the employees of the subsidiaries (the ESOP Program 2016) adopted in the EGMS 2016.</p> <p>2. To transfer authority and grant full powers to the Board of Commissioners of the Company to do and perform each and all acts and deeds which are required by applicable laws and regulations and or the articles of association of the Company, or considered necessary, to be done or performed, for and in connection with the implementation or realization of the ESOP Program 2016, among others (however not limited to) from time to time, to increase the issued and paid up capital of the Company by an additional amount in the aggregate not exceeding Rp2,336,114,920,-, by way of issuance of new shares in the number not exceeding 116,805,746 shares, each having a nominal value of Rp20,-, in accordance with the resolution of the Extra-Ordinary GMOS 2016.</p>

The stages of the Annual General Meeting of Shareholders implementation dated 24 March 2017 is as follows:

Submission Date of the implementation plan	Announcement Date	Recording Date	Invitation Date	Implementation	Date of Resolutions Announcement
6 February 2017 through the Company letter No. S.028/DIRCLC/CCS/II/2017	14 February 2017 through the Company letter No. S.036/DIRCLC/CCS/II/2017 and published in Bisnis Indonesia, BTPN and Indonesia Stock Exchange Website	1 March 2017	2 March 2017 through the Company letter No. S.048/DIRCLC/CCS/III/2017 and published in Bisnis Indonesia, BTPN and Indonesia Stock Exchange Website	24 March 2017 was held in Ballroom 3&5, 2nd Floor, The Ritz-carlton, Jl. DR. Ide Anak Agung Gde Agung Kav.E.1.1 No.1, Kawasan Mega Kuningan, Jakarta 12950.	29 March 2017 through the Company letter No. S.069/DIRCLC/CCS/III/2017 dan published in Bisnis Indonesia, BTPN and Indonesia Stock Exchange Website

Resolutions of the General Meeting of Shareholders for Prior Book Year Follow Up

BTPN has realized the Extraordinary General Meeting of Shareholders (EGMS) and Annual General Meeting of Shareholders (AGMS) resolutions for Book Year 2016, with the details as follows:

EGMS dated 29 April 2016

No.	Agenda	Resolutions	Status	Explanation
1	To reconfirm the resolution on the Management and Employee Stock Option Program (MESOP Program) resolved in the Extraordinary General Meeting of Shareholders convened on the 26th day of March 2015 and to confer authorization and to grant powers to the Board of Commissioners to perform all acts for or in connection with the implementation of the MESOP Program, among others (however not limited to) from time to time to increase the issued and paid up capital of the Company, in accordance with the resolution of aforesaid Extraordinary General Meeting of Shareholders	<ol style="list-style-type: none"> 1. To reconfirm the resolution on the establishment and implementation of the Management and Employees Stock Option Program (the MESOP Program 2015) adopted in the Extraordinary General Meeting of Shareholders of the Company convened in Jakarta, on 26th day of March 2015, and the minutes of which were made by Hadijah S.H. a notary in Jakarta, by deed dated the 26th day of March 2015 number 50 (the Extraordinary GMS 2015"). 2. To transfer authority and grant full powers to the Board of Commissioners of the Company to do and perform each and all acts and deeds which are required by applicable laws and regulations and or the articles of association of the Company, or considered necessary, to be done or performed, for and in connection with the implementation or realization of the MESOP Program 2015, among others (however not limited to): <ol style="list-style-type: none"> a. From time to time, to increase the issued and paid up capital of the Company by an additional amount in the aggregate not exceeding Rp4,672,229,820, resulting in that the issued and paid up capital of the Company shall become not exceeding the aggregate amount of Rp121,477,974,960, in accordance with the resolution of the Extraordinary GMS year 2015; b. To make, issue and enact regulations, provisions and policies of any kind regarding the realization of the MESOP Program 2015 (subject however to applicable regulations of the Capital Market), to determine the participants entitled to purchase the newly issued shares of the Company under the MESOP Program 2015 and to determine the amount of the Exercise price, including (however not limited to) to make modifications or adjustments to the terms and conditions of the MESOP Program 2015 in accordance with the regulations and conditions that may be issued by the competent authorities in the Capital Market, including the Financial Services Authority; c. To do and perform each and all acts and deeds which are required by applicable laws or the articles of association of the Company, or which pursuant to the Board of Commissioners are considered necessary to be done, among others (however not limited to) to grant power and authorization to the Board of Directors of the company to do and perform acts, deeds or things in respect of or in connection with the implementation of the MESOP Program 2015, where the Board of Directors do not have any conflict of interest. 	Completed	Notarial deed regarding Extraordinary GMS of the Bank No. 60 dated 29 April 2016 of Notary of Hadijah, SH.

No.	Agenda	Resolutions	Status	Explanation
2	To approve the establishment of the Employee Stock Option Program (ESOP Program) and the implementation of said ESOP Program by the increase of the issued and paid up capital of the Company by way of issuance of new shares without granting Priority Rights To Subscribe Securities to the shareholders, however by granting option to the employees of the Company to purchase such newly issued shares.	<ol style="list-style-type: none"> 1. Approved and accepted the plan of the Company to established and implement the Employee Stock Option Program (ESOP) or the Program to Grant Option Rights To The Employees of The Company and the Employees of The Controlled Company (further shall be referred to as "ESOP Program 2016"), upon specifications and under terms and conditions set forth in the "Information Disclosure" dated 8th March 2016 and last updated on 27th April 2016 prepared by the Board of Directors of the Company and published in the website of the Company (www.btpn.com) and the website of the Indonesian Stock Exchange (www.idx.co.id) and the photo static copies of which shall attached to the minutes of this meeting, where essentially the Company shall increase its issued and paid up capital, by an amount not exceeding Rp2,336,114,920, by way from time to time to issue new shares each having a nominal value of Rp20, in the total amount not exceeding 116,805,746 shares, without granting the Preemptive Rights To Subscribe Securities (HMETD) to the shareholders, however by granting option rights to (j) the employees of certain level of the Company as shall be determined by the Board of Directors pursuant to recommendation from the Remuneration and Nomination Committee and authorization granted by the Board of Commissioners, and (ii) the employees of Controlled Company as shall also be determined by The Board of Directors of the Controlled Company pursuant to recommendation of the Remuneration and Nomination Committee and authorization granted by the Board of Commissioners of the Company, within a certain period of time as shall be determined by the Board of Commissioners, to purchase the aforesaid newly issued shares of the Company for the Exercise Price; 2. To transfer authority and grant full powers to the Board of Commissioners of the Company to do and perform each and all acts which are required by prevailing law and regulations, or the Articles of Association of the Company, or considered necessary by the Board of Commissioners, for or in connection with the implementation or realization of the ESOP Program 2016, among others (however not limited to): <ol style="list-style-type: none"> 1. From time to time, to increase the issued and paid up capital of the Company, by an additional aggregate amount not exceeding Rp2,336,114,920 in the manner and upon terms and other conditions as set forth in section 1 of this resolution. 2. To make, issue or enact regulations and policies regarding the implementation of the ESOP Program 2016 (subject to prevailing regulations of the Capital Market), to determined the participants entitled to purchase shares in the Company under the ESOP Program 2016 and to determine the price of shares that shall be purchased by the participants of the ESOP Program 2016 or the Exercise Price, including (however not limited to) to make changes or adjustments to the terms and conditions of the ESOP Program 2016 to or with the regulations and terms which in the future may be issued by the competent authorities in the Capital Market, including Financial Services Authority. 3. For the avoidance of any doubt, the increase of the issued and paid up capital set forth in this resolution shall not prejudice the resolution on the increase of the issued and paid up capital of the Company resolved in implementation of the MESOP Program 2015 which has been reconfirmed in the first item of the agenda of this meeting. 	Completed	Notarial deed regarding Extraordinary GMS of the Bank No. 60 dated 29 April 2016 of Notary of Hadjiah, SH.

AGMS dated 29 April 2016

No.	Agenda	Resolutions	Status	Explanation
1.	Submission of the Annual Report (which includes the report on the supervision by the Board of Commissioners) for book year ended on 31 December 2015	1. Approved the Annual Report, including the report on the supervision performed by the Board of Commissioners, for book year ended 31 December 2015 as contained in the book Annual Report 2015.	Completed	Approved by the AGMS dated 29 April 2016
2.	Approval of the Annual Report and ratification the Financial Statements of the Company for book year ended 31 December 2015 and the grant of release and discharge (<i>acquitt et de charge</i>) to the members of the Board of Directors and the Board of Commissioners of the Company for the management and supervision performed in book year ended on 31 December 2015	2. Approved and ratified the Company's Financial Statements for book year ended 31 December 2015, audited by Tanudiredja, Wibisana, Rintis & Partners, Registered Public Accountants in Jakarta, as set forth in the book Annual Report 2015. 3. Full release and discharge (<i>acquitt et de charge</i>) is hereby granted to the members of the Board of Directors of the Company holding offices in book year ended on 31 December 2015, for all acts of management, and to the incumbent members of the Board of Commissioners of the Company holding offices in book year ended on 31 December 2015, for all acts of supervision, performed by each of them during book year ended on 31 December 2015, to the extent that such acts are recorded in the Annual Report and the Financial Statements of the Company for book year ended on 31 December 2015, except in the event of fraud, embezzlement and other criminal acts.		
3.	To determine the appropriation of the Company's profit acquired in book year ended on 31 December 2015	1. Confirmed that in accordance with the Profit and Loss Statement of the Company in book year ended on 31 December 2015, the net income acquired by the Company amounts to Rp1,701,847,000,000. 2. Approved that the net income acquired by the Company during book year ended on 31 December 2015, in the amount of Rp1,701,847,000,000, be appropriated as follows: b. For book year ended on 31 December 2015, the Company shall not distribute dividend to the shareholders; b. All of the net income acquired by the Company in book year ended on 31 December 2015, in the amount of Rp1,701,847,000,000, shall be declared as retained earnings.	Completed	Retained earnings component in the capital structure was increased

No.	Agenda	Resolutions	Status	Explanation
4.	Confirmation of the expiration of the term of office of the current incumbent members of the Board of Directors and the members of the Board of Commissioners and appointment of new members of the Board of Directors and the Board of Commissioners of the Company	<p>1. Confirmed that the terms of office of all of the current incumbent members of the Board of Directors and the Board of Commissioners shall expire by the closing of the Annual General Meeting of Shareholders.</p> <p>2. Approved the appointment of new members of the Board of Directors and the Board of Commissioners as follows:</p> <p>THE BOARD OF DIRECTORS President Director (Independent) : Jerry Ng Deputy President Director : Ongki Wanadjati Dana Deputy President Director : Djemi Suhenda Compliance Director (Independent) : Anika Faisal Director : Kharim Indra Gupta Siregar Director : Arief Harris Tandjung Director : Wolf Arno Kluge</p> <p>THE BOARD OF COMMISSIONERS President Commissioner (Independent) : Mari Elka Pangestu Commissioner (Independent) : Iwan Mahjudin Habsjah Commissioner (Independent) : Arief Tarunakarya Surowidjojo Commissioner : Chow Ying Hoong Commissioner : Shinichi Nakamura, subject however as follows:</p> <p>a. The appointment of such members of the Board of Directors and the Board of Commissioners shall take effect as of the closing of the Annual General Meeting of Shareholders, and</p> <p>b. The term of office of said Board of Directors and Board of Commissioners shall expire at the conclusion of the Annual General Meeting of Shareholders that shall be convened in the year 2019, subject further to changes that may occur prior to the expiration of the terms of office as referred to above.</p>	Completed	<p>1. Deed of resolution (changes of members of the Board of Directors and the Board of Commissioners) PT Bank Tabungan Pensiunan Nasional Tbk No. 62 dated 29 April 2016, which has been registered in The Minister of Law and Human Rights of the Republic of Indonesia set forth in letter No. AHU-AH.01.03-0048198 dated 13 Mei 2016</p> <p>2. Result from Fit & Proper Test, as follows:</p> <ul style="list-style-type: none"> Financial Services Authority Letter No:SR-72/D.03/2016 dated 25 April 2016 Financial Services Authority Letter No:SR-73/D.03/2016 dated 25 April 2016
5.	To determine the amount and form of salary and remunerations to the Board of Directors and the amount and form of honorarium and remunerations to the Board of Commissioners for book year ending on 31 December 2016 and to determine the amount of bonus payable to the members of the Board of Directors and the Board of Commissioners for services rendered in book year ended on 31 December 2015	<p>1. Full power and authorization is hereby granted to the Board of Commissioners of the Company to determine, in a resolution of the Board of Commissioners, the aggregate amount of salary and other remunerations that shall be paid by the Company to the members of the Board of Directors for book year ending on 31 December 2016 and the aggregate amount of bonus payable to the members of the Board of Directors for services rendered during the book year ended on 31 December 2015, however payable in the year 2016, and to determine the distribution of such aggregate amount of salary, remunerations and bonus among the members of the Board of Directors;</p> <p>2. Confirmed that the amount of honorarium and remunerations for the Board of Commissioners for book year ending on 31 December 2016 and the amount of bonus of the Board of Commissioners for services rendered during the book year ended on 31 December 2015 however payable in year 2016, shall not exceed the aggregate amount of Rp.27.300.000.000,- (twenty seven billion three hundred million Rupiah) gross, before deduction of Income Tax, and to grant power and authorization to the Board of Commissioners to determine, in a resolution of the Board of Commissioners, the distribution of said amount of honorarium, remunerations and bonus among the members of the Board of Commissioners.</p>	Completed	The recommendation of the Remuneration and Nomination Committee set forth in the Circular Resolution of the Remuneration and Nomination Committee PT Bank Tabungan Pensiunan Nasional Tbk No. PS/RNC/003/IV/2016 dated 6 April 2016, which has been approved by the Board of Commissioners in the Circular Resolution of the Board of Commissioners PT Bank Tabungan Pensiunan Nasional Tbk No. PS/BOC/003/IV/2016 dated

No.	Agenda	Resolutions	Status	Explanation
6.	Appointment of the Public Accountant to audit the books of the Company for book year ending on 31 December 2016 and determination of amount of honorarium and other conditions of appointment of such Public Accountant.	The Board of Commissioners is hereby granted full power and authorisation to appoint the Public Accountant that shall audit the books and records of the Company for book year ending on 31 December 2016 and to determine the honorarium and other terms and conditions of such appointment.	Done	The Circular Resolutions Approval of the Board of Commissioners No. PS/BOC/006/IX/2016 concerning the Appointment of Public Accountant that shall audit the financial statements of the Company for book year ending on December 31, 2016 and the Circular Resolution Approval of the Audit Committee No. PS/AC/001/IX/2016 regarding Committee Audit Approval in relation with the proposal of appointment public accountant that shall audit the financial reports of the Company for period ending on December 31, 2016

Board of Directors and Board of Commissioners

Composition of the Board of Directors and the Board of Commissioners

In accordance with the AGMS resolutions dated 24 March 2017, there was a change in the composition of the Board of Directors and the Board of Commissioners is as follows:

Period prior to AGMS dated 24 March 2017

No.	Name	Position	Effective Date
The Board of Directors			
1	Jerry Ng	President Director (Independent)	29 September 2008
2	Ongki Wanadjati Dana	Deputy President Director	29 September 2008
3	Djemi Suhenda	Deputy President Director	29 October 2009
4	Anika Faisal	Compliance Director (Independent)	29 September 2008
5	Kharim Indra Gupta Siregar	Director	29 September 2008
6	Arief Harris Tandjung	Director	8 April 2010
7	Wolf Arno Kluge	Director	4 Mei 2015
The Board of Commissioners			
1	Mari Elka Pangestu	President Commissioner (Independent)	29 April 2016
2	Irwan Mahjudin Habsjah	Commissioner (Independent)	1 Mei 2009
3	Arief Tarunakarya Surowidjojo	Commissioner (Independent)	29 April 2016
4	Chow Ying Hoong	Commissioner	15 January 2015
5	Hiroshi Higuma	Commissioner	15 January 2015

Period after AGMS dated 24 March 2017

No.	Nama	Position	Effective Date
The Board of Directors			
1	Jerry Ng	President Director (Independent)	29 September 2008
2	Ongki Wanadjati Dana	Deputy President Director	29 September 2008
3	Djemi Suhenda	Deputy President Director	29 October 2009
4	Anika Faisal	Compliance Director (Independent)	29 September 2008
5	Kharim Indra Gupta Siregar	Director	29 September 2008
6	Arief Harris Tandjung	Director	8 April 2010
7	Wolf Arno Kluge	Director	4 Mei 2015
The Board of Commissioners			
1	Mari Elka Pangestu	President Commissioner (Independent)	29 April 2016
2	Irwan Mahjudin Habsjah	Commissioner (Independent)	1 Mei 2009
3	Arief Tarunakarya Surowidjojo	Commissioner (Independent)	29 April 2016
4	Chow Ying Hoong	Commissioner	15 January 2015
5	Shinichi Nakamura	Commissioner	24 March 2017

The number of Board of Commissioners' members shall not exceed the number of Board of Directors' members. The Board of Commissioners consists of five (5) persons, while the Board of Directors' consists of seven (7) persons. Three (3) out of five (5) persons or more than 50% of the Board of Commissioners' members are independent members. The majority of members of the Board of Commissioners are Indonesian citizens and domiciled in Indonesia. The Board of Commissioners led by President Commissioners as well as Independent Commissioner.

Fit and Proper Test

In accordance with the prevailing regulation, members of the Board of Commissioners and the Board of Directors have to conduct a Fit and Proper Test prior to performing their duties. The Bank's management has fulfilled the integrity, competency and financial reputation requirements. As of 31 December 2017, all members of the Board of Commissioners and the Board of Directors have passed the Fit and Proper Test requirement.

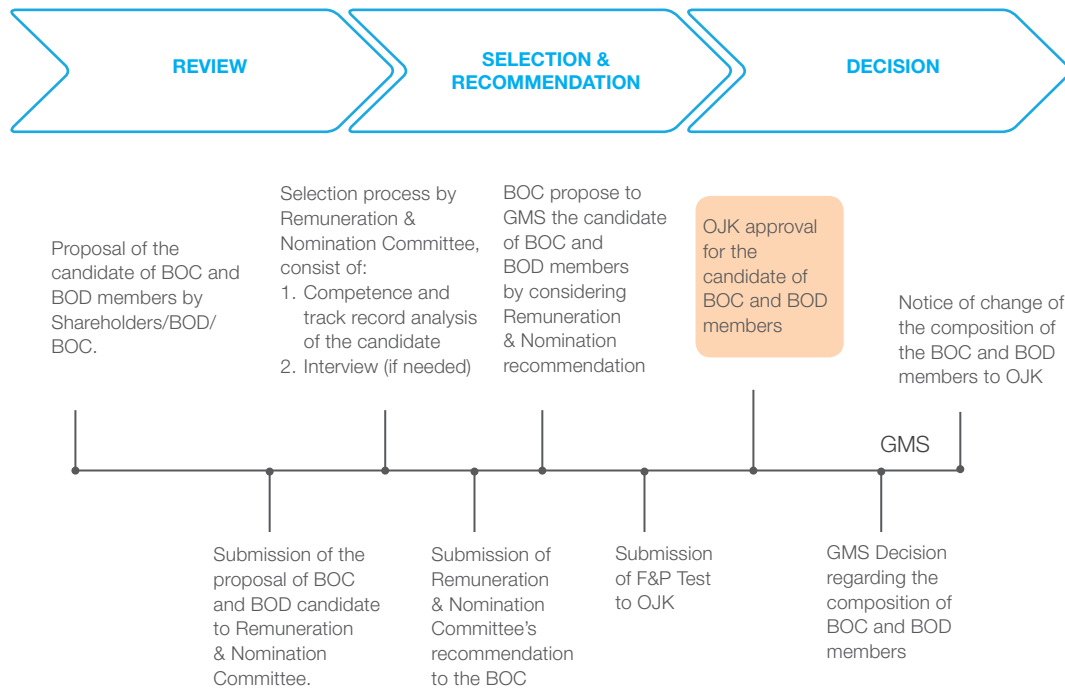
Nomination Policy of Member Board of Commissioners and Board of Directors

The nomination policy of members of Board of Commissioners and Board of Directors is conducted to select and/or replace member(s) of Board of Commissioners and Board of Directors who will then submitted to General Meeting of Shareholder.

The candidate selection process is conducted by the Remuneration and Nomination Committee, who will consider the competence and professional experience, as well as composition diversity without discriminating gender, ethnicity, racial background and religion.

The Remuneration and Nomination Committee recommends selected candidates to the Board of Commissioners for approval and ratification in the General Meeting of Shareholders.

Below is the Board of Commissioners and Board of Directors nomination process:



Board of Commissioners

The Board of Commissioners has, among others, the following duties and responsibilities

The Board of Commissioners has, among others, the following duties and responsibilities:

- Ensure the implementation of Good Corporate Governance at every business of the Bank and at all levels of the organization.
- Monitor the implementation of the Board of Directors duties and responsibilities as well as to provide advice to the Board of Directors.
- Direct, monitor and evaluate the implementation of the Bank's strategic policies.
- Provide sufficient time to fulfill its duties and responsibilities optimally.
- Ensure the Board of Directors has followed up on audit findings and recommendations submitted by the Internal Audit, external auditor, monitoring result from Financial Services Authority and/or other regulatory authorities.

Furthermore, the duties and responsibilities of President Commissioner among others:

- Lead the Board of Commissioners in performing their supervisory duties.
- Function as the Chairman for the Board of Commissioners Meeting and GMS.
- Receive reports from the Board of Commissioners Committees.

The Board of Commissioners Charter

In performing its duties and responsibilities, members of the Board of Commissioners are guided by the Board of Commissioners' Charter. The Charter is periodically updated and revised in accordance to the prevailing laws and regulations. The latest amendment was approved on 24 March 2017.

The Board of Commissioners Charter covers:

1. Organization
2. Independency
3. Duties and responsibilities
4. Establishment of Committees
5. Function of the President Commissioner
6. Meetings
7. Conflict of Interest
8. Transparency
9. Term of Office
10. Work Ethics
11. Working hour
12. Accountability of the Board of Commissioners
13. Training

Composition, Diversity and Independency of Members of the Board of Commissioners

Members of the Board of Commissioners are appointed by the General Meeting of Shareholders (GMS) based on recommendations from the Remuneration and Nomination Committee and effective on the date specified in the GMS and ended at the closing of the third GMS after the date of appointment.

The composition of the Board of Commissioners is stipulated considering the Bank's requirements and complexities. The composition of the Board of Commissioners is based on expertise, professional experiences and background in order to support the effectiveness in carrying out the duties of the Board of Commissioners without discriminating gender, ethnicity, racial background and religion.

BTPN has complied with the prevailing laws and regulations in relation to the independence of its Board of

Commissioners, among others:

- Members of the Board of Commissioners have fulfilled the required number, composition, criteria and independency in line with OJK regulations. The Board of Commissioners consists of 5 members, where 3 members or more than 50.0% are Independent Commissioners. The Independent Commissioners have fulfilled the independence criteria based on OJK regulations.
- Replacement and appointment of the Board of Commissioners' members has taken into account the recommendation of the Remuneration and Nomination Committee.
- Every Board of Commissioners member has no family relation up to the second degree with other Board of Commissioners and/or Board of Directors members.
- Members of the Board of Commissioners do not hold any concurrent position in accordance with OJK Regulation.

In the implementation of duties and responsibilities of the Board of Commissioners, the role of Independent Commissioner is crucial, especially in the supervision function of the Board of Director's performance, to prevent conflicts of interest as well as to improve independency and objectivity.

Independent Commissioner Criteria

Independent Commissioner shall fulfill the requirements as follows:

- 1) He/she has no financial relation, position, share ownership and/or family relation with members of the Board of Commissioners, Board

of Directors and/or Controlling Shareholders or relating to the Bank, which may affect the ability to act independently;

- 2) He/she is not a person who works or has authority and responsibility in planning, leading, controlling, or monitoring the Bank's activities within the last 1 year, except for reappointment as Independent Commissioner in the continuing period;
- 3) He/she does not have shares both directly and indirectly at the Bank;
- 4) He/she does not have any affiliation with the Bank, members of the Board of Commissioners, members of the Board of Directors or the Bank's controlling shareholders; and
- 5) He/she does not have business relationship both directly and indirectly related to the Bank's business activities.

Orientation

BTPN ensures that all members of Board of Commissioners who have just taken office acquire the needed information related to the Company to be able to carry out their duties and responsibilities. The duty of Corporate Secretary is to provide the necessary information. During 2017, there was 1 new member of Board of Commissioners (Shinichi Nakamura) who went through orientation.

Monitoring Report and Recommendation of the Board of Commissioners

Board of Commissioners had actively supervised the management and operations of the Bank and provided advice to the Board of Directors. The Board of Commissioners continues to

monitor and ensure the implementation of corporate governance in all Bank activities. Supervision is focused on achieving business targets and takes into account prudent risk management and regulatory compliance.

Supervision is performed directly through the monitoring of complete action plan on the Board of Commissioners recommendations to the Board of Directors, as well as through established committees. Throughout 2017, Board of Commissioners has supervised these strategic aspects of the Bank, including:

1. Financial performance reviews of the Bank and its Subsidiaries.
2. Through Risk Monitoring Committee, reviews were carried out on risk management, internal control system adequacy, and compliance culture implementation.
3. Ensuring that the Board of Directors has followed up findings from Internal Audit and External Audit as well as recommendations from Internal Audit through the Audit Committee.
4. Board of Commissioners approved the recommendations from the Remuneration and Nomination Committee in determining the remuneration of Board of Commissioners' and Board of Directors' members as well as the Gemilang project.
5. Approval of the revision of the Bank Business Plans (RBB) 2017-2019.
6. Reviewed and approved the Bank Business Plans (RBB) 2018-2020.
7. Monitoring the implementation of the Integrated Corporate Governance and Risk Management.

8. Board of Commissioners' approval of the Annual Work Plans of Audit Committee and Risk Monitoring Committee.
9. Board of Commissioners continuously monitored the implementation of corporate governance and compliance with applicable regulations, including financial ratios, the Bank's Soundness (RBBR), Anti Money Laundering and Counter the Financing of Terrorism (AML & CFT) and risk management implementation.

Board of Commissioners Meeting and Board of Commissioners inviting Board of Directors Meeting

The schedule and agenda of the Board of Commissioners Meeting and Board of Commissioners Meeting inviting the Board of Directors had been decided by the Board of Commissioners Meeting based on Minutes of Meeting No. MOM/BOC/005/XI/2016 dated 21 November 2016 for schedule and agenda in 2017 and MOM/BOC/006/XI/2017 dated 22 November 2017 for schedule and agenda in 2018. Meeting materials and minutes of meeting were distributed for the participants and were well documented.

The Board of Commissioners held regular meetings with the Board of Directors as part of its supervisory function effectively on strategic, financial, operations, internal control system, compliance, risk management, and governance aspects.

Meetings were attended in person or through teleconferencing technology by the Board of Commissioners. During

2017, the Board of Commissioners has attended in person by all the Board of Commissioners members as much as 2 times from 6 meetings where attendance level of the majority of the Board of Commissioners members were more than 75%.

Decision making in meetings was carried out amicably. During 2017, there were no dissenting opinions in the meetings organized.

Meeting Policy

Meeting policy is contained in the Board of Commissioners Charter, which includes:

- a. The Board of Commissioners meeting shall be held periodically at least 1 (one) time in 2 (two) months.
- b. The Board of Commissioners meeting shall be attended by all members of the Board of Commissioners in person at least 2 (two) times a year.
- c. Board of Commissioners shall organize joint meetings with the Board of Directors periodically at least 1 (one) time in 4 (four) months.
- d. The Board of Commissioners shall schedule the next year's meetings before the end of the financial year.
- e. The Board of Commissioners meeting is led by the President Commissioner or in terms of absent, another Commissioner designated in the meeting.
- f. Decision-making in the Board of Commissioners meeting is based on deliberations and consensus.
- g. In the event that consensus cannot be obtained, decision-making is done in amicably decision.

- h. Any decision that is determined lawfully in the Board of Commissioners meeting adheres to all members of the Board of Commissioners.
- i. Dissenting options that occur in a Board of Commissioners meeting shall be clearly noted in the minutes of meeting including the reason for the dissenting option.

Attendance Level of the Board of Commissioners

Commissioner	BOC Meeting	%	Meeting			
			BOC Inviting BOD	%	BOD Inviting BOC	%
Mari Elka Pangestu	5/6	83%	2/3	67%	5/6	83%
Irwan Mahjudin Habsjah	5/6	83%	3/3	100%	5/6	83%
Arief Tarunakarya Surowidjojo	6/6	100%	3/3	100%	6/6	100%
Chow Ying Hoong	5/6	83%	3/3	100%	5/6	83%
Hiroshi Higuma**	1/2	50%	0/1	0%	1/2	50%
Shinichi Nakamura*	4/4	100%	2/2	100%	4/4	100%

*) appointed as member of the Board of Commissioners effective since 24 Maret 2017

**) no longer served as a member of the Board of Commissioners effective 24 Maret 2017

Board of Commissioners' Meeting Agenda

Date of Meeting	Meeting Agenda
14 February 2017	<ol style="list-style-type: none"> 1. Updates on Integrated Corporate Governance 2. Updates from Remuneration and Nomination Committee
24 March 2017	<ol style="list-style-type: none"> 1. Updates from Audit Committee and Risk Monitoring Committee 2. Decisions on remuneration for Board of Commissioners and Board of Directors
10 June 2017	<ol style="list-style-type: none"> 1. Updates from Audit Committee and Risk Monitoring Committee
11 August 2017	<ol style="list-style-type: none"> 1. Board Commissioners' approval of Gemilang project through recommendations from Remuneration and Nomination Committee
17 October 2017	<ol style="list-style-type: none"> 1. Updates from Remuneration and Nomination Committee on Gemilang project 2. Work report of Audit Committee and Risk Monitoring Committee, June – September 2017
22 November 2017	<ol style="list-style-type: none"> 1. Board of Commissioners' 2018 Work Plan 2. Approval of Audit Committee's and Risk Monitoring Committee's 2018 Work Plans 3. Work report from Audit and Risk Monitoring Committees' visit to Semarang

Board of Commissioners Inviting Board of Directors' Meeting Agenda

Date of Meeting	Meeting Agenda
14 February 2017	<ol style="list-style-type: none"> 1. Integrated Risk Management 2. Annual General Meeting of Shareholder (AGMS) Agenda
9 June 2017	<ol style="list-style-type: none"> 1. Updates on Indonesia's Economic Condition and Economic Outlook of 2017 and 2018 2. Political Review by Yunarto Widjaya 3. Micro Services And Agile Development by Michael Gryseels, McKinsey 4. Updates on Jenius 5. Updates on BTPN Wow! 6. BTPN's Information Technology Strategies 7. Updates on Gemilang Project
22 November 2017	<ol style="list-style-type: none"> 1. Political Outlook by Burhanuddin Muhtadi 2. Economic Outlook by Raden Pardede 3. BOC approval for 2018 Business Plan

Board of Commissioners Performance Assessment

Board of Commissioners Performance Assessment Implementation Procedures

The Board of Commissioners performance assessment carried out based on the criteria, which was assigned by considering the duties and responsibilities in accordance with prevailing regulations and the Articles of Association and the Bank's internal policy.

Performance Assessment was performed on annual basis of self-assessment to assess the performance of the Board of Commissioners collegially.

Board of Commissioners Performance Assessment Criteria

Self-assessment of the Board of Commissioners performance at the least contains Good Corporate Governance implementation at each of the Bank's line of business, and supervisory of the Board of Director's implementation of their duties and responsibilities.

Performance Assessment

- Board of Commissioners performance assessment is conducted on an annual basis by the President Commissioner based on the Board of Commissioners duties and responsibilities.
- Board of Commissioners performance assessment is one of the base consideration for the Remuneration and Nomination Committee in recommending the Board of Commissioners to appoint a member and

to formalize the Board of Commissioners remuneration structure.

- Board of Commissioners performance is reported to the Shareholders during GMS within the Annual Report.

Performance Assessment of the Board of Commissioners' Committees

During 2017, committees under the supervision of the Board of Commissioners had done their supervision duties well through regular meetings with the Board of Directors and making site visits to branch offices to ensure implementation of compliance, accountability, and governance.

Board of Directors The Board of Directors Duties and Responsibilities

The Board of Directors has among others the following duties and responsibilities:

- a. The Board of Directors takes full responsibility for managing the Bank.
- b. The Board of Directors has obligations to manage the Bank according to the authority and responsibility outlined in the Bank's Articles of Association and prevailing laws and regulations.
- c. The Board of Directors has the obligation to implement Good Corporate Governance principles in all Bank activities across all levels of the organization.
- d. The Board of Directors is responsible for following up audit findings and recommendations submitted by the Internal Audit

Unit, external auditor, Financial Services Authority and/or other regulatory authorities.

Scope of Work and Distribution of Duties among the Board of Directors

President Director:

- a. Coordinates the management of the Bank as outlined in the Bank's Articles of Association and the resolutions of the GMS based on the prevailing laws and regulations.
- b. Together with the Bank's Deputy President Directors, coordinates and directs the strategic policies, as well as oversees the respective Directors to ensure effective and efficient.

Deputy President Director:

- a. Supporting the President Director in coordinating and directing the strategic policies of the Directors under their respective coordination.
- b. Ensures effectiveness of implementation of duties and responsibilities of Directorates under their respective coordination includes the development and innovation products and services, networking and business model, as well as the operational, policy and strategy of Human Capital.

Compliance Director:

- a. Formulates strategies to build the Bank's Compliance Culture and submits proposals on compliance policies or compliance principles to be approved by the Board of Directors.
- b. Ensures that all policies, regulations, systems and procedures, as well as the Bank's

business activities, in compliance with the prevailing rules and regulations.

Information Technology Director:

- a. Leads and coordinates information technology policies and strategies.
- b. Coordinates the development and planning of an effective and efficient information technology to support business units.

Finance Director:

- a. Leads and directs the Bank's financial policies and strategies, including a comprehensive short term, mid term and long term financial targets.
- b. Coordinates and give strategic direction related to the Bank's funding.
- c. Directs and coordinates the preparation of the Bank's Business Plan and corporate actions.

Risk Management Director:

- a. Coordinates implementation of risk management policy and strategy.
- b. Provide strategic direction related to risk management implementation.

The Board of Directors Charter

In carrying out its duties and responsibilities, members of the Board of Directors are guided by the Board of Directors Charter. The Charter is periodically updated and revised in accordance to the prevailing laws and regulations.

The Board of Directors Charter covers:

1. Organization
2. Independency

3. The Board of Directors Duties and Responsibilities
4. Duties of the President Director
5. Compliance Director
6. Meetings
7. Conflict of Interest
8. Transparency
9. Term of Office
10. Relationship with Stakeholders
11. Work Ethics
12. Working Hour
13. Training

Orientation

President Director ensures that newly appointed members of the Board of Directors receive information related to the Bank to be able to carry out their duties and responsibilities. The Corporate Secretary has the duty to provide the necessary information. During 2017, no new members of the Board of Directors conducted the orientation.

Independence and Diversity of the Board of Directors' Members

Appointment of members of the Board of Directors is conducted by the General Meeting of Shareholders (GMS) after considering the recommendations from the Remuneration and Nomination Committee and has passed fit and proper test from OJK is effective from the date set out in the GMS and ending at the closing of the third GMS after the date of appointment.

Referring to the Decree of the Board of Directors of the Indonesia Stock Exchange No. KEP-00001/BEI/01-2014, based on the Extraordinary General Meeting of Shareholders dated 15 January 2015, it was

designated that two Directors were to serve as Independent Directors, namely the President Director and Compliance Director. The term of office for the Independent Directors is at most two (2) consecutive terms.

Determination of the composition of the Board of Directors is done by considering the needs and complexity of the Bank. Composition of the Board of Directors is based on banking knowledge, skills, professional experience, and background to support the effective implementation of the Board of Directors' duties, regardless of gender, ethnicity, race and religion. There are seven Directors of the Bank, one of whom is a female Director.

Implementation of the Duties and Responsibilities of the Board of Directors

In carrying out its duties, Board of Directors holds regular meetings to discuss strategic matters that require consideration and approval from Board of Directors. Throughout 2017, Board of Directors meetings have discussed the following:

1. Financial performance monitoring of the Bank and its Subsidiaries
2. Performance evaluation of business units and subsidiaries for set targets and monitoring of new business initiatives.
3. Review of information technology (IT) implementation and the Bank's operations, as well as initiatives in IT and operations.
4. Approval of Business Units' and Supporting Units' strategic plans.

5. Approval of the realization of promotion and employee salary adjustment in 2017.
6. Review of risk management implementation, compliance, and internal control as well as the implementation monitoring of Anti-Money Laundering and Prevention of Terrorist Financing policies, including reviews of regulations/stipulations from regulators and their effects to the Bank.
7. Monitoring the follow-ups on audit findings from Internal and External Audit as well as supervision results from OJK and other authorities.
8. Review of internal fraud, whistle blowing system, and follow-up efforts.
9. Evaluation of Daya initiative and its program implementation.
10. Approval of Bank Business Plans (RBB) 2018-2020.

Board of Directors' Meeting and Board of Directors' Inviting Board of Commissioners Meeting

The schedule and agenda of the Board of Directors Meeting and Board of Directors Meeting inviting the Board of Commissioners had been decided by the Board of Directors Meeting based on Minutes of Meeting No. MOM/BOD/03/1/2017 dated 24 January 2017 for schedule and agenda in 2017 and MOM/BOD/36/XII/2017 dated 5 December 2017 for schedule and agenda in 2018. Meeting materials and

minutes of meeting were distributed for the participants and were well documented.

During 2017, the Board of Directors held 37 Board of Directors meetings and 6 Board of Directors Meetings Inviting the Board of Commissioners. The majority of members of the Board of Directors had an attendance rate to these meetings of more than 75%.

Decision-making in the meetings is conducted amicably. In 2017, there were no dissenting opinions regarding the meetings' decisions.

Board of Directors Meeting Policy

- a. The Board of Directors must convene a Board of Directors meeting periodically, at least one time in each month.
- b. The Board of Directors Meeting may proceed if attended or represented a majority of the Board of Directors.
- c. The Board of Directors must convene Board of Directors Meeting Inviting the Board of Commissioners periodically, at least 1 (one) time in 4 (four) months.
- d. The Directors should schedule the meetings for the next year before the end of the fiscal year.
- e. At the scheduled meetings, the meeting materials have to be

delivered to the participants no later than five (5) days before the meeting is held.

- f. In the event of a meeting held out of the schedule that have been intended beforehand, the meeting materials must be submitted to the meeting at the latest before the meeting is held.
- g. Each policy and strategic decision shall be decided by a Board of Directors meeting with due regard to the applicable regulations.
- h. Board of Directors Meetings are chaired by the President Director, or in the case that the President Director is absent, another Director appointed in said meeting may chair the meeting and it does not need to be proven to any third party.
- i. Decision-making in the Board of Directors Meetings is done by consensus.
- j. In the event that deliberation and consensus is not possible, decision-making is done by a majority vote.
- k. All decisions decided legally in the Board of Directors Meetings are binding to all members of the Board of Directors.
- l. Any dissenting opinion in the Board of Directors Meeting shall be clearly stated in the minutes of the meeting, along with the reasons for such dissent.

Board of Directors' Attendance in Meetings

Directors	BOD Meeting	%	Meeting			
			BOC Inviting BOD	%	BOD Inviting BOC	%
Jerry Ng	26/37	70%	3/3	100%	6/6	100%
Ongki Wanadjati Dana	35/37	95%	3/3	100%	6/6	100%
Djemi Suhenda	27/37	73%	3/3	100%	6/6	100%
Anika Faisal	31/37	84%	3/3	100%	6/6	100%
Kharim Indra Gupta Siregar	35/37	95%	3/3	100%	5/6	83%
Arief Harris Tandjung	34/37	92%	3/3	100%	6/6	100%
Wolf Arno Kluge	35/37	95%	3/3	100%	5/6	83%

Board of Directors' Meeting

Dates of Meeting	Meeting Agenda
10 January 2017	Internal Audit Update
17 January 2017	Financial Result December 2016 Update
24 January 2017	<ol style="list-style-type: none"> Corporate Agenda Operations Update Project Alibaba
31 January 2017	<ol style="list-style-type: none"> Q4 2016 Compliance Update BOD Approval
6 February 2017	<ol style="list-style-type: none"> BTPN Syariah Financial Performance FY 2016 Internal Audit Update Q4 2016 Fraud Management Unit Update
21 February 2017	<ol style="list-style-type: none"> Daya Update IT Update Key Strategic Initiative Financial Performance YTD Jan 2017
28 February 2017	<ol style="list-style-type: none"> Brand Health Checking BTPN Wow by PT The Nielson Company Indonesia Operations Update BTPN Wow! Update Jenius Update
14 March 2017	<ol style="list-style-type: none"> Financial Performance YTD Feb 2017 SME & UMK Business Update Pension Business Update Funding Business Update
21 March 2017	<ol style="list-style-type: none"> HC Committee Recommendation Project Gemilang Operations Update Jenius Update BTPN Wow! Update
3 April 2017	<ol style="list-style-type: none"> BTPN Syariah Financial Update Feb 2017 YTD Internal Audit

Dates of Meeting	Meeting Agenda
	<ol style="list-style-type: none"> 3. Investigation result of KC Kebun Jeruk (Purna Bakti) 4. Project Gemilang; People Planning 5. Key Strategic Initiative Update
11 April 2017	<ol style="list-style-type: none"> 1. Financial Performance YTD March 2017 2. IT Update to BOD 3. Communication Update
18 April 2017	<ol style="list-style-type: none"> 1. Project Gemilang 2. Operations Update 3. Jenius Update 4. BTPN Wow! Update 5. Update project Apollo (MUR 2.0)
25 April 2017	<ol style="list-style-type: none"> 1. Q1 2017 Compliance Update 2. Q1 2017 Fraud Management Unit Update
9 May 2017	<ol style="list-style-type: none"> 1. Financial Performance YTD April 2017 2. SME & UMK Business Update 3. Funding Business Update 4. Pension Business Update
16 May 2017	<ol style="list-style-type: none"> 1. Worldwide cyber attack 2. Operations Update 3. Jenius Update 4. BTPN Wow! Update 5. Project Gemilang oleh
23 May 2017	Key Strategic Initiative Update
6 June 2017	<ol style="list-style-type: none"> 1. BTPN Syariah Financial Update April 2017 YTD 2. BOD approval of RBB revision 3. Brief Change readiness Workshop
13 June 2017	<ol style="list-style-type: none"> 1. Internal Audit Update 2. Financial Performance YTD May 2017 3. Bi Monthly IT Update
20 June 2017	<ol style="list-style-type: none"> 1. Operations Update 2. BTPN Wow! Update
11 July 2017	<ol style="list-style-type: none"> 1. Pension Business Update 2. Communication Gemilang Update 3. Internal Audit Update 4. Q2 2017 Fraud Management Unit 5. Funding Business Update
18 July 2017	<ol style="list-style-type: none"> 1. Financial Performance June 2017 Update 2. Operations Update 3. Project Gemilang Update 4. Jenius Update

Dates of Meeting	Meeting Agenda
	<ul style="list-style-type: none"> 5. BTPN Wow! Update 6. Key Strategic Initiative Update
1 August 2017	<ul style="list-style-type: none"> 1. BTPN Syariah Financial Update July 2017 YTD 2. Project Gemilang Update 3. Compliance Update Q2 2017 4. Daya Update
8 August 2017	<ul style="list-style-type: none"> 1. Financial Performance YTD Jul 2017 2. Saving Rationalization 3. Project Gemilang
15 August 2017	<ul style="list-style-type: none"> 1. Operations Update 2. Project Gemilang 3. Jenius Update 4. BTPN Wow! Update 5. Key Strategic Initiative Update
29 August 2017	<ul style="list-style-type: none"> 1. Project Gemilang: Mitigation for potential PUR customer complaints 2. BOM Visit
5 September 2017	<ul style="list-style-type: none"> 1. Internal Audit update (Ciparay Fraud Case) 2. Project Gemilang : Command Centre
12 September 2017	<ul style="list-style-type: none"> 1. Financial Performance YTD August 2017 2. SME & MUR Business Update 3. Pension Business Update 4. Project Gemilang Update – Command Centre 5. IT Update
19 September 2017	<ul style="list-style-type: none"> 1. Internal Audit Update 2. Pembentukan team implementasi CRS 3. Operations Update 4. Update Taman Palem Case 5. Project Gemilang (SCM – Strategic Cost Management) 6. Jenius Update 7. BTPN Wow! Update 8. Key Strategic Initiative Update
3 October 2017	<ul style="list-style-type: none"> 1. Q3 2017 Fraud Management Unit Update 2. Project Gemilang Update – People Program
10 October 2017	<ul style="list-style-type: none"> 1. Financial Performance YTD Sep 2017 2. Q3 2017 BTPN Syariah Financial Update 3. Project Gemilang Update 4. Quality Assurance 5. Daya Update
18 October 2017	<ul style="list-style-type: none"> 1. Operations Update 2. Jenius Update

Dates of Meeting	Meeting Agenda
	<ol style="list-style-type: none"> 3. BTPN Wow! Update 4. Key Strategic Initiative Update
31 October 2017	<ol style="list-style-type: none"> 1. Compliance Update Q3 2017 2. QA Update 3. Block Leave Update 4. Post PPKS Potential Risk vs Mitigation.
8 November 2017	<ol style="list-style-type: none"> 1. Project Gemilang Update 2. Co-Working Space Project Investment 3. Block Leave update
14 November 2017	<ol style="list-style-type: none"> 1. Financial Performance YTD Oct 2017 2. BOD Approval of RBB 2018 3. Internal Audit Plan 2018 – 2020 4. SME & UMK Business Update 5. Pension Busienss Update
21 November 2017	<ol style="list-style-type: none"> 1. Jenius Update 2. BTPN Wow! Update 3. Business development update - Value chain and Structured loan product 4. Business development update - Agri business 5. IT Update
5 December 2017	<ol style="list-style-type: none"> 1. Internal Audit Update 2. IT Update 3. Approval of Corporate Agenda 4. Branch Consolidation Day 1
12 December 2017	<ol style="list-style-type: none"> 1. Financial Performance YTD Nov 2017 2. BTPN Syariah Update YTD Nov 2017 3. Project Gemilang Update

Board of Directors Inviting Board of Commissioners Meeting Agenda

Meeting Dates	Meeting Agenda
14 February 2017	<ol style="list-style-type: none"> 1. Audited Financial Performance of BTPN FY 2016 2. Financial Performance YTD January 2017 3. Audited Financial Performance of BTPN Syariah FY 2016
24 March 2017	<ol style="list-style-type: none"> 1. Financial Performance of BTPN YTD February 2017
10 June 2017	<ol style="list-style-type: none"> 1. Pension Business Dynamics 2. Multifinance Business Opportunities 3. BTPN Syariah IPO Plans 4. Financial Performance and Revision Approval of Bank Business Plan 2017 for OJK
11 August 2017	<ol style="list-style-type: none"> 1. Financial Performance YTD July 2017
17 October 2017	<ol style="list-style-type: none"> 1. Financial Performance of BTPN Q3 2017 2. Financial Performance of BTPN Syariah Q3 2017
22 November 2017	Project Gemilang Update

Directors Performance Assessment

Directors Performance Assessment Procedures

Performance assessment for the Board of Directors is based on the criteria as established by considering the duties and responsibilities, in accordance with prevailing regulations and the Articles of Association as well as the Bank's internal policies.

Performance Assessment is conducted through self-assessment annually, to assess the performance of the Board of Directors collegially.

Directors Performance Assessment Criteria

Self-assessment on the performance of members of the Board of Directors must at minimum contain the implementation with of the Bank's overall strategy, monitoring of risk management activities in their respective areas (risk management activities) and the application of the principles of good corporate governance.

Performance Assessment

- Evaluation of the performance of the members of the Board of Directors is performed by the Remuneration and Nomination Committee based on suggestion from the President Director.
- Report of the performance evaluation of the Board of Directors is presented to the shareholders at the GMS, set forth in the Annual Report.
- The results of the performance evaluation of the members of the Board of Directors will guide in determination of remuneration and nomination of the respective Director.

Directors Succession

Human Capital, through the process of talent management and succession planning, facilitates the assessment of the availability of candidates for the Board of Directors, and the potential for future development thereof. Succession is implemented through the identification of executive officer who possess such potential. Each member of the Board of Directors will submit a replacement candidate, and this will be evaluated by the Remuneration and Nomination Committee.

Assessment of the Performance of the Committees under the Board of Directors

During 2017, the committees under the supervision of the Board of Directors were actively involved in supporting the implementation of the tasks the Board of Directors to ensure that all strategies and key initiatives have been followed up.

Training for the Board of Commissioners and the Board of Directors

To increase their competency and to support the execution of their duties and responsibilities, members of the Board of Directors and the Board of Commissioners continues to participate in various training programs, conferences and strategic seminars in 2017, including:

Training	Organizer	Time and Venue
Board of Commissioners		
ERIA and IDE-JETRO Joint Workshop "New Normal, Integration and Inequality"	ERIA	Jakarta, 6 March 2017
Seminar <i>Kontribusi Analisa Ekonomi dalam Pengambilan Keputusan di Indonesia</i>	CSIS	Jakarta, 18 April 17
Seminar on the 50th Anniversary of ASEAN	CSIS	Jakarta, 26 July 17
Seminar: Mainstreaming Innovation in Indonesian Business	Prasetya Mulya	Jakarta, 24 November 17
Navigating The Future of Risk	ERMA, International Conference on ERM	Yogyakarta; 7 – 8 December 2017
Board of Directors		
Certification Training Treasury Dealer and Certification Exam.	LSPP	Jakarta, 25 March 2017
Clifton Strengths - Successful Strengths Coaching	Gallup	Jakarta, 18 May 2017
Refreshment Certification Level 5 Risk Management	RDS	Jakarta, 30 May 2017
Clifton Strengths - Coaching Individuals, Manager and Team	Gallup	Jakarta, 16 June 2017
Sosialisation of Common Report Standard (CRS)	PwC	Jakarta, 31 July 2017

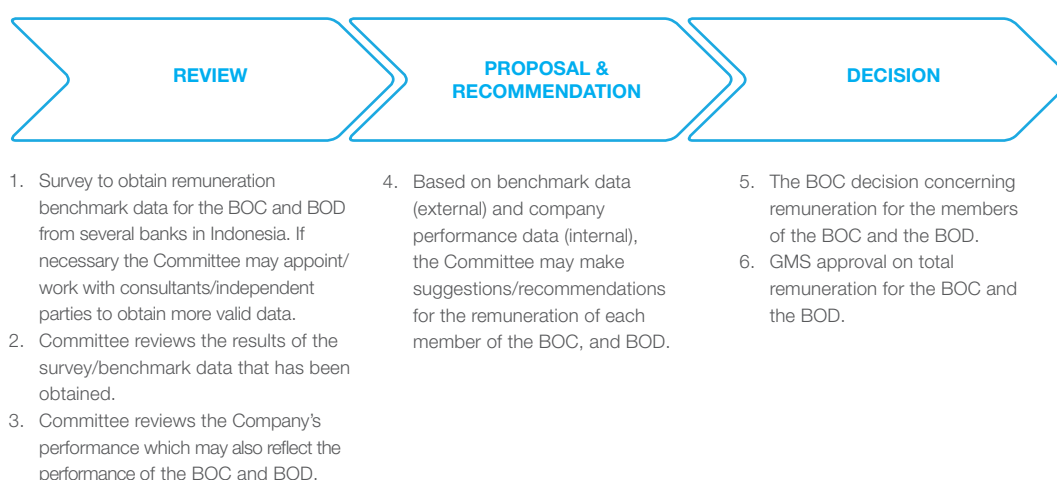
Remuneration Policy for Board of Commissioners and Board of Directors

The decision on remuneration and other facility referring to resolution for Board of Commissioners and Board of Directors made by shareholders determined in the GMS and considering recommendations provided by the Remuneration and Nomination Committee.

In determining the remuneration for each member of the Board of Directors, the Bank considers the overall performance and individual performance of each member of the Board of Commissioners and Board of Directors, fairness against

the peer group within the Bank and within the banking industry, and the Company's capability. The Company's performance, as one of the factor in determining remuneration of the members of the Board of Commissioners and Board of Directors, is reflected by the price of the Company's shares in the stock exchange.

Following is the process flow to determine the remuneration of members of the Board of Commissioners and Directors is as follows:



Board of Commissioners and Board of Directors Remuneration

Remuneration and other Benefits	Rupiah Amount Received (Gross) in 1 year			
	Board of Commissioners		Board of Directors	
	No. of Commissioners As of 31 December 2017	Rp Million	No. of Directors As of 31 December 2017	Rp Million
Salary, bonus, fix allowance, tantiem, and other facilities in cash ¹⁾	5	14,800	7	121,939
Other facilities (housing, health insurance and etc) that:				
a. May be owned	5	916	7	5,079
b. May not be owned	5	35	7	89
Total	5	15,750	7	127,107

1) Including remuneration for members of Board of Commissioners serving up to April 28, 2016 and Board of Directors serving up to April 28, 2016

Remuneration and other benefits amount per person in 1 year	No. of Commissioners	No. of Directors
Above 2 billion	3	7
Above 1 billion up to 2 billion	0	3
Above 500 million up to 1 billion	3	0
Below 500 billion	0	0

Note	Ratio*
Highest - lowest employee salary	105.00
Highest - lowest director salary	5.39
Highest - lowest commissioner salary	1.37
Highest Director - Highest Employee salary	4.35

*Ratio of highest and lowest salaries of members of Board of Commissioners and Board of Directors and permanent employees as of December 31, 2017 based on monthly net of salary

Remuneration Governance

Remuneration Policy Formulation

The objective of the Remuneration Policy is to ensure that remuneration is in accordance with the prevailing regulations, Bank's financial performance, individual performance, the fairness among the peer group in the Bank and in the banking industry as well as Bank's ability.

Remuneration is reviewed annual, including a review conducted for the remuneration of the Board of Commissioners, Board of Directors, and employees. The policy review is conducted regularly, including the fixed and variable remuneration. These reviews take into consideration the following factors: the rationality of the remuneration based on the ability of the Bank, compared with the peer group in the Bank as well as with other banks in the category/the same business and regulations relating to remuneration, for example, the minimum wage and labor laws.

The current remuneration policy does not distinguish between the control unit with the units supervised. Mechanisms that are implemented to ensure independence between the control unit and the units supervised through a different performance indicators and the decision making of control unit's remuneration would not involve the units supervised.

Remuneration Policy Scope and Implementation

The remuneration policy for employees applies to all employees across all

business units and regions; and it is implemented and monitored in a centralized manner at the Head Office.

Remuneration Associated with Risk

Type of main risk used in determining remuneration is a qualitative and quantitative risk. Criteria used in determining main risk i.e:

- a. Qualitative : Credit risk
- b. Quantitative : Top 0.05% from total employee who had the highest variable income.

Impact of the main risks determination toward Remuneration Policy, Bank will take into account the impact/ main risks in providing variable income.

Performance Assessment Associated with Remuneration

The Bank adheres to the principle of meritocracy in providing remuneration to its Directors and employees, both for fixed and variable remuneration. Individual remuneration is reviewed annually and adjustments are based on the performance of said individual, the fairness among the peer group in the Bank and in the banking industry as well as Bank's ability.

In the Performance Management of the Bank, each member of the Board of Directors and each employee has their respective individual targets as a basis for assessing the performance of said individual. The individual targets for Directors are also the targets for the unit/directorate he/she supervises, and are derived from the Bank's target, and then gradually brought to the subsequently lower levels as the targets of the smallest work units and

as the individual targets for employees at the bottom level of employment.

Individual performance is assessed based on the realization of the individual targets, and graded in the following categories: Outstanding, Very Good, Good, Need Improvement, and Poor. Adjustments to remuneration are based on assessment of individual performance, whereby the management provides guidance on the amount of adjustment of fixed and variable remuneration in accordance with their individual performance.

Adjustment of the Remuneration Associated with Performance and Risk

In order to comply with POJK and SEOK regarding the Implementation of Good Corporate Governance in Remuneration for Commercial Banks, variable income payment will be deferred within 3 years, with the following details:

- a. 80% variable Income will provide in cash in the first year.
- b. 20% Deferred Variable Income (10% cash, 10% shares) consists of:
 - 50% from Deferred Variable Income (10% cash) provided in cash in the second year.
 - 25% (50% from 10% shares) provided in shares, provided in second year.
 - 25% (50% from 10% shares) provided in shares, provided in third year.

External Consultants

The Bank has engaged the services of external consultants (Towers Watsons and Mercer) to obtain

remuneration data from the banking industry. External consultants are tasked to obtain the information or data regarding fixed and variable remuneration for certain positions in some banks that match the type of business and operations of the Bank's. The data is then recorded by the consultants through a remuneration survey participated by several banks and/or via internal research done by the consultants.

Variable Remuneration

Variable remuneration comprises of Incentives, Performance Bonus and MESOP. Incentives are given based on individual performance and given to employees as a sales, service and collection. Incentives are paid monthly, quarterly, and annually.

Performance bonuses are awarded based on the performance of the Bank, related units, and individual performance, and paid in the following year. Performance bonus is calculated at the discretion of the management and is provided in accordance with the performance and financial condition of the Bank. The performance bonuses are awarded annually, and also to employees who do not receive incentives, the Directors and Commissioners.

MESOP/ESOP (Management and Employee Stock Option Program) entitles the option to purchase a number of shares of the Bank at a fixed price to the Directors and employees at certain levels. The amount of MESOP granted to Directors and employees at a certain level is based on individual

performance, with the purpose being as a reward for their performance and to improve the performance/contribution of the individual to the performance of the Bank in the future, which may increase the value of the Bank's share price and as a retention program for key talent and top performer.

Position and Number of Persons as Material Risk Takers

The positions that are included in the category of material risk takers are member of the Board of Directors

Implicit & Explicit Adjustments

Up to the present, on the remuneration awarded/promised to employees and management, no implicit nor explicit adjustments have been made.

Remuneration and Benefits for Board of Directors and Board of Commissioners

	2017*)		2016*)	
	Headcount	Total	Headcount	Total
Directors	7	127,107	11	118,454
Commissioners	5	15,750	6	15,718

*) in million

Number of Directors, Commissioners and Employees Receiving Variable Remuneration in 1 (One) Year and Total Amount

Fixed category

	2017*)	2016*)
Directors	47,864	36,410
Commissioners	8,887	7,927
Employee	1,606,933	1,550,744

*) in million

Variable category

	2017		2016	
	Headcount	Total	Headcount	Total
Directors	11	77,100,000,000	11	79,100,000,000
Commissioners	4	5,933,000,000	4	7,000,000,000
Employee Bonus	-	164,580,658,708	-	126,828,006,990
Employee Incentive	-	27,290,070,548	-	50,911,786,583

Shares Option Owned by Directors, Commissioners, and Executive Officers

	2017	2016
Directors	26,800,000	26,800,000
Commissioners	-	-
Executive Officer	69,270,000	86,785,000

Ratio of Highest to Lowest Employee Salary

	2017	2016
Rasio	105.00	109.29

Total Variable Remuneration Deferred

	2017		2016	
	Headcount	Total	Headcount	Total
Deferred Bonus (Net)	-	-	-	225,450,000
MESOP 2015-2020	231	105,350,000	269	115,445,000
ESOP2016-2021	259	48,990,000	295	52,865,000

There is no variable remuneration deferred that is paid in 1 (One) Year.

Disclosure of Share Ownership, Financial Relations, and Family Relations of Members of Board of Commissioners and Board of Directors

In accordance with Financial Services Authority Regulations and Corporate Governance Policy in relation to Share Ownership Report or Changes to BOD's Share Ownership, throughout 2017 there was a BTPN share purchase transaction conducted by BOD and the report of changes to share ownership has been made in compliance with applicable regulations. The following table shows the share ownership of BOC and BOD members as of 31 December 2017:

Name	Total Share	Percent Share	Status
Board Of Commissioners			
Mari Elka Pangestu	0	0.00%	President Commissioner (Independent)
Irwan Mahjudin Habsjah	0	0.00%	Commissioner (Independent)
Arief Tarunakarya Surowidjojo	0	0.00%	Commissioner (Independent)
Chow Ying Hoong	0	0.00%	Commissioner
Shinichi Nakamura	0	0.00%	Commissioner
Board Of Directors			
Jerry Ng	25,504,500	0.44%	President Director (Independent)
Ongki Wanadjati Dana	11,255,000	0.19%	Deputy President Director
Djemi Suhenda	13,860,000	0.24%	Deputy President Director
Anika Faisal	4,600,000	0.08%	Compliance Director (Independent)
Arief Harris Tandjung	11,975,000	0.21%	Director
Kharim Indra Gupta Siregar	1,130,500	0.02%	Director
Wolf Arno Kluge	0	0.00%	Director

As of 31 December 2017, there was no member of Board of Commissioners and Board of Directors who owned up to 5% share at BTPN and other banks, other financial institutions, or companies in Indonesia and other countries. Every member of Board of Commissioners and Board of Directors is required to immediately disclose every transaction plan to the Company or the Corporate Secretary.

Members of Board of Commissioners and Board of Directors do not have up to second degree family relations with other members of Board of Commissioners, Board of Directors, and/or controlling shareholders of BTPN.

All Independent Commissioners and members of Board of Directors do not have any financial relations with the Controlling Shareholders.

The family and financial relations of members of Board of Commissioners and Board of Directors are presented in the following table:

Name	Family Relation With						Financial Relation With					
	Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
DEWAN KOMISARIS												
Mari Elka Pangestu	-	√	-	√	-	√	-	√	-	√	-	√
Irwan Mahjudin Habsjah	-	√	-	√	-	√	-	√	-	√	-	√
Arief T. Surowidjojo	-	√	-	√	-	√	-	√	-	√	-	√
Chow Ying Hoong	-	√	-	√	-	√	-	√	-	√	√	-
Shinichi Nakamura	-	√	-	√	-	√	-	√	-	√	√	-
DIREKSI												
Jerry Ng	-	√	-	√	-	√	-	√	-	√	-	√
Ongki Wanadjati Dana	-	√	-	√	-	√	-	√	-	√	-	√
Djemi Suhenda	-	√	-	√	-	√	-	√	-	√	-	√
Anika Faisal	-	√	-	√	-	√	-	√	-	√	-	√
Kharim Indra Gupta Siregar	-	√	-	√	-	√	-	√	-	√	-	√
Arief Harris Tandjung	-	√	-	√	-	√	-	√	-	√	-	√
Wolf Arno Kluge	-	√	-	√	-	√	-	√	-	√	-	√

Share Buy Back and Buy Back

Share Buy Back and sub debt Buy Back are efforts to reduce the number of company issued shares or sub debt by buying them back, which the process referring to prevailing laws and regulations.

Throughout 2017, there's no shares and sub debt buyback performed by the Bank

Share Option

Year of 2015

BTPN plans to hold Management & Employee Stock Options Program (MESOP) by issuing the Option Rights to buy new shares from portepel ("Option Rights") without preemptive rights to shareholders of the Company for the period from 2015 to 2020 ("Option Rights Program") with exercise price which will be set based on the Decree of Board of Directors of the Indonesian Stock Exchange No.Kep-00001/BEI/01-2014 dated January 20, 2014 regarding the Amendment to the Regulation Number I-A concerning Listing of Shares (stock) and Equity- Type Securities Other Than Stock Issued by the Listed Company ("Regulation No. I-A").

The Option Rights Program by the Company shall refer to Financial Services Authority Regulation No. 38/POJK.04/2014 dated December 29, 2014 concerning Capital Increase Without Preemptive Rights.

Based on the Deed of Extraordinary General Meeting of Shareholders No. 50 dated 26 March 2015, by Notary Hadijah, SH, in Jakarta, the shareholders approved the Company to perform the Management and Employee Stock Option Program (MESOP Program 2015).

Benefit Option Rights Program for the Company:

1. Option Rights Program is to improve the sense of ownership to the Company, which will improve the individual performance of the participants of Option Rights Program, and at the end will improve the performance of the Company.
2. With the grant of the Option Rights to purchase shares under management and employee stock ownership program, it is expected to achieve a harmonious interest of the Company with the interest of the Program Participants.
3. Giving reward and incentive the contribution of the program participants for this will drive the performance of key management and employees of the Company.
4. The granting of the Option Rights will increase the loyalty of program participant, as well as improve the Company performance in the future by building up a transparent program, measurable and assurance of the implementation.

The Option Rights issued in each phase shall expire on March 26, 2020 within 5 years since the date of approval of the Company Extraordinary General Meeting of Shareholders which is approved the Option Rights Program.

Details of the Option Rights are presented in the following table:

Date of Option Rights	Exercise per Share (in Rupiah)	Number of Shares (in thousand)
15 April 2015	4,000	141,575
10 Juli 2015	4,000	-
9 October 2015	4,000	-
8 January 2016	4,000	-
11 April 2016	4,000	-
11 Juli 2016	4,000	-
10 October 2016	4,000	10,500

The exercise period will be divided into 6 periods as follows:

1. Period I starting on 1 May 2017
2. Period II starting on 6 November 2017
3. Period III starting on 7 May 2018
4. Period IV starting on 5 November 2018
5. Period V starting on 6 May 2019
6. Period VI starting on 2 December 2019

All will be held for 30 stock exchange days.

The Exercise Price of the Option Right shall be refer to the Decision of the Board of Directors of PT Bursa Efek Indonesia No:Kep-00001/BEI/01-2014 dated 30 January 2014 regarding Amendment to the Rule Number I-A concerning Listing of Shares (Stock) and Equity Type Securities Other Than Stock Issued by the Listed Company at least 90% of the average of closing price of the Company at Indonesian Stock Exchange during 25 (twenty five) consecutive stock exchange days before the date of the report on the Implementation Plan of the Option Rights Program. The Company decided the exercise price for all the option rights which will be issued amounted Rp4,000 per share. The number of shares that can be issued within Option Rights Program is maximum 233,611,491 shares or 4% from the issued and fully paid up capital of the Company.

Exercise Period of MESOP Program 2015

Phase	Number of Options	Number of Stock Options Offered	Number of Stock Options Executed	Number of Stock Options Forfeited	Exercise Price
I	131,445,000	39,433,500	-	240,000	-
II	129,235,000	38,770,500	-	135,000	-

Year of 2016

Based on the Deed of Extraordinary General Meeting of Shareholders No. 60 dated 29 April 2016 by Notary Hadijah, SH, in Jakarta, the shareholders approved to perform Employee Stock Option Program to the Employees at certain levels of the Company and Employees at certain levels of the Controlled Company (Option Rights Program 2016).

As program implementation to retain the employees with high performance, therefore in order to enhance the sense of company ownership and to achieve a harmonious interest of the Company with the interest of the Employees, besides the MESOP Program 2015, The Board of Commissioners has also prepared an incentive program to the employees of the Company and employee of the Controlled Company that shall be granted option rights to order and purchase new shares which will be issued by the Company by paying at a special price called the Exercise Price (ESOP Program 2016).

The Option Rights issued in each phase shall expire in 29 April 2021 within 5 years since the date of approval of the Company Extraordinary General Meeting of Shareholders, which is approved the Option Rights Program.

Details of the Option Rights during 2017 are presented in the following tables:

Date of Option Rights	Exercise per Share (in Rupiah)	Number of Shares (in thousand)
15 June 2016	2,617	56.645.000
9 September 2016	2,617	-
9 December 2016	2,617	-
10 March 2017	2,617	-
12 June 2017	2,617	-
11 September 2017	2,617	-
11 December 2017	2,617	-

The exercise period will be divided into 6 periods as follows:

1. Periode I starting on 28 May 2018
2. Periode II starting on 17 December 2018
3. Periode III starting on 28 May 2019
4. Periode IV starting on 19 December 2019
5. Periode V starting on 1 June 2020
6. Periode VI starting on 17 December 2020

All will be held for 30 stock exchange days.

Certain conditions that may affect the rights and membership of the Option Rights Program are as follows:

Condition	Consequences
Reach retirement age /early retirement /contract term of expiration due to non-extension /suspension due to health issues /labour cut off /company takeover	Entitled in full upon the Rights Option which have been allocated on behalf of the participants
Passed away	Heir is fully entitled for allocated Option Rights on behalf of participant's
Resignation/ dishonorly discharge/ The Company or Controlled Company in bankruptcy / confiscated	Not entitled upon the Rights Option which have been allocated in participant's name

The Exercise Price of the Option Right shall be refer to the Decision of the Board of Directors of PT Bursa Efek Indonesia No:Kep-00001/BEI/01-2014 dated 30 January 2014 regarding Amendment to the Rule Number I-A concerning Listing of Shares (Stock) and Equity Type Securities Other Than Stock Issued by the Listed Company i.e at least 90% of the average price of closing price trading shares of the Company at Indonesian Stock Exchange during 25 (twenty five) consecutive stock exchange days before the date of the report on the Implementation Plan of the Option Rights Program. The Company decided the exercise price for all the option rights which will be issued amounted Rp2,617 per share. The number of shares that can be issued within Option Rights Program is maximum 116,805,746 shares or 2% from the issued and fully paid up capital in the Company.

External Auditor

To prepare its 2017 audited financial statements, BTPN appointed the Public Accountant Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC global network), registered with Bank of Indonesia and OJK. The appointment was approved in the AGMS on 24 Maret 2017 based on the Audit Committee's recommendation through the Board of Commissioners. The total fee to audit the 2017 Consolidated Financial Report was Rp5,555,000,000 excluding 10% VAT.

The appointment of Public Accountant Tanudiredja, Wibisana Rintis & Rekan (a member firm of PwC global network) as external auditors was done since 2015. The Public Accountant also provides some other services to the Bank, however these services do not have any conflict of interest with the audit service provided to the Bank.

The Public Accountant has carried out the audit independently and in accordance to the public accountant professional standards, as well as the work agreement and scope, which has been agreed upon. Following is the list of Public Accountants that has audited BTPN's Financial Report since the financial year 2009:

Financial Year	Public Accountant Office	Public Accountant Office Period	Accountant	Accountant Period
2009	Haryanto Sahari & Rekan	1	Drs. Muhammad Jusuf Wibisana, M. Ec., CPA	
2010	Tanudiredja, Wibisana & Rekan		Drs. Muhammad Jusuf Wibisana, M. Ec., CPA	3
2011	Tanudiredja, Wibisana & Rekan		Drs. Muhammad Jusuf Wibisana, M. Ec., CPA	
2012	Tanudiredja, Wibisana & Rekan	5	Angelique Dewi Daryanto, S.E., CPA	1
2013	Tanudiredja, Wibisana & Rekan		Drs. Muhammad Jusuf Wibisana, M. Ec., CPA	2
2014	Tanudiredja, Wibisana & Rekan		Drs. Muhammad Jusuf Wibisana, M. Ec., CPA	
2015	Tanudiredja, Wibisana, Rintis & Rekan		Angelique Dewi Daryanto, S.E., CPA	
2016	Tanudiredja, Wibisana, Rintis & Rekan	3	Angelique Dewi Daryanto, S.E., CPA	3
2017	Tanudiredja, Wibisana, Rintis & Rekan		Angelique Dewi Daryanto, S.E., CPA	

Provision of Funds to Related Parties and Large Exposures

BTPN has consistently considered the adequacy of its capital and portfolio diversification /distribution in loan disbursement, and during 2017 the Bank did not provide funding to related parties and did not violate or exceed the Legal Lending Limit (LLL).

Provision of funds to Related Party conducted in accordance with prevailing regulations and shall obtain approval from the Board of Commissioners. Bank ensure that Related Parties transaction are conducted in fair, independent and at arms 'length.

The following is the table on Funds provided to Related Parties and Large Exposures per 31 December 2017

No	Funds Provided	Total	
		Debtor	Nominal (million Rupiah)
1.	To Related Party	2	12,029
2.	To Core Debtor		
	a. Individual	25	1,966,089
	b. Group		

Prime Lending Rate

	Prime Lending Rate Rupiah by Credit Segment					
	December 2017			December 2016		
	Retail Credit	Micro Credit	Consumer Credit Non KPR	Retail Credit	Micro Credit	Consumer Credit Non KPR
Prime Lending Rate	12.5%	17.91%	14.88%	13.8%	18.84%	15.4%

Internal Fraud

BTPN is fully committed to continuously and comprehensively improve and refine the Bank's internal control implementation to prevent, detect, investigate, report, and evaluate frauds in accordance with BTPN's Anti-Fraud Strategy Policies.

Improvements of BTPN's Anti-Fraud Strategy implementation are carried out, among others, by:

1. Continuous alignment among various business units and work units to implement Anti-Fraud Strategies and consistently applies zero-tolerance towards fraud activities.
2. Continuously raise Anti-Fraud and Whistleblowing System awareness, through in-class trainings for new employees and during regular QA reviews by each business unit and work unit. Meanwhile, Anti-Fraud campaign and Whistleblowing Channel (Speak Your Mind) dissemination via the Bank's internal media, such as animated videos, table acrylics, email blast, desktop wallpaper, pocket cards, and stickers containing information on fraud and usable channels to report fraud-indicating events are hoped to increase awareness and care regarding compliance culture and Anti-Fraud at BTPN.

The table below summarize the internal fraud cases in BTPN for 2017:

Internal Fraud in 1 year*	Total Cases Involving					
	Management		Permanent Employee		Non Permanent Employee	
	2017	2016	2017	2016	2017	2016
Resolved	-	-	3	3	-	-
Internal Process	-	-	-	-	-	-
Not Yet Finalized	-	-	-	-	-	-
Followed Up through Legal Process	-	-	2	-	-	1
Total Fraud	-	-	5	3	-	1

*Fraud cases with nominal amount above Rp100 million

Whistleblowing

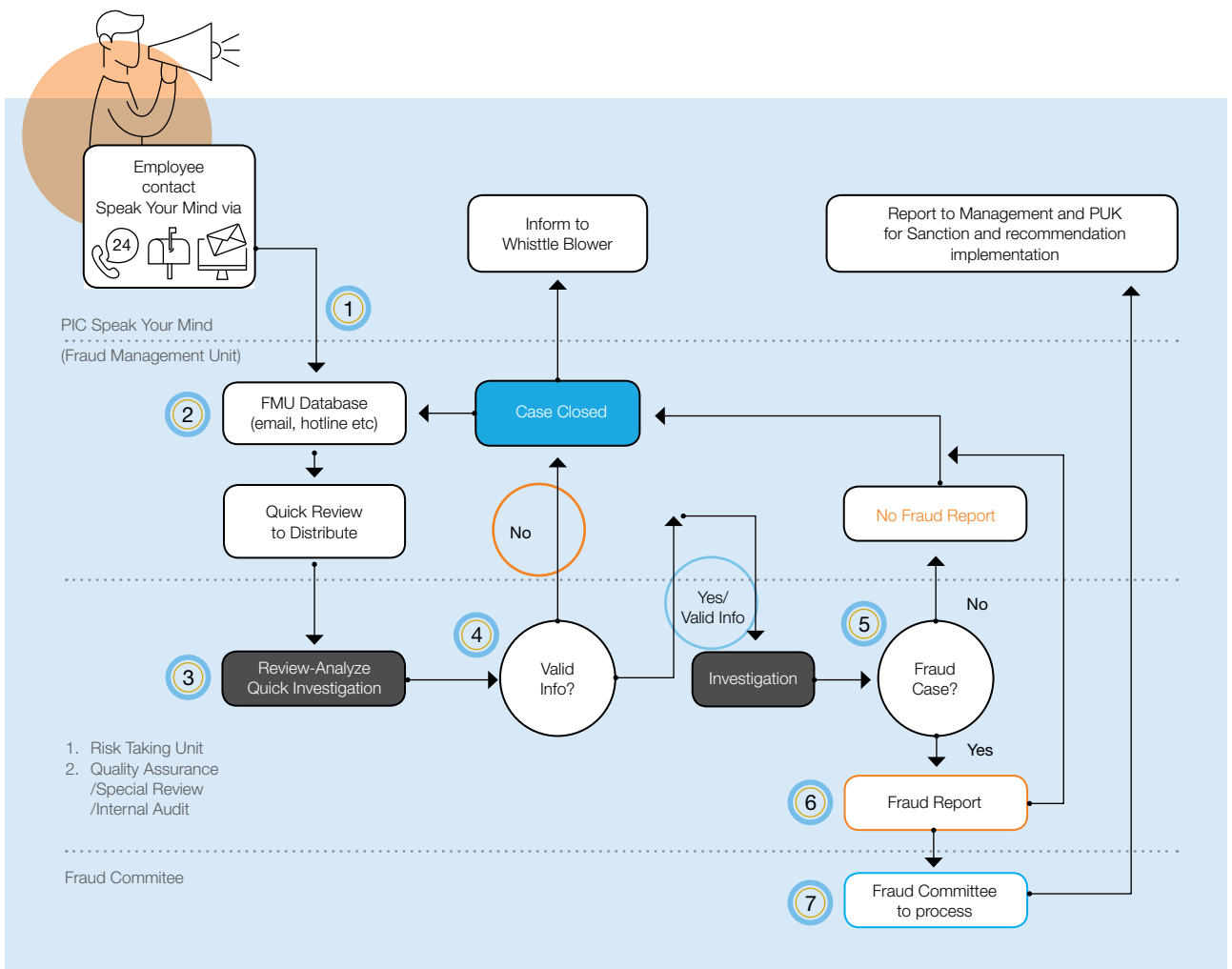
BTPN has a Whistleblowing media called "Speak Your Mind" that is available for all employees to voice their aspirations, ideas for improvements, and to report problems related to deviant behaviors (misconduct) and fraud incidents, including indications and suspicions regarding the action, before or after the action happens or when it is still ongoing and/or suspected.

“Speak Your Mind” is accessible to employees through many channels, namely email, hotline center, postal mail, and SMS. BTPN is committed to keep the identity of the reporter confidential in accordance with valid regulations.

BTPN always urges employees to follow the Standard Operational Procedures (SOP) of “Speak Your Mind” Whistleblowing Media Management when voicing their aspirations, ideas, and problems related to digression and frauds. This ensures BTPN to always be a trusted Bank with high integrity to the society, its employees and stakeholders.

Throughout 2017, there were 54 incidents (compared to 39 in 2016) reported through “Speak Your Mind” that have been followed up and concluded.

Speak Your Mind reporting mechanism is as follows:



Explanation Flow Chart Activity:

1. Employees submit complaints and inspiration through various Speak Your Mind (SYM) media.
2. Fraud Management Unit (FMU) registers complaint in the data base, conduct a quick review and forward incoming reports to respective parties.
3. Respective parties conduct preliminary investigations of the reports received.
 - a. If the report is valid, FMU is being notified and indepth investigation is proceed.
 - b. If the report is invalid, FMU is being notified, the case is recorded in a database and the complainant is informed.
4. Respective parties explore complaints received.
 - a. If the case is not fraud related but a form of input or complaint, the response of respective parties is submitted to the FMU, which then records it in the database and notification submitted to complainant.
 - b. If the case is a fraud, then the respective parties concerned will issue a Report of Investigation.
5. The Fraud Committee will conduct a hearing to decide sanctions or recommendations on cases of fraud that occurred. Then the result is submitted to Management and the Head of the related Unit.

Code of Conduct

The Code of Conduct acts as a basic guide for the appropriate attitude and behavior of members of the Board of Commissioners, the Board of Directors, Independent Parties and all employees. Code of Conduct is reviewed periodically. The latest amendment of the Code of Conduct has been approved by the Board of Directors on August 12, 2015 through Memorandum No. M.036/DIRCLC/CCS/VIII/2015.

The moral principles within the Code of Conduct served as the core element of BTPN's culture encompassing:

Speak Your Mind

It is a method for employees to deliver their aspirations in a safe and confidential manner, in order to raise issues relating to misconduct and/or the occurrence of fraud, aspirations, and/or ideas for improvement.

Code of Conduct

1. Compliance & Risk Management
2. Conflict of Interest
3. Creation of A Positive Working Environment
 - 3.1 Fair Treatment to All Employees
 - 3.2 Anti Discrimination and Harassment
 - 3.3 Work Safety
 - 3.4 Use of Company Facility
 - 3.5 Activities Outside the Bank
 - 3.6 Use of Social Media

4. Information Management & Protection
5. Relationship With Customers and The Stakeholders
 - 5.1 Relationship with Customers
 - 5.2 Anti Money Laundering
 - 5.3 Relationship with Vendor
 - 5.4 Relationship with Regulators
 - 5.5 Bribery and Corruption
 - 5.6 Giving and Receiving Gifts

Enforcement of Code of Conduct

1. Role and Responsibilities
2. Code of Conduct Violation

Enforcement of Code of Conduct

In line with the implementation of GCG and to ensure adoption of code of conduct based on the Bank's ethical standards, BTPN has implemented its Induction Program for new executives and staff on Code of Conduct. Periodically, the Bank also conducted Code of Conduct socialization to increase employee awareness and enforced sanctions for any violation of the Code of Conduct.

Disclosure on the Administrative Sanction

In 2017, there was no material administrative sanctions provided by the OJK and/or other authorities that would impact the Bank's business continuity, and no administrative sanctions were imposed on members of the Board of Directors and the Board of Commissioners.

Litigation Cases

(Expressed in millions of Rupiah)

On 9 March 2015, the Bank face lawsuit from Semarang City Government, with material value of Rp31,385 and immaterial value of Rp10,000. This lawsuit has been rejected by Semarang High Court and in the process of cassation at Supreme Court of Republic Indonesia.

This case also has criminal case at Corruption Trial in Semarang with external parties as a defendant and Bank's employee as a witness. The case has been decided by Supreme Court of Republic Indonesia with imprisonment for 12 years and criminal penalty amounting to Rp500 or substitute with imprisonment for 6 months and additional penalty amounting to Rp26,717 that also take into account of amount that already returned amounting to Rp4,943.

Considering that the legal process is still ongoing, the amount of loss incurred has not yet determined.

Donations For Social and Political Activities

BTPN does not participate in political activities and does not give donations for political reasons. On the other hand, by practicing its Corporate Social Responsibility BTPN can sustain its business performance. In this respect, BTPN places its corporate social responsibility programs as an important and integral part of its business activities. Detailed description of BTPN social programs is available in the Daya section in this Annual Report. Contribution to social activities are as follows:

No	Program	Total	Cost (Rupiah)	Percentage
1	Education and Religion		340,000,000	30.0%
2	Partnership	19	604,894,272	53.0%
3	Sports	27	186,049,045	16.0%
	Total	67	1,130,943,317	100.0%

Internal Control System

Risk management framework and internal control system in BTPN adopts a layered defense (Three Lines of Defense).

Detail description of risk management and internal control system is available in the Risk Management section in this Annual Report.

Access to Company Information

BTPN provides easy access to information related to the Bank for the stakeholders through communication media such as press releases, Public Expose and Analyst Briefing. BTPN provides information on products and services, branch network, financial statements, annual report, corporate governance report, Daya activities, corporate actions and others avail through the website <http://www.btpn.com> in Bahasa Indonesia and English.

Self Assessment

BTPN conducts periodic self-assessment on the sufficiency of its Good Corporate Governance in order to improve and enhance the quality of its Good Corporate Governance in compliance with Financial Services Authority regulation. The following is the result of the GCG self-assessment, as per 31 December 2017.

good corporate governance self-assessment result

Name of Bank : PT Bank Tabungan Pensiunan Nasional Tbk
Position : 31 December 2017

Good Corporate Governance Self-Assessment Result		
	Rating	Rating Definition
Individual	2	Good
Consolidated*	2	Good

Analysis

BTPN's GCG implementation is rated as Good, based on the following governance aspects;:

A. Governance Structure

The Bank's governance structure and infrastructure have fulfilled the prevailing regulations to support the implementation of Good Corporate Governance (GCG) principles. The Bank's Board of Commissioners, Board of Directors, and Committees has conducted their duties effectively. The Bank has also established an adequate organization structure to support the implementation of risk management and internal control through the Internal Audit Unit, Risk Management and Compliance Units, and the Risk Management Committee. The Bank's governance infrastructure also includes the availability of the Bank's Corporate Governance Policies, Board of Commissioners', Board of Directors' and Committee Charters, and a comprehensive set of policies and procedures that aligns with the Bank's business development.

B. Governance Processes

The implementation of the GCG principles has been conducted effectively, as reflected in the supervision function of the Board of Commissioners, carried out through Board and the Committees meetings. The Board of Directors has implemented the GCG principles within the Bank's entire business activities through the development of a compliance culture, and a robust risk management and internal control, and the fulfillment of transparency principle. In the field of risk management, the Bank continues to improve the quality of its individual and consolidated risk management capabilities as a Financial Conglomerate, by implementing an integrated risk management approach based on the Integrated Management Policy issued by the Parent Entity. The Bank has also implemented a comprehensive and reliable internal control system utilizing the three lines of defense.

The Bank continues to improve the control and monitoring of its entire product and business initiative portfolio. Efforts also continues to extend the coverage and quality of its operational risk management and its anti-fraud capabilities.

To strengthen the function of the Internal Audit, this Unit continues to improve its data analytics roles, with the development of its Internal Audit Dashboard to display regularly updated information, including information on performance of all lines of businesses, data anomalies, macro risk assessment and other types of information. The objective is to provide assistance to the Internal Audit teams in conducting their data analysis thereby improving the implementation of risk based audits, as well as to develop capabilities in continuous auditing implementation.

C. Governance Outcome

To achieve sustainable growth, BTPN has consistently improved the quality of its GCG principle implementation, supported by an adequate GCG structure and infrastructure, comprising the Board of Commissioners', Board of Directors' and Committees' execution of their duties, responsibilities and independencies, as well as a robust internal control and risk management implementation, implementation of a compliance culture in the Bank's decision-making and operation processes, and finally the fulfillment of transparency principle in its financial and non-financial reporting.

With the support of Committees, the Board of Commissioners and Board of Directors ensure the ongoing commitment to good corporate governance and improve the Bank's internal control and risk management system.

Finally, BTPN will continue to initiate efforts to implement new initiatives, including business transformation and work process improvement initiatives in response to a more competitive environment.

*The Bank has a subsidiary company (PT BTPN Syariah). Based on comparisons between assets of the Bank and its subsidiary, BTPN considers that results from subsidiary's self-assessments will not bring any significant impact.

corporate secretary

Corporate Secretary Profile

The Corporate Secretary position is held by the Compliance Director and is responsible for the dissemination of material information relating to the Bank's performance. The profile of Corporate Secretary can be found on the profile page of Board of Directors. Corporate Secretary is domiciled in Jakarta, Indonesia.

Frame of Reference

Pursuant to Financial Services Authority Regulation No.35/POJK.04/2014 concerning Establishment of Corporate Secretary juncto Regulation of Share Listing of PT Bursa Efek Indonesia No. 1-A Attachment II Decision of Board of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated 30 January 2014; the Company has owned a Corporate Secretary, namely Anika Faisal. Holds double position as a Corporate Secretary since 29 April 2016, as appointed based on the letter of Decision of the Board of Directors of the Company No. SK.010/DIR/CCS/V/2016 dated 29 April 2016 concerning Appointment of BTPN Corporate Secretary. The term of office of the Corporate Secretary began since 29 April 2016 and shall expire at the end of the Annual General Meeting of Shareholders to convene in the year 2019 (along with the term of office of the Directors appointed in the Annual General Meeting of Shareholders dated 29 April 2016).

Duties and Responsibilities of Corporate Secretary

1. Maintain good relation with the Financial Services Authority, Indonesian Stock Exchange and other stakeholder.
2. Responsible to provide the public with all information needed by stakeholders related to the Bank condition.
3. Followed the development of capital market especially the prevailing regulations in the capital market.
4. Fulfill the Company obligations as a Public Company based on Good Corporate Governance Principal.
5. Provide input to the Board of Directors and the Board of Commissioners to comply with the Law No. 8 year of 1995 concerning Capital Markets and its regulations.
6. Responsible to organize the General Meeting of Shareholders.
7. Organizes the Board of Directors and the Board of Commissioners Meeting.
8. Preparing the Minutes of the Board of Directors Meeting and keeping the Minutes of Meeting.
9. Assisting the Board of Directors and the Board of Commissioners in the implementation of their duties and responsibilities.

Implementation of Duties and Responsibilities of Corporate Secretary

During 2017, the Corporate Secretary had been carrying out its duties as follows:

1. Organizing the Annual General Meeting of Shareholders for book year 2016 dated 24 March 2017 and documented the minutes of meeting, deeds and other documents matters related to the implementation of the General Meeting of Shareholders.
2. Delivering all mandatory reports and/or disclosure information of the Company required by the competent authority.
3. Delivering 20 press releases.
4. Organizing Public Expose Mandatory in conjunction with Public Expose Marathon 2017 of Indonesia Stock Exchange dated on 9 August 2017.
5. Carry out secretarial function during the Board of Directors Meeting.
6. Conducting the orientation or induction program for new member of the Board of Commissioners.
7. Participate in training programs organized by Indonesia Stock Exchange, Financial Services Authority, Asosiasi Emiten Indonesia and Communication Forum of Compliance Director (FKDP).
8. Updating the information contained in the Company's website.

Training and certification program which have been attended by Corporate Secretary are as follows:

No.	Training/Workshop	Organizer	Place & Date Activity
1	Indonesia commitment upon Implementation Automatic Exchange of Information Year of 2018	Ikatan Sarjana Ekonomi Indonesia	Jakarta, 3 March 2017
2	Indonesia – Korea Financial Cooperation Forum	Perbanas	Jakarta, 12 April 2017
3	Successful Strengths Coaching Course	Gallup	Jakarta, 18-19 April 2017
4	Policy and Development of Payment System in Indonesia	Forum Komunikasi Direktur Kepatuhan	Jakarta, 24 May 2017
5	Refreshment of Risk Management Certification	LSP	Jakarta, 30 May 2017
6	Coaching Individuals, Managers and Team Course	Gallup	Jakarta, 14-16 June 2017
7	Certificate of Competency Level 5, Risk Management	Badan Nasional Sertifikat Profesi	Jakarta, 22 June 2017

Siaran Pers

Month	Date	Description
January	25	• Digital Innovations for Easiness
February	21	• BTPN Lending Grows by 8%, Investment Soars in Excess of 200%
	24	• 2017 Economic Outlook Remains Full of Potential and Gives Cause for Optimism
March	9	• BTPN Presents LATAR, an Art Space at BTPN Sinaya Branch
	24	• BTPN AGMS Approves Rp574,5 Billion Dividend Distribution
April	27	• BTPN Post Lending Growth of 10% and 11% Rise in Profit
May	5	• BTPN Wow! Agents Instill a Culture of Saving
June	29	• Enhancing its Services for Pensioners, BTPN to Operate on Saturday, 1 July 2017
July	25	• Consistency in Promoting Empowerment and Innovation Prompts 8% Growth in BTPN's Lending over First Half of 2017
August	10	• Consistently Creating Innovations, BTPN Invest Rp427 Billion
	11	• BTPN Wow! Facilitates Public Access to Banking Services (Palembang)
	21	• BTPN Wow! Facilitates Public Access to Banking Services (Makassar)
September	18	• BTPN Launches Senam Purnabakti
October	11	• The 2018 Economic Outlook, Opportunity for Local Economy
	24	• BTPN's Investment Grows 77% by Focusing on Innovation
November	22	• BTPN Introduces Digital Banking Jenius to Bandung
	23	• 2018 Economic Outlook: Opportunities for the Local Economy
December	6	• BTPN Wow! Agents Create a Culture of Saving
	13	• The 2018 Economic Outlook, Opportunity for Local Economy
	14	• Jenius Launches Co.Create, a Collaboration to Grow Together with Customers

Disclosure of Information

Month	Company Letter	Date	Remarks
January	• S.001/DIRCLC/CCS/I/2017	3 January 2017	• Disclosure Information of 2nd Coupon Payment of Shelf Registry Bond III Bank BTPN Year of 2016 Phase I with Fixed Coupon Rate
	• S.003/DIRCLC/CCS/I/2017	3 January 2017	• Appointment of Internal Audit Head
	• S.005/DIRCLC/CCS/I/2017	4 January 2017	• Disclosure Information of 14th Coupon Payment of Shelf Registry Bond II Bank BTPN Year of 2013 Phase I with Fixed Coupon Rate
	• S.007/DIRCLC/CCS/I/2017	10 January 2017	• Monthly Report of Shareholders Registration as of 31 December 2016
	• S.015/DIRCLC/CCS/I/2017	23 January 2017	• Result of Annual Rating Review
February	• S.025/DIRCLC/CCS/II/2017	3 February 2017	• Disclosure Information of 18th Coupon Payment of Shelf Registry Bond I Bank BTPN Year of 2012 Phase II with Fixed Coupon Rate
	• S.027/DIRCLC/CCS/II/2017	6 February 2017	• Monthly Report of Shareholders Registration as of 31 January 2017
	• S.039/DIRCLC/CCS/II/2017	21 February 2017	• Submission of Financial Statements and proof of published financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary Company as of 31 December 2016 (audited)
	• S.040/DIRCLC/CCS/II/2017		

Month	Company Letter	Date	Remarks
March	• S.046/DIRCLC/CCS/III/2017	2 March 2017	• Annual Report 2016 PT Bank Tabungan Pensiunan Nasional Tbk
	• S.047/DIRCLC/CCS/III/2017		
	• S.050/DIRCLC/CCS/III/2017	6 March 2017	• Disclosure Information 16th Coupon Payment of Shelf Registry Bond I Bank BTPN Year of 2013 Phase III with Fixed Coupon Rate
	• S.051/DIRCLC/CCS/III/2017	6 March 2017	• Monthly Report of Shareholders Registration as of 28 February 2017
	• S.054/DIRCLC/CCS/III/2017	8 March 2017	• Disclosure Information of resignation member of the Board of Commissioners PT Bank Tabungan Pensiunan Nasional Tbk
	• S.062/DIRCLC/CCS/III/2017	17 March 2017	• Submission proof of Published Financial Statements Consolidated of Sumitomo Mitsui Financial Group and Subsidiary Company as of 31 December 2016 (un audited)
	• S.070/DIRCLC/CCS/III/2017	29 March 2017	• Disclosure Information of the changes member of the Board of Commissioners
	• S.071/DIRCLC/CCS/III/2017	29 March 2017	• Disclosure Information of Schedule and Procedures of Dividend Distribution
April	• S.077/DIRCLC/CCS/IV/2017	3 April 2017	• Disclosure Information 3rd Coupon Payment of Shelf Registry Bond III Bank BTPN Year of 2016 Phase I with Fixed Coupon Rate
	• S.079/DIRCLC/CCS/IV/2017	4 April 2017	• Disclosure Information 15th Coupon Payment of Shelf Registry Bond II Bank BTPN Year of 2013 Phase I with Fixed Coupon Rate
	• S.081/DIRCLC/CCS/IV/2017	6 April 2017	• Monthly Report of Shareholders Registration as of 31 March 2017
	• S.086/DIRCLC/CCS/IV/2017	12 April 2017	• Report Plan of Exercise Period I of MESOP Program 2015 PT Bank Tabungan Pensiunan Nasional Tbk
	• S.092/DIRCLC/CCS/IV/2017	27 April 2017	• Submission of Financial Statements and proof of published Financial Statements as of 31 March 2017 (unaudited) PT Bank Tabungan Pensiunan Nasional Tbk
	• S.093/DIRCLC/CCS/IV/2017		
May	• S.096/DIRCLC/CCS/V/2017	3 May 2017	• Disclosure Information 19th Coupon Payment of Shelf Registry Bond I Bank BTPN Year of 2012 Phase II with Fixed Coupon Rate
	• S.099/DIRCLC/CCS/V/2017	5 May 2017	• Monthly Report of Shareholders Registration as of 30 April 2017
June	• S.111/DIRCLC/CCS/VI/2017	5 June 2017	• Disclosure Information 17th Coupon Payment of Shelf Registry Bond I Bank BTPN Year of 2013 Phase III with Fixed Coupon Rate
	• S.112/DIRCLC/CCS/VI/2017	7 June 2017	• Monthly Report of Shareholders Registration as of 31 May 2017
	• S.120/DIRCLC/CCS/VI/2017	16 June 2017	• Result of Exercise Period I of MESOP Program 2015 PT Bank Tabungan Pensiunan Nasional Tbk
July	• S.126/DIRCLC/CCS/VII/2017	3 July 2017	• Disclosure Information 4th Coupon Payment of Shelf Registry Bond III Bank BTPN Year of 2016 Phase I with Fixed Coupon Rate
	• S.127/DIRCLC/CCS/VII/2017	4 July 2017	• Disclosure Information 16th Coupon Payment of Shelf Registry Bond II Bank BTPN Year of 2013 Phase I with Fixed Coupon Rate
	• S.421/DIR/CCS/VII/2017	6 July 2017	• Monthly Report of Shareholders Registration as of 30 June 2017
	• S.134/DIRCLC/CCS/VII/2017	11 July 2017	• Disclosure Information 4th Coupon Payment of Shelf Registry Bond III Bank BTPN Year of 2016 Phase I with Fixed Coupon Rate
	• S.139/DIRCLC/CCS/VII/2017	25 July 2017	• Submission of Financial Statements and proof of published Financial Statements as of 30 June 2017 (unaudited) PT Bank Tabungan Pensiunan Nasional
	• S.141/DIRCLC/CCS/VII/2017	26 July 2017	• Plan of Public Expose Implementation

Month	Company Letter	Date	Remarks
August	• S.151/DIRCLC/CCS/VIII/2017	3 August 2017	• Disclosure Information 20th Coupon and Principal Payment of Shelf Registry Bond I Bank BTPN Year of 2012 Phase II with Fixed Coupon Rate
	• S.152/DIRCLC/CCS/VIII/2017	4 August 2017	• Disclosure Information of Expiration of Duties, Rights and Obligations of PT Bank Permata Tbk as trustee in relation to issuance of Shelf Registry Bond I Bank BTPN Year of 2012 Phase II with Fixed Coupon Payment.
	• S.153/DIRCLC/CCS/VIII/2017	4 August 2017	• Submission of Public Expose Presentation Material
	• S.154/DIRCLC/CCS/VIII/2017	4 August 2017	• Monthly Report of Shareholders Registration as of 31 July 2017
	• S.157/DIRCLC/CCS/VIII/2017	10 August 2017	• Disclosure Information Signing of Loan Agreement Amendment dated 9 October 2012 between IFC and BTPN.
	• S.160/DIRCLC/CCS/VIII/2017	11 August 2017	• Submission proof of published Financial Statements Consolidated Sumitomo Mitsui Financial Group and subsidiary company as of 30 June 2017 (unaudited)
	• S.162/DIRCLC/CCS/VIII/2017	11 August 2017	• Results of Public Expose
	September	• S.171/DIRCLC/CCS/IX/2017	5 September 2017
• S.177/DIRCLC/CCS/IX/2017		8 September 2017	• Monthly Report of Shareholders Registration as of 31 August 2017
• S.180/DIRCLC/CCS/IX/2017		14 September 2017	• Disclosure Information of signing Loan Agreement with Sumitomo Mitsui Banking Corporation Singapore Branch
• S.813/DIR/CCS/IX/2017		26 September 2017	• Rating result of Shelf Registry Bond III Bank BTPN Year of 2017 Phase II with Fixed Coupon Rate
• S.190/DIRCLC/CCS/IX/2017	28 September 2017	• Additional Information Shelf Registry Bond Bank BTPN III Year of 2017 Phase II with Fixed Coupon Rate	
October	• S.192/DIRCLC/CCS/X/2017	2 October 2017	• Disclosure Information 5th Coupon Payment of Shelf Registry Bond III Bank BTPN Year of 2016 Phase I with Fixed Coupon Payment
	• S.194/DIRCLC/CCS/X/2017	4 October 2017	• Disclosure Information 17th Coupon Payment of Shelf Registry Bond II Bank BTPN Year of 2013 Phase I with Fixed Coupon Rate
	• S.195/DIRCLC/CCS/X/2017	5 October 2017	• Monthly Report of Shareholders Registration as of 30 September 2017
	• S.200/DIRCLC/CCS/X/2017	10 October 2017	• Additional Information Shelf Registry Bond Bank BTPN III Year of 2017 Phase II with Fixed Coupon Rate
	• S.946/DIRCLC/CCS/X/2017 S.948/DIRCLC/CCS/X/2017	24 October 2017	• Submission of Financial Statements and proof of Consolidated Financial Statements as of 30 September 2017 (unaudited) PT Bank Tabungan Pensiunan Nasional Tbk and subsidiary company
	• S.211/DIRCLC/CCS/X/2017	25 October 2017	• Report Plan of Exercise Period II of MESOP Program 2015
November	• S.214/DIRCLC/CCS/XI/2016	7 November 2017	• Monthly Report of Shareholders Registration as of 31 October 2017
December	• S.236/DIRCLC/CCS/XII/2017	5 December 2017	• Disclosure Information 19th Coupon Payment of Shelf Registry Bond I Bank BTPN Year of 2012 Phase III with Fixed Coupon Rate
	• S.237/DIRCLC/CCS/XII/2017	5 December 2017	• Readiness of Funds for Settlement of Debt Securities (Bonds) of PT Bank Tabungan Pensiunan Nasional Tbk
	• S.238/DIRCLC/CCS/XII/2017	6 December 2017	• Monthly Report of Shareholders Registration as of 30 November 2017
	• S.249/DIRCLC/CCS/XII/2017	19 December 2017	• Report Implementation of Exercise Period II of MESOP Program 2015
	• S.252/DIRCLC/CCS/XII/2017	22 December 2017	• Report Changes of Shares Ownership of the Board of Directors
	• S.006/DIRFIN/CCS/XII/2017	22 December 2017	• Report Changes of Shares Ownership of the Board of Directors
	• S.033/WKDIRUT2/CCS/ XII/2017	22 December 2017	• Report Changes of Shares Ownership of the Board of Directors
	• S.043/WKDIRUT1/CCS/ XII/2017	22 December 2017	• Report Changes of Shares Ownership of the Board of Directors

internal audit report

Internal Audit is an independent directorate that administratively reports to the President Director and functionally reports to the Board of Commissioners through Audit Committee. Internal Audit performs a risk-based audit approach by evaluating governance, risk management, and internal control in all aspects of the Bank's activities. In addition, Internal Audit also runs consultative role to provide input on internal control to other directorates, such as recommendations / suggestions for improvement during various audits, input on draft policies or procedures, as well as input on the Bank's key initiatives, etc.

Through its supervisory and consultative functions, Internal Audit has a vision to become management strategic partner in supporting the Bank's growth to achieve the organization's goals. In conducting its activities, Internal Audit refers to the Bank Indonesia' The Implementation Standard for Bank's Internal Audit (SPFAIB), Internal Audit Charter, and the Annual Audit Plan.

Internal Audit reports all of its audit results, including recommendation for improvement to President Director, Board of Commissioners, and Audit Committee, with a copy to Compliance Director and Risk Management Director. These audit results are

regularly presented to Board of Directors and Audit Committee. Internal Audit also provides overview of its audit results to President Director, Board of Directors, and Audit Committee.

The Head of Internal Audit is appointed and dismissed by President Director with the approval from Board of Commissioners. The appointment and dismissal of the Head of Internal Audit are reported to Financial Service Authority (OJK).

Internal Audit is led by Nurhajati Soerjo Hadi, who was appointed by President Director with the approval from Board of Commissioners in January 2017. She has over 20 years experience in banking industry in various functions e.g. corporate banking, credit and fraud management. She has attended Risk Management Certification, cyber security training, and various seminars / forum on audit function organized by The Institute of Internal Auditors (IIA), OJK and other institutions. She has also attended various soft skill and leadership trainings held by the Bank.

The followings are roles and responsibilities of Internal Audit:

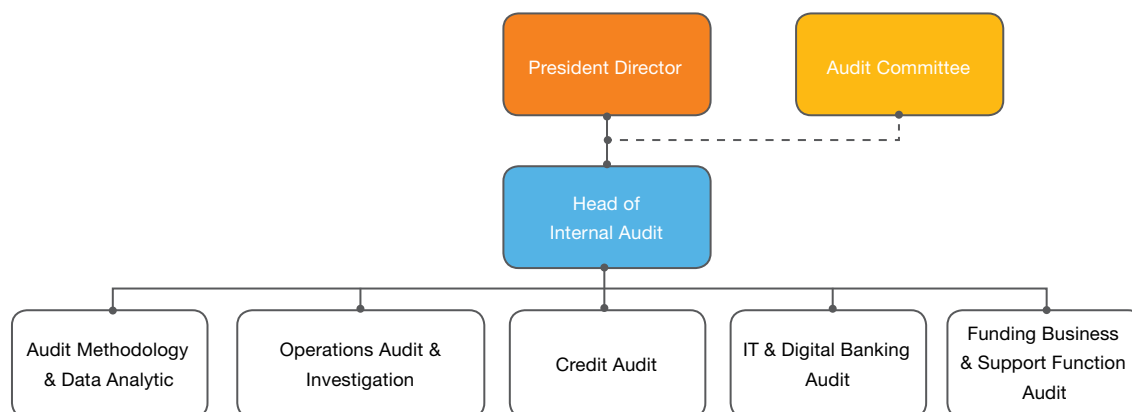
- Prepare the annual audit plan and obtain approval from President Director, Audit Committee and Board of Commissioners.

- Conduct the approved annual audit plan by analyzing and evaluating the effectiveness of Governance, Risk Management, and Internal Control (GRC) to provide maximum support to the Bank's goals and objectives.
- Conduct consultative audit on new initiative / product whenever required by management as well as Regulator.
- Identify all alternatives to improve and increase the efficiency of resource utilization.
- Provide regular audit reports to President Director and Board of Commissioners through Audit Committee, with a copy to Compliance Director and Risk Management Director.
- Monitor and report the progress of follow-ups on audit results
- Carry out an investigation whenever necessary.
- Collaborate with the external audit to achieve a comprehensive audit result.

Internal Audit' roles and responsibilities, authority to conduct an audit and employee's code of conduct are specified in the Internal Audit Charter, which has been approved by Board of Commissioners.

In line with the implementation of one of the Bank's key initiatives, Gemilang Project, Internal Audit has restructured its organization to align with the Bank's business. Below is the new Internal Audit organization structure, effective since December 1, 2017:

- **Audit Methodology & Data Analytics Division**
Responsible for the preparation of audit plan, development of audit methodology and competencies of Internal Audit staff, in charge of data analytics, verification of data irregularities (irregularities audit), and conduct reviews on the adequacy of Internal Audit activities based on the prevailing standards.
- **Operations Audit & Investigation Division**
Responsible for conducting audits on the Operations Directorate at Head Office as well as at branches and conduct investigation on fraud indications with certain threshold of potential loss.
- **Credit Audit Division**
Responsible for conducting audits on all credit activities in Purna Bakti, Mitra Usaha Rakyat (MUR) and Mitra Bisnis (SME).
- **Funding Business & Support Functions Audit Division**
Responsible for conducting audits on the Funding Directorate and the supporting functions at Head Office e.g. Finance, Compliance, Risk Management, Human Capital.
- **IT & Digital Banking Audit Division**
Responsible for conducting audits in Digital Banking (Jenius), Branchless banking (BTPN Wow!), Information Technology Directorate, and providing support to other audit divisions for audit engagement in other directorates that are supported by technology.



In conducting the audit, Internal Audit refers to the Internal Audit policies and procedures which are periodically reviewed to align with The Implementation Standard of Bank's Internal Audit (SPFAIB) .

Every year, in consultation with Directors, Internal Audit prepares a risk-based Annual Audit Plan on the Bank's key activities in order to align the Audit Plan with business direction. The Audit Plan is submitted for approval from President Director, Audit Committee and Board of Commissioners.

In 2017, Internal Audit implemented 4 (four) audit approaches i.e. mandatory audit as required by the Regulators, thematic audit, full branch audit and unit audit.

Internal Audit has completed 100% of 2017 audit plan, covering 38 audit engagements on Purna Bakti, Sinaya, Mitra Usaha Rakyat (MUR), Mitra Bisnis, BTPN Wow!, Jenius, and support functions at Head Office, including Information Technology.

In addition, Internal Audit has also conducted 6 (six) consultative audit engagements e.g. branch consolidation and process centralization at Purna Bakti in order to support one of the Bank's key initiatives, Gemilang Project, 3 (three) investigations on fraud indication with certain threshold of potential loss and 10 (ten) irregularities audits for early detection of process deviation / fraud indication through data analytics and direct visits to debtor.

In response to the identified weaknesses / findings, the respective directorates / units have determined their follow-up improvement plans which are continuously monitored by Internal Audit. Commitment for improvement from each unit is reflected in >94% timely completion of follow-up.

To support the development of the Internal Audit team, in 2017 the Bank has assigned Public Accountant Tanudiredja, Wibisana, Rintis &

Rekan (PwC Indonesia) to conduct consultative assessment on the Internal Audit practice against The Institute of Internal Auditors (IIA) standard i.e. the International Practice Professional Framework (IPPF).

Internal Audit continuously strengthens its data analytics function through the establishment of Internal Audit Dashboard that provides updated information on the performance of each business unit, data anomalies, macro risk assessment and other information. The objective is to support the Internal Audit team in performing data analysis that will improve Internal Audit's risk based approach and the development of continuous auditing.

2018 audit plan has been prepared with main focus on process implementation at branches in relation to Gemilang Project and the audit program will be adjusted to align with changes in Bank's business activities.

On resources, Internal Audit continues to strengthen the team through soft skill and technical skill trainings, internal and external certifications in risk management, audit & information technology, sharing sessions, and others. During 2017, Internal Audit continues to strengthen its team by recruiting experienced candidates particularly those with IT background. Internal Audit also provides similar opportunity for employee in other directorate who share the same aspiration & possess the expertise to grow with Internal Audit.

Internal Audit is committed to continuously improve the quality of its audit through comprehensive audit with competent human resources and implement professional auditing standards to deliver added values to the Bank.

compliance report

In line with information technology development in the banking industry, BTPN continues to develop its business activities to achieve sustainable development, particularly by moving its business activities to technology driven banking activities (Digital Banking services).

These business development activities will increase the complexity of the Bank's products and services, as well as increase the Bank's risk exposure, including exposure to Compliance Risk. In response to the increasing risk exposure, the Bank always ensures its compliance to all prevailing rules and regulations, as stipulated in the Good Corporate Governance Policy, and its commitment to regulations issued by the Financial Services Authority (FSA), Bank Indonesia (BI) and/or other relevant supervisory authorities.

The Bank's adherence to compliance requirements is conducted in a comprehensive, structured and integrated manner, through governance structure, governance process and governance outcome in accordance to OJK regulation No. 13/SEOJK.03/2017 dated March 17, 2017 on Corporate Governance Implementation in Commercial Banks.

To ensure effective execution of the Compliance function, the Bank has appointed a Director who oversees the Compliance Function. In performing its duties, the respective Director is assisted by a Compliance Working Unit, which is an independent Compliance Unit as required by OJK regulation on the Implementation of the Compliance Function. The respective

Director overseeing the Compliance Function has routinely submitted reports on the execution of its duties to OJK and the President Director, with a copy to the Board of Commissioners.

To support the development of a Compliance Culture within the Bank's entire business operation, BTPN has prepared its Compliance Policy and Procedure, including AML & CFT Policies and Procedures, which serve as the core foundation for the implementation of the compliance function by guiding the execution of the compliance function within the Bank. The Bank continues to review and enhance these policies and procedures, which includes revisions on the forms used to implement AML & CFT regulations.

Following are compliance activities conducted during the course of 2017:

1. To promote the creation of a Compliance Culture within the Bank's entire organization and business activities, the Bank has conducted:
 - Reviews on all Compliance Policies and Procedures, following the issuance of OJK regulation on the Implementation of Compliance Function
 - Dissemination of OJK and BI regulations to all employees, managers and relevant working units to determine the follow up for these new regulations
 - Advisory roles related to the implementation of the prevailing regulations, by providing suggestions/responses to questions submitted by the Bank's working units or branch offices, through electronic

media, discussions, phone conversations or meetings

- People quality and competence development within the Compliance Unit, as the second line of the Bank's internal control system through hard skill and soft skill development courses, including Risk Management Certification, Compliance Certification. Training were conducted by the Communication Forum of Bank Compliance Directors (FKDKP) and other institutions
 - Compliance Management System (CMS) development to support an effective Compliance Function implementation.
2. To manage the Bank's Compliance Risk, the Bank has conducted:
 - The monitoring of the compliance level to relevant regulations in prudential banking principles (KPMM, GWM, BMPK, PDN, NPL)
 - The monitoring of submissions of reports to regulators
 - The monitoring of fines/sanctions imposed by regulators
 - Gap analysis and impact analysis of new regulations to the Bank's operation
 - Working unit compliance assessments at the Headquarter to ensure the adequacy of the Bank's governance structure and the compliance performance on OJK, BI regulations, as well as the prevailing rules and regulations (compliance assessment)

- Self-assessments on Compliance Risk as part of the Bank's quarterly risk profile development to manage the Bank's Compliance Risk.
 - Reviews on the adequacy of documentation to assess the level of operational preparedness for branch office opening, move and closing (compliance checklist).
 - Regular submission of compliance implementation reports to the Board of Directors with a copy to the Board of Commissioners
3. To ensure that the Bank's policies, regulations, systems and procedures and business activities are in compliance with OJK and BI regulations, as well as all prevailing laws, including regulations on AML & CFT, the Compliance unit has conducted:
- Its consultative function in relation to the prevailing regulations by providing suggestions/responses during discussions on policy and product development, as well as the Bank's initiatives, through electronic media, discussions, phone conversations or meetings.
- Compliance tests on new product and activity designs, their developments and the Bank's corporate initiatives as well as business unit's transaction proposals that are subject to the approval of the Board of Directors/ Commissioners.
 - Compliance test on policy drafts and product designs submitted by the relevant units.
4. To ensure compliance with the Bank's commitment to OJK and/ or BI, the Compliance Unit has conducted:
- The monitoring of follow-ups on the Bank's commitment to audit results from OJK and/ or BI and the submission of periodic progress reports to OJK and/or BI.
 - The monitoring and follow-ups on information/data requests submitted by OJK and/or BI in relation to their Bank supervision duties.
- To comply with the implementation of AML & CFT regulations as stated in OJK regulation No. 12/POJK.01/2017 dated March 16, 2017, following are the Bank's implementation of the Compliance Function during the course of 2017:
- Revising the Bank's AML & CFT Policies in response of the issuance of OJK Regulations on AML & CFT
 - Training and socialization of AML & CFT regulations to all employees, including refreshment programs for selected customers involved in the customer acquisition process
 - Revising AML & CFT training program and training content, including e-learning content revisions on AML & CFT Implementation
 - Ongoing Train for Trainee (TTT) program, including refreshment programs for business unit's facilitators to increase facilitators' understanding in providing training to employees.
 - Compliance awareness enhancement program on AML & CFT regulations through print and electronic media, including BTPN portal, e-mail blasts, desktop wallpapers, internal magazines, and through face-to-face meetings during branch visits.
 - Reviews on the implementation of AML & CFT at selected branch offices (branch assessment) to assess and ensure the suitability of AML & CFT implementation at the branches.
 - Periodic monitoring and reporting on Cash Transactions (CTR), Suspicious Transactions (STR), overseas fund transfers, and new bank customers to the Indonesian Financial and Transaction Reports Analysis Center (PPATK)
 - Monitoring of customer data updating as part of the Bank's commitment to OJK

committee report

- Updating of OFAC list, UN list, Terrorist List data in the AML system and terrorist database for customer screening and transaction monitoring
- New AML system development to support the optimum implementation of AML & CFT program, in line with the development in the Digital Banking service

Based on the above discussions, during 2017 the Bank received the “Good” rating, as reflected in the Bank’s ranking in the “Risk-Based Health Rating”, indicating its capability to face significant negative effects from changes in the business conditions and other external factors, including compliance in the prudential banking principles (KPMM, GWM, BMPK, PDN, NPL) and in the implementation of AML & CFT program.

The Bank’s compliance is an evidence of the implementation of a Compliance Culture within the entire organization level and Bank’s business activities. It is a result of collective efforts at all organization levels, from the Board of Directors’ level, the Senior Management level, down to the front liners in each organization, based on each individual’s roles and responsibilities.

Board of Commissioners’ Committee

Board of Commissioners’ Committee consists of Audit Committee, Remuneration & Nomination Committee and Risk Monitoring Committee. Each Committee is responsible for reviewing and monitoring according to their duties and responsibilities as set out in their respective Committee Charter.

Audit Committee

Audit Committee is responsible to the Board of Commissioners and is established to support the duties and responsibilities of the Board of Commissioners relating to financial information, internal control system, and effectiveness of internal and external audit as well as implementation of the Bank’s compliance.

Audit Committee Charter

In performing their duties and responsibilities, Audit Committee has Audit Committee Charter which covers: organization, membership, independency, duties and responsibilities, authorities, work ethic, meeting, reporting responsibilities and term of office. The Charter is periodically updated in accordance with the prevailing regulation and in line with BTPN’s business growth. The latest amendment was approved by Audit Committee members on 26 September 2017.

Independency of Audit Committee

Referring to the Audit Committee Charter, Committee members consist of at least three (3) independent members, which consists of Independent Commissioners and Independent Parties or at the minimum consist of:

5. An Independent Commissioner
6. An Independent Party, who has expertise in finance or accounting
7. An Independent Party who has expertise in law or banking

Duties and Responsibilities of Audit Committee

- a. Prepare annual working plan approved by Board of Commissioners.
- b. Review and assess Bank’s financial information, which will be released to the public, such as financial reports, projections and other financial information and ensure that the financial reports are in accordance with prevailing accounting standards.
- c. Review Bank’s compliance with all prevailing and applicable rules and regulations in the capital markets and other regulations relating to Bank activity including provide advice to the Board of Commissioners in relation to the potential of conflict of interest.
- d. Analyzing the Internal Audit Unit’s plan and its implementation.
- e. Review the independence and objectivity of the External Auditor and whether the audit performed is in accordance with general accepted accounting principles.
- f. Assess the adequacy of the audit performed by the External Auditor to ensure all important risks have been adequately considered.

- g. Monitor and assess the implementation of Board of Directors's follow up on audit findings from the internal, external and Financial Services Authority (OJK) auditors and to provide recommendations to the Board of Commissioners.
- h. Report periodically the results of meetings and activities of the Audit Committee to the Board of Commissioners

Composition of the Audit Committee Members

The members of the Audit Committee up to 31 December 2017 are as follows:

Name	Position	Effective Date
Irwan Mahjudin Habsjah	Chairman (Independent Commissioner)	29 April 2016
Arief T. Surowidjojo	Member (Independent Commissioner)	29 April 2016
Kanaka Puradiredja	Member (Independent Party)	29 April 2016
Yosef Antonius Boliona Badilangoe	Member (Independent Party)	29 April 2016

Term of Office

The term of office of the Audit Committee is accounted since 29 April 2016 until the conclusion of the Annual General Meeting of Shareholders (AGMS) to be convened in the year 2019 (in accordance with term of office of the Board of Commissioners members who were appointed in AGMS on 29 April 2016)

Profiles of Audit Committee Members

The profiles of the Audit Committee members are disclosed in the Board of Commissioners and Independent Party's profiles section of this Annual Report.

Meeting Policy

- a. The Audit Committee held meetings periodically at least one (1) time every three (3) months.
- b. Audit Committee meeting can only be convened if attended by at least 51% of total members.
- c. Adoption of resolution of Committee Meeting shall be done amicably, in case the amicable deliberation cannot be reached, majority vote casting shall do the adoption of resolution
- d. Dissenting opinion in the Committee meetings, shall be clearly stated in the minutes of meeting along with the reasons for such dissenting opinion.

Frequency and Attendance of Audit Committee Meetings

In 2017, Audit Committee has held 8 (eight) times of meeting. The Audit Committee also has conducted site visits to branches in Bandar Lampung and Semarang.

Frequency of Audit Committee Meeting	8
Irwan Mahjudin Habsjah	8/8
Arief T. Surowidjojo	8/8
Kanaka Puradiredja	8/8
Yosef Antonius Boliona Badilangoe	8/8

Implementation of Audit Committee's Work Activities

The discussion on focus of Audit Committee's reviews and discussions are as follows :

a. Financial Statements

1. Reviews and evaluation on the Bank's 2016 financial statements.
2. Periodic monitoring and evaluation of the Bank's financial performance and other financial information.

b. External Audit

1. Discussions on the Bank's audited financial plan 2016.
2. Discussions on the 2017 external audit plan, audit approach and methodology.
3. Submission of recommendations for the appointment of the external auditor.
4. Reviews and assessments on the adequacy of audits performed by the external auditor.

c. Internal Audit

1. Monitoring and evaluation on the implementation of audits by the Internal Audit during 2016 and 2017.
2. Monitoring the commitment on the follow-up of Internal Audit's findings.
3. Reviews and approvals of the Audit Plan for 2018.

d. Compliance and Internal Fraud

1. Monitoring of the implementation of the Bank's compliance on Anti Money Laundering and Counter the Financing of Terrorism (APU & PPT).
2. Reviews on newly implemented rules/regulations and their impacts.
3. Monitoring of follow ups on the supervisory results from the Financial Services Authority.
4. Reviews on the internal fraud cases and evaluations on the Bank's fraud prevention program.

e. Audit Committee Work Plan

Prepared Audit Committee's 2018 plan and work program, as well as reviews on the Audit Committee Charter.

Statement of the Audit Committee on the Effectiveness of the Internal Control System

The Audit Committee has reviewed and ensured that the Bank's internal control system was effective and adequate, including financial, operational controls and compliance with prevailing regulations.

Risk Monitoring Committee

Risk Monitoring Committee supports the Board of Commissioners in order to supervise Bank's risk management.

Duties and Responsibilities of Risk Monitoring Committee

- a. Prepare the Committee's annual activity plan, which is submitted to the Board of Commissioners for their approval.

- b. Provide an independent professional opinion to the Board of Commissioners on reports or related matters pertaining to risk management presented by the Board of Directors as well as identify issues that require the attention of the Board of Commissioners.
- c. Evaluate the risk appetite and limits, which must be approved by the Board of Commissioners.
- d. Analyze the effectiveness of the Risk Management Unit and the Risk Management Committee.
- e. Evaluate the compatibility of the Bank's risk management policy with its implementation.
- f. Monitor and evaluate the performance of the Risk Management Committee and the Risk Management Unit in order to give recommendations to the Board of Commissioners.
- g. Evaluate the Bank's Risk Management policy at least once a year.
- h. Evaluate the Board of Directors' responsibility in implementing the Bank's Risk Management policy at least on a quarterly basis.

Risk Monitoring Committee Charter

In performing its duties and responsibilities, Risk Monitoring Committee has Risk Monitoring Committee Charter, which covers: organization, membership, independency, duties and responsibilities, authorities, work ethic, meeting, reporting responsibilities and term of office. The Charter is periodically updated to ensure that the scope of work of the Risk Monitoring Committee is in accordance with the prevailing regulation and in line with BTPN's business growth. The latest amendment was approved by Risk Monitoring Committee members on 26 September 2017.

Independency of Risk Monitoring Committee

The composition, qualification and independence of Risk Monitoring Committee members are in accordance with prevailing law and regulations. The Risk Monitoring Committee is chaired by an independent commissioner and has two commissioner members, and two independent parties, who have expertise in the area of risk management and finance.

Composition of Risk Monitoring Committee

The members of Risk Monitoring Committee up to 31 December 2017 are as follows

Name	Position	Effective Date
Arief T. Surowidjojo	Chairman (Independent Commissioners)	29 April 2016
Kanaka Puradiredja	Member (Independent Party)	29 April 2016
Yosef Antonius Boliona Badilangoe	Member (Independent Party)	29 April 2016
Chow Ying Hoong	Member (Commissioner)	29 April 2016
Shinichi Nakamura	Member (Commissioner)	24 March 2017

Term of Office

The term of office of the Audit Committee is accounted since 29 April 2016 until the conclusion of the Annual General Meeting of Shareholders (AGMS) to be convened in the year 2019 (in accordance with term of office of the Board of Commissioners members who were appointed in AGMS on 29 April 2016).

Profiles of Risk Monitoring Committee Members

The profiles of the Risk Monitoring Committee members are disclosed in the Board of Commissioners and Independent Party's profiles section of this Annual Report.

Meeting Policy

- a. The Risk Monitoring Committee held meetings periodically at least one (1) time every three (3) months.
- b. Risk Monitoring Committee meeting can only be convened if attended by at least 51% of total members.
- c. Adoption of resolution of Committee Meeting shall be done amicably, in case the amicable deliberation cannot be reached, majority vote casting shall do the adoption of resolution.
- d. Dissenting opinion in the Committee meetings, shall be clearly stated in the minutes of meeting along with the reasons for such dissenting opinion.

Frequency and Attendance of Risk Monitoring Committee Meetings

During 2017, the Risk Monitoring Committee held 6 (six) meetings and 2 (two) times of site visits to branches in Lampung and Semarang.

Frequency of Risk Monitoring Committee Meetings	5
Arief T. Surowidjojo	5/5
Kanaka Puradiredja	5/5
Yosef Antonius Boliona Badilangoe	5/5
Chow Ying Hoong	5/5
Shinichi Nakamura*	4/4

*) Shinichi Nakamura was appointed as Risk Monitoring Committee member effective since 29 April 2016

Implementation of Risk Monitoring Committee Work Activities

Discussion and focus of the Risk Monitoring Committee's are as follows.

- a. Quarterly evaluation and analysis on the Bank's risk profile
- b. Evaluation on the risk management policies and implementation at the standard deck risk, covering credit risk, operational risk, market and liquidity risks, as well as other types of risks.
- c. Monitoring and evaluation on the duties of the Risk Management Committee and Risk Management units with regard to the implementation and monitoring

of credit risks within each of line of business, market risk, liquidity risk and the operational risk.

- d. Periodic monitoring on the Bank's soundness - Risk-Based Bank Rating (RBBR) and the Bank's compliance performance.
- e. Monitoring of internal fraud cases and fraud management strategy.
- f. Preparation of Risk Monitoring Committee's 2018 Plan and work program and reviews on the Risk Monitoring Committee's Charter.

Remuneration and Nomination Committee

Duties and Responsibilities of Remuneration and Nomination Committee

- a. Related with remuneration policies:
 1. Performs evaluation of the remuneration policy; and
 2. Provide recommendation to the Board of Commissioners concerning:
 - Board of Commissioners and Board of Directors remuneration policies, to be submitted to General Meeting of Shareholders (GMS).
 - Executive officers and employee remuneration policies as a whole to be submitted to the Board of Directors.
- b. Related to nomination policies:
 1. Provide recommendation to Board of Commissioners regarding the composition of the Board of Directors and/or Board of Commissioners.

2. Establish and provide a recommendation on criteria and procedure of appointment and/ or replacement of Board of Commissioners and the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholder.
 3. Submit a recommendation with regard to nomination of members to the Board of Commissioners and/or Board of Director to Board of Commissioners to be submitted to the General Meeting of Shareholder
 4. Assist Board of Commissioners in the performance assessment of the Board of Directors and/ or Board of Commissioners members.
 5. Formulated the capacity development program for the Board of Directors and/ or Board of Commissioners members.
 6. Submit recommendations on Independent Party who shall be an Audit Committee and Risk Monitoring Committee member(s).
- c. Committee must ensure that the remuneration policy comply with the following:
1. Financial performance and fulfillment of statutory reserves as stipulated in prevailing laws and regulations.
 2. Individual job performance.
 3. Fairness compared to peer group in internal and external of the Bank.
 4. Consideration on long-term goals and strategies of the Bank.

Remuneration and Nomination Committee Charter

In order to perform their duties and responsibilities, Remuneration and Nomination Committee has the Remuneration and Nomination Committee Charter which covers: organization, membership, independency, duties and responsibilities, authorities, work ethic, meeting, reporting responsibilities and term of office. The Charter is periodically updated in accordance with the prevailing regulation and in-line with BTPN's business growth. The latest amendment was approved by Remuneration and Nomination Committee members on 8 December 2017.

Independency of the Remuneration and Nomination Committee

The composition, qualification and independency of the members of the Remuneration and Nomination Committee are in accordance with Financial Services Authority (OJK) regulations. The Remuneration and Nomination Committee is chaired by an Independent Commissioner and its members include one Independent Commissioner, two Commissioners and one Executive Officer who has experience in the remuneration and nomination system as well as succession plan.

Composition of Remuneration and Nomination Committee

The members of The Remuneration and Nomination Committee up to 31 December 2017 are as follows:

Name	Position	Effective Date
Mari Elka Pangestu	Chairman (Independent Commissioner)	29 April 2016
Irwan Mahjudin Habsjah	Member (Independent Commissioner)	29 April 2016
Chow Ying Hoong	Member (Commissioner)	29 April 2016
Maya Kartika	Member (Executive Officer HC)	29 April 2016

Term of Office

The term of office of the Audit Committee is accounted since 29 April 2016 until the conclusion of the Annual General Meeting of Shareholders (AGMS) to be convened in the year 2019 (in accordance with term of office of the Board of Commissioners members who were appointed in AGMS on 29 April 2016)

Profiles of Remuneration and Nomination Committee Members

The profiles of Remuneration and Nomination Committee members are disclosed in the Board of Commissioners and Independent Party's profile section of this Annual Report.

Meeting Policy

- a. The Remuneration and Nomination Committee held meetings periodically at least one (1) time every four (4) months.

- b. Remuneration and Nomination Committee meeting can only be held if attended by at least 51% of total members.
- c. Adoption of resolution of Committee Meeting shall be done amicably, in case the amicable deliberation can not be reached, majority vote casting shall do the adoption of resolution
- d. Dissenting opinion in the Committee meetings, shall be clearly stated in the minutes of meeting along with the reasons for such dissenting opinion.

Frequency and Attendance of Remuneration and Nomination Committee Meetings

During 2017, the Remuneration and Nomination Committee held three (3) meetings.

Frequency of Remuneration and Nomination Committee Meeting	3
Mari Elka Pangestu	3/3
Irwan Mahjudin Habsjah	2/3
Chow Ying Hoong	3/3
Maya Kartika	3/3

Implementation of Remuneration and Nomination Committee Work Activities

During 2017, the Remuneration and Nomination Committee has held three (3) meetings to review and submit recommendations to the Board of Commissioners regarding :

1. Provided recommendations on compensation rebalancing approach for the Board of Directors.
2. Provided recommendations on the adjustments to the remuneration of the members of the Board of Commissioners and Board of Directors for the year 2017
3. Discussed the implementation plan of Gemilang project.
4. Discussed the reporting of implementation of Gemilang project and work plan after the implementation of Gemilang project.

Total Remuneration of Committee members for the year 2017 dan 2016 is as follows:

	2017*)	2016*)
Total Remuneration	17,110	13,776

*) In million

Board Of Directors' Committees

The Board of Directors is assisted by committees, which provide inputs and recommendations to support the Board of Directors' duties and responsibilities.

Assets and Liabilities Committee (ALCO)

Duties and Authorities:

1. Develop, assess and determine Asset Liability Management (ALMA) strategy, guidelines and policies.
2. Monitor periodically the Bank's liquidity position through its primary and secondary reserve trends.
3. Monitor periodically the development and strategy over Third-Party Funds and Loans.
4. Assess the development and projection of the overall economic situation to set policy direction.
5. Determine limits and management guidance as well as risk controls that impact Liquidity Risk (Liquidity Management), Market Risk and Interest Rate Risk (Interest Rate Management), Currency Risk (Foreign Exchange Management) and Portfolio Risk (Earning & Investment Management).
6. Evaluate and determine the pricing of Credit Rates, Deposit Rates, and Fund Transfer Price or Inter-Office Account Rates to optimize deposit growth, minimize funding cost, and manage the Bank's balance sheet structure in line with the Bank's ALMA strategy.
7. Review the Bank's performance as well as its asset and liability position so as to determine the impact of ALCO decisions on the Bank's objectives.
8. Review the deviation between the actual results and the budget projection as well as against the Bank's business plan.
9. Submit information to the Board of Directors concerning a new regulation that impacts the ALMA strategy and policy.

ALCO Report

During 2017, ALCO held 12 (twelve) meetings to discuss among others:

1. Approved proposal to strengthen the Banks' funding structure, covering:
 - a. Amendment Agreement on IFC II facilities
 - b. New loans from SMBC
2. Approved indicators/parameters/ methods for Liquidity Management, covering:
 - a. Funding Concentration Risk in Daily Liquidity Risk Monitoring that no longer categorize excluded and included Allianz considerations in determining top 50 depositors, given that Allianz funding portion is relatively equal to fundings from other customers.
 - b. Replacement of NSFR calculation method in Daily Liquidity Risk Monitoring from Basel III based internal model to a new method based on POJK draft.
 - c. Changes in the GWM monitoring parameter, in compliance with PBI No 19/6/PBI/2017 on the implementation of Averaging Minimum Reserve Requirement as of July 1, 2017.
 - d. Approval on changes in the calculation method to determine Top 50 Depositors.
3. Approved limits on placements of marketable securities money market in AFS to Rp2 trillion.
4. Approved changes interest rates, covering:
 - a. Multifinance loan rates for Joint Financing and Refinancing
 - b. RAK interest rates, in line with developments in the Bank's COF
5. Approved fund withdrawals to strengthen the Bank's liquidity position, including:
 - a. Bond issuance
 - b. Loan withdrawals from IFC and/or syndicated loan facilities, if needed.

ALCO Meetings

Frequency of ALCO Meeting	Position	Attendance/Number of Meetings
Arief Harris Tandjung	Chairman	11/12
Jerry Ng	Member	7/12
Ongki Wanadjati Dana	Member	12/12
Djemi Suhenda	Member	8/12
Wolf A. Kluge	Member	11/12
Vincentius Hidayat	Member	8/12
Sonny Christian Joseph	Member	10/12
Helena	Member	10/12
Yoyo Cahyadi	Secretary	12/12

Risk Management Committee

Duties and Authorities:

1. Prepare risk management policies, framework and risk limits, including updating, improving and/or completeness.
2. Evaluate the alignment of Risk Management policies and its implementation.
3. Evaluate and provide recommendations on transactions or activities that require Board of Directors' approval.

Risk Management Committee Report

During 2017, the Risk Management Committee held 10 (ten) meetings. Risk Management Committee meetings discussed the monitoring of 8 types of risk as determined in the Risk Management Policy and OJK regulations on Risk Management in terms of active monitoring of the Board of Directors on the Bank's implementation of Risk Management policies and strategies.

Following are discussions and decisions of the Risk Management Committee meetings held in 2017:

1. Changes in operational risk parameters, for LOB and outsourcing sub parameters, as part of 2017 annual reviews on RBBR Standard Operating Procedures.
2. Classification of Non Bank Placement as Loan Portfolio based on OJK Regulation and loan policies.

3. The use of the revised RBB, effective as of End of June 2017.
4. Advanced Measurement Approach (AMA) Project preparation and implementation step plan for Operation Risk calculation.
5. Overall review on Human Capital monitoring related to adjustments on the Bank's current projects/initiatives , including the Gemilang project.
6. Changes in GWM Primary Indicators based on Bank Indonesia Regulation and changes in Top 50 Depositors based on internal memo.

In performing monitoring risk to subsidiaries company, consolidation of 8 bank risks with subsidiary company as well as the reporting of consolidation risk profile, RBBR and ICAAP is being reported in quarterly basis and in accordance with the prevailing regulation of OJK.

Risk Management Committee Meetings

Name	Position	Attendance/Number of Meetings
Wolf Arno Kluge	Chairman	10/10
Jerry Ng	Member	7/10
Ongki Wanadjati Dana	Member	10/10
Djemi Suhenda	Member	8/10
Anika Faisal	Member	8/10
Arief Harris Tandjung	Member	9/10
Kharim Indra Gupta Siregar	Member	9/10
Merisa Darwis	Member	7/10
Maya Kartika	Member	9/10
Vincentius Hidayat	Member	9/10
Sonny Christian Joseph	Member	8/10
Helena	Member	8/10
Peterjan Van Nieuwenhuizen	Member	8/10
Hadi Wibowo	Member	10/10
Nurhajati Soerjo Hadi	Member	10/10
Sendiaty SONDY	Secretary	9/10

Information Technology Steering Committee

Duties and Authorities:

Provide the following recommendations to the Board of Directors, among others, as follows:

1. Information Technology (IT) Strategic Plan in alignment with the Bank's strategic plan and business activities;
2. Formulation of IT policies and procedures mainly for security policy and risk management in relation with IT usage in the Bank;
3. Suitability of IT projects approved under the IT Strategic Plan;
4. Assess IT project implementation with reference to the project plan (project

charter) as agreed in the service level agreement;

5. Conformity of IT with management information system requirement to support the Bank's business activities;
6. The effectiveness of the risk minimization measures with regards to the Bank's investment in the IT sector and ensure that they contribute to the achievement of the Bank's business;
7. Evaluate the performance and use of information technology to ensure it can align to support the Bank's business needs;
8. Resolve various IT-related problems which can not be resolved by other related unit
9. Evaluate the availability and adequacy of human resources related to the operation, maintenance and support for IT usage;
10. Provide input on the IT related process risk.

Information Technology Steering Committee Report

During 2017, the Information Technology Steering Committee held 4 (four) meetings to review and provide recommendations, among others on:

1. Analysis on the high number of recorded incidents with growing trends.
2. Addition of Customer Experiences in the IT score card.
3. Addition of Business Enablement for quality and expense components.
4. Presentation of IT Strategic Plan for BTPN Syariah.

5. Declining Branch User Experiences due to equipment misalignments at the branches as a result of changes in the telecommunication network technology from MPLS to Metro-E.
6. Presentation of BTPN Wow! and Sinaya Mobile & Internet Banking pentest results and their mitigation, especially for high and extreme categories.
7. IT SP update as one of standard agenda.
8. IT budget and new IT capex presentation for 2017.

Information Technology Steering Committee Meetings

Name	Position	Attendance/Number of Meetings
Karim Siregar	Chairman	4/4
Jerry Ng	Member	3/4
Djemi Suhenda	Member	3/4
Ongki W Dana	Member	4/4
Anika Faisal	Member	1/4
Arief Harris Tandjung	Member	4/4
Wolf Kluge	Member	1/4
Maya Kartika	Member	1/4
Hadi Wibowo	Member	2/4
Merisa Darwis	Member	4/4
Nurhajati Soejo Hadi	Member	4/4
Peterjan Van Nieuwenhuizen	Member	2/4
Sonny C Joseph	Member	1/4
Vincentius Hidayat	Member	4/4
Helena	Member	2/4
Ferdinandus Huber	Secretary	4/4

Human Capital Committee

Duties and Authorities:

1. Evaluate policies, strategies and targets in Human Capital and then recommend to the Board of Directors to adopt them. These are policies that are strategic in nature.
2. Evaluate the implementation of the Human Capital remuneration program then recommend to the Board of Directors for approval
3. Approve deviations from prevailing regulations/ company policies in the area of Human Capital that exceed the authority of the division head and/or Director in charge of Human Capital.
4. Recommend to the Board of Directors on the appointment and placement (nomination) of Board of Directors/ Board of Commissioner members in subsidiaries (including Sharia Supervisory Board members in the subsidiary company that runs a Sharia Business).

Human Capital Committee Report

During 2017, the Human Capital Committee held 7 (seven) meetings to discuss among others:

1. Evaluation and recommendation of salary adjustments in 2017 and the distribution of 2016 performance bonus;
2. Approval of proposal on the human capital aspect of Gemilang project;
3. Approval of proposal on recipients of the Voluntary Separation Program; and
4. Discussion on the Implementation of the Ministry of Labor Regulation No. 1 Year 2017.

Human Capital Committee Meetings

Name	Position	Attendance/Number of Meetings
Djemi Suhenda	Chairman	7/7
Jerry Ng	Member	7/7
Ongki Wanadjati Dana	Member	7/7
Arief Harris Tandjung	Member	7/7
Maya Kartika	Member	7/7

Information Governance Steering Committee

Duties and Authorities:

1. Formulate major policies and procedures on data and information governance, such as policies on data quality and risk management on the Bank's data and information, including formulation of stated targets.

2. Plan and determine project priorities to implement the determined policies and procedures, and achieve the approved standards.
3. Align approved projects with the Bank's information governance plan, data and information governance policies and procedures, as well as the targeted standards to achieve.
4. Align the execution of data and information governance projects and data analytics with the approved project charter.
5. Align information governance with the Bank's Information Technology Strategic Plan to support the management of the Bank's business activities.
6. Monitor the Bank's data and information governance and its improvement efforts, including by detecting data quality issues and measurements of the effectiveness and efficiency of data and information utilization.
7. Resolve issues related to data and information that cannot be resolved and reported by the data and information governance forum.
8. Build a data driven organization culture

Information Governance Steering Committee Report

The Information Governance Steering Committee was established on June 20, 2017, and has conducted two meeting to discuss among others:

1. Establish organization structure in line with the "Bankwide Analytics Assessment" blueprint.
2. Determine and prepare Data Quality working framework.
3. Determine customers' data model and master data.
4. Utilization of Dukcapil data.
5. Normalization of Occupation and Line of Business/Economy Sector codes

Information Governance Steering Committee Meetings

Name	Position	Attendance/Number of Meetings
Kharim Indra Gupta Siregar	Chairman	2/2
Anika Faisal	Member	1/2
Arief Harris Tandjung	Member	2/2
Wolf Arno Kluge	Member	0/2
Merisa Darwis	Member	2/2
Nurhajati Soerjo Hadi	Member	1/2
Vincentius Hidayat	Member	1/2
Sonny Christian Joseph	Member	1/2
Helena	Member	2/2
Peterjan Van Nieuwenhuizen	Member	2/2
Hadi Wibowo	Member	1/2
Erliana Tandoko	Member	2/2
Vincentius Ivan	Secretary	2/2

07

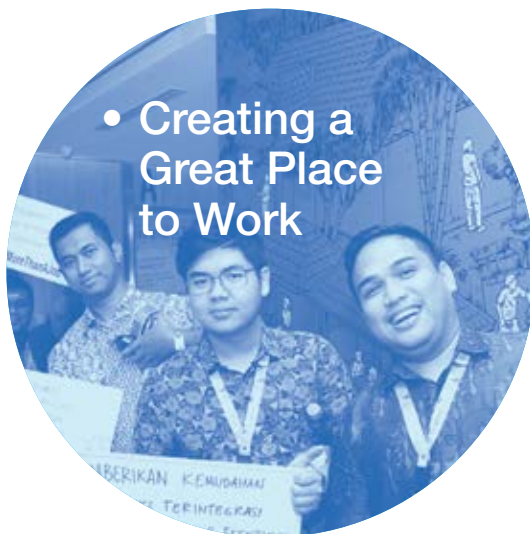
—
daya, social
and environmental
responsibilities



BTPN's Daya Digital, daya.id, is a web and mobile based application, featuring relevant information related to health and entrepreneurship for current and prospective customers.

corporate social and responsibility

BTPN's corporate responsibility activities are summed up in the following four major categories:



empowering community through daya

Daya is BTPN's empowerment program that addresses the Bank's vision and mission to 'Make a Difference in the Lives of Millions' and 'Create Opportunities for Growth'.

Daya targets customers of BTPN and BTPN Syariah as potential beneficiaries: pensioners, small & medium sized enterprises and productive poor communities.

Daya is closely integrated with BTPN's business units and the Bank's day-to-day business process. In that way, Daya is not merely viewed as a way to increase the livelihood of the mass market, but it serves as a unique value proposition that differentiates BTPN from other banks.

The Daya platform consists of the following three pillars:

- Daya Health & Wellness that promotes a healthy lifestyle for all BTPN stakeholders.
- Daya Entrepreneurial Capacity Building that helps BTPN customers create new business opportunities, develop business knowledge and sharpen their business skills.
- Daya Community Empowerment, which aims at introducing specially designed programs to enable communities improve their health condition and provide them with access to potential markets.

Through these pillars, Daya encapsulates the Bank's desire to enrich the quality of life of its customers and communities.

To continue strengthening its Daya platform, during 2017 BTPN has implemented the following key initiatives:

1. Daya transformation through digital technology

A study on BTPN's customer behavior revealed that customers are increasingly engaged in digital technology during their day-to-day activities. This trend opens opportunity for Daya to start tapping the benefits of digitization, with Daya Digital.

BTPN's Daya Digital, daya.id, is a web and mobile based application, featuring relevant information related to health and entrepreneurship for current and prospective customers. Through Daya Digital, viewers can enjoy access to, among others:

- Updates on recent market trends and tips to stay healthy.
- Online access to BTPN's training contents in video, animation and slide formats.
- Tanya Ahli or Ask the Experts, where viewers can send their questions and receive answers and suggestions from knowledgeable business and health experts.
- Information on business opportunities.
- Inspiring and motivational stories from successful entrepreneurs.

Using Daya Digital, customers now have greater opportunity to gain the benefits of Daya in a more convenient and flexible way; anytime and anywhere. A pilot project has been successfully implemented in 2017, to be followed with a national grand launching in early 2018.

2. Develop relevant programs and cultivate closer collaboration with the Bank's business units

Efforts continued in 2017 to cultivate closer integration with BTPN's business units to increase the impact of Daya. Among the highlights, Daya introduced GESIT or Gerakan Sehat & Aktif (Movement to Stay Healthy & Active), a program comprising of healthy exercise activities, health seminars and free health checkups. Business units can integrate GESIT to their banking products and services, and present GESIT as value added to prospective customers. This way, Daya also serves as a contributor the Bank's business performance.

3. Build more partnerships with organizations that share the same vision

To further increase the impact and quality of the Daya program, the Bank continues to collaborate with partnering companies that help improve the Daya programs in health, business development, education and technology.

Following the completion of BTPN's partnership with Grand Aides Foundation, during 2017 the Bank collaborated with Diponegoro University to develop a simpler and more cost effective health cadre concept. Under the new concept, health cadres now consist of medical staff from local Integrated Health Posts/Pos Pelayanan Kesehatan Terpadu. By year end, 45 health cadres were recruited to help motivate BTPN fellow customers and communities to adopt a healthier lifestyle.

Daya also collaborates with otenta.com, an online shop dedicated to Indonesian products, to provide BTPN customers with wider market exposure. Otenta also provides BTPN customers with information relating to trends in the market and training programs in product quality.

4. Continue improving engagement in Daya

BTPN continued to organize various online and offline activities to promote employee volunteerism. Forum Dayakan Indonesia, for example, is organized every three months, where employees can learn from inspiring stories shared by both internal employees and external partners. Adu Ide Daya is another activity inviting employees to share their ideas to improve Daya's empowerment program.

In 2017, a new program, Sahabat Daya Is Me, was introduced as an extension of the existing volunteer program, Sahabat Daya. Sahabat Daya Is Me gives volunteers the freedom to develop their own training content and delivery approach based on customer needs

Daya Health And Wellness

Daya Health and Wellness consists of:

- Health Information, where BTPN customers and their families can receive practical tips to live a more healthy life as well as topics on nutrition, emotional and mental health.
- Interactive Dialogue and Discussion sessions on health topics that promote adoption of healthy behavior and lifestyle
- Health Consultation, which offers free periodic health checkups and health consultation with medical experts.

Daya Health and Wellness was actively involved in the development of daya.id, the digital version of BTPN's Daya program, by contributing health related content in collaboration with, among others Indonesia Sports Medicine Center (ISMC), Indonesian Nutrition Association (PERSAGI) and Faculty of Psychology, University of Indonesia.

As part of the digitization initiative, an integrated database has also been developed to store health records of pension customers. In the future,

the database will allow the Bank to conduct data analytics activities to enhance Daya Health and Wellness services. BTPN can also share the database with participating partners to identify the type of services that customers need.

By end of 2017, Daya Health and Wellness conducted 27,519 activities and helped improve the health of 346,638 beneficiaries.

Daya Entrepreneurial Capacity Building

Daya Entrepreneurial Capacity Building offers three different kinds of subprograms to help customers build and grow their businesses:

- Practical Business Training, which covers several training modules in financial, marketing, organization and human resources management, as well as soft skill development. Training programs are delivered by certified Daya facilitators, which now consists of 31 trainers for BTPN Purna Bakti and 120 trainers for BTPN Mitra Usaha Rakyat.
- Business information and networking service that offers customers opportunities to grow their business by building network with BTPN's stakeholders.
- New Business Opportunities, a service that offers a selection of business franchise opportunities for BTPN customers.

During 2017, Daya Tumbuh Usaha has conducted 105,554 activities for 790,063 beneficiaries.

Customers' business skill development remained a priority in 2017. As an illustration, Daya Tumbuh Usaha collaborates with School of Business, Bogor Institute of Agriculture, to develop a training curriculum specifically for pensioners and pre-pensioners. This training program will help them prepare for their retirement to become successful entrepreneurs.

Daya Tumbuh Usaha also collaborates with Google, Facebook and otenta.com, an online shop for Indonesian products, to conduct training sessions on internet marketing to help increase customers' market access.

Other participating partners include Bogasari that organized entrepreneurship training sessions, as well as Indonesian Franchise Association and Franchise Indonesia Magazine to introduce franchising opportunities in Indonesia.

In line with the Bank's philosophy to integrate Daya activities into its day-to-day business operations, Daya Tumbuh Usaha also continued to synergize its programs with BTPN's business units:

- Supported BTPN Wow! marketing programs by developing simple contents on financial management, saving awareness campaign and entrepreneurs for micro businesses.
- Developed of contents on entrepreneurship for BTPN Mitra Usaha Rakyat.
- Organized training and facilitated support in entrepreneurship for BTPN Syariah.

Daya Community Empowerment

Daya Community Empowerment programs covers business communities, particularly women in rural areas, by identifying regional potentials, enhancing production capacity, and opening market access to introduce new business opportunities.

Daya Community Empowerment also aims to introduce simple health tips and conduct medical checkups by involving Health Cadres in targeted communities.

After successfully assisting batik producing communities in Cirebon and Malang, Daya Community Empowerment began to support a leather craft producer community in Garut, West Java, as well as wood carving and batik producer communities in Jepara, Central Java. These programs aim at improving their product quality and help these communities with wider market access.

Total participants reached 11,396 beneficiaries, taking part in 1,310 Daya Community Empowerment activities.

Sahabat Daya

Sahabat Daya is a volunteer program inviting BTPN stakeholders, including the Bank's employees to participate in the Daya program. To promote employee volunteerism, the Bank encourages employees to spend up to 2 working days in Daya programs without taking it from their annual leave.

Sahabat Daya Universitas

Sahabat Daya Universitas is another program under Sahabat Daya, striving to build close collaboration with educational institutions. Through Sahabat Daya Universitas, university students are invited to participate as health advisors, trainers or business coaches in one of Daya's three pillars.



using natural resources responsibly

Forum Dayakan Indonesia

Dayakan Indonesia is a social movement that spreads the spirit of empowerment through inspirational stories, news, and promotion of empowerment activities by embracing the empowerment and community from various fields. These include health, business, education, culinary and other areas. Dayakan Indonesia activities are conducted through online channels; websites and social media, as well as offline channels in the form of sharing sessions; **Forum Dayakan Indonesia**, and **Adu Ide Daya**; which invites netizens to provide ideas for social problem solutions. During 2017 as many as 516 employees have attended 4 Dayakan Forum Indonesia sessions and collected 115 ideas of empowerment derived from netizens who come from all over Indonesia.

As a Financial Services institution, our activities that directly impact the environment are relatively less significant than in other industries. In its banking operations, the Bank mainly uses electricity, water, and paper as sources that impact the environment.

Banking operation also indirectly contribute to climate change through fuel consumption for transportation and power generation for their Bank offices. Electricity and fuel consumption for banking activities are the dominant contributors to Green House Gas emissions.

Energy

To minimize the environmental impact, BTPN offices regulate electricity usage by setting the operational hours of sign pole lights and signage. Minimum room temperature is set to ensure efficient use of energy, while keeping the office a convenient workspace.

Bank Sinaya branches feature exterior design that uses plant life to maximize green space and reduce temperature. This helps in reducing energy consumption and creating a serene atmosphere.

The inauguration of the Bank's new head office at Menara BTPN in 2016, helped consolidate activities previously conducted through a number of offices in Jakarta. Through this consolidation, the Bank reduce its carbon footprint from previous four office locations. This eliminated the need to commute between offices which improved efficiency.



Menara BTPN features an environmentally friendly building concept with material selection and design that reduces energy usage. Menara BTPN also utilizes low energy lightings and motion sensor technology to improve light control.

Paper Use

Paper usage efficiency is gained by promoting electronic communications to replace paper in day-to-day activities. BTPN also developed its mobile banking platforms, BTPN Wow! and Jenius, that utilizes mobile phone technology. Both products minimize the need for customers to visit the branches and the consumption of paper for transactions. Whenever appropriate, BTPN branches use both sides of the paper for greater efficiency.

creating of a great place to work

BTPN strives to create a great place to work where employees can develop their maximum potential.

Gender Equality and Equal Employment Opportunity

BTPN implements the equality principle within its entire Human Capital management practices, starting from recruitment and promotion, to performance evaluation and compensation. This principle is put into practice by providing equal opportunity for all individuals, regardless of their race, age, ethnic background, religion or gender.

Gender equality is also reflected in the leadership composition at BTPN, where the current Board of Management of BTPN consists of 3 female and 4 male executives. At the senior leadership level, 42 female and 63 men are working as executive officers.

Freedom of Association

To build a positive relationship and to protect the rights of employees, BTPN facilitates the formation of BTPN Tbk Labor Union, formally established since September 27, 2007 and is registered at the Ministry of Labor and Transmigration with registration number 256/DPP.SP.BTPN-CTT.22-DISNAKER/2007.

Routine communication sessions are conducted between the Bank's management and the labor union to create a harmonious relationship based on mutual respect. This interaction aims to help create a positive working environment that contributes to employee productivity.

Education and Training

Career development at BTPN means providing opportunities to develop employee's potential along with the Bank's growth.

During 2017, BTPN conducted 360 training sessions, attended by 16,928 employee participants.

As an illustration, the Corporate Acceleration Program (CAP) is a management development program to groom young, potential talents to become BTPN's future leaders.

CAP is a five-year program comprising of three development phases. The first phase aims to develop participants' skill and knowledge. During the second phase, participants have to work on projects to deepen their knowledge under the supervision of top management as mentors. Finally, in the third phase, participants will experience a three-year job assignment, monitored by top-level executives.

The first batch of CAP was launched in 2016 with 4,200 of applications from various cities in Indonesia. Out of these applicants, ten individuals passed to enter the first stage.

BTPN's Operation Management Development Program (OMDP) is another program for grooming future leaders in banking operations.

Work and Life Balance

Work and life balance is another important factor to build a great place to work. At BTPN, work and life balance is developed among others by providing resources for sport, art, religious and various other activities for all employees.

BTPN Club is a place where employees can do their hobbies and socialize with fellow workers from various business units and locations. BTPN offers various sport clubs, such as futsal, badminton, athletics, tennis, bowling, karate, and judo. Every year, BTPN also organizes regional and national sport and art competition events, Pekan Olahraga dan Seni (PORSENI).

For employees who enjoy dancing and singing, there are also dancing and singing clubs that often participate in various corporate events.

BTPN Parents Club is another club where employees who just become new parents can exchange tips on parenting, healthy nutritions for the family and information on achieving work life balance.

Information on employee activities and information about the Bank is published biweekly in e-newsletters and every three months in Citra Magazine, the Bank's internal communication media.

BTPN's headquarter at Menara BTPN dedicates one floor as Beranda, a gathering space where employees can do fun activities. Beranda presents bright colored murals and various kinds of gaming facilities: from game consoles, fusbball facility and billiard tables, to traditional game kits like congklak. A music studio and karaoke room is also available after office hours for employees who enjoy playing

music. Beranda's giant screen features theater quality built-in speakers where employees can watch popular movies and sport events together.

Employees can have their lunch at the canteen corner in Beranda. Using their ID Cards they can purchase their meals at Beranda canteen. For lactating mothers, Beranda also provides Lactating Rooms equipped with refrigerators.

Occupational Health and Safety

We are committed to address employee's occupational health and safety (OHS) by complying with all prevailing regulations and relevant requirement standards.

BTPN has a comprehensive Business Continuity Management (BCM) to anticipate any operational risk that may occur during extreme conditions or emergencies. Employee and customer health and safety is an important part of this process.

Occupational Accident Rate

No job accident were recorded during 2017.

Employee Retirement Program

BTPN helps employees prepare for their retirement by offering various types of support.

Employees can participate in various training programs on entrepreneurship, financial management and mental preparation before retirements. During 2017, BTPN conducted retirement preparation training sessions for retiring employees.

Employee Turnover

In 2017, employee turnover reached 13.9% from 15.1% a year earlier. This was due to the Bank's decision to introduce a voluntary separation program during the third quarter of the year.

Year	Turnover rate
2015	14.4%
2016	15.1%
2017	13.9%



Job Equality and Opportunity

Grade	2016		2017	
	Male	Female	Male	Female
Board of Management	5	3	4	3
Top Management	64	43	63	42
Senior Management	488	210	430	200
Management	2,294	1,175	1,508	897
Officer/ Supervisor	1,824	1,165	1,047	684
Clerical	3,927	2,447	2,071	1,202
Total	8,602	5,043	5,124	3,028

Education	2016		2017	
	Male	Female	Male	Female
Sarjana	6,473	4,077	3,902	2,539
Diploma	1,140	739	570	383
High school	987	227	652	106
Junior High School	3	-	-	-
Total	8,602	5,043	5,124	3,028

Status	2016		2017	
	Male	Female	Male	Female
Permanent	8,132	4,890	3,930	2,742
Non permanent	470	153	1,194	286
Total	8,602	5,043	5,124	3,028

Age	Male	Female	Grand Total
< 25 Year	182	132	314
25-29 Year	1,100	900	2,000
30-34 Year	1,598	960	2,558
35-39 Year	1,203	496	1,699
40-44 Year	533	257	790
45-49 Year	329	180	509
50-54 Year	169	98	267
55-59 Year	10	5	15

New Hire 2017

Row Labels	Male	Female	Grand Total
< 30 year	434	260	694
30 - 50 year	746	174	920
> 50 year	10	4	14

practicing customer protection



BTPN puts consumer protection first by applying the principles of transparency, confidentiality and security of consumer data/information, as well as a quick and simple consumer complaint handling.

The Bank always emphasizes that during the sales process, staff must present product and service information in an accurate, transparent and clear manner.

Customer Complaint Handling Mechanism

Customer complaints are handled by a dedicated Customer Complaint Resolution Unit.

Submitted complaints are resolved in 20 (twenty) working days. In the event that the Bank fails to resolve complaints in accordance to the Service Level Agreement set by the Financial Services Authority, the Bank sends a notification letter for complaint resolution extension.

1. Organization

- a. BTPN has a strong commitment to manage reputational risk – the Bank has established a BTPN Contact Center and Customer Care which specifically deal with customer inquiry, request, complaint received by phone, email, mail, chat, etc 24/7.
- b. Customer Care coordinates with all related units, to respond and resolve complaints from customers.

2. Policies and Mechanism

The Bank has put the following in place to ensure that customer concern is being addressed:

- a. Established Policies & Procedures to resolve customer complaints.
- b. A defined work unit to handle customer problems and monitor whether the Bank is meeting its high resolution standards.

- c. Periodic reporting of results and root cause analysis to respective stakeholders, including regulator. This report is used to help the Bank in developing corrective and preventive action plans on its systematic complaint handling process.
- d. Infrastructure developments, including placing all software and hardware, procedures and Management Information System to facilitate high quality customer experiences as well as quick problem resolution in addressing customer complaints.

3. Total Customer Complaints

- a. During 2017, BTPN received 519,891 incoming contacts – consists of 52.0% Inquires, 45.0% Requests, 3.0% Complaints
- b. Complaint Resolution in 2017 were as follows :

No	Products & Services	Total	Closed	In Progress
1	BTPN Wow!	6,995	6,992	3
2	Jenius	3,019	3,017	2
3	ATM	3,000	2,996	4
4	Funding	123	123	
5	Internet Banking	86	86	
6	Mobile Banking	60	60	
7	Pension Loan	58	58	
8	SME Loan	26	26	
9	Wow! Link	21	21	
10	SKN	13	13	
11	Bancassurance	2	2	
12	BTPN Wow! Loan	2	2	
13	ISME	1	1	
14	Wealth Management	1	1	
Total		13,407	13,398	9

Statement of Member of the Board of Directors and Member of the Board of Commissioners on the Responsibility for the Annual Report 2017 PT Bank Tabungan Pensiunan Nasional Tbk

We the undersigned hereby declare that all the information in the PT Bank Tabungan Pensiunan Nasional Tbk Annual Report 2017 has been fully complete and are fully responsible for ensuring the accuracy of the content of this Annual Report.

This statement is written in truth.

Jakarta, 7 March 2018

Board of Commissioners



Mari Elka Pangestu
President Commissioner (Independent)



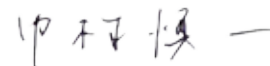
Irwan Mahjudin Habsjah
Independent Commissioner



Arief Tarunakarya Surowidjojo
Independent Commissioner



Chow Ying Hoong
Commissioner



Shinichi Nakamura
Commissioner

Board of Directors



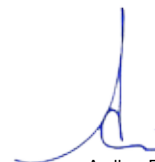
Jerry Ng
President Director



Ongki Wanadjati Dana
Deputy President Director



Djemi Subenda
Deputy President Director



Anika Faisal
Director



Kharim Indra Gupta Siregar
Director



Arief Harris Tandjung
Director



Wolf Arno Kluge
Director

In 2017, BTPN's Sinaya continued to grow its customer base and increase the Bank's thirdparty deposits. The unit has been successful in lowering the Bank's cost of funds and this has been instrumental in improving BTPN's net-interest-margins (NIMs).



08
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corporate data

executive officers

Name	Position	
Business Banking		
Sonny Christian Joseph	Business Banking Head	Available in the Board of Management Profile.
P Canisius Soriton	Sales Distribution SME Head	Joined BTPN since 2013 currently serving as Sales Distribution SME Head. Previously, he has worked for PT BDI.
Erpantja Toho S. Pasaribu	Sales Distribution Micro Business Head	Joined BTPN since 2013 currently serving as Sales Distribution Micro Business Head. Previously, he has worked for Citibank, Bank HSBC and Bank Danamon.
Sidik Waskito	Credit Risk SME Head	Joined BTPN since 2012 currently serving as Credit Risk SME Head. Previously, he has worked for Bank Danamon.
Adil Pamungkas	Credit Risk Micro Business Head	Joined BTPN since 2013 currently serving as Credit Risk Micro Business Head. Previously, he has worked for Citibank, Bank HSBC and Bank Danamon.
I Ketut Sukadana	Business Development Micro Business Head	Joined BTPN since 2008 currently serving as Business Development Micro Business Head. Previously, he has worked for Tjipto Darmadji Consultants, AIG Lippo Insurance, WA Life Insurance and Bank Danamon.
Indah Dwi Astuti	Policy & Control Business Banking Head	Joined BTPN since 2013 currently serving as Policy & Control Business Banking Head. Previously, she has worked for Bank Danamon, PT SMI (Persero) and Bank DBS.
Michael Jermia Tjahjamulia	Business Strategy & Alignment Business Banking Head	Joined BTPN since 2008 currently serving as Business Strategy & Alignment Business Banking Head. Previously, he has worked for Bank Universal, American Express Bank Jakarta, Bank Lippo and Bank Danamon.
Erni Budiarti	Business Support & Customer Engagement Business Banking Head	Joined BTPN since 2015 currently serving as Business Support & Customer Engagement Business Banking Head. Previously, she has worked for Bank Danamon.
Ernin Saleh Hasibuan	Multifinance Business Head	Joined BTPN since 2017 currently serving as Multifinance Business Head. Previously, he has worked for Bank Summa, Subentra Bank, Badan Penyehatan Perbankan Nasional (BPPN), Departemen Keuangan (Unit Pelaksana Penjaminan Pemerintah-UP3), Bank Permata, Bank CIMB Niaga and Kencana Internusa Artha Finance (anak perusahaan Bank CIMB Niaga).
Pension Business		
Vincentius Hidajat	Pension Business Head	Available in the Board of Management Profile.
Yose Parlinta, Sip	Business Development Pension Business Head	Joined BTPN since 2011 currently serving as Business Development Pension Business Head. Previously, he has worked for CV Bina Artha, Bank Bali, Bank Permata, BII and Bank ICB Bumiputera.
Medi Suharno	Business Risk Pension Business Head	Joined BTPN since 2009 currently serving as Business Risk Pension Business Head. Previously, he has worked for Garuda Indonesia and Bank Danamon.
Ishak Agus R. Siahaan	Sales Distribution Pension Business 1 Head	Joined BTPN since 1992 currently serving as Sales Distribution Pension Business 1 Head.
Helmud Simanjuntak	Sales Distribution Pension Business 2 Head	Joined BTPN since 1985 currently serving as Sales Distribution Pension Business 2 Head.
Sri Herlyanti	Active Employee & Pre Pensioner Distribution Pension Business Head	Joined BTPN since 2010 currently serving as Active Employee & Pre Pensioner Distribution Pension Business Head. Previously, she has worked for Bank Niaga, Bank Danamon, GE Consumer Finance and CIMB Niaga.
Dra Herlina Mediaty	Strategic Partnership & Relationship Management Pension Business Head	Joined BTPN since 2014 currently serving as Strategic Partnership & Relationship Management Pension Business Head. Previously, she has worked for Bank Niaga and Bank Danamon.
Enrico Novian	Project Management Pension Business Head	Joined BTPN since 2008 currently serving as Project Management Pension Business Head. Previously, he has worked for Bank Permata.
Retail Funding Business		
Helena	Retail Funding Business Head	Available in the Board of Management Profile.
Nyoman Suri Sukmawati	Product Management RFB Head	Joined BTPN since 2012 currently serving as Product Management RFB Head. Previously, she has worked for Citibank.

Name	Position	
Chairul Sani	Sales & Distribution RFB Head	Joined BTPN since 2009 currently serving as Sales & Distribution RFB Head. Previously, he has worked for PT Sejahtera Bank Umum, Bank Universal and Bank Permata.
Elvie Iskandar	Sales Management & Customer Experience RFB Head	Joined BTPN since 2008 currently serving as Sales Management & Customer Experience RFB Head. Previously, she has worked for Bank Bali and Bank Permata.
Fajar Septianto	Business Quality Assurance RFB Head	Joined BTPN since 2009 currently serving as Business Quality Assurance RFB Head. Previously, he has worked for Bank Mega.
Branchless Banking		
Hadi Wibowo	Branchless Banking Head	Available in the Board of Management Profile.
Luhur Budijarso	Marketing BTPN Wow! Head	Joined BTPN since 2015 currently serving as Marketing BTPN Wow! Head. Previously, he has worked for Wella Indonesia, Bank Universal, Astra Insurance, Astro Indonesia, Bank Permata, PT Sanghiang Perkasa and PT Sanjaya Buana Indonesia.
Achmad Nusyirwan Sugondo	Product & Customer Experience BTPN Wow! Head	Joined BTPN since 2011 currently serving as Product & Customer Experience BTPN Wow! Head. Previously, he has worked for PT Motorola Indonesia, PT Samsung Telecommunication Indonesia and PT AXIS Telekom Indonesia.
Mohammad Reza Rizal	Sales Management BTPN Wow! Head	Joined BTPN since 2011 currently serving as Sales Management BTPN Wow! Head. Previously, he has worked for FTUI, Indosat, Indosat M3 and AXIS Telekom Indonesia.
Vanny Maryani	Business Risk & Planning BTPN Wow! Head	Joined BTPN since 2016 currently serving as Business Risk & Planning BTPN Wow! Head. Previously, she has worked for PT Sejahtera MBF Multifinance, GE Capital and Bank Permata.
Digital Banking		
Peterjan Van Nieuwenhuizen	Digital Banking Head	Available in the Board of Management Profile.
Irwan Sutjipto Tisnabudi	Digital Banking Value Proposition & Product Head	Joined BTPN since 2016 currently serving as Digital Banking Value Proposition & Product Head. Previously, he has worked for Bank Universal, General Electric, HSBC, OCBC NISP and UOB.
Alfonso Tambunan	Digital Banking Solution Head	Joined BTPN since 2016 currently serving as Digital Banking Solution Head. Previously, he has worked for PT MIK, Bank Danamon and Icehouse.
Lollyta Kurniawan	Digital Banking Business Performance Management & Operation Head	Joined BTPN since 2017 currently serving as Digital Banking Business Performance Management & Operation Head. Previously, she has worked for HSBC and PT. Evoque Indonesia.
Febri Rusli	Digital Banking Partnership Head	Joined BTPN since 2015 currently serving as Digital Banking Partnership Head. Previously, he has worked for Sony Indonesia and Samsung Electronic Indonesia.
Asset Business Planning		
Toni Handiono Wirja	Asset Business Planning Head	Joined BTPN since 2010 currently serving as Asset Business Planning Head. Previously, he has worked for Bank Universal, Citibank, PT Bahana Pembinaan Usaha Indonesia and Bank Permata.
Operations		
Merisa Darwis	Operations Head	Available in the Board of Management Profile.
Avianingsih Tri Kentjana	Corporate Real Estate & Services Management Head	Joined BTPN since 2012 currently serving as Corporate Real Estate & Services Management Head. Previously, she has worked for Bank Danamon.
Radhar Hasti Handayani	Operations Development Head	Joined BTPN since 2008 currently serving as Operations Development Head. Previously, she has worked for Bank Universal, Bank Niaga, Bank Mega and Bank Danamon.
Adi Yuniarto	Operations Distribution Head	Joined BTPN since 2009 currently serving as Operations Distribution Head. Previously, he has worked for Citibank, Bank Pacific, Bank Universal and Bank Ina Perdana.
Retna Soelistyawati	Procurement & Fixed Asset Management Head	Joined BTPN since 2012 currently serving as Procurement & Fixed Asset Management Head. Previously, she has worked for Maybank and Bank Danamon.
Aris Munandar	Centralized Operations Head	Joined BTPN since 2017 currently serving as Centralized Operations Head. Previously, he has worked for Citibank, HSBC, ABN Amro Bank, Bank Danamon, Bank Barclays Indonesia, Permata Bank and SCB.
Ridwan Nugraha	Customer Experience Center Head	Joined BTPN since 2011 currently serving as Customer Experience Center Head. Previously, he has worked for UOB, Sinarmas Group and Royal Golden Eagle (RGE) Group.

Name	Position	
Hermanto Rahardjo D.	Network & Service Management Head	Joined BTPN since 2014 currently serving as Network & Service Management Head. Previously, he has worked for Bank Danamon.
Patritius	Information Security & Process Quality Head	Joined BTPN since 2015 currently serving as Information Security & Process Quality Head. Previously, he has worked for PT Mitra Integrasi Komputindo, Bank Danamon and PT XL Axiata.
Anggraeni Arief Widjaja	PMO Head	Joined BTPN since 2016 currently serving as PMO Head. Previously, she has worked for Abbott Laboratories, Amgen Inc, A. T. Kearney and Bank Permata.
Information Technology		
Amit Kumar	IT Business Enablement Head	Joined BTPN since 2017 currently serving as IT Business Enablement Head. Previously, he has worked for McKinsey, TCS dan Tech Mahindra.
Setiasmo	IT Transaction Management Head	Joined BTPN since 2017 currently serving as IT Transaction Management Head. Previously, he has worked for PT. United Tractors, PT. Courtaulds Coatings Indonesia, Bank Universal, Bank Permata, Bank Mega, Asuransi Astra Buana, Bank Danamon, Potentia HR Consulting, BTPN and BTPN Syariah.
Vincentius Ivan	IT Data Management Head	Joined BTPN since 2017 currently serving as IT Data Management Head. Previously, he has worked for PT. Sigma Karya Sempurna, Bank Barclays, Citibank and Bank Permata.
Ariadi Nugroho	IT Strategy & Planning Head	Joined BTPN since 2016 currently serving as IT Strategy & Planning Head. Previously, he has worked for Logica/CGI, Software Improvement Group (SIG) in Netherland and Accenture Indonesia.
Analytics & Decision Science		
Erliana Tandoko	Pjs Analytics & Decision Science Head	Joined BTPN since 2017 currently serving as Pjs Analytics & Decision Science Head. Previously, she has worked for Citibank, CT Corporation and UOB.
Human Capital		
Maya Kartika	Human Capital Head	CV terdapat didalam CV Board of Management.
Denty Avianty	HCBP Keuangan & Pendanaan & Corporate Functions Head	Joined BTPN since 2015 currently serving as HCBP Keuangan & Pendanaan & Corporate Functions Head. Previously, she has worked for Metrodata Elektronik, Mosanto Indonesia, Fournier Pharma Indonesia, PT Oracle Indonesia and HSBC Indonesia.
Galih Suri Pakerti Ningrum	HCBP Pension Business & Branchless Banking Head	Joined BTPN since 2008 currently serving as HCBP Pension Business & Branchless Banking Head. Previously, she has worked for Inspira Consulting and PT. Informedia Nusantara.
Dewayanti Budiningrum	HCBP Operations & Outregion Head	Joined BTPN since 2010 currently serving as HC Operations & Outregion Head. Previously, she has worked for Bank Universal and Bank Permata.
Debbie Gracia Retnoningsih	HCBP Business Banking, Asset Business Planning, Supply Chain & Structure Program Business Head	Joined BTPN since 2015 currently serving as HCBP Business Banking, Asset Business Planning, Supply Chain & Structure Program Business Head. Previously, she has worked for Bank BCA and HSBC.
Ute Gerdanovita	HCBP Teknologi Informasi, Digital Banking, Analytics & Decision Science, Business Incubation Head	Joined BTPN since 2015 currently serving as HCBP Teknologi Informasi, Digital Banking, Analytics & Decision Science, Business Incubation Head. Previously, she has worked for Andersen Business Consulting, PT. Excelcomindo Pratama, Tbk, Coca - Cola Amatil Indonesia, AXA Indonesia and BP Asia Pacific.
Pratomo Soedarsono Ps	HC Strategy & Development Head	Joined BTPN since 2016 currently serving as HC Strategy & Development Head. Previously, he has worked for Synovate, Mercer and Bank HSBC.
Richard Durant Th Andries	HC Technology & Operations Head	Joined BTPN since 2016 currently serving as HC Technology & Operations Head. Previously, he has worked for Ernst & Young, Price Waterhouse Coopers, Hay Group, HCBC Corporation Ltd, CT Corporation, Bank Ekonomi, Sentul City and Global Mediacom.
Funding And Finance		
Tanpanjana	Financial Control & Planning Head	Joined BTPN since 2008 currently serving as Financial Control & Planning Head. Previously, he has worked for Bank Danamon.
Sie Lin Yakub	Corporate Performance Head	Joined BTPN since 2011 currently serving as Corporate Performance Head. Previously, she has worked for Bank Danamon.
Marlinah Suhendra	Wholesale Funding Business Head	Joined BTPN since 2008 currently serving as Wholesale Funding Business Head. Previously, she has worked for BCA, Lippo Bank, Bank Universal, Bank Permata and Bank Danamon.
Gabriel Baling	Market Research & Business Analytics 1 Head	Joined BTPN since 2008 currently serving as Market Research & Business Analytics 1 Head. Previously, he has worked for Bank Universal and Bank Permata.

Name	Position	
Anita Ekasari. C	Market Research & Business Analytics 2 Head	Joined BTPN since 2016 currently serving as Market Research & Business Analytics 2 Head. Previously, she has worked for Sewu New York Life, Allianz Life Indonesia, FWD Life and PT Astra Aviva Life.
Risk Management		
Dani M. Sundara	Operational Risk Management Head	Joined BTPN since 2012 currently serving as Operational Risk Management Head. Previously, he has worked for Societe Auxiliere d'Entreprise, Bank Niaga and Bank Danamon.
Sendiaty Sondy	Portfolio Management & Policy Head	Joined BTPN since 2012 currently serving as Portfolio Management & Policy Head. Previously, she has worked for Deutsche Bank AG (Jakarta, Singapura, London) and Bank Danamon.
Kusuma Adi Tarigan	Fraud Management Unit Head	Joined BTPN since 2016 currently serving as Fraud Management Unit Head. Previously, he has worked for PT. Tugu Pratama Indonesia, Bank Multiarta Sentosa, Bank Nusantara Parahyangan and Bank CIMB Niaga.
Compliance		
Sentot Ahmadi	Litigation Head	Joined BTPN since 2005 currently serving as Litigation Head. Previously, he has worked for PT Inti Dinamika Nusantara, PT Bank Nusa International, PT Catur Swasakti Utama and PT Bank BDNl.
Lucy Susiana Noor	Compliance Head	Joined BTPN since 2008 currently serving as Compliance Head. Previously, she has worked for Bank Niaga, Badan Penyehatan Perbankan Nasional (BPPN) and Bank Danamon.
Butet Sitepu	Corporate Secretariat Head	Joined BTPN since 2009 currently serving as Corporate Secretariat Head. Previously, she has worked for Bank Universal and Bank Permata.
Eny Yuliaty	Corporate Communications Head	Joined BTPN since 2008 currently serving as Corporate Communications Head. Previously, she has worked for Bank Universal and Bank Permata.
Argo Wibowo	Legal Head	Joined BTPN since 2011 currently serving as Legal Head. Previously, he has worked for Bank Universal, Citibank, Badan Penyehatan Perbankan Nasional (BPPN) and Bank Danamon.
Andrie Darusman	Daya Head	Joined BTPN since 2015 currently serving as Daya Head. Previously, he has worked for Unilever Indonesia, Sony Music Entertainment Indonesia, HSBC Indonesia and Bank BNI.
Internal Audit		
Nurhajati Soerjo Hadi	Internal Audit Head	Joined BTPN since 2015 currently serving as Internal Audit Head. Previously, she has worked for Far West Federal Bank, PT IBJ Indonesia Bank, ABN Amro Bank N.V., Royal Bank of Scotland N.V. and PT ANZ Bank Indonesia.
Dessy Natalia	Credit Audit Head	Joined BTPN since 2012 currently serving as Credit Audit Head. Previously, she has worked for Bank BCA.
Willy Johan Widjaja S	IT & Digital Banking Audit Head	Joined BTPN since 2016 currently serving as IT & Digital Banking Audit Head. Previously, he has worked for Salim Plantation, Data On, European Union, Ernst & Young, Hero Supermarket, HM Sampoerna and Tiga Pilar Sejahtera.
Heru Rustanto	Audit Methodology & Data Analytics Head	Joined BTPN since 2014 currently serving as Audit Methodology & Data Analytics Head. Previously, he has worked for PT Bank DBS Indonesia, HSBC – Indonesia, KAP Haryanto Sahari & Partners (PwC Indonesia) and KAP Johan Malonda & Partners.
Yudha Hanudi	Operations Audit & Investigation Head	Joined BTPN since 2011 currently serving as Operations Audit & Investigation Head. Previously, he has worked for Citibank.
Ahmad Salman Farizy	Funding & Support Functions Audit Head	Joined BTPN since 2015 currently serving as Funding & Support Functions Audit Head. Previously, he has worked for Bank Mandiri Syariah, Bank Niaga and Bank CIMB Niaga.
Supply Chain & Structure Program Business		
Diah Indrawati	Supply Chain & Structure Program Business Head	Joined BTPN since 2017 currently serving as Supply Chain & Structure Program Business Head. Previously, she has worked for PT. Anugerah Patria Wiry, Bank Permata, OCBC NISP and CIMB Niaga.

product and services

BTPN Sinaya

Giro Sinaya

Current account product in Rupiah currency designed to support customers' business activities, includes individual and non-individual customers.

BTPN Taseto Premium

Saving account in Rupiah currency with return equals to time deposit and access convenience through ATM BTPN network, ATM Bersama network, ATM & Debit Prima network, VISA network as well as internet and mobile banking facility.

BTPN Taseto Bisnis

Saving account in Rupiah currency special for corporate customers with return equal to time deposit.

BTPN Tabungan Pasti

Saving account in Rupiah and foreign currency (United States Dollar, Singapore Dollar and Japanese Yen) offering transaction convenience with easy and affordable account opening requirement.

BTPN Taseto Mapan

Saving plan product in Rupiah currency with return equal to time deposit to fulfill future needs.

BTPN Deposito Berjangka

Deposits which provide optimal return with variety tenure from 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 18 and 24 months in Rupiah and foreign currency (United States Dollar, Singapore Dollar, and Japanese Yen).

BTPN deposito fleksi

Deposit in Rupiah currency which offers customers the flexibility to break at any time, without administrative penalty charges.

Bancassurance Product

Unit Link insurance products, in liaison with PT Asuransi Allianz Life Indonesia, i.e. Guardia Premium (regular premium) and Guardia Investa (single premium).

Mutual Fund Product

Mutual fund product, in liaison with PT Mandiri Investment Management (MMI), PT Schroders Investment Management Indonesia and PT Maybank Asset Management as an investment alternative for BTPN customers.

Government Bond Product

Government bond product, in liaison with several securities partners as an investment alternative for BTPN customers.

BTPN Purna Bakti

Pension Loan

Pension Loan is a loan product for pensioners, with loan repayment comes from monthly pension salary. This product offers simple requirements, competitive interest rate, prompt service, and flexibility to decide the amount and tenor of the loan for various purposes.

Pre Pension Loan

Pre Pension Loan is a loan product for future pensioners, with loan repayment comes from pension saving plans and or monthly pension salary. This loan product can be used as a source of capital to start a new business when entering pension period and offers simple requirements, competitive interest rate, prompt service, and flexibility to decide the amount and tenor of the loan.

Employee Loan

Employee Loan is a loan for active employees of an Institution that already has an Agreement with Bank BTPN. With loan repayment comes from monthly salary deduction. This product offers simple requirements, competitive interest rate, prompt service and flexibility to decide the amount and tenor of the loan for various purposes. Bank has developed this product to meet the market dynamic needs.

BTPN Mitra Bisnis

Working Financing Capital

Working Capital Financing is a financing facility that given to Small and Medium Enterprises in order to fulfill their working capital needs. This product is developed to provide convenience and flexibility to fulfill fluctuating, permanent, seasonal, or contract-based working capital needs.

Investment Financing

Investment Financing is a financing facility that given to Small and Medium Enterprises in order to purchase capital goods, including but not limited to land and building, working vehicle, and machinery. This product feature have maximum tenor and repayment in monthly installment.

Supply Chain Financing

Through this financing structure, Bank will cooperate with company (called as Strategic Partner) to provide financing facility to end users which are sub-distributors, agents, retailers, or suppliers of Strategic Partner. We offer comprehensive solution for customers' business development, which transaction process and cash flow with Customers's partners planned to be managed via BTPN web based application.

Asset Based Financing

Asset Based Financing is an investment financing program in order to purchase capital goods, such as Heavy Equipment, Tug Boat and Barge, Commercial Transport Vehicle, etc.

Multi Finance Financing

Multi finance financing is a joint financing or refinancing program to end user through multi finance in order to purchase automotive, consumable or non-consumable products

BTPN Mitra Usaha Rakyat

PaketMU - Paket Mitra Usaha

Offers one banking solution package for business, which includes Loan with flexibility in type of collateral and installment payment access, beneficial saving account also added with business development program to the customers. (Business Development Program materials could be accessed through online channel)

office addresses

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BANDUNG

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BANDA ACEH

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LHOKSEUMAWE

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BUKIT TINGGI

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PEKANBARU

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GARUT

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SUKABUMI

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Fax: (0266) 221184

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Jl. Dr.Wahidin Sudirohusodo 72 Cirebon
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PURWOKERTO

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barat, Purwokerto
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KUDUS

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SEMARANG

Jl. MT. Haryono No. 715 Semarang
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Fax: (024) 8454591, 8319135

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Jl. Brigjen Slamet Riyadi No. 526 Surakarta
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Fax: (0271) 724580/715668/722630

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Fax: (031) 3532035

Jl. Kertajaya 30 Surabaya 60282
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Fax: (031) 5019484

MADIUN

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Jl. Brigjen Katamso 32 Kediri
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Jl. Letda Tantular No. 1 Rukan Dewata Square
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MATARAM

Jl. Pejanggik No. 86 Mataram
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MAKASSAR

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PARE PARE

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KENDARI

Jl. Dr. Sam Ratulangi No. 10 Mandonga Kendari
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PALU

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AMBON

Jl. A. Yani No. 20 Uritetu, Sirimau
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TERNATE

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/*AND SUBSIDIARY***

**LAPORAN KEUANGAN KONSOLIDASIAN/
*CONSOLIDATED FINANCIAL STATEMENTS***

**31 DESEMBER 2017 DAN 2016/
*31 DECEMBER 2017 AND 2016***

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL 31 DESEMBER 2017 DAN 2016
SERTA UNTUK TAHUN - TAHUN YANG BERAKHIR
PADA TANGGAL 31 DESEMBER 2017 DAN 2016**

**BOARD OF DIRECTORS' STATEMENTS
REGARDING THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2017 AND 2016,
AND FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk.
DAN ENTITAS ANAK**

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk.
AND SUBSIDIARY**

Kami yang bertanda tangan di bawah ini:

We, the undersigned:

1. Nama : Jerry Ng
Alamat Kantor : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 – 5.6
Jakarta 12950
Alamat Rumah : Apartment Airlangga 28A, Kav. E1.1
No.1, RT/RW 005/002 Kuningan
Timur, Setiabudi, Jakarta Selatan
Nomor Telepon : (021) 30026200
Jabatan : Direktur Utama
2. Nama : Arief Harris Tandjung
Alamat Kantor : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 – 5.6
Jakarta 12950
Alamat Rumah : Jalan Suwiryo No.15, RT/RW 003/002
Gondangdia, Menteng, Jakarta 10350
Nomor Telepon : (021) 30026200
Jabatan : Direktur Keuangan dan Pendanaan

1. Name : Jerry Ng
Office address : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 – 5.6
Jakarta 12950
Residential address : Apartment Airlangga 28A, Kav. E1.1
No.1, RT/RW 005/002 Kuningan
Timur, Setiabudi, Jakarta Selatan
Telephone : (021) 30026200
Title : President Director
2. Name : Arief Harris Tandjung
Office address : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 – 5.6
Jakarta 12950
Residential address : Jalan Suwiryo No.15, RT/RW 003/002
Gondangdia, Menteng, Jakarta 10350
Telephone : (021) 30026200
Title : Finance and Funding Director

Menyatakan bahwa:

Declare that:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan Entitas Anak;
2. Laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan Entitas Anak telah dimuat secara lengkap dan benar;
b. Laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank Tabungan Pensiunan Nasional Tbk dan Entitas Anak.

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary;
2. The consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary has been disclosed in a complete and truthful manner;
b. The consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for PT Bank Tabungan Pensiunan Nasional Tbk and Subsidiary's internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

Thus statement is made truthfully.

JAKARTA,
2 Februari/February 2018

Atas nama dan mewakili Dewan Direksi/For and on behalf of the Board of Directors



Jerry Ng
Direktur Utama/
President Director

Arief Harris Tandjung
Direktur Keuangan dan Pendanaan/
Finance and Funding Director



**LAPORAN AUDITOR INDEPENDEN
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF**

PT BANK TABUNGAN PENSIUNAN NASIONAL TBK

Kami telah mengaudit laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian 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 konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

We have audited the accompanying consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk and its subsidiary, which comprise the consolidated statement of financial position as of 31 December 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan
Plaza 89, Jl. H.R. Rasuna Said Kav. X-7 No.6 Jakarta 12940 - INDONESIA, P.O. Box 2473 JKP 10001
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Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, 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 konsolidasian entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian 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 konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk dan entitas anaknya tanggal 31 Desember 2017, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Tabungan Pensiunan Nasional Tbk and its subsidiary as of 31 December 2017, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA
2 Februari/February 2018

Angelique Dewi Daryanto, S.E., CPA
Surat Ijin Praktek Akuntan Publik/License of Public Accountant No. AP. 0734

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
ASET				ASSETS
Kas	1,496,785	2e,2f,4	1,448,180	Cash
Giro pada Bank Indonesia	5,098,341	2e,2g,2h,5	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain:		2e,2h,6		Current accounts with other banks:
- Pihak ketiga	475,913		286,598	Third parties -
- Pihak berelasi	12,029	2ah,36	571,833	Related parties -
	<u>487,942</u>		<u>858,431</u>	
Penempatan pada Bank Indonesia dan bank lain	8,489,491		7,003,585	Placements with Bank Indonesia and other banks
Pendapatan bunga yang masih akan diterima	16,449		1,857	Accrued interest income
	<u>8,505,940</u>	2e, 2i, 7	<u>7,005,442</u>	
Efek-efek:				Marketable securities:
Aset keuangan tersedia untuk dijual	1,090,782	2e, 2j, 8	1,081,238	Available for sale financial assets
Aset keuangan dimiliki hingga jatuh tempo	5,247,049		4,852,820	Held to maturity financial assets
Pendapatan bunga/margin yang masih akan diterima	28,711		18,500	Accrued interest/ margin income
	<u>6,366,542</u>		<u>5,952,558</u>	
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,495,409		2,696,767	Securities purchased under resale agreements (Reverse Repo)
Pendapatan bunga yang masih akan diterima	5,378		2,332	Accrued interest income
	<u>2,500,787</u>	2e, 2k, 9	<u>2,699,099</u>	
Tagihan derivatif	2,338	2e,2m,10	43,652	Derivatives receivables
Pinjaman yang diberikan:				Loans:
- Pihak ketiga	59,277,279		58,147,138	Third parties -
- Pihak berelasi	21,285	2ah,36	24,460	Related parties -
Pembiayaan/piutang syariah:				Sharia financing/receivables:
- Pihak ketiga	6,053,273		4,996,812	Third parties -
Pendapatan bunga/margin yang masih akan diterima	749,095		764,513	Accrued interest/ margin income
Dikurangi: Cadangan kerugian penurunan nilai	(794,115)		(685,304)	Less: Allowance for impairment losses
	<u>65,306,817</u>	2e,2l,11	<u>63,247,619</u>	
Penyertaan saham	22	2e	22	Investments
Biaya dibayar dimuka	2,733,440	2p,12	2,643,707	Prepayments
Pajak dibayar dimuka				Prepaid taxes:
- Pajak penghasilan	53,308	13a	-	Corporate income tax -
Aset pajak tangguhan - bersih	165,935	2z,13d	122,597	Deferred tax assets - net
Aset tetap	2,994,068		2,879,774	Fixed assets
Dikurangi: Akumulasi penyusutan	(1,333,948)		(1,247,509)	Less: Accumulated depreciation
	<u>1,660,120</u>	2n,2ad,14	<u>1,632,265</u>	
Aset tak berwujud	1,281,387		995,989	Intangible assets
Dikurangi: Akumulasi amortisasi	(512,325)		(360,614)	Less: Accumulated amortisation
	<u>769,062</u>	2o,15	<u>635,375</u>	
Aset lain-lain	346,471		457,084	Other assets
Dikurangi: Cadangan kerugian penurunan nilai	(4,000)		-	Less: Allowance for impairment losses
	<u>342,471</u>	2e,2q,16	<u>457,084</u>	
JUMLAH ASET	<u>95,489,850</u>		<u>91,371,387</u>	TOTAL ASSETS

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

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS				LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	49,538	2e,2r,17	95,984	<i>Obligations due immediately</i>
Simpanan nasabah:		2e,2s,18		<i>Deposits from customers:</i>
- Pihak ketiga	61,834,242		60,429,532	<i>Third parties -</i>
- Pihak berelasi	835,783	2ah, 36	1,377,266	<i>Related parties -</i>
Beban bunga yang masih harus dibayar	<u>193,765</u>		<u>235,420</u>	<i>Accrued interest expenses</i>
	<u>62,863,790</u>		<u>62,042,218</u>	
Simpanan dari bank lain:		2e,2s,19		<i>Deposits from other banks:</i>
- Pihak ketiga	822,584		914,535	<i>Third parties -</i>
Beban bunga yang masih harus dibayar	<u>822</u>		<u>61</u>	<i>Accrued interest expenses</i>
	<u>823,406</u>		<u>914,596</u>	
Liabilitas derivatif	2,886	2e,2m,10	8,344	<i>Derivatives payables</i>
Utang pajak:		2z,13b		<i>Taxes payable:</i>
- Pajak penghasilan	85,696		78,594	<i>Income taxes -</i>
- Pajak lain-lain	91,164		88,075	<i>Other taxes -</i>
	<u>176,860</u>		<u>166,669</u>	
Utang obligasi	2,543,401		2,469,143	<i>Bonds payable</i>
Beban bunga yang masih harus dibayar	<u>37,376</u>		<u>38,123</u>	<i>Accrued interest expenses</i>
	<u>2,580,777</u>	1c,2e,2t,20	<u>2,507,266</u>	
Pinjaman yang diterima:		2e,2u,21		<i>Borrowings:</i>
- Pinjaman bank	2,238,638		2,088,237	<i>Bank borrowings -</i>
- Pinjaman bukan bank	3,004,155		1,643,125	<i>Non-bank borrowings -</i>
Biaya transaksi yang belum diamortisasi	(34,153)		(32,190)	<i>Unamortised transaction costs</i>
Beban bunga yang masih harus dibayar	<u>41,567</u>		<u>51,499</u>	<i>Accrued interest expenses</i>
	<u>5,250,207</u>		<u>3,750,671</u>	
Akrual	398,668	22	204,048	<i>Accruals</i>
Liabilitas imbalan kerja karyawan:		2x,23		<i>Employee benefit liabilities:</i>
- Bonus dan tantiem	411,130		426,307	<i>Bonus and tantiem -</i>
- Imbalan pasca kerja	45,654		47,321	<i>Post employment benefit -</i>
	<u>456,784</u>		<u>473,628</u>	
Liabilitas lain-lain	424,354	2e,24	488,501	<i>Other liabilities</i>
Jumlah Liabilitas	<u>73,027,270</u>		<u>70,651,925</u>	Total Liabilities
DANA SYIRKAH TEMPORER				TEMPORARY SYIRKAH FUNDS
Simpanan nasabah:				<i>Deposits from customer:</i>
- Pihak ketiga				<i>Third parties -</i>
Tabungan <i>mudharabah</i>	92,925	25a	63,641	<i>Mudharabah saving deposits</i>
Deposito <i>mudharabah</i>	5,147,649	25b	4,324,203	<i>Mudharabah time deposits</i>
- Pihak berelasi				<i>Related parties -</i>
Tabungan <i>mudharabah</i>	763	2ah,36	361	<i>Mudharabah saving deposits</i>
Deposito <i>mudharabah</i>	6,711		6,509	<i>Mudharabah time deposits</i>
Beban bagi hasil yang masih harus dibayar	<u>13,735</u>	25b	<u>12,320</u>	<i>Accrued profit sharing expenses</i>
Jumlah Dana Syirkah Temporer	<u>5,261,783</u>	2v	<u>4,407,034</u>	Total Temporary Syirkah Funds

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

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
EKUITAS				EQUITY
Ekuitas yang diatribusikan kepada pemilik ekuitas induk				Equity attributable to owners of the parent
Modal saham -				<i>Share capital -</i>
Modal dasar Rp 150.000 terdiri dari:				<i>Authorised capital of Rp 150,000 consists of:</i>
7.500.000.000 saham dengan nilai nominal Rp 20 (nilai penuh) per saham				<i>7,500,000,000 shares and with par value of Rp 20 (full amount) per share</i>
Modal ditempatkan dan disetor penuh sebesar 5.840.287.257 saham	116,806	26	116,806	<i>Issued and fully paid-up capital is 5,840,287,257 shares</i>
Tambahan modal disetor	1,429,385	1b,2w	1,429,385	<i>Additional paid-in capital</i>
Cadangan revaluasi aset tetap	724,449		724,449	<i>Reserve on revaluation of fixed asset</i>
Cadangan pembayaran berbasis saham	254,496	2y,27	200,109	<i>Share-based payment reserve</i>
Keuntungan yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	12,875		4,209	<i>Unrealised gain on available for sale marketable securities</i>
Saldo laba:				<i>Retained earnings:</i>
- Dicadangkan	26,861		23,361	<i>Appropriated -</i>
- Belum dicadangkan	14,227,025		13,601,981	<i>Unappropriated -</i>
	16,791,897		16,100,300	
Saham treasuri	(262,404)	2w	(262,404)	<i>Treasury shares</i>
	16,529,493		15,837,896	
Kepentingan non-pengendali	671,304		474,532	Non-controlling interest
Jumlah Ekuitas	17,200,797		16,312,428	Total Equity
JUMLAH LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS	95,489,850		91,371,387	TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY

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

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
PENDAPATAN DAN BEBAN OPERASIONAL				OPERATING INCOME AND EXPENSE
Pendapatan bunga	11,140,809		11,468,744	<i>Interest income</i>
Pendapatan syariah	<u>2,905,253</u>		<u>2,226,482</u>	<i>Sharia income</i>
	<u>14,046,062</u>	2aa,29	<u>13,695,226</u>	
Beban bunga	(4,173,241)		(4,543,951)	<i>Interest expense</i>
Bagi hasil syariah	<u>(351,211)</u>		<u>(297,296)</u>	<i>Sharia profit sharing</i>
	<u>(4,524,452)</u>	2aa,30	<u>(4,841,247)</u>	
PENDAPATAN BUNGA DAN SYARIAH - BERSIH	<u>9,521,610</u>		<u>8,853,979</u>	NET INTEREST AND SHARIA INCOME
Pendapatan operasional Lainnya:				Other operating income:
Pendapatan dari komisi asuransi dan lain-lain	639,995	2ac,31	689,051	<i>Insurance commission income and others</i>
Kerugian transaksi spot dan derivatif bersih	<u>(170,458)</u>	2ac	<u>(79,109)</u>	<i>Net loss from spot and derivative transactions</i>
	469,537		609,942	
Beban operasional lainnya:				Other operating expenses:
Beban tenaga kerja	(3,670,484)	2ac,32	(3,143,161)	<i>Personnel expenses</i>
Beban umum dan administrasi	(2,948,310)	2ac,33	(2,564,115)	<i>General and administrative expenses</i>
Cadangan kerugian penurunan nilai	(1,097,619)	2e,34	(869,761)	<i>Allowance for impairment losses</i>
Beban operasional lainnya	<u>(296,308)</u>	35	<u>(277,168)</u>	<i>Other operating expenses</i>
	<u>(8,012,721)</u>		<u>(6,854,205)</u>	
PENDAPATAN OPERASIONAL - BERSIH	<u>1,978,426</u>		<u>2,609,716</u>	NET - OPERATING INCOME
(BEBAN)/PENDAPATAN NON-OPERASIONAL				NON-OPERATING (EXPENSES)/INCOME
Pendapatan non-operasional	7,586		3,601	<i>Non-operating income</i>
Beban non-operasional	<u>(49,167)</u>		<u>(8,798)</u>	<i>Non-operating expenses</i>
	<u>(41,581)</u>		<u>(5,197)</u>	
LABA SEBELUM PAJAK PENGHASILAN	<u>1,936,845</u>		<u>2,604,519</u>	PROFIT BEFORE INCOME TAX
BEBAN PAJAK PENGHASILAN	<u>(514,905)</u>	2z,13c	<u>(728,673)</u>	INCOME TAX EXPENSE
LABA BERSIH TAHUN BERJALAN	<u>1,421,940</u>		<u>1,875,846</u>	NET PROFIT FOR THE YEAR

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

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
(RUGI)/LABA KOMPREHENSIF LAIN:				OTHER COMPREHENSIVE (EXPENSES)/INCOME:
Pos-pos yang tidak akan direklasifikasi ke laba rugi				Items that will not be reclassified to profit or loss
Keuntungan revaluasi aset tetap	-	14	749,032	Gain on revaluation of fixed assets
Pengukuran kembali imbalan pasca kerja	(29,486)		(8,780)	Remeasurements of post employment benefit
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi	<u>7,371</u>		<u>(20,817)</u>	Income tax relating to items that will not be reclassified to profit or loss
	<u>(22,115)</u>		<u>719,435</u>	
Pos-pos yang akan direklasifikasi ke laba rugi				Items that will be reclassified subsequently to profit or loss
Keuntungan/(kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	9,778		2,289	Unrealised gain/(loss) on available for sale marketable securities
Pajak penghasilan terkait pos-pos yang akan direklasifikasi ke laba rugi	<u>(1,112)</u>		<u>451</u>	Income tax relating to items that will be reclassified to profit or loss
	<u>8,666</u>		<u>2,740</u>	
(RUGI)/LABA KOMPREHENSIF LAIN TAHUN BERJALAN, SETELAH PAJAK	<u>(13,449)</u>		<u>722,175</u>	OTHER COMPREHENSIVE (EXPENSES)/INCOME FOR THE YEAR, NET OF TAX
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN, SETELAH PAJAK	<u>1,408,491</u>		<u>2,598,021</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX
LABA YANG DIATRIBUSIKAN KEPADA:				PROFIT ATTRIBUTABLE TO:
Pemilik entitas induk	1,220,886		1,752,097	Owners of the parent
Kepentingan non-pengendali	<u>201,054</u>		<u>123,749</u>	Non-controlling interest
	<u>1,421,940</u>		<u>1,875,846</u>	
JUMLAH LABA KOMPREHENSIF YANG DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:
Pemilik entitas induk	1,211,719		2,471,280	Owners of the parent
Kepentingan non-pengendali	<u>196,772</u>		<u>126,741</u>	Non-controlling interest
	<u>1,408,491</u>		<u>2,598,021</u>	
LABA BERSIH PER SAHAM (NILAI PENUH)		2ae,39		EARNINGS PER SHARE (FULL AMOUNT)
Dasar				Basic
- Dari operasi yang dilanjutkan	<u>213</u>		<u>304</u>	From continuing operations -
Dilusian				Diluted
- Dari operasi yang dilanjutkan	<u>206</u>		<u>294</u>	From continuing operations -

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

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PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARYLAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016
(Expressed in millions of Rupiah, unless otherwise stated)

		Distribusikan kepada pemilik entitas induk/Attributable to owners of the parent										Balance as at		
		Keuntungan (/kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual/ Unrealised gain/(loss) on available for sale marketable securities										1 January 2017		
		Saldo laba yang sudah ditentukan penggunaannya/ Appropriated retained earnings										Net profit for the year		
		Saldo laba yang belum ditentukan penggunaannya/ Unappropriated retained earnings										Other comprehensive (expenses)/income:		
		Saham Treasury shares										Available for sale financial asset		
		Keuntungan non-pengendali/ Non-controlling interest										Remeasurement of employee benefit		
		Jumlah/ Total equity										Related tax effect		
		Jumlah/ Total										Total comprehensive income during the year		
		General appropriation of subsidiary										Distribution of cash dividend		
		Share-based payment										Share-based payment		
		Balance as at										31 December 2017		
Saldo per 1 Januari 2017		116.806	1.429.385	724.449	200.109	4.209	23.361	13.601.981	(262.404)	15.837.896	474.532	16.312.428		
Laba bersih tahun berjalan	28	-	-	-	-	-	-	1.220.886	-	1.220.886	201.054	1.421.940		
(Rugi)/laba komprehensif lainnya:														
Aset keuangan tersedia untuk dijual		-	-	-	-	9.778	-	-	-	9.778	-	9.778		
Penilaian kembali imbalan kerja		-	-	-	-	-	-	(23.776)	-	(23.776)	(5.710)	(29.486)		
Efek pajak terkait		-	-	-	-	(1.112)	-	5.943	-	4.831	1.428	6.259		
Jumlah laba komprehensif selama tahun berjalan		-	-	-	-	8.666	-	1.203.053	-	1.211.719	196.772	1.408.491		
Cadangan umum anak perusahaan		-	-	-	-	-	3.500	(3.500)	-	-	-	-		
Pembagian dividen tunai	29, 28	-	-	-	-	-	-	(574.509)	-	(574.509)	-	(574.509)		
Pembayaran berbasis saham	29, 27	-	-	-	-	-	54.387	-	-	54.387	-	54.387		
Saldo per 31 Desember 2017		116.806	1.429.385	724.449	254.496	12.875	26.861	14.227.025	(262.404)	16.529.493	671.304	17.200.797		

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

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

		Distribusikan kepada pemilik entitas induk/Attributable to owners of the parent									
		Keuntungan (/kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual/ Unrealised gain/(loss) on available for sale marketable securities	Cadangan pembayaran berbasis saham/ Share-based payment reserve	Cadangan revaluasi aset tetap/ Reserve on revaluation of fixed asset	Saldo laba yang sudah ditetapkan penngunaannya/ Appropriated retained earnings	Saldo laba yang belum ditetapkan penngunaannya/ Unappropriated retained earnings	Saham treasury shares	Jumlah/ Total	Kepentingan non- Non- controlling interest	Jumlah ekuitas/ Total equity	Balance as at 1 January 2016
Saldo per 1 Januari 2016		116.806	147.157	1.469	23.361	11.857.890	-	13.576.068	347.791	13.923.859	13.923.859
Laba bersih tahun berjalan	28	-	-	-	-	1.752.097	-	1.752.097	123.749	1.875.846	1.875.846
(Rugi)/laba komprehensif lainnya:											
Aset keuangan tersedia untuk dijual		-	-	2.289	-	-	-	2.289	-	2.289	2.289
Penilaian kembali imbalan kerja		-	-	-	-	(10.675)	-	(10.675)	1.895	(8.780)	(8.780)
Cadangan revaluasi aset tetap	14	-	-	451	-	-	-	747.388 (22.939)	1.644 (547)	749.032 (20.366)	749.032 (20.366)
Efek pajak terkait		-	-	-	-	2.669	-	(19.819)	-	(20.366)	(20.366)
Jumlah laba komprehensif selama tahun berjalan		-	-	2.740	-	1.744.091	-	2.471.280	126.741	2.598.021	2.598.021
Saham treasury	2w	-	-	-	-	-	-	(262.404)	-	(262.404)	(262.404)
Pembayaran berbasis saham	2y,27	-	-	-	-	-	-	52.952	-	52.952	52.952
Saldo per 31 Desember 2016		116.806	147.157	4.209	23.361	13.601.981	(262.404)	15.837.896	474.532	16.312.428	16.312.428

Net profit for the year
Other comprehensive (expenses)/income:
Available for sale financial asset
Remeasurement of employee benefit
Reserve on revaluation of fixed asset
Related tax effect
Total comprehensive income during the year

Treasury shares
Share-based payment
Balance as at 31 December 2016

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

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**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga	11,145,575		11,380,347	Receipt from interest
Pendapatan syariah	2,888,056		2,210,314	Receipt from sharia income
Beban bunga	(4,197,538)		(4,509,652)	Interest expense
Bagi hasil syariah	(349,796)		(296,128)	Sharia profit sharing Fee and commission income received
Pendapatan provisi dan komisi	468,834		605,028	
Penerimaan kembali atas kredit yang telah dihapusbukukan	83,992	11f	98,810	Recovery from written-off loan
Pembayaran beban tenaga kerja	(3,662,427)		(2,991,436)	Payment of personnel expenses
Beban operasional lainnya	(2,659,510)		(2,840,363)	Other operating expenses
Pembayaran lain-lain	(39,038)		(3,305)	Other payment
Pembayaran pajak penghasilan badan	(507,803)		(768,371)	Corporate income tax paid
Arus kas sebelum perubahan dalam aset dan liabilitas operasi	3,170,345		2,885,244	Cash flows before changes in operating assets and liabilities
(Kenaikan)/penurunan dalam aset operasional:				(Increase)/decrease in operating assets:
Penempatan pada Bank Indonesia dan bank lain - jatuh tempo lebih dari 3 bulan	(705,000)		-	Placements with Bank Indonesia and other banks - with maturity more than 3 months
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	201,358		(1,602,366)	Securities purchased under resale agreement (Reverse Repo)
Pinjaman yang diberikan	(1,968,582)		(4,018,262)	Loans Sharia financing/ receivables
Pembiayaan/piutang syariah	(1,232,619)		(1,389,618)	Derivative receivables
Tagihan derivatif	41,314		(43,652)	
Kenaikan/(penurunan) dalam liabilitas operasional dan dana syirkah temporer:				Increase/(decrease) in operating liabilities and temporary syirkah funds:
Simpanan nasabah	558,246		4,350,521	Deposits from customers Deposits from sharia customers
Simpanan nasabah syariah	304,981		234,300	Deposits from other banks
Simpanan dari bank lain	(91,951)		914,375	Derivative payables
Liabilitas derivatif	(5,458)		8,344	Temporary Syirkah Funds Mudharabah saving deposits
Dana Syirkah Temporer:				Mudharabah time deposits
Tabungan mudharabah	29,686		37,040	
Deposito mudharabah	<u>823,648</u>		<u>1,306,255</u>	
Arus kas bersih diperoleh dari aktivitas operasi	<u>1,125,968</u>		<u>2,682,181</u>	Net cash flows provided from operating activities

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

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**PT BANK TABUNGAN Pensiunan Nasional Tbk
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**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Efek-efek	(594,484)		(710,900)	<i>Marketable securities</i>
Pembelian aset tetap	(323,844)	14	(304,215)	<i>Purchase of fixed assets</i>
Pembelian aset tak berwujud	(462,215)	15	(380,135)	<i>Purchase of intangible assets</i>
Hasil dari penjualan aset tetap	<u>4,561</u>	14	<u>687</u>	<i>Proceeds from sale of fixed assets</i>
Arus kas bersih digunakan untuk aktivitas investasi	<u>(1,375,982)</u>		<u>(1,394,563)</u>	Net cash flows used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran utang obligasi	(1,425,000)	20	(1,135,000)	<i>Payment of bonds payable</i>
Penerimaan dari obligasi yang diterbitkan	1,500,000	20	1,000,000	<i>Proceeds from issuance of bonds</i>
Penerimaan dari pinjaman yang diterima	8,243,293	21	3,405,988	<i>Proceeds from borrowings</i>
Pembayaran angsuran dan pelunasan pinjaman yang diterima	(6,731,862)	21	(2,451,777)	<i>Installment payment and settlement of borrowings</i>
Biaya emisi obligasi	(5,871)		(6,483)	<i>Bonds issuance cost</i>
Biaya transaksi atas pinjaman yang diterima	(24,110)		(6,082)	<i>Borrowing transaction cost</i>
Pembayaran kewajiban sewa guna usaha	-		(1,124)	<i>Payment of finance lease payables</i>
Pembayaran dividen	(574,509)		-	<i>Payment of dividends</i>
Akuisisi saham treasury	<u>-</u>		<u>(262,404)</u>	<i>Acquisition of treasury shares</i>
Arus kas bersih diperoleh dari aktivitas pendanaan	<u>981,941</u>		<u>543,118</u>	Net cash flows provided from financing activities
KENAIKAN BERSIH KAS DAN SETARA KAS	731,927		1,830,736	NET INCREASE IN CASH AND CASH EQUIVALENTS
DAMPAK PERUBAHAN SELISIH KURS TERHADAP KAS DAN SETARA KAS	703		4,914	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
SALDO KAS DAN SETARA KAS AWAL TAHUN	<u>14,184,787</u>		<u>12,349,137</u>	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR
SALDO KAS DAN SETARA KAS AKHIR TAHUN	<u><u>14,917,417</u></u>		<u><u>14,184,787</u></u>	CASH AND CASH EQUIVALENTS AT THE END OF YEAR

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

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
INFORMASI TAMBAHAN ARUS KAS				SUPPLEMENTAL CASH FLOW INFORMATION
AKTIVITAS YANG TIDAK MEMPENGARUHI ARUS KAS				ACTIVITIES NOT AFFECTING CASH FLOW
Cadangan pembayaran berbasis saham	54,387		52,952	Share-based payment reserves
Pembelian aset tetap yang masih terutang	(7,649)		(4,117)	Acquisition of fixed assets
Kas dan setara kas akhir tahun terdiri dari:				Cash and cash equivalents at end of year consist of:
Kas	1,496,785	4	1,448,180	Cash
Giro pada Bank Indonesia	5,098,341	5	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	487,942	6	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain ^{*)}	7,734,491	7	6,953,585	Placements with Bank Indonesia and other banks ^{*)}
Efek-efek ^{*)}	<u>99,858</u>	8	<u>299,235</u>	Marketable securities ^{*)}
	<u>14,917,417</u>		<u>14,184,787</u>	

*) Penempatan dan efek-efek pada Bank Indonesia dan bank lain dalam jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan diklasifikasikan sebagai kas dan setara kas (Catatan 2a).

*) Placement and marketable securities with Bank Indonesia and other banks with maturity of three months or less from acquisition date are classified as cash and cash equivalents (Note 2a)

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

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
31 DESEMBER 2017 DAN 2016**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM

a. Pendirian dan informasi umum

PT Bank Tabungan Pensiunan Nasional Tbk. ("BTPN" atau "Bank") yang berdomisili di Jakarta didirikan berdasarkan akta notaris No. 31 tanggal 16 Februari 1985 dari Notaris Komar Andasasmita, S.H. Akta ini telah diubah dengan akta notaris No. 12 tanggal 13 Juli 1985 dari Notaris Dedeh Ramdah Sukarna, S.H. Anggaran Dasar telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan surat No. C-2-4583-HT.01-01 TH.85 tanggal 25 Juli 1985, dan diumumkan dalam Tambahan No. 1148 Berita Negara Republik Indonesia No. 76 tanggal 20 September 1985. Bank diberikan izin untuk melanjutkan usaha bank sebagai kelanjutan usaha dari Perkumpulan Bank Pegawai Pensiunan Militer ("BAPEMIL") yang telah beroperasi secara operasional pada tanggal 16 Februari 1959.

Bank memperoleh izin usaha sebagai bank umum berdasarkan keputusan Menteri Keuangan Republik Indonesia No.Kep-955/KM.17/1993 tanggal 22 Maret 1993 dan surat Bank Indonesia No. 26/5/UPBD/PBD2/Bd tanggal 22 April 1993. Bank juga memperoleh izin untuk menjalankan Unit Usaha Syariah melalui surat Bank Indonesia No. 10/2/DPIP/Prz/Bd tanggal 17 Januari 2008 yang telah dipindahkan ke BTPN Syariah setelah pemisahan pada tanggal 14 Juli 2014.

Bank memperoleh izin melakukan kegiatan usaha dalam valuta asing berdasarkan surat Keputusan Otoritas Jasa Keuangan No. 382/PB.12/2015 tanggal 22 Desember 2015 tentang pemberian izin melakukan kegiatan usaha dalam valuta asing. Bank mulai melakukan kegiatan usaha sebagai bank devisa pada tanggal 16 Februari 2016.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan, perubahan terakhir dan pernyataan kembali dilaksanakan dalam rangka menyesuaikan dengan Peraturan Otoritas Jasa Keuangan sebagaimana dituangkan ke dalam Akta Pernyataan Keputusan Rapat (Perubahan dan Pernyataan Kembali Anggaran Dasar) No. 21 tanggal 14 April 2015, yang dibuat di hadapan Notaris Hadijah, S.H., M.Kn., di Jakarta. Perubahan Anggaran Dasar disahkan oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat No. AHU-3494082.AH.01.11. Tahun 2015 tanggal 17 April 2015.

1. GENERAL INFORMATION

a. Establishment and general information

PT Bank Tabungan Pensiunan Nasional Tbk. ("BTPN" or the "Bank") domiciled in Jakarta was established by notarial deed No. 31 dated 16 February 1985 of Notary Komar Andasasmita, S.H. The deed was amended by notarial deed No. 12 dated 13 July 1985 of Notary Dedeh Ramdah Sukarna, S.H. The Articles of Association was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. C-2-4583-HT.01-01 TH.85 dated 25 July 1985 and published in Supplement No. 1148 to State Gazette No. 76 dated 20 September 1985. The Bank was given permission to carry on the bank business as a continuity from Association of Bank Pegawai Pensiunan Militer ("BAPEMIL") which commenced its commercial operations on 16 February 1959.

The Bank obtained license to operate as commercial bank based on Decree of Ministry of Finance of the Republic Indonesia No.Kep-955/KM.17/1993 dated 22 March 1993 and the letter of Bank Indonesia No.26/5/UPBD/PBD2/Bd dated 22 April 1993. The Bank also obtained a license to operate its Sharia Business Unit by the letter of Bank Indonesia No.10/2/DPIP/Prz/Bd dated 17 January 2008 which has been transferred to BTPN Sharia after spin off on 14 July 2014.

The Bank obtained license to conduct foreign exchange activities based on Decree of Financial Services Authority No. 382/PB.12/2015 dated 22 December 2015 regarding approval in conducting foreign exchange activities. The Bank has begun to operate as a foreign exchange bank on 16 February 2016.

The Bank's Articles of Association have been amended several times, the latest amendment and restatement was made in relation to comply with the regulations of the Financial Services Authority based on deed of resolutions (changes and restatement of Articles of Association) No. 21 dated 14 April 2015, which notarised by Notary Hadijah, S.H., M.Kn., in Jakarta. The Amendment to Articles of Association were approved by The Minister of Law and Human Rights of the Republic of Indonesia through its letter No. AHU-3494082.AH.01.11. Tahun 2015 dated 17 April 2015.

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
DAN ENTITAS ANAK/AND SUBSIDIARY**

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
31 DESEMBER 2017 DAN 2016**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017 AND 2016**

(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Sesuai dengan pasal 3 Anggaran Dasar Bank, maksud dan tujuan serta kegiatan Bank adalah melakukan kegiatan usaha utama dan kegiatan usaha penunjang termasuk melakukan penyertaan modal pada bank yang melaksanakan kegiatan usaha berdasarkan prinsip syariah, sesuai dengan undang-undang dan peraturan yang berlaku di Indonesia.

Kantor pusat Bank berlokasi di Menara BTPN, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 – 5.6, Jakarta Selatan 12950.

Jaringan distribusi pada tanggal 31 Desember 2017 dan 2016 (tidak diaudit) sebagai berikut:

	2017	2016
Kantor Pusat	1	1
Kantor Cabang	84	85
Kantor Cabang Pembantu	304	746
ATM dan TCR	207	154
Payment Points	357	148
Kantor Fungsional	194	127
	<u>1,147</u>	<u>1,261</u>

Jumlah karyawan PT Bank Tabungan Pensiunan Nasional Tbk. dan entitas anak ("Bank dan Entitas Anak") pada tanggal 31 Desember 2017 dan 2016, masing-masing adalah 20.912 dan 25.437 karyawan (tidak diaudit).

b. Penawaran Umum Saham Biasa

Penawaran Umum Perdana Saham

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 8 Juni 2007, para pemegang saham menyetujui rencana Penawaran Umum Saham Perdana Biasa kepada masyarakat melalui pasar modal serta melakukan pencatatan saham Bank di Bursa Efek Indonesia.

Bank melakukan penawaran umum perdana atas 267.960.220 saham dengan nilai nominal sebesar Rp 100 (nilai penuh) setiap saham dengan harga penawaran setiap saham sebesar Rp 2.850 (nilai penuh) kepada masyarakat di Indonesia. Saham tersebut dicatat di Bursa Efek Indonesia atau BEI pada tanggal 12 Maret 2008.

1. GENERAL INFORMATION (continued)

a. Establishment and general information (continued)

In accordance with Article 3 of the Bank's Articles of Association, the Bank's scope of activities is to engage in general banking services including capital investment in bank conducting business based on sharia principles, in accordance with the prevailing laws and regulations in Indonesia.

The Bank's head office is located at Menara BTPN, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 – 5.6, Jakarta Selatan 12950.

Distribution network as at 31 December 2017 and 2016 (unaudited) as follows:

	2017	2016	
	1	1	Head Office
	84	85	Branches
	304	746	Sub-Branches
	207	154	ATM and TCR
	357	148	Payment Points
	194	127	Functional Branches
	<u>1,147</u>	<u>1,261</u>	

As at 31 December 2017 and 2016 PT Bank Tabungan Pensiunan Nasional Tbk. and subsidiary ("Bank and Subsidiary") has 20,912 and 25,437 employees, respectively (unaudited).

b. Public Offering of Ordinary Shares

Initial Public Offering (IPO)

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 8 June 2007, the shareholders approved the Initial Public Offering of Ordinary Shares plan to public through capital market and listing of the Bank's shares in the Indonesia Stock Exchange.

The Bank undertook an initial public offering of 267,960,220 shares with a nominal value of Rp 100 (full amount) per share with offering price of Rp 2,850 (full amount) per share to the public in Indonesia. The shares is listed on the Indonesia Stock Exchanges or IDX on 12 March 2008.

**PT BANK TABUNGAN Pensiunan Nasional Tbk
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1. INFORMASI UMUM (lanjutan)

b. Penawaran Umum Saham Biasa (lanjutan)

Penambahan modal melalui Hak Memesan Efek Terlebih Dahulu (HMETD)

Berdasarkan RUPSLB tanggal 25 November 2010, para pemegang saham menyetujui rencana Bank untuk menambah modal sahamnya melalui penerbitan Hak Memesan Efek Terlebih Dahulu I (HMETD I), dengan cara mengeluarkan saham dari portepel atau simpanan Bank.

Pada tanggal 10 Desember 2010 telah dicatatkan pada Bursa Efek Indonesia sebanyak 188.787.238 saham baru atas nama dengan nominal Rp 100 (nilai penuh) per saham yang sehingga jumlah saham yang ditempatkan dan disetor penuh yang semula sebesar 943.936.190 saham menjadi sejumlah 1.132.723.428 saham.

Bank mendapatkan tambahan modal disetor sebesar Rp 18.878 dan agio saham sebesar Rp 1.293.458.

Pemecahan saham

Berdasarkan RUPSLB tanggal 25 Februari 2011, para pemegang saham menyetujui rencana Bank untuk melakukan pemecahan nilai nominal saham dari Rp 100 (nilai penuh) per saham menjadi Rp 20 (nilai penuh) per saham, sehingga jumlah saham yang ditempatkan dan disetor penuh yang semula sebesar 1.132.723.428 saham dengan nilai nominal Rp 100 (nilai penuh) per saham akan menjadi sejumlah 5.663.617.140 saham dengan nilai nominal Rp 20 (nilai penuh) per saham.

Pada tanggal 28 Maret 2011 telah dicatatkan pada Bursa Efek Indonesia sebanyak 5.606.980.970 saham dengan nilai nominal Rp 20 (nilai penuh) per saham.

Peningkatan modal melalui Convertible Loan

Pada tanggal 14 Maret 2012, Bank telah mendapatkan persetujuan untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan mengeluarkan 176.670.117 saham baru dari portepel kepada IFC sesuai dengan syarat dan ketentuan *Convertible Loan Agreement*. Saham telah tercatat pada Bursa Efek Indonesia. Total modal disetor dan ditempatkan Bank setelah Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu menjadi 5.840.287.257 saham.

1. GENERAL INFORMATION (continued)

b. Public Offering of Ordinary Shares (continued)

Increase of Capital through Pre-Emptive Right (HMETD)

Based on RUPSLB dated 25 November 2010, the shareholders approved the Bank's plan to increase Bank's share capital through the issuance of Pre-Emptive Right I (HMETD I), by issuing shares from portfolio or Bank's saving.

On 10 December 2010, the Bank's shares were listed on the Indonesia Stock Exchange with 188,787,238 new shares with value Rp 100 (full amount) for each shares therefore the number of shares issued and fully paid changed from 943,936,190 to 1,132,723,428 shares.

The Bank obtained Rp 18,878 additional share capital and Rp 1,293,458 paid in capital.

Stock split

Based on RUPSLB dated 25 February 2011, the shareholders approved the Bank's plan to split share from Rp 100 (full amount) to Rp 20 (full amount) each share, therefore changed the number of shares issued and fully paid from 1,132,723,428 shares with nominal value Rp 100 (full amount) each share to 5,663,617,140 shares with nominal value Rp 20 (full amount) each share.

On 28 March 2011, the Bank's shares were listed on the Indonesia Stock Exchange with 5,606,980,970 shares with nominal value Rp 20 (full amount) per share.

Capital Increase through Convertible Loan

On 14 March 2012, the Bank's has been approved to increase issued and paid up capital by issuing 176,670,117 shares from Bank's saving to IFC in line with term and condition in *Convertible Loan Agreement*. The Bank's shares have been listed in Indonesia Stock Exchange. Total issued and paid up capital of the Bank' after the Capital Increases without Preemptive Rights was 5,840,287,257 shares.

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1. INFORMASI UMUM (lanjutan)

b. Penawaran Umum Saham Biasa (lanjutan)

Peningkatan modal melalui *Convertible Loan* (lanjutan)

Bank mendapatkan tambahan modal disetor sebesar Rp 3.533 dan agio saham sebesar Rp 135.927.

Pembelian kembali saham

Melalui surat Otoritas Jasa Keuangan Nomor: S-20/PB.31/2016 tanggal 18 Februari 2016, Perseroan telah memperoleh persetujuan Otoritas Jasa Keuangan untuk melakukan pembelian kembali (*buyback*) saham. Dalam pelaksanaan pembelian kembali saham yang dikeluarkan oleh Bank, jumlah alokasi dana tidak melebihi Rp 535.500 untuk membeli sebanyak-banyaknya 150.000.000 saham atau 2,57% dari modal ditempatkan dan disetor penuh dalam Bank, yang akan dilakukan dalam periode 23 Februari 2016 sampai dengan 23 Mei 2016. Sampai dengan tanggal 23 Mei 2016, Bank telah membeli kembali saham Bank sebanyak 95.198.900 lembar saham (nilai penuh) dengan total dana pembelian sebesar Rp 262.874.

Tujuan dari pembelian kembali saham adalah untuk memberikan fleksibilitas untuk mencapai struktur permodalan yang efisien dan memungkinkan untuk menurunkan keseluruhan biaya modal, meningkatkan *Earning per Share* "EPS", serta *Return on Equity* "ROE" secara berkelanjutan.

c. Utang obligasi

<u>Nama/Name</u>	<u>Pernyataan efektif/ Effective registration</u>	<u>Persetujuan/ Approval</u>	<u>Jumlah pokok obligasi/ The nominal value of the bonds</u>	<u>Jangka waktu/ Tenor</u>	<u>Tanggal jatuh tempo/ Maturity date</u>	<u>Tingkat bunga/ Interest rate</u>
Obligasi Berkelanjutan I Bank BTPN Tahap II Tahun 2012 dengan tingkat bunga tetap ("Obligasi Berkelanjutan I Tahap II")/ Bank BTPN Continuance Bonds I Phase II Year 2012 with a fixed interest rate ("Continuance Bonds I Phase II")	20 Juni/June 2011	Dinyatakan efektif oleh Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) bersamaan dengan surat efektif Obligasi Berkelanjutan I Tahap I/ <i>Became effective by the Capital Market Supervisory Board and Financial Institution (Bapepam-LK) in conjunction with effective letter of Continuance Bonds I Phase I</i>	Seri/Series B: 725,000	Seri/Series B: 5 tahun/years	3 Agustus/ August 2017	8.25%

1. GENERAL INFORMATION (continued)

b. Public Offering of Ordinary Shares (continued)

Capital Increase through *Convertible Loan* (continued)

The Bank obtained Rp 3,533 additional share capital and Rp 135,927 paid in capital.

Shares buy back

The Bank has been approved by Financial Services Authority to conduct shares buy back through the letter No: S-20/PB.31/2016 dated 18 February 2016. In the implementation of shares buyback by the Bank, allocated fund up to Rp 535,500 to buy up to 150,000,000 shares or 2.57% of the Bank's issued and fully paid up capital, which shall be done in between 23 February 2016 and 23 May 2016. Up to 23 May 2016, the Bank has repurchased 95,198,900 (full amount) shares amounting to Rp 262,874.

Conducting shares buyback will provide the flexibility to achieve an efficient capital structure and enable the company to lower the overall cost of capital, increasing the *Earning Per Share* (EPS) and *Return on Equity* (ROE) on an ongoing basis.

c. Bonds Payable

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
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(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

1. GENERAL INFORMATION (continued)

c. Utang obligasi (lanjutan)

c. Bonds Payable (continued)

Nama/Name	Pernyataan efektif/ Effective registration	Persetujuan/ Approval	Jumlah pokok obligasi/ The nominal value of the bonds	Jangka waktu/ Tenor	Tanggal jatuh tempo/ Maturity date	Tingkat bunga/ Interest rate
Obligasi Berkelanjutan I Bank BTPN Tahap III Tahun 2013 dengan tingkat bunga tetap ("Obligasi Berkelanjutan I Tahap III") / <i>Bank BTPN Continuation Bonds I Phase III Year 2013 with a fixed interest rate ("Continuation Bonds I Phase III")</i>	20 Juni/June 2011	Dinyatakan efektif oleh Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) bersamaan dengan surat efektif Obligasi Berkelanjutan I Tahap I / <i>Became effective by the Capital Market Supervisory Board and Financial Institution (Bapepam-LK) in conjunction with effective letter of Continuation Bonds I Phase I</i>	Seri/Series B: 400,000	Seri/Series B: 5 tahun/years	5 Maret/ March 2018	8.25%
Obligasi Berkelanjutan II Bank BTPN Tahap I Tahun 2013 dengan tingkat bunga tetap ("Obligasi Berkelanjutan II Tahap I") / <i>Bank BTPN Continuation Bonds II Phase I Year 2013 with a fixed interest rate ("Continuation Bonds II Phase I")</i>	26 Juni/June 2013	Badan Pengawas Pasar Modal dan Lembaga Keuangan, melalui suratnya No.S.188/D.04/2013 / <i>Capital Market and Financial Institution Supervisory Board in its letter No.S.188/D.04/2013</i>	Seri/Series B: 350,000	Seri/Series B: 5 tahun/years	4 Juli/July 2018	8.25%
Obligasi Berkelanjutan III Bank BTPN Tahap I Tahun 2016 Dengan Tingkat Bunga Tetap ("Obligasi Berkelanjutan III Tahap I") / <i>Bank BTPN Continuation Bonds III Phase I Year 2016 with a fixed interest rate ("Continuation Bonds III Phase I")</i>	27 Juni/June 2016	Otoritas Jasa Keuangan melalui, suratnya No.S-325/D.04/2016/Financial Services Authority in its letter No.S-325/D.04/2016	Seri/Series A: 700,000 Seri/Series B: 300,000	Seri/Series A: 370 hari/days Seri/Series B: 3 tahun/years	11 Juli/July 2017 1 Juli/July 2019	7.50% 8.00%
Obligasi Berkelanjutan III Bank BTPN Tahap II Tahun 2017 Dengan Tingkat Bunga Tetap ("Obligasi Berkelanjutan III Tahap II") / <i>Bank BTPN Continuation Bonds III Phase II Year 2017 with a fixed interest rate ("Continuation Bonds III Phase II")</i>	27 Juni/June 2016	Dinyatakan efektif oleh Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) bersamaan dengan surat efektif Obligasi Berkelanjutan III Tahap I / <i>Became effective by the Capital Market Supervisory Board and Financial Institution (Bapepam-LK) in conjunction with effective letter of Continuation Bonds III Phase I</i>	Seri/Series A: 600,000 Seri/Series B: 900,000	Seri/Series A: 370 hari/days Seri/Series B: 3 tahun/years	27 Oktober/ October 2018 17 Oktober/ October 2020	6.60% 7.50%

**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
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1. INFORMASI UMUM (lanjutan)

c. Utang obligasi (lanjutan)

Seluruh utang obligasi yang diterbitkan Bank dicatatkan di Bursa Efek Indonesia dan dipergunakan untuk pertumbuhan usaha dalam bentuk ekspansi kredit.

Obligasi Berkelanjutan I Tahap II, Tahap III, Obligasi Berkelanjutan II Tahap I, Obligasi Berkelanjutan III Tahap I dan Obligasi Berkelanjutan III Tahap II ditawarkan dengan harga nominal pada pasar perdana.

PT Bank Permata Tbk. bertindak sebagai wali amanat atas seluruh utang obligasi yang diterbitkan Bank.

d. Susunan Dewan Komisaris, Direksi, Komite Audit, Sekretaris Perusahaan dan Satuan Kerja Audit Internal

Pada tanggal 31 Desember 2017 dan 2016 susunan Dewan Komisaris dan Direksi Bank adalah sebagai berikut:

	<u>2017</u>
<u>Dewan Komisaris</u>	
Komisaris Utama (Independen)	Mari Elka Pangestu
Komisaris Independen	Irwan Mahjudin Habsjah
Komisaris Independen	Arief Tarunakarya Surowidjojo
Komisaris	Chow Ying Hoong
Komisaris	Shinichi Nakamura
<u>Direksi</u>	
Direktur Utama (Independen)	Jerry Ng
Wakil Direktur Utama	Ongki Wanadjati Dana
Wakil Direktur Utama	Djemi Suhenda
Direktur Kepatuhan (Independen)	Anika Faisal
Direktur	Kharim Indra Gupta Siregar
Direktur	Arief Harris Tandjung
Direktur	Wolf Arno Kluge

Susunan Komite Audit Bank per 31 Desember 2017 dan 2016 terdiri dari:

	<u>2017</u>
Ketua	Irwan Mahjudin Habsjah
Anggota	Arief Tarunakarya Surowidjojo
Anggota	Kanaka Puradiredja
Anggota	Yosef Antonius Boliona Badilangoe

Sekretaris Perusahaan

Sekretaris Perusahaan pada tanggal 31 Desember 2017 dan 2016 adalah Anika Faisal.

1. GENERAL INFORMATION (continued)

c. Bonds Payable (continued)

All the bonds payable issued by the Bank were listed on the Indonesian Stock Exchange and used for business growth in form of credit expansion.

Continuance Bonds I Phase II, Phase III, Continuance Bonds II Phase I, Continuance Bonds III Phase I and Continuance Bonds III Phase II were offered at par value in the primary market.

PT Bank Permata Tbk. acts as the trustee for all bonds payable issued by the Bank.

d. Composition of the Board of Commissioners, the Board of Directors, Audit Committee, Corporate Secretary and Internal Audit Unit

As at 31 December 2017 and 2016 the Bank's Board of Commissioners and Directors are as follows:

	<u>2016</u>
<u>Board of Commissioners</u>	
	President Commissioner (Independent)
	Independent Commissioner
	Independent Commissioner
	Commissioner
	Commissioner
<u>Board of Directors</u>	
	President Director (Independent)
	Deputy President Director
	Deputy President Director
	Director of Compliance (Independent)
	Director
	Director
	Director

The composition of the Audit Committee as at 31 December 2017 and 2016 is as follows:

	<u>2016</u>	
	Irwan Mahjudin Habsjah	Chairman
	Arief Tarunakarya Surowidjojo	Member
	Kanaka Puradiredja	Member
	Yosef Antonius Boliona Badilangoe	Member

Corporate Secretary

The Corporate Secretary as at 31 December 2017 and 2016 is Anika Faisal.

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1. INFORMASI UMUM (lanjutan)

d. Susunan Dewan Komisaris, Direksi, Komite Audit, Sekretaris Perusahaan dan Satuan Kerja Audit Internal (lanjutan)

Satuan Kerja Audit Internal

Kepala Satuan Kerja Audit Internal pada tanggal 31 Desember 2017 adalah Noerhajati Soerjo Hadi (31 Desember 2016: Merisa Darwis).

e. Entitas Anak

Bank mempunyai kepemilikan langsung pada Entitas Anak berikut:

Entitas Anak/ Subsidiary	Domisili/ Domicile	Bidang usaha/ Business activities	Persentase kepemilikan/ Percentage of Ownership		Tahun beroperasi/ Start of commercial operation	Jumlah aset/ Total assets	
			2017	2016		2017	2016
PT Bank Tabungan Pensiunan Nasional Syariah	Jakarta	Perbankan/ Banking	70%	70%	2014	9,156,522	7,323,347

Entitas Anak berkantor pusat di Menara BTPN, lantai 12, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

Berdasarkan Akta Notaris No. 25 tanggal 27 Agustus 2013 dari Notaris Hadijah, S.H., BSPD mengubah namanya menjadi PT Bank Tabungan Pensiunan Nasional Syariah ("BTPNS" atau "Entitas Anak"). Perubahan di atas telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-50529.AH.01.02 Tahun 2013 tertanggal 1 Oktober 2013 tentang Persetujuan Perubahan Anggaran Dasar Perseroan dan sudah diumumkan dalam Berita Negara Republik Indonesia Nomor 124084 Tahun 2013, tambahan Berita Negara Republik Indonesia 94 tanggal 22 November 2013.

Anggaran Dasar Entitas Anak telah mengalami beberapa kali perubahan Perubahan Anggaran Dasar terakhir tercantum dalam Akta No. 57 tanggal 16 November 2017, yang dibuat di hadapan Jose Dima Satria, S.H., M.Kn., Notaris di Kota Administrasi Jakarta Selatan, mengenai Pernyataan Keputusan Pemegang Saham, Perubahan Anggaran Dasar dan perubahan modal dalam rangka pemecahan nilai nominal saham Entitas Anak. Akta tersebut telah memperoleh persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Keputusan No. AHU-0024076.AH.01.02. tahun 2017 tanggal 16 November 2017 dan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0191730 tanggal 16 November 2017.

1. GENERAL INFORMATION (continued)

d. Composition of the Board of Commissioners, the Board of Directors, Audit Committee, Corporate Secretary and Internal Audit Unit (continued)

Internal Audit Unit

Head of Internal Audit as at 31 December 2017 is Noerhajati Soerjo Hadi (31 December 2016: Merisa Darwis).

e. Subsidiary

The Bank has direct ownership in the following Subsidiary:

The head office of Subsidiary is located at Menara BTPN 12th floor, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

Based on Notarial Deed No. 25 dated 27 August 2013 by Hadijah, S.H., BSPD changed its name into PT Bank Tabungan Pensiunan Nasional Syariah ("BTPNS" or "Subsidiary"). The above change was subsequently approved by the Minister of Law and Human rights of the Republic of Indonesia through its letter No. AHU-50529.AH.01.02 Tahun 2013 dated 1 October 2013 regarding Approval of Amendment to the Articles of Association and has been published in supplement No. 124084 Year 2013 of the State Gazette No. 94 dated 22 November 2013.

The Subsidiary's Articles of Association has been amended several times. The latest changes Articles of Association as stated in the deed No. 57 dated 16 November 2017, which notarised by Jose Dima Satria, S.H., M.Kn., administrated in South Jakarta, regarding Statement of Shareholder's Resolution, Articles of Association and capital changes related to the Subsidiary's change in par value per share. The deed subsequently approve by the Minister of Law and Human right of the Republic of Indonesia through its letter No AHU-0024076.AH.01.02. year 2017 dated 16 November 2017 and the Letter of Acceptance of the changes to Article of Association No. AHU-AH.01.03-0191730 dated 16 November 2017.

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1. INFORMASI UMUM (lanjutan)

e. Entitas Anak (lanjutan)

Susunan pengurus dan pengawas terakhir dari Entitas Anak termuat dalam Akta Notaris Nomor 01 tanggal 1 Oktober 2015 yang telah diterima dan dicatat dalam Database Sistem Administrasi Badan Hukum Menkumham RI, sebagaimana termuat dalam Penerimaan Pemberitahuan Perubahan Data Perseroan, dalam Surat Nomor AHU-AH.01.03-0968867, tanggal 1 Oktober 2015, dan susunan Dewan Pengawas Syariah sebagaimana termuat dalam Akta Nomor 19 tanggal 11 Mei 2016, yang telah diterima dan dicatat dalam Database Sistem Administrasi Badan Hukum Menkumham RI, sebagaimana termuat dalam Penerimaan Pemberitahuan Perubahan Data Perseroan, dalam Surat Nomor AHU-AH.01.03-0055113 tanggal 7 Juni 2016.

Pada tanggal 22 Mei 2015, Bank telah memperoleh persetujuan dari Otoritas Jasa Keuangan berdasarkan surat Keputusan Otoritas Jasa Keuangan No. S-54/PB.31/2015 untuk menambah penyertaan pada PT Bank Tabungan Pensiunan Nasional Syariah sebesar Rp 112.000 atau 70%.

2. KEBIJAKAN AKUNTANSI

Laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk. dan entitas anak ("Bank dan Entitas Anak") diselesaikan dan diotorisasi untuk terbit oleh Direksi pada tanggal 2 Februari 2018.

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan konsolidasian Bank dan Entitas Anak adalah seperti dijabarkan di bawah ini:

a. Dasar penyajian laporan keuangan konsolidasian

Laporan keuangan konsolidasian ini telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia dan Keputusan Ketua Bapepam-LK (efektif 1 Januari 2013, OJK telah mengambil alih fungsi dari Bapepam-LK) No. KEP-347/BL/2012 tanggal 25 Juni 2012 yang merupakan perubahan terakhir atas Keputusan Ketua Bapepam-LK No. KEP 554/BL/2010 tanggal 30 Desember 2010 dan Keputusan Ketua Bapepam-LK No. KEP-06/PM/2000 tanggal 13 Maret 2000 yaitu Peraturan No. VIII.G.7 tentang "Pedoman Penyajian Laporan Keuangan".

1. GENERAL INFORMATION (continued)

e. Subsidiary (continued)

The latest composition of the Board of Directors and the Board of Commissioners based on Notarial Deed No.01, dated 1 October 2015, which has been approved and recorded in the administration database system by the Ministry of Law and Human Rights of the Republic of Indonesia regarding the amendments of the Bank's Articles of Association in its Decree AHU-AH.01.03.0968867 dated 1 October 2015 and the composition of the Sharia Supervisory Board is based on Notarial Deed No.19 dated 11 May 2016 which has been approved and recorded in the administration database system by the Ministry of Law and Human Rights of the Republic of Indonesia regarding the amendments of the Bank's Articles of Association in its Decree No. AHU-AH.01.03-0055113 dated 7 June 2016.

On 22 May 2015, Bank has been approved by Financial Service Authority based on Decree of Financial Service Authority No. S-54/PB.31/2015 to increase its investment in PT Bank Tabungan Pensiunan Nasional Syariah amounting to Rp 112,000 or equivalent to 70%.

2. ACCOUNTING POLICIES

The consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk. and subsidiary ("Bank and Subsidiary") were completed and authorized for issuance by the Board of Directors on 2 February 2018.

The principal accounting policies adopted in preparing the consolidated financial statements of Bank and Subsidiary are set out below:

a. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards and the Decree of Bapepam-LK (effective 1 January 2013, OJK takes over the function of Bapepam-LK) No. KEP-347/BL/2012 dated 25 June 2012 which is the latest change of the Decree of the Bapepam-LK No. KEP 554/BL/2010 dated 30 December 2010 and the Decree of the Bapepam-LK No. KEP-06/PM/2000 dated 13 March 2000 on Regulation No. VIII.G.7 regarding "Financial Statements Presentation Guidelines".

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2. KEBIJAKAN AKUNTANSI (lanjutan)

a. Dasar penyajian laporan keuangan konsolidasian (lanjutan)

Seluruh angka dalam laporan keuangan konsolidasian ini, dibulatkan dan disajikan dalam jutaan Rupiah ("Rp") yang terdekat, kecuali dinyatakan lain. Lihat Catatan 2d untuk informasi mata uang fungsional konsolidasian.

Laporan keuangan konsolidasian disusun berdasarkan konsep harga perolehan, yang dimodifikasi oleh revaluasi atas tanah, aset keuangan tersedia untuk dijual, dan aset dan liabilitas keuangan (termasuk instrumen derivatif) diukur pada nilai wajar melalui laporan laba rugi, serta menggunakan dasar akrual kecuali untuk laporan arus kas konsolidasian.

Laporan arus kas konsolidasian disusun menggunakan metode langsung yang dimodifikasi dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan.

Laporan keuangan Entitas Anak disusun dan disajikan berdasarkan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 101 (Revisi 2016) tentang "Penyajian Laporan Keuangan Syariah", PSAK No. 102 (Revisi 2013) tentang "Akuntansi Murabahah", PSAK No. 105 tentang "Akuntansi Mudharabah", dan PSAK lain selama sesuai dengan prinsip syariah serta Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI) (Revisi 2013).

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan Indonesia mengharuskan penggunaan estimasi akuntansi yang bersifat kritis. Hal tersebut juga mengharuskan manajemen untuk membuat pertimbangan dalam proses penerapan kebijakan akuntansi Bank dan Entitas Anak. Area yang kompleks atau memerlukan tingkat pertimbangan yang lebih tinggi atau area di mana asumsi dan estimasi dapat berdampak signifikan terhadap laporan keuangan diungkapkan di Catatan 3.

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2. ACCOUNTING POLICIES (continued)

a. Basis of preparation of consolidated financial statements (continued)

All figures in the consolidated financial statements are rounded and stated to the nearest in millions of Rupiah ("Rp") unless otherwise specified. Refer to Note 2d for the information on the consolidated functional currency.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land, available for sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and using the accrual basis except for the consolidated statement of cash flow.

The consolidated statements of cash flows are prepared based on the modified direct method by classifying cash flows on the basis of operating, investing and financing activities.

The Subsidiary's financial statements were prepared and presented under the Statement of Financial Accounting Standards (SFAS) No. 101 (Revised 2016), "Presentation of Sharia Financial Statements", SFAS No. 102 (Revised 2013), "Accounting for Murabahah", SFAS No. 105, "Accounting for Mudharabah", and other SFAS as long as in compliance with sharia principle also Accounting Guidelines for Indonesian Sharia Banking (PAPSI) (Revised 2013).

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank and Subsidiary's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

b. Perubahan pada pernyataan standar akuntansi keuangan dan interpretasi pernyataan standar akuntansi keuangan

Kecuali dinyatakan di bawah ini, kebijakan akuntansi telah diterapkan secara konsisten dengan laporan keuangan konsolidasian tahunan untuk tahun yang berakhir 31 Desember 2017 yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Dewan Standar Akuntansi Keuangan Ikatan Indonesia ("DSAK-IAI") telah melakukan revisi atas beberapa standar akuntansi dan interpretasi standar akuntansi keuangan yang berlaku efektif pada tanggal 1 Januari 2017 sebagai berikut:

- Amandemen PSAK 1 "Penyajian Laporan Keuangan"
- ISAK 31 "Interpretasi Atas Ruang Lingkup PSAK 13: Properti Investasi"
- ISAK 32 "Definisi dan Hierarki Standar Akuntansi Keuangan"
- Amandemen PSAK 3 "Laporan Keuangan Interim"
- Amandemen PSAK 24 "Imbalan Kerja"
- Amandemen PSAK 58 "Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan"
- Amandemen PSAK 60 "Instrumen Keuangan: Pengungkapan"
- Amandemen PSAK 101 "Penyajian Laporan Keuangan Syariah"
- Amandemen PSAK 102 "Akuntansi Murabahah"
- Amandemen PSAK 103 "Akuntansi Salam"
- Amandemen PSAK 104 "Akuntansi Istishna"
- Amandemen PSAK 107 "Akuntansi Ijarah"
- Amandemen PSAK 108 "Akuntansi Transaksi Asuransi Syariah"

Implementasi dari standar-standar tersebut tidak mengakibatkan perubahan kebijakan akuntansi Perseroan dan tidak memiliki dampak yang signifikan terhadap jumlah yang dilaporkan di tahun berjalan atau tahun sebelumnya.

2. ACCOUNTING POLICIES (continued)

b. Changes to the statements of financial accounting standard and interpretations of financial accounting standards

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2017, which conform to the Indonesian Financial Accounting Standards.

Financial Accounting Standard Board of Indonesia Institute of Accounting ("DSAK-IAI") has issued revision of the following accounting standards and interpretations of statement of financial accounting standards which are effective as at 1 January 2017 as follows:

- Amendment to SFAS 1 "Presentation of Financial Statement"
- ISFAS 31 "Interpretation on The Scope of SFAS 13: Investment Property"
- ISFAS 32 "Interpretation On Definition And Hierarchy of Financial Accounting Standards"
- Amendment to SFAS 3 "Interim Financial Statements"
- Amendment to SFAS 24 "Employee Benefit"
- Amendment to SFAS 58 "Non-Current Assets Held For Sale and Discontinued Operations"
- Amendment to SFAS 60 "Financial Instrument: Disclosure"
- Amendment to SFAS 101 "Presentation of Sharia Financial Statement"
- Amendment to SFAS 102 "Murabahah Accounting"
- Amendment to SFAS 103 "Salam Accounting"
- Amendment to SFAS 104 "Istishna Accounting"
- Amendment to SFAS 107 "Ijarah Accounting"
- Amendment to SFAS 108 "Sharia Insurance Transaction Accounting"

The implementation of the above standards did not result in changes to the Company's accounting policies and had no significant impact on the amounts reported for current or prior financial years.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Konsolidasi

Entitas Anak

Entitas Anak adalah seluruh entitas (termasuk entitas terstruktur) dimana Bank memiliki pengendalian. Bank mengendalikan entitas lain ketika Bank terekspos atas, atau memiliki hak untuk, pengembalian yang bervariasi dari keterlibatannya dengan entitas dan memiliki kemampuan untuk mempengaruhi pengembalian tersebut melalui kekuasaannya atas entitas tersebut. Entitas anak dikonsolidasikan secara penuh sejak tanggal dimana pengendalian dialihkan kepada Bank. Entitas anak tidak dikonsolidasikan lagi sejak tanggal dimana Bank kehilangan pengendalian.

Manajemen telah mengevaluasi pengendalian yang dimiliki Bank atas entitas anak dan menyimpulkan bahwa tidak diperlukan perubahan atas akuntansi kepentingan Bank pada Entitas Anak.

Bank menerapkan metode akuisisi untuk mencatat kombinasi bisnis. Imbalan yang dialihkan untuk akuisisi suatu entitas anak adalah sebesar nilai wajar aset yang dialihkan, liabilitas yang diakui terhadap pemilik pihak yang diakuisisi sebelumnya dan kepentingan ekuitas yang diterbitkan oleh Bank. Imbalan yang dialihkan termasuk nilai wajar aset atau liabilitas yang timbul dari kesepakatan imbalan kontinjensi. Aset teridentifikasi yang diperoleh dan liabilitas serta liabilitas kontinjensi yang diambil alih dalam suatu kombinasi bisnis diukur pada awalnya sebesar nilai wajar pada tanggal akuisisi.

Bank mengakui kepentingan non-pengendali pada pihak yang diakuisisi baik sebesar nilai wajar atau sebesar bagian proporsional kepentingan non-pengendali atas aset neto pihak yang diakuisisi. Kepentingan non-pengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasian, terpisah dari ekuitas pemilik entitas induk.

Biaya yang terkait dengan akuisisi dibebankan pada saat terjadinya.

Kepentingan non-pengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasian dan dinyatakan sebesar proporsi pemegang saham non-pengendali atas laba tahun berjalan dan ekuitas. Kepentingan non-pengendali pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 671.304 dan Rp 474.532.

2. ACCOUNTING POLICIES (continued)

c. Consolidation

Subsidiary

Subsidiary is entity (including structured entity) over which the Bank has control. The Bank controls an entity when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Bank. Subsidiary is deconsolidated from the date on which that control ceases.

Management has evaluated control over its Subsidiary and determined that no change is necessary on accounting of its investment in Subsidiary.

The Bank applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a Subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by Bank. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Bank recognises a non-controlling interest portion in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Non-controlling interest is reported as equity in the consolidated statement of financial position, separated from the owner of the parent's equity.

Acquisition-related costs are expensed as incurred.

The non-controlling interest is presented in the equity of the consolidated statements of financial position and represents the non-controlling stockholders' proportionate share in the income for the year and equity. Non-controlling interest as at 31 December 2017 and 2016 amounting to Rp 671,304 and Rp 474,532, respectively.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Konsolidasi (lanjutan)

Entitas Anak (lanjutan)

Selisih lebih imbalan yang dialihkan, jumlah setiap kepentingan non-pengendali pada pihak diakuisisi dan nilai wajar pada tanggal akuisisi kepentingan ekuitas sebelumnya dimiliki oleh pihak pengakuisisi pada pihak diakuisisi atas nilai wajar aset bersih teridentifikasi yang diperoleh dicatat sebagai *goodwill*. Jika jumlah imbalan yang dialihkan, kepentingan non-pengendali yang diakui, dan kepentingan yang sebelumnya dimiliki pengakuisisi lebih rendah dari nilai wajar aset bersih Entitas Anak yang diakuisisi dalam kasus pembelian dengan diskon, selisihnya diakui dalam laporan laba rugi.

Transaksi, saldo dan keuntungan antara Bank dan Entitas Anak yang belum direalisasi telah dieliminasi. Kerugian yang belum direalisasi juga dieliminasi. Kebijakan akuntansi Entitas Anak diubah jika diperlukan untuk memastikan konsistensi dengan kebijakan akuntansi yang diadopsi Bank dan Entitas Anak.

d. Transaksi dalam mata uang asing dan penjabaran

Laporan keuangan konsolidasian disajikan dalam Rupiah yang merupakan mata uang fungsional dan penyajian Bank dan Entitas Anak.

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada setiap tanggal pelaporan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah menggunakan kurs penutup. Kurs yang digunakan sebagai acuan adalah kurs yang ditetapkan oleh Bank Indonesia yaitu kurs tengah yang merupakan rata-rata kurs beli dan kurs jual berdasarkan Reuters pada pukul 16.00 Waktu Indonesia Barat.

Keuntungan dan kerugian selisih kurs yang timbul dari penyelesaian transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing diakui di dalam laporan laba rugi komprehensif konsolidasian tahun berjalan.

Kurs mata uang asing pada tanggal 31 Desember 2017 dan 31 Desember 2016 adalah sebagai berikut (nilai penuh):

	<u>2017</u>	<u>2016</u>
Dolar Amerika Serikat	13,567.50	13,472.50
Dolar Singapura	10,154.56	9,311.93
Yen Jepang	120.52	115.07

United States Dollar
Singapore Dollar
Japanese Yen

2. ACCOUNTING POLICIES (continued)

c. Consolidation (continued)

Subsidiary (continued)

The excess of the consideration transferred the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the Subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Bank and Subsidiary are eliminated. Unrealised losses are also eliminated. Accounting policies of Subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Bank and Subsidiary.

d. Foreign currency transactions and translations

The consolidated financial statements are presented in Rupiah which is the functional and presentation currency of the Bank and Subsidiary.

Foreign currency transactions are translated into Rupiah using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currency are translated into Rupiah using the closing exchange rate. Exchange rate used as benchmark is the rate which determined by Bank Indonesia i.e middle rates which are the average of buying rates and selling rates bases on Reuters at 16.00 Western Indonesian Time.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income for the year.

Exchange rate used as of 31 December 2017 and 31 December 2016 are as follows (full amount):

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan

Aset keuangan

Bank dan Entitas Anak mengklasifikasikan aset keuangannya dalam empat kategori (a) aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, (b) pinjaman yang diberikan dan piutang, (c) aset keuangan dimiliki hingga jatuh tempo dan (d) aset keuangan tersedia untuk dijual. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen Bank dan Entitas Anak menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya.

(a) Aset keuangan yang diukur pada nilai wajar melalui laba rugi

Kategori ini terdiri dari dua sub-kategori: aset keuangan yang diklasifikasikan dalam kelompok diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laba rugi.

Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh 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*) yang terkini. Derivatif juga dikategorikan dalam kelompok diperdagangkan, kecuali derivatif yang diterapkan dan efektif sebagai instrumen lindung nilai.

Instrumen keuangan yang dikelompokkan ke dalam kategori ini diakui pada nilai wajarnya pada saat pengakuan awal; biaya transaksi diakui secara langsung ke dalam laporan laba rugi. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui di dalam laporan laba rugi dan dicatat masing-masing sebagai "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan" dan "Keuntungan/(kerugian) dari penjualan instrumen keuangan". Pendapatan bunga dari instrumen keuangan dalam kelompok diperdagangkan dicatat sebagai "Pendapatan bunga".

2. ACCOUNTING POLICIES (continued)

e. Financial instruments

Financial assets

The Bank and Subsidiary classify their financial assets into four categories of (a) financial asset at fair value through profit or loss, (b) loans and receivables, (c) held to maturity financial assets and (d) available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. The Management of the Bank and Subsidiary determine the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category comprises of two sub-category: financial assets classified as held for trading and financial assets designated by the Bank as at fair value through profit or loss upon initial recognition.

A financial asset 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 the 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. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Financial instruments classified in this category are recognized initially at fair value; transaction costs are taken directly to the statement of income. Gains and losses arising from changes in fair value and sales of these financial instruments are included directly in the statement of income and are reported respectively as "Gains/(losses) from changes in fair value of financial instruments" and "Gains/(losses) from sale of financial instruments". Interest income on financial instruments held for trading are included in "Interest income".

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e. Instrumen keuangan (lanjutan)

Aset keuangan (lanjutan)

(b) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif, kecuali:

- yang dimaksudkan oleh Bank dan Entitas Anak untuk dijual dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan sebagai diukur pada nilai wajar melalui laporan laba rugi;
- yang pada saat pengakuan awal ditetapkan dalam kelompok tersedia untuk dijual; atau
- dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang.

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi (jika ada) dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Pendapatan bunga dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dicatat di dalam laporan laba rugi konsolidasian dan dilaporkan sebagai "Pendapatan bunga".

Dalam hal terjadi penurunan nilai, kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat aset keuangan dalam kelompok pinjaman yang diberikan dan piutang, dan diakui di dalam laporan laba rugi sebagai "Pembentukan cadangan kerugian penurunan nilai".

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Financial assets (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, except:

- *those that the Bank and Subsidiary intend to sell immediately or in the short term, which are classified as held for trading, and those that the Bank and Subsidiary upon initial recognition designates as at fair value through profit or loss;*
- *those that the Bank and Subsidiary upon initial recognition designates as available for sale; or*
- *those for which the holder may not recover substantially all of its initial investment, other than because of non-performing loans and receivables.*

Loans and receivables are initially recognised at fair value plus transaction costs (if any) and subsequently measured at amortised cost using the effective interest rate method. Interest income on financial assets classified as loans and receivables is included in the consolidated statements of profit or loss and is reported as "Interest income".

In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables recognised in the profit or loss as "Allowance for impairment losses".

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2. KEBIJAKAN AKUNTANSI (lanjutan)

2. ACCOUNTING POLICIES (continued)

e. Instrumen keuangan (lanjutan)

e. Financial instruments (continued)

Aset keuangan (lanjutan)

Financial assets (continued)

(c) Aset keuangan dimiliki hingga jatuh tempo

(c) Held to maturity financial assets

Aset keuangan dalam kelompok dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, serta Manajemen Bank dan Entitas Anak mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, kecuali:

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Management of the Bank and Subsidiary has the positive intention and ability to hold to maturity, other than:

- aset keuangan yang pada saat pengakuan awal ditetapkan oleh Bank dan Entitas Anak sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi;
- aset keuangan yang ditetapkan oleh Bank dan Entitas Anak dalam kelompok tersedia untuk dijual; dan
- aset keuangan yang memiliki definisi pinjaman yang diberikan dan piutang.

- *those that the Bank and Subsidiary upon initial recognition designate as financial assets at fair value through profit or loss;*

- *those that the Bank and Subsidiary designate as available for sale; and*

- *those that meet the definition of loans and receivables.*

Pada saat pengakuan awal, aset keuangan dimiliki hingga jatuh tempo diakui pada nilai wajarnya termasuk biaya transaksi (jika ada) dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

These are initially recognised at fair value including transaction costs (if any) and subsequently measured at amortised cost, using the effective interest rate method.

Pendapatan bunga dari aset keuangan dimiliki hingga jatuh tempo dicatat dalam laporan laba rugi konsolidasian dan dilaporkan sebagai "Pendapatan bunga". Ketika penurunan nilai terjadi, kerugian penurunan nilai diakui sebagai pengurang dari nilai tercatat aset keuangan dan diakui di dalam laporan laba rugi konsolidasian sebagai "Cadangan kerugian penurunan nilai".

Interest income on held to maturity financial assets is included in the consolidated statements of profit or loss and reported as "Interest income". In the case of impairment, the impairment loss is recognised as a deduction from the carrying value of the financial assets and recognised in the consolidated statements of profit or loss as "Allowance for impairment losses".

(d) Aset keuangan tersedia untuk dijual

(d) Available for sale financial assets

Aset keuangan dalam kelompok tersedia untuk dijual adalah aset keuangan yang ditetapkan untuk dimiliki selama periode tertentu yang mungkin akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga, valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Available for sale investments are financial assets that are intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, held to maturity financial assets or financial assets at fair value through profit or loss.

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e. Instrumen keuangan (lanjutan)

Aset keuangan (lanjutan)

**(d) Aset keuangan tersedia untuk dijual
(lanjutan)**

Pada saat pengakuan awalnya, aset keuangan tersedia untuk dijual diakui pada nilai wajarnya, ditambah biaya transaksi (jika ada), dan selanjutnya diukur pada nilai wajarnya dimana keuntungan atau kerugian diakui pada laporan laba rugi komprehensif konsolidasian, kecuali untuk kerugian penurunan nilai dan laba rugi selisih kurs, hingga aset keuangan dihentikan pengakuannya. Jika aset keuangan tersedia untuk dijual mengalami penurunan nilai, akumulasi laba atau rugi yang sebelumnya diakui di pendapatan komprehensif lainnya, diakui pada laporan laba rugi. Pendapatan bunga dihitung menggunakan metode suku bunga efektif.

(e) Pengakuan

Pembelian dan penjualan aset keuangan yang lazim (reguler) diakui pada tanggal perdagangan.

Liabilitas keuangan

Bank dan Entitas Anak mengklasifikasikan liabilitas keuangan dalam kategori (a) liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan (b) liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Liabilitas keuangan dihentikan pengakuannya ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluwarsa.

(a) Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi

Kategori ini terdiri dari dua sub-kategori: liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laba rugi. Pada saat pengakuan awal dan selanjutnya dicatat pada nilai wajar.

2. ACCOUNTING POLICIES (continued)

e. *Financial instruments (continued)*

Financial assets (continued)

**(d) Available for sale financial assets
(continued)**

Available for sale financial assets are initially recognised at fair value, plus transaction costs (if any), and measured subsequently at fair value with gains and losses being recognised in the consolidated statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognised. If an available for sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Interest income is calculated using the effective interest rate method.

(e) Recognition

Regular way purchases and sales of financial assets are recognized on the trade day.

Financial liabilities

The Bank and Subsidiary classify their financial liabilities in the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost. Financial liabilities are derecognized when they have redeemed or otherwise extinguished.

(a) Financial liabilities at fair value through profit or loss

This category consist of two sub-categories: financial liability classified as trading and financial liability initially measured at fair value through profit or loss. The financial liabilities initially recognised and will be subsequently measured in fair value.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Liabilitas keuangan (lanjutan)

- (a) Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi (lanjutan)

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh 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 yang terkini. Derivatif diklasifikasikan sebagai instrumen diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas keuangan yang diklasifikasikan sebagai diperdagangkan dicatat dalam laporan laba rugi sebagai "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan". Beban bunga dari liabilitas keuangan diklasifikasikan sebagai diperdagangkan dicatat sebagai "Beban bunga".

Jika Bank pada pengakuan awal telah menetapkan instrumen utang tertentu sebagai nilai wajar melalui laba rugi (opsi nilai wajar), maka selanjutnya, penetapan ini tidak dapat diubah. Berdasarkan PSAK 55 (Revisi 2014), instrumen utang yang diklasifikasikan sebagai opsi nilai wajar, terdiri dari kontrak utama dan derivatif melekat yang harus dipisahkan.

Perubahan nilai wajar terkait dengan liabilitas keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laba rugi diakui di dalam "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan".

- (b) Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi

Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dikategorikan ke dalam liabilitas keuangan yang diukur pada biaya perolehan diamortisasi. Pada saat pengakuan awal, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi diukur pada nilai wajar dikurangi biaya transaksi (jika ada). Setelah pengakuan awal, Bank dan Entitas Anak mengukur seluruh liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Amortisasi suku bunga efektif diakui sebagai "Beban bunga".

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2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Financial liabilities (continued)

- (a) Financial liabilities at fair value through profit or loss (continued)

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 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. Derivatives are also categorised as held for trading instrument unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the statement of income and reported as "Gains/(losses) from changes in fair value of financial instruments". Interest expenses on financial liabilities held for trading are included in "Interest expenses".

If the Bank designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently. According to SFAS 55 (Revised 2014), the fair value option is applied on the debt securities consists of debt host and embedded derivatives that must otherwise be separated.

Fair value changes relating to financial liabilities designated at fair value through profit or loss are recognised in "Gains/(losses) from changes in fair value of financial instruments".

- (b) Financial liabilities at amortised cost

Financial liabilities that are not classified as measured at fair value through profit and loss is categorised into financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost are initially recognised at fair value less transaction costs (if any). After initial recognition, the Bank and Subsidiary measure all financial liabilities at amortised cost using the effective interest rates method. Effective interest rate amortisation is recognised as "Interest expense".

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Penentuan nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut.

Nilai wajar untuk instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan nilai pasar yang berlaku pada tanggal laporan posisi keuangan menggunakan harga yang dipublikasikan secara rutin dan berasal dari sumber yang terpercaya. Termasuk di dalamnya adalah nilai pasar dari IDMA (*Interdealer Market Association*) atau harga yang diberikan oleh broker (*quoted price*) dari Bloomberg dan Reuters pada tanggal laporan posisi keuangan konsolidasian.

Instrumen keuangan dianggap memiliki kuotasi di pasar aktif jika harga kuotasi tersedia sewaktu-waktu dan dapat diperoleh secara rutin dari bursa, pedagang efek, perantara efek, kelompok industri, badan pengawas dan harga tersebut mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar. Jika kriteria di atas tidak terpenuhi, maka pasar aktif dinyatakan tidak tersedia. Indikasi-indikasi dari pasar tidak aktif adalah terdapat selisih yang besar antara harga penawaran dan permintaan atau kenaikan signifikan dalam selisih harga penawaran dan permintaan dan hanya terdapat beberapa transaksi terkini.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of a financial instrument using the quoted price in an active market for that instrument.

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the statement of financial position date, using a price that is routinely published and coming from reliable sources. These include IDMA's (Interdealer Market Association) quoted market prices or broker's quoted price from Bloomberg and Reuters on the consolidated statement of financial position date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, group industry, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Penentuan nilai wajar (lanjutan)

Untuk instrumen keuangan yang tidak mempunyai harga pasar, estimasi atas nilai wajar ditetapkan dengan mengacu pada nilai wajar instrumen lain yang substansinya sama atau dihitung berdasarkan arus kas yang diharapkan terhadap aset bersih atas instrumen keuangan tersebut.

Bank dan Entitas Anak tidak memiliki instrumen keuangan yang harga kuotasi pasarnya tidak tersedia.

Bank dan Entitas Anak mengklasifikasikan pengukuran nilai wajar dengan menggunakan hirarki nilai wajar yang mencerminkan signifikansi input yang digunakan dalam melakukan pengukuran. Lihat Catatan 41 untuk pengukuran nilai wajar berdasarkan hirarki.

Penghentian pengakuan

Penghentian pengakuan aset keuangan dilakukan ketika hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir, atau ketika aset keuangan tersebut telah ditransfer dan secara substansial seluruh risiko dan manfaat atas kepemilikan aset telah ditransfer (jika, secara substansial seluruh risiko dan manfaat tidak ditransfer, maka Bank dan Entitas Anak melakukan evaluasi untuk memastikan keterlibatan berkelanjutan atas pengendalian yang masih dimiliki tidak mencegah penghentian pengakuan). Liabilitas keuangan dihentikan pengakuannya ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluwarsa.

Agunan yang diserahkan oleh Bank dan Entitas Anak di dalam perjanjian dijual dengan janji untuk dibeli kembali dan transaksi *securities lending* dan *borrowing* tidak dihentikan pengakuannya karena Bank dan Entitas Anak secara substansial masih memiliki seluruh risiko dan manfaat agunan tersebut, berdasarkan ketentuan bahwa harga pembelian kembali telah ditentukan di awal, sehingga kriteria penghentian pengakuan tidak terpenuhi.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Determination of fair value (continued)

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially have the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the financial instruments.

The Bank and Subsidiary have no financial instruments where a quoted market price is not available.

The Bank and Subsidiary classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Refer to Note 41 for the measurement of fair value based on hierarchy.

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Bank and Subsidiary evaluate to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral furnished by the Bank and Subsidiary under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Bank and Subsidiary retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Reklasifikasi aset keuangan

Bank dan Entitas Anak tidak diperkenankan mengklasifikasikan aset keuangan sebagai investasi dimiliki hingga jatuh tempo, jika dalam tahun berjalan atau dalam kurun waktu dua tahun sebelumnya, telah menjual atau mereklasifikasi investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (lebih dari jumlah yang tidak signifikan dibandingkan dengan total nilai investasi dimiliki hingga jatuh tempo), kecuali penjualan atau reklasifikasi tersebut:

- (a) dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali di mana perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut;
- (b) terjadi setelah Bank dan Entitas Anak telah memperoleh secara substansial seluruh jumlah pokok aset keuangan tersebut sesuai jadwal pembayaran atau Bank dan Entitas Anak telah memperoleh pelunasan dipercepat; atau
- (c) terkait dengan kejadian tertentu yang berada di luar kendali Bank dan Entitas Anak, tidak berulang, dan tidak dapat diantisipasi secara wajar oleh Bank dan Entitas Anak.

Reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi tetap dilaporkan dalam komponen ekuitas sampai aset keuangan tersebut dihentikan pengakuannya, dan pada saat keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi.

Reklasifikasi aset keuangan dari kelompok tersedia untuk dijual ke kelompok dimiliki hingga jatuh tempo dicatat pada nilai tercatat. Keuntungan atau kerugian yang belum direalisasi harus diamortisasi menggunakan metode suku bunga efektif sampai dengan tanggal jatuh tempo instrumen tersebut.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Reclassification of financial assets

The Bank and Subsidiary shall not classify any financial assets as held to maturity if the Bank and Subsidiary have, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held to maturity investments before maturity (more than insignificant in relation to the total amount of held to maturity investments) other than sales or reclassifications that:

- (a) are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;*
- (b) occur after the Bank and Subsidiary have collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or*
- (c) are attributable to an isolated event that is beyond the Bank and Subsidiary control, is non-recurring and could not have been reasonably anticipated by the Bank and Subsidiary.*

Reclassification of financial assets from held to maturity classification to available for sale is recorded at fair value. Unrealised gains or losses are recorded as part of equity component until the financial assets are derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss.

Reclassification of financial assets from available for sale to held to maturity classification is recorded at carrying amount. The unrealised gains or losses is amortised by using effective interest rate method up to the maturity date of that instrument.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

2. ACCOUNTING POLICIES (continued)

e. Instrumen keuangan (lanjutan)

e. Financial instruments (continued)

Klasifikasi atas instrumen keuangan

Classification of financial instrument

Bank dan Entitas Anak mengklasifikasikan instrumen keuangan ke dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi ini dapat dilihat pada tabel berikut:

The Bank and Subsidiary classify the financial instruments into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the following table:

Kategori yang didefinisikan oleh PSAK 55 (Revisi 2014) / Category as defined by SFAS 55 (Revised 2014)		Golongan (ditentukan oleh Bank dan Entitas Anak)/ Class (as determined by the Bank and Subsidiary)	Subgolongan/ Subclasses
Aset keuangan/ Financial assets	Aset keuangan yang diukur pada nilai wajar melalui laba rugi/ Financial assets at fair value through profit or loss	Aset keuangan dalam kelompok diperdagangkan/ Financial assets held for trading	Tagihan derivatif-tidak terkait lindung nilai/ Derivative receivables-non hedging related
	Pinjaman yang diberikan dan piutang/ Loans and receivables	Kas/ Cash	Kas pada vendor/ Cash in vendor
		Giro pada Bank Indonesia/ Current accounts with Bank Indonesia	
		Giro pada bank lain/ Current accounts with other banks	
		Penempatan pada Bank Indonesia dan Bank lain/ Placements with Bank Indonesia and other Banks	
		Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)/ Securities purchased under resale agreements (Reverse Repo)	
		Pinjaman yang diberikan dan pembiayaan/piutang syariah/ Loans and sharia financing/receivables	
		Pendapatan bunga dan margin yang masih akan diterima/ Accrued interest income and margin	
		Aset lain-lain/ Other assets	Tagihan klaim asuransi/ Insurance claim receivable
	Piutang joint financing/ Joint financing receivable		
Lain-lain/ Others			
Aset keuangan dimiliki hingga jatuh tempo/ Held to maturity financial assets	Efek-efek/ Marketable securities		
	Aset keuangan tersedia untuk dijual/ Available for sale financial assets	Efek-efek/ Marketable securities	
		Penyertaan saham/ Investments	

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(lanjutan)****Classification of financial instrument
(continued)**

Kategori yang didefinisikan oleh PSAK 55 (Revisi 2014)/ <i>Category as defined by SFAS 55 (Revised 2014)</i>		Golongan (ditentukan oleh Bank dan Entitas Anak)/ <i>Class (as determined by the Bank and Subsidiary)</i>	Subgolongan/ <i>Subclasses</i>	
Liabilitas keuangan/ <i>Financial liability</i>	Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi/ <i>Financial liability at fair value through profit or loss</i>	Liabilitas keuangan dalam kelompok diperdagangkan/ <i>Financial liability held for trading</i>	Liabilitas derivatif-tidak terkait lindung nilai/ <i>Derivative payable-non hedging related</i>	
	Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi/ <i>Financial liabilities measured at amortised cost</i>	Liabilitas segera/ <i>Obligations due immediately</i>		
		Simpanan nasabah/ <i>Deposits from customers</i>		
		Simpanan dari bank lain/ <i>Deposits from other banks</i>		
		Utang obligasi/ <i>Bonds payable</i>		
		Efek-efek yang dijual dengan janji dibeli kembali (Repo)/ <i>Securities sold under repurchase agreements (Repo)</i>		
		Pinjaman yang diterima/ <i>Borrowings</i>		
		Beban bunga yang masih harus dibayar/ <i>Accrued interest expenses</i>		
		Liabilitas lain-lain/ <i>Other liabilities</i>	Utang premi asuransi kredit/ <i>Loan insurance premium payable</i>	
	Utang bunga efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)/ <i>Interest payable on securities purchased under resale agreement (Reverse Repo)</i>			
Utang kepada pihak ketiga/ <i>Payable to third parties</i>				
Transaksi ATM/ <i>ATM Transaction</i>				
			Lainnya/ <i>Others</i>	
Komitmen dan kontinjensi instrumen keuangan/ <i>Commitment and contingency financial instruments</i>	Fasilitas pinjaman yang diberikan yang belum digunakan/ <i>Unused loan facilities granted</i>			

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Saling hapus instrumen keuangan

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan konsolidasian ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Hak saling hapus tidak kontingen atas peristiwa di masa depan dan dapat dipaksakan secara hukum dalam situasi bisnis yang normal dan dalam peristiwa gagal bayar, atau peristiwa kepailitan atau kebangkrutan Bank dan Entitas Anak atau pihak lawan.

Cadangan kerugian penurunan nilai aset keuangan

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi

Pada setiap tanggal pelaporan, Bank dan Entitas Anak mengevaluasi apakah terdapat bukti yang obyektif 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 obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa yang merugikan"), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

Kriteria yang digunakan oleh Bank dan Entitas Anak untuk menentukan bukti obyektif dari penurunan nilai adalah:

- a) kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- b) pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga;

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Bank and Subsidiary or the counterparty.

Allowance for impairment losses of financial assets

(A) Financial assets carried at amortised cost

The Bank and Subsidiary assess at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used by the Bank and Subsidiary to determine that there is objective evidence of an impairment loss include:

- a) *significant financial difficulty of the issuer or obligor;*
- b) *a breach of contract, such as a default or delinquency in interest or principal payments;*

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Kriteria yang digunakan oleh Bank dan Entitas Anak untuk menentukan bukti obyektif dari penurunan nilai adalah: (lanjutan)

- c) pihak pemberi pinjaman, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami pihak peminjam, memberikan keringanan (konsesi) pada pihak peminjam yang tidak mungkin diberikan jika pihak peminjam tidak mengalami kesulitan;
- d) terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- e) hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan; atau
- f) data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang.

Periode yang diestimasi antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi.

Pada awalnya, Bank dan Entitas Anak menentukan apakah terdapat bukti obyektif seperti tersebut di atas mengenai penurunan nilai atas aset keuangan. Penilaian individual dilakukan atas aset keuangan yang signifikan yang mengalami penurunan nilai. Aset keuangan yang tidak signifikan namun mengalami penurunan nilai atau direstrukturisasi dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko yang serupa dan dilakukan penilaian secara kolektif.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Allowance for impairment losses of financial assets (continued)

(A) Financial assets carried at amortised cost (continued)

The criteria used by the Bank and Subsidiary to determine that there is objective evidence of an impairment loss include: (continued)

- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;*
- d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;*
- e) the disappearance of an active market for that financial asset because of financial difficulties; or*
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows.*

The estimated period between a loss occurring and its identification is determined by the management for each identified portfolio.

Initially, the Bank and Subsidiary assess whether objective evidence of impairment for financial asset exists as described above. An individual assessment is performed on the significant impaired or restructured financial asset. The impaired financial assets which are not classified as individually significant are included in a group of financial asset with similar credit risk characteristics and collectively assessed.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

2. ACCOUNTING POLICIES (continued)

e. Instrumen keuangan (lanjutan)

e. Financial instruments (continued)

Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

Allowance for impairment losses of financial assets (continued)

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

(A) Financial assets carried at amortised cost (continued)

Jika Bank dan Entitas Anak menilai bahwa tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, baik untuk aset keuangan tersebut signifikan atau tidak, maka akun atas aset keuangan tersebut akan masuk ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Akun yang penurunan nilainya dinilai secara individual, dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

If the Bank and Subsidiary assess that there is no objective evidence of impairment for financial asset as individual, both for significant and insignificant amount, hence the account of financial asset will be included in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Accounts that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang (kecuali kerugian yang timbul di masa depan dari pinjaman atau pembiayaan/piutang syariah yang diberikan) yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan tersebut.

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 losses from loans and sharia financing/receivables that have not been incurred) discounted at the financial asset's original effective interest rate.

Nilai tercatat aset tersebut dikurangi melalui akun cadangan kerugian penurunan nilai dan beban kerugian diakui pada laporan laba rugi. Jika pinjaman yang diberikan atau investasi dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif terkini yang berlaku yang ditetapkan dalam kontrak.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan 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.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Untuk tujuan evaluasi penurunan nilai secara kolektif, aset keuangan dikelompokkan berdasarkan kesamaan karakteristik risiko kredit seperti mempertimbangkan segmentasi kredit dan status tunggakan.

For the purpose of a collective evaluation of impairment, financial asset are grouped on the basis of similar credit risk characteristics such as considering credit segmentation and past due status.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Karakteristik yang dipilih adalah relevan dengan estimasi arus kas masa datang dari kelompok aset tersebut yang mengindikasikan kemampuan debitur atau rekanan untuk membayar seluruh kredit sesuai persyaratan kontrak dari aset yang dievaluasi.

Bank dan Entitas Anak menggunakan *statistical model analysis method*, yaitu *roll rates* dan *migration analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

Pada *migration analysis method*, manajemen menentukan estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian untuk setiap portofolio yang diidentifikasi, yaitu 12 bulan.

Ketika pinjaman yang diberikan tidak tertagih, kredit tersebut dihapus buku dengan menjurnal balik cadangan kerugian penurunan nilai. Kredit tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan. Beban penurunan nilai yang terkait dengan kategori dimiliki hingga jatuh tempo dan pinjaman yang diberikan dan piutang diklasifikasikan ke dalam "Pembentukan cadangan kerugian penurunan nilai".

Jika, pada periode berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur), maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi konsolidasian.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Allowance for impairment losses of financial assets (continued)

(A) Financial assets carried at amortised cost (continued)

Those characteristics are relevant to the estimation of future cash flows for groups of such assets which indicate debtors or counterparties' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

The Bank and Subsidiary use statistical model analysis method, namely roll rates and migration analysis methods for financial assets impairment which collectively assessed.

In migration analysis method, management determines 12 months as the estimated and identification period between a loss occurring for each identified portfolio.

When a loan is uncollectible, it is written-off against the related allowance for impairment losses. Such loans are written-off after all necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to financial assets categorised as held to maturity and loans and receivables are classified in "Allowance for impairment losses".

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated statement of profit or loss.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Instrumen keuangan (lanjutan)

Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Penerimaan kembali atas pinjaman yang diberikan yang telah dihapusbukukan pada tahun berjalan dikreditkan pada akun pembentukan cadangan kerugian penurunan nilai. Penerimaan kembali atas pinjaman yang diberikan yang telah dihapusbukukan pada tahun sebelumnya dicatat sebagai pendapatan operasional lainnya.

(B) Aset keuangan yang tersedia untuk dijual

Pada setiap tanggal pelaporan, Bank dan Entitas Anak mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar dari investasi dalam instrumen utang di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Ketika terdapat bukti tersebut diatas untuk aset yang tersedia untuk dijual, kerugian kumulatif, yang merupakan selisih antara biaya perolehan dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laporan laba rugi, dikeluarkan dari komponen ekuitas dan diakui pada laporan laba rugi konsolidasian.

Jika, pada periode berikutnya, nilai wajar dari utang aset keuangan yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laporan laba rugi konsolidasian, maka kerugian penurunan nilai tersebut harus dipulihkan melalui laporan laba rugi konsolidasian.

2. ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Allowance for impairment losses of financial assets (continued)

(A) Financial assets carried at amortised cost (continued)

Subsequent recoveries of loans written off in the current year are credited to the allowance for impairment losses. Subsequent recoveries of loans written off in previous year are recognised as other operating income.

(B) Financial assets classified as available for sale

The Bank and Subsidiary assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of debt instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity component and recognised in the consolidated statement of profit or loss.

If, in a subsequent period, the fair value of a debt financial asset classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated statement of profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

f. Kas

Kas mencakup kas dan kas pada Anjungan Tunai Mandiri (ATM).

Pada laporan arus kas konsolidasian, kas dan setara kas mencakup kas, simpanan yang sewaktu-waktu bisa dicairkan dan investasi likuid jangka pendek lainnya dengan yang jatuh tempo dalam waktu tiga bulan atau kurang dan cerukan. Pada laporan posisi keuangan konsolidasian, cerukan disajikan bersama sebagai pinjaman dalam liabilitas jangka pendek.

g. Giro wajib minimum

Sesuai dengan Peraturan BI mengenai Giro Wajib Minimum Bank Umum pada BI dalam Rupiah dan mata uang asing, Bank dan Entitas Anak diwajibkan untuk menempatkan sejumlah persentase atas simpanan nasabah.

h. Giro pada Bank Indonesia dan bank lain

Giro pada Bank Indonesia dan bank lain disajikan sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai, jika diperlukan.

Giro pada Bank Indonesia dan bank lain diklasifikasikan dalam laporan posisi keuangan konsolidasian sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2e untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

i. Penempatan pada Bank Indonesia dan bank lain

Penempatan pada Bank Indonesia dan bank lain disajikan sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

Penempatan pada Bank Indonesia dan bank lain diklasifikasikan dalam laporan posisi keuangan konsolidasian sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2e untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

2. ACCOUNTING POLICIES (continued)

f. Cash

Cash includes cash in hand and cash in Automated Teller Machine (ATM).

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

g. Statutory reserves requirement

In accordance with prevailing BI Regulation concerning Commercial Banks' Statutory Reserves Requirement with BI in Rupiah and foreign currency, The Bank and Subsidiary are required to place certain percentage of deposits from customers.

h. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at amortised cost using the effective interest rate method less allowance for impairment losses, where appropriate.

Current accounts with Bank Indonesia and other banks are classified in the consolidated statement of financial position as loans and receivables. Refer to Note 2e for the accounting policy of loans and receivables.

i. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks are stated at amortised cost using the effective interest rate method less allowance for impairment losses, where appropriate.

Placements with Bank Indonesia and other banks are classified in the consolidated statement of financial position as loans and receivables. Refer to Note 2e for the accounting policy of loans and receivables.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

j. Efek-efek

Efek-efek pada awalnya dinilai berdasarkan nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan kemudian diperhitungkan tergantung pada klasifikasinya menjadi tersedia untuk dijual atau dimiliki hingga jatuh tempo. Lihat Catatan 2e untuk kebijakan akuntansi atas tersedia untuk dijual dan dimiliki hingga jatuh tempo.

Efek-efek terdiri dari Sertifikat Bank Indonesia (SBI), Reksadana, Sertifikat Deposito Bank Indonesia (SDBI), obligasi korporasi dan obligasi pemerintah yang diperdagangkan di pasar uang dan pasar modal.

k. Efek-efek yang dijual dengan janji dibeli kembali (Repo) dan efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)

Efek-efek yang dijual dengan janji dibeli kembali (Repo) disajikan sebagai liabilitas dalam laporan posisi keuangan konsolidasian sebesar harga pembelian kembali yang disepakati dikurangi selisih antara harga jual dan harga pembelian kembali yang disepakati. Selisih antara harga jual dan harga pembelian kembali yang disepakati tersebut diamortisasi dengan menggunakan metode suku bunga efektif sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga saat dibeli kembali.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan konsolidasian sebesar harga beli ditambah dengan pendapatan bunga yang sudah diakui tapi belum diterima, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

Pada pengukuran awal, efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo) disajikan sebesar nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo) diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2e untuk kebijakan akuntansi pinjaman yang diberikan dan piutang.

2. ACCOUNTING POLICIES (continued)

j. Marketable securities

Marketable securities are initially measured at fair value plus directly attributable transaction costs and subsequently accounted for depending on their classification being available for sale or held to maturity. Refer to Note 2e for the accounting policy of available for sale and held to maturity.

Marketable securities consist of Certificate of Bank Indonesia (SBI), mutual funds, Certificate of Deposit of Bank Indonesia (SDBI), corporate bonds, and government bonds traded in the money market and capital market.

k. Securities sold under repurchase agreements (Repo) and securities purchased under resale agreement (Reverse Repo)

Securities sold under repurchase agreements (Repo) are presented as liabilities in the consolidated statement of financial position at the agreed repurchase price less the difference between the selling price and agreed repurchase price. The difference between the selling price and agreed repurchase price is amortised using effective interest method as interest expense over the period commencing from the selling date to the repurchase date

Securities purchased under resale agreements are presented as an asset in the consolidated statement of financial position at the purchase price added with interest income recognised but not yet received, less allowance for impairment losses, where appropriate.

Securities purchased under resale agreement (Reverse Repo) are initially measured at fair value plus directly attributable transaction costs.

Securities purchased under resale agreement (Reverse Repo) are classified as loans and receivable. Refer to Note 2e for the accounting policy of loans and receivables.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

**I. Pinjaman yang diberikan dan pembiayaan/
piutang syariah**

Pinjaman yang diberikan adalah penyediaan uang atau tagihan yang dapat disetarakan dengan kas, berdasarkan persetujuan atau kesepakatan pinjam-meminjam dengan debitur yang mewajibkan debitur untuk melunasi utang berikut bunganya setelah jangka waktu tertentu.

Pembiayaan bersama dicatat sesuai dengan porsi kredit yang risikonya ditanggung oleh Bank dan Entitas Anak, dan dinyatakan sebesar biaya perolehan diamortisasi.

Termasuk dalam pinjaman yang diberikan adalah pembiayaan/piutang Syariah yang merupakan piutang murabahah dan pinjaman qardh.

Murabahah adalah transaksi penjualan barang dengan menyatakan harga perolehan dan keuntungan (margin) yang disepakati oleh penjual dan pembeli. Piutang murabahah disajikan sebesar nilai bersih yang dapat direalisasi, yakni saldo piutang dikurangi cadangan kerugian. Keuntungan murabahah yang ditangguhkan disajikan sebagai pos lawan piutang murabahah.

Pinjaman qardh adalah penyediaan dana atau tagihan yang dapat dipersamakan dengan itu berdasarkan persetujuan atau kesepakatan antara peminjam dan Bank yang mewajibkan peminjam melunasi utangnya setelah jangka waktu tertentu.

Pinjaman qardh diakui sebesar total dana yang dipinjamkan pada saat terjadinya. Bank dapat menerima imbalan namun tidak diperkenankan untuk dipersyaratkan didalam perjanjian. Imbalan tersebut diakui pada saat diterima.

Pinjaman qardh disajikan sebesar saldonya dikurangi penyisihan kerugian.

Pinjaman yang diberikan diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2e untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Skema restrukturisasi yang dilakukan Bank dan Entitas Anak adalah penyesuaian kembali suku bunga, pokok bunga dan tunggakan bunga, perpanjangan jangka waktu jatuh tempo, penjadwalan kembali pembayaran angsuran serta modifikasi persyaratan kredit.

2. ACCOUNTING POLICIES (continued)

I. Loans and sharia financing/receivables

Loans represent disbursement of cash or cash equivalent based on agreements with borrowers, where borrowers are required to repay their debts with interest after a specified period.

Joint financing is recorded according to the proportion of risks borne by the Bank and Subsidiary and stated at amortised cost.

Included in the loans is Sharia financing which is murabahah receivables and qardh financing.

Murabahah is sales transaction for goods that states the purchase price and margin agreed by both buyer and seller. Murabahah receivables are stated at net realizable value, that is, balance of the receivables less allowance for impairment losses. Deferred murabahah margin is presented as a contra account of murabahah receivables.

Funds of qardh represents funds provided or similar claims based on an agreement or contract between the borrower and the Bank, wherein the borrower should repay the loan after a specified period of time.

Funds of qardh is recognised in the amount lent at the transaction date. The Bank may receive a fee, however, this should not be stated in the agreement. The fee is recognised upon receipt.

Funds of qardh is stated at its outstanding balance less allowance for possible losses.

Loans are classified as loans and receivables. Refer to Note 2e for the accounting policy of loans and receivables.

Restructuring scheme includes interest rate, loan principle and past due interest adjustment, extension of repayment period, rescheduling of installment and modification of the term of the loan.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

**l. Pinjaman yang diberikan dan pembiayaan/
piutang syariah (lanjutan)**

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit diakui bila nilai kini dari jumlah penerimaan kas yang akan datang yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai pinjaman yang diberikan yang tercatat sebelum restrukturisasi.

m. Instrumen derivatif

Dalam melakukan usaha bisnisnya, Bank melakukan transaksi instrumen keuangan derivatif seperti *foreign currency swaps*, *foreign currency spot* dan *forward contract*.

Instrumen keuangan derivatif diakui dalam laporan keuangan konsolidasian pada nilai wajar dengan menggunakan harga pasar. Derivatif dicatat sebagai aset apabila memiliki nilai wajar pasar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif. Tagihan derivatif disajikan sebesar keuntungan yang belum direalisasi dan setelah dikurangi cadangan kerugian penurunan nilai. Liabilitas derivatif disajikan sebesar kerugian yang belum direalisasi.

Keuntungan atau kerugian yang terjadi dari perubahan nilai wajar diakui sebagai laba/rugi tahun berjalan.

n. Aset tetap

Model revaluasi

Pada tanggal 1 Januari 2016, Bank melakukan perubahan kebijakan akuntansi atas tanah dari model biaya menjadi model revaluasi.

Tanah disajikan sebesar nilai wajar, berdasarkan penilaian yang dilakukan oleh penilai independen eksternal yang telah terdaftar di OJK. Penilaian atas aset tersebut dilakukan secara berkala dan apabila terdapat perubahan nilai wajar yang signifikan untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan jumlah tercatatnya.

2. ACCOUNTING POLICIES (continued)

**l. Loans and sharia financing/receivables
(continued)**

Losses on loan restructurings in respect of modification of the terms of the loans are recognised only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the carrying amount of loans before restructuring.

m. Derivative instrument

In the normal course of business, Bank enters into transactions involving derivative financial instruments such as foreign currency swaps, foreign currency spot and forward contract.

Derivative financial instruments are recognised in the consolidated financial statements at their fair value, using market value. Derivative are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative receivables are stated at unrealised gain, netted of allowance for impairment losses. Derivative liabilities are stated at unrealised loss.

Gains or losses as a result of fair value changes are recognised as current year profit/loss.

n. Fixed assets

Revaluation model

On 1 January 2016, Bank changed its accounting policies of land from cost model to revaluation model.

Land are presented at fair value based on valuations performed by certified external independent valuers which are registered with OJK. Valuations are performed with sufficient regularity and if there is significant change in fair value to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

n. Aset tetap (lanjutan)

Model revaluasi (lanjutan)

Kenaikan nilai tercatat yang timbul dari revaluasi tanah dikreditkan pada "cadangan revaluasi aset tetap" sebagai bagian dari pendapatan komprehensif lainnya. Penurunan yang menghapus nilai kenaikan yang sebelumnya atas aset tetap yang sama dibebankan terhadap "cadangan revaluasi aset tetap" sebagai bagian dari laba komprehensif; penurunan lainnya dibebankan pada laporan laba rugi.

Tanah tidak disusutkan. Jika aset yang direvaluasi dijual, jumlah yang dicatat di dalam ekuitas dipindahkan ke saldo laba.

Model biaya

Aset tetap selain tanah, diakui sebesar harga perolehan setelah dikurangi akumulasi penyusutan.

Harga perolehan termasuk pengeluaran yang dapat diatribusikan secara langsung atas perolehan aset tersebut.

Aset tetap, selain tanah, disusutkan selama taksiran masa manfaat ekonomis aset tetap dengan metode garis lurus dan diakui sebesar harga perolehan setelah dikurangi dengan akumulasi penyusutan.

Taksiran masa manfaat ekonomis aset tetap adalah sebagai berikut:

	<u>Tahun/Years</u>	<u>Tarif/Rates</u>	
Gedung	20	5%	<i>Buildings</i>
Golongan I:			<i>Class I:</i>
Kendaraan bermotor	4	25%	<i>Vehicles</i>
Perlengkapan kantor	4, 8	25%, 12.5%	<i>Office equipment</i>
Golongan II:			<i>Class II:</i>
Kendaraan bermotor	3, 5, 8	33.3%, 20%, 12.5%	<i>Vehicles</i>
Perlengkapan kantor	5, 8	20%, 12.5%	<i>Office equipment</i>
	sesuai masa sewa/ <i>according to</i> <i>lease period</i>	sesuai masa sewa/ <i>according to</i> <i>lease period</i>	<i>Leasehold improvement</i>
<i>Leasehold improvement</i>			<i>Leasehold improvement</i>

Kendaraan bermotor yang termasuk dalam golongan I adalah sepeda motor sedangkan kendaraan operasional dan kendaraan dinas untuk direktur atau komisaris termasuk dalam golongan II.

2. ACCOUNTING POLICIES (continued)

n. Fixed assets (continued)

Revaluation model (continued)

Increases in the carrying amount arising on revaluation of land is credited to the "reserve on revaluation of fixed asset" as part of other comprehensive income. Decreases that offset previous increases are debited against "reserve on revaluation of fixed asset" as part of other comprehensive income; all other decreases are charged to the profit or loss.

Land is not depreciated. When revalued assets are sold, the amounts included in equity are transferred to retained earnings.

Cost model

Fixed assets besides land are recognised at cost less accumulated depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Fixed assets, except land, are depreciated over their expected useful lives using straight-line method and are stated at cost less accumulated depreciation.

The expected useful lives of fixed assets are as follows:

Motor vehicle which classified in class I are motorcycle whilst operational vehicles and office vehicle for directors or commissioners classified in class II.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

n. Aset tetap (lanjutan)

Model biaya (lanjutan)

Perlengkapan kantor yang termasuk dalam golongan I adalah mebel dan peralatan dari kayu dan rotan, mesin kantor seperti mesin tik, mesin fotokopi, komputer, laptop, alat komunikasi, alat dapur dan perlengkapan lain seperti CCTV. Sedangkan yang termasuk dalam golongan II adalah mebel dan peralatan dari logam seperti brankas, pendingin ruangan, dan generator listrik.

Biaya-biaya setelah pengakuan awal diakui sebagai bagian dari nilai tercatat aset atau sebagai aset yang terpisah sebagaimana mestinya, hanya jika kemungkinan besar Bank dan Entitas Anak akan mendapatkan manfaat ekonomis masa depan berkenaan dengan aset tersebut dan biaya perolehan aset dapat diukur dengan handal. Nilai tercatat komponen yang diganti dipisahkan. Biaya perbaikan dan pemeliharaan dibebankan ke dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dalam periode keuangan ketika biaya-biaya tersebut terjadi.

Biaya legal awal untuk mendapatkan hak legal diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak didepresiasi. Biaya terkait dengan pembaruan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak.

Apabila aset tetap tidak digunakan lagi atau dijual, maka nilai perolehan dan akumulasi penyusutannya dihapuskan dari laporan keuangan konsolidasian. Keuntungan atau kerugian bersih atas pelepasan aset tetap ditentukan dengan membandingkan hasil yang diterima dengan nilai tercatat dan diakui pada "(beban)/pendapatan non-operasional" dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Akumulasi biaya konstruksi bangunan serta pemasangan peralatan kantor, dikapitalisasi sebagai aset dalam penyelesaian. Biaya tersebut direklasifikasi ke akun aset tetap pada saat proses konstruksi atau pemasangan selesai. Penyusutan dimulai pada saat aset tersebut siap untuk digunakan dengan tujuan yang diinginkan manajemen.

2. ACCOUNTING POLICIES (continued)

n. Fixed assets (continued)

Cost model (continued)

Office equipment which classified as class I are furniture and office equipment made from wood, office machine such as typing machine, photocopy machine, computer, laptop, communication tools, kitchen set and other equipment such as CCTV. Whilst office equipment that classified as class II are furniture and office equipment made from metal such as safes, air conditioning and electrical generator.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and Subsidiary and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Initial legal costs incurred to obtain legal rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognised as intangible assets and amortised during the period of the land rights.

When fixed assets are no longer in use or disposed of, their costs and the related accumulated depreciation are written off in the consolidated financial statements. Net gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "non-operating (expenses)/income" in the consolidated statements of profit or loss and other comprehensive income.

The accumulated costs of the construction of buildings and the installation of office equipment are capitalised as construction in progress. These costs are reclassified to fixed assets accounts when the construction or installation is complete. Depreciation is charged from the date the assets are ready for use in the manner intended by management.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

n. Aset tetap (lanjutan)

Model biaya (lanjutan)

Nilai tercatat aset segera diturunkan sebesar jumlah yang dapat dipulihkan jika nilai tercatat aset lebih besar dari estimasi jumlah yang dapat dipulihkan.

Nilai sisa aset, masa manfaat dan metode penyusutan ditelaah dan jika perlu disesuaikan, pada setiap akhir periode pelaporan.

o. Aset tak berwujud

Goodwill

Pengukuran *goodwill* dijabarkan pada Catatan 2c dan 15. *Goodwill* yang muncul atas akuisisi Entitas Anak disertakan dalam aset tak berwujud.

Peninjauan atas penurunan nilai pada goodwill dilakukan setahun sekali atau dapat lebih sering apabila terdapat peristiwa atau perubahan keadaan yang mengindikasikan adanya potensi penurunan nilai. Goodwill dinyatakan sebesar nilai perolehan dikurangi akumulasi kerugian penurunan nilai.

Piranti lunak

Piranti lunak memiliki masa manfaat yang terbatas dan diakui sebesar harga perolehan, selanjutnya dicatat sebesar harga perolehan dikurangi akumulasi amortisasi dan kerugian penurunan nilai.

Biaya yang dikeluarkan untuk memperoleh lisensi piranti lunak dan mempersiapkan piranti lunak tersebut sehingga siap untuk digunakan dikapitalisasi.

Biaya yang terkait dengan pemeliharaan program piranti lunak diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan dalam pembuatan dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Bank dan Entitas Anak diakui sebagai aset takberwujud.

Biaya yang dapat diatribusikan secara langsung dikapitalisasi sebagai bagian produk piranti lunak mencakup beban pekerja pengembang piranti lunak dan bagian *overhead* yang relevan.

2. ACCOUNTING POLICIES (continued)

n. Fixed assets (continued)

Cost model (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

o. Intangible assets

Goodwill

Goodwill is measured as described in Note 2c and 15. *Goodwill* on acquisitions of Subsidiary is included in intangible assets.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. *Goodwill* is carried at cost less accumulated impairment losses.

Software

Software have a finite useful life and recognised at acquisition cost, subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software programs are recognised as expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank and Subsidiary are recognised as intangible assets.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

o. Aset tak berwujud (lanjutan)

Piranti lunak (lanjutan)

Pengeluaran pengembangan yang lain yang tidak memenuhi kriteria ini diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang sebelumnya diakui sebagai beban tidak dapat diakui sebagai aset pada periode berikutnya.

Biaya pengembangan piranti lunak diakui sebagai aset yang diamortisasi selama estimasi masa manfaat, yang tidak lebih dari empat tahun atau tidak lebih dari tarif amortisasi 25% dan dihitung dengan menggunakan metode garis lurus.

Aset tak berwujud dihentikan pengakuannya saat aset tersebut dilepas atau ketika tidak lagi terdapat manfaat masa depan yang diharapkan dari penggunaan atau pelepasannya.

p. Biaya dibayar dimuka

Biaya dibayar dimuka adalah beban yang telah dikeluarkan tetapi belum diakui sebagai beban pada periode terjadinya. Biaya dibayar dimuka akan diakui sebagai beban pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian pada saat diamortisasi sesuai dengan masa manfaatnya.

q. Aset lain-lain

Aset lain-lain sebagian besar terdiri dari persediaan terkait dengan pembiayaan syariah, uang muka, jaminan sewa, tagihan kepada asuransi, aset imbalan kerja dan persediaan keperluan kantor.

Bank dan Entitas Anak mengakui kerugian penurunan nilai untuk aset lain-lain apabila taksiran jumlah yang dapat diperoleh kembali dari suatu aset lebih rendah dari nilai tercatatnya. Pada setiap tanggal laporan posisi keuangan konsolidasian, Bank dan Entitas Anak melakukan penelaahan untuk menentukan apakah terdapat indikasi penurunan nilai. Pemulihan penurunan nilai diakui sebagai keuntungan di laporan laba rugi konsolidasian pada saat terjadinya.

r. Liabilitas segera

Liabilitas segera dicatat pada saat timbulnya kewajiban atau diterima perintah dari pemberi amanat, baik dari masyarakat maupun dari bank lain. Liabilitas segera disajikan sebesar biaya perolehan diamortisasi.

2. ACCOUNTING POLICIES (continued)

o. Intangible assets (continued)

Software (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed four years or does not exceed 25% amortisation rate and calculated using the straight-line method.

Intangible assets shall be derecognised or disposal when no future economic benefits are expected from its use or disposal.

p. Prepayments

Prepayments are expenses which have been incurred but not yet recognised as an expense in the related period. Prepayments are recognised as expenses in the consolidated statement of profit or loss and other comprehensive income when it is amortised in accordance with the expected period of benefit.

q. Other assets

Other assets mainly consist of inventory related to sharia financing, advance payment, rental security deposit, receivables from insurance company, employee benefit asset and office supplies.

The Bank and Subsidiary recognise impairment of other assets if the recoverable amount of the assets is lower than the carrying value. At the consolidated statement of financial position date, the Bank and Subsidiary evaluates the recoverable amount of the assets to determine whether there is an indication of impairment. Reversal of the recoverable amount of assets is recognised as gain in the consolidated statements of profit or loss when incurred.

r. Obligations due immediately

Obligations due immediately are recorded at the time of the obligations occurred or receipt of transfer order from customers or other banks. Obligation due immediately are stated at amortised cost.

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r. Liabilitas segera (lanjutan)

Liabilitas segera pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode bunga efektif.

s. Simpanan nasabah dan simpanan dari bank lain

Simpanan nasabah adalah dana yang dipercayakan oleh masyarakat kepada Bank dan Entitas Anak berdasarkan perjanjian penyimpanan dana. Termasuk didalamnya adalah giro, tabungan, deposito berjangka deposito *on call* dan simpanan nasabah berdasarkan prinsip syariah.

Simpanan berdasarkan prinsip syariah terdiri dari giro *Wadiah* dan tabungan *Wadiah*. Giro *Wadiah* merupakan giro *Wadiah yadh dhamanah* yakni titipan dana pihak lain dimana pemilik dana mendapatkan bonus berdasarkan kebijakan bank. Giro *Wadiah* dicatat sebesar saldo titipan pemegang giro *Wadiah*. Tabungan *Wadiah* merupakan simpanan pihak lain yang bisa diambil kapan saja (*on call*) atau berdasarkan kesepakatan dimana tidak ada imbalan yang disyaratkan kecuali dalam bentuk pemberian (*'Athaya'*) sukarela dari pihak bank.

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, dalam bentuk giro, tabungan, deposito berjangka, sertifikat deposito tanpa warkat dan *call money*.

Simpanan nasabah dan simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dan simpanan dari bank lain dikurangkan dari jumlah simpanan nasabah dan simpanan dari bank lain.

Simpanan dari bank lain disajikan sebesar jumlah liabilitas terhadap bank lain.

t. Utang obligasi

Utang obligasi dicatat sebesar nilai nominal dikurangi dengan biaya emisi yang belum diamortisasi. Biaya emisi adalah biaya yang terjadi sehubungan dengan utang obligasi, diakui sebagai beban yang ditangguhkan dan dikurangkan langsung dari hasil emisi dan diamortisasi selama jangka waktu utang obligasi tersebut dengan menggunakan metode suku bunga efektif.

2. ACCOUNTING POLICIES (continued)

r. Obligations due immediately (continued)

Obligations due immediately are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

s. Deposits from customers and deposits from other banks

Deposits from customers are the funds placed by customers to the Bank and Subsidiary based on fund deposits agreements. Included in these accounts are current account, saving deposits, time deposits and deposit on call and sharia deposits.

Sharia deposits consist of Wadiah demand deposits and Wadiah saving deposits. Wadiah demand deposits is a Wadiah yadh dhamanah current account in which the funds owner will get a bonus based on the Bank's policy. Wadiah demand deposits are stated at the amount of Wadiah demand deposits balance. Wadiah saving deposits represent third party funds that can be taken at any time (on call) or by an agreement which required no reward except in the form of bonus ('Athaya') voluntary on the part of banks.

Deposits from other banks represent liabilities to other domestic banks, in the form of current account, saving deposits, term deposits, Negotiable Certificate of Deposits and call money.

Deposits from customers and deposits from other banks are classified as financial liabilities measured at amortised cost. Incremental costs directly attributable to the acquisition of deposits from customers and deposits from other banks are deducted from the amount of deposits from customers and deposits from other banks.

Deposits from other banks are stated at the amounts due to other banks.

t. Bonds payable

Bonds payable are stated at nominal value net of unamortised bond issuance cost. Costs incurred in connection with the bonds payable, are recognised as a deferred expense and offset directly from the proceeds derived from such offerings and amortised over the period of the bonds payable using the effective interest rate method.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

u. Pinjaman yang diterima

Pada saat pengakuan awal, pinjaman diakui sebesar nilai wajar, dikurangi dengan biaya-biaya transaksi yang terjadi. Selanjutnya, pinjaman yang diterima diukur sebesar biaya perolehan diamortisasi; selisih antara penerimaan (dikurangi biaya transaksi) dan nilai pelunasan dicatat pada laporan laba rugi selama periode pinjaman dengan menggunakan metode suku bunga efektif.

Biaya yang dibayar untuk memperoleh fasilitas pinjaman diakui sebagai biaya transaksi pinjaman sepanjang besar kemungkinan sebagian atau seluruh fasilitas akan ditarik. Dalam hal ini, biaya memperoleh pinjaman ditangguhkan sampai penarikan pinjaman terjadi. Sepanjang tidak terdapat bukti bahwa besar kemungkinan sebagian atau seluruh fasilitas akan ditarik, biaya memperoleh pinjaman dikapitalisasi sebagai pembayaran dimuka untuk jasa likuiditas dan diamortisasi selama periode fasilitas yang terkait.

Pinjaman diklasifikasikan sebagai liabilitas jangka pendek kecuali Bank dan Entitas Anak memiliki hak tanpa syarat untuk menunda pembayaran pinjaman selama paling tidak 12 bulan setelah tanggal pelaporan.

v. Dana syirkah temporer

Dana *syirkah* temporer adalah dana yang diterima oleh Entitas Anak. Hubungan antara Entitas Anak dan pemilik dana *syirkah temporer* (*shahibul maal*) merupakan hubungan kemitraan berdasarkan akad *mudharabah mutlaqah*, yaitu pemilik dana memberikan kebebasan kepada pengelola (*mudharib/Entitas Anak*) dalam pengelolaan investasinya sesuai prinsip Syariah dengan keuntungan dibagikan sesuai kesepakatan. Dana *syirkah* temporer terdiri dari tabungan *mudharabah* dan deposito *mudharabah*.

- 1) Tabungan *mudharabah* merupakan investasi yang bisa dilakukan penarikan kapan saja (*on call*) atau sesuai dengan persyaratan tertentu yang disepakati. Tabungan *mudharabah* dinyatakan sebesar saldo tabungan nasabah di Entitas Anak.
- 2) Deposito *mudharabah* merupakan investasi yang hanya bisa dilakukan penarikan pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito *mudharabah* dengan Entitas Anak. Deposito *mudharabah* dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan Entitas Anak.

2. ACCOUNTING POLICIES (continued)

u. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless Bank and Subsidiary has an unconditional right to defer the settlement of the borrowings for at least 12 months after the reporting date.

v. Temporary syirkah funds

Temporary syirkah funds represent investment received by Subsidiary. Relationship between the Subsidiary and the owner of temporary syirkah funds (shahibul maal) are based on partnership mudharabah muthlaqah in which the fund owner entrust to fund manager (mudharib/Subsidiary) in managing its investment according to sharia principle with profit distributed based on the contract. Temporary syirkah funds consist of mudharabah saving accounts and mudharabah time deposits.

- 1) *Mudharabah saving accounts represent investment which could be drawdown anytime (on call) or can be drawdown based on certain agreed terms. Mudharabah savings deposits are stated based on the customer's savings deposit balance in Subsidiary.*
- 2) *Mudharabah time deposits represent investment that can only be drawdown at a certain time based on the agreement between the customer and the Subsidiary. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the Subsidiary.*

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2. KEBIJAKAN AKUNTANSI (lanjutan)

v. Dana syirkah temporer (lanjutan)

Dana *syirkah* temporer tidak dapat digolongkan sebagai liabilitas. Hal ini karena Entitas Anak tidak berkewajiban untuk mengembalikan jumlah dana awal dari pemilik dana bila Entitas Anak mengalami kerugian, kecuali akibat kelalaian atau wanprestasi. Di sisi lain dana *syirkah* temporer tidak dapat digolongkan sebagai ekuitas karena mempunyai waktu jatuh tempo dan pemilik dana tidak mempunyai hak kepemilikan yang sama dengan pemegang saham seperti hak voting dan hak atas realisasi keuntungan yang berasal dari aset lancar dan aset non-investasi.

Dana *syirkah* temporer merupakan salah satu unsur laporan posisi keuangan konsolidasian, yang berdasarkan prinsip syariah memberikan hak pada Entitas Anak untuk mengelola dana.

Pemilik dana *syirkah* temporer mendapatkan imbalan bagi hasil sesuai dengan *nisbah* yang ditetapkan.

w. Modal saham

Saham biasa diklasifikasikan sebagai ekuitas.

Tambahan biaya yang secara langsung terkait dengan penerbitan saham biasa atau opsi baru disajikan pada bagian ekuitas sebagai pengurang, sebesar jumlah yang diterima bersih setelah dikurangi pajak.

Saham treasury

Ketika Bank membeli modal saham ekuitas (saham treasury), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas Bank sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan kepada ekuitas yang dapat diatribusikan kepada pemilik ekuitas Bank.

x. Imbalan kerja karyawan

Imbalan pasca kerja

Bank dan Entitas Anak menyediakan program pensiun dengan imbalan minimal tertentu sesuai dengan UU Ketenagakerjaan No. 13/2003. Karena UU Ketenagakerjaan menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya, program pensiun berdasarkan UU Ketenagakerjaan adalah program imbalan pasti.

2. ACCOUNTING POLICIES (continued)

v. Temporary syirkah funds (continued)

Temporary syirkah fund cannot be classified as liability. This is because Subsidiary does not have any liability to return the initial fund to the owners if Subsidiary experience a loss, except for losses due to negligence or default of loss is incurred. On the other hand, temporary syirkah fund cannot be classified as shareholders' equity, because of the maturity period and the depositors do not have the same rights as the shareholders' such as voting rights and the rights of realised gain from current assets and other non-investment accounts.

Temporary syirkah funds represent one of the consolidated statement of financial position accounts which is in accordance with sharia principles, provide right to the Subsidiary to manage fund.

The owner of temporary syirkah funds receives a return from the profit sharing based on a predetermined ratio.

w. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

When Bank purchases the equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Bank's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Bank's equity holders.

x. Employee benefits

Post employment benefits

The Bank and Subsidiary is required to provide a minimum amount of pension benefits in accordance with Labor Law No. 13/2003. Since the Labor Law sets the formula for determining the minimum amount of benefits, in substance, pension plans under Labor Law represent defined benefit plans.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

x. Imbalan kerja karyawan (lanjutan)

Imbalan pasca kerja (lanjutan)

Program imbalan pasti adalah program pensiun yang bukan merupakan program iuran pasti. Pada umumnya, program imbalan pasti ditentukan berdasarkan jumlah imbalan pensiun yang akan diterima seorang pekerja pada saat pensiun, biasanya tergantung oleh satu faktor atau lebih, misalnya usia, masa bekerja dan kompensasi.

Liabilitas program imbalan pasti yang diakui di laporan posisi keuangan konsolidasian dihitung sebesar nilai kini dari kewajiban imbalan pasti pada akhir periode pelaporan, dikurangi dengan nilai wajar aset program. Kewajiban imbalan pasti dihitung setiap tahun oleh aktuaris independen dengan metode *projected unit credit*.

Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan arus kas keluar yang diestimasi dengan menggunakan tingkat bunga obligasi pemerintah (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) yang didenominasikan dalam mata uang dimana imbalan akan dibayarkan dan memiliki waktu jatuh tempo mendekati waktu jatuh tempo kewajiban pensiun.

Biaya bunga bersih dihitung dengan menerapkan tingkat diskonto terhadap saldo bersih kewajiban imbalan pasti dan nilai wajar aset program. Biaya ini termasuk dalam beban imbalan kerja dalam laporan laba rugi.

Keuntungan dan kerugian atas pengukuran kembali yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui pendapatan komprehensif lainnya pada saat terjadinya. Keuntungan dan kerugian ini termasuk didalam laba ditahan pada laporan perubahan ekuitas konsolidasian dan pada laporan posisi keuangan konsolidasian.

Perubahan nilai kini atas kewajiban imbalan pasti yang timbul dari amandemen rencana atau pembatasan langsung diakui dalam laporan laba rugi konsolidasian sebagai biaya jasa lalu.

Keuntungan dan kerugian dari kurtailmen atau penyelesaian program manfaat pasti diakui di laba rugi konsolidasian ketika kurtailmen atau penyelesaian tersebut terjadi.

Bank dan Entitas Anak menyelenggarakan program pensiun imbalan pasti untuk karyawan tetap. Iuran dana pensiun ditanggung bersama oleh karyawan dan Bank dan Entitas Anak.

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2. ACCOUNTING POLICIES (continued)

x. Employee benefits (continued)

Post employment benefits (continued)

Defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit obligation recognised in the consolidated statements of financial position in respect of defined benefit obligation at the end of reporting period less the fair value of plan asset. The defined benefit obligation is calculated annually by an independent actuary using the projected-unit-credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statements of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated profit or loss as past service costs.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in the consolidated profit or loss when the curtailment or settlement occurs.

The Bank and Subsidiary has implemented a defined benefit retirement program for its permanent employees. Contribution to the retirement funds are paid by the employees and the Bank and Subsidiary.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

x. Imbalan kerja karyawan (lanjutan)

Pesangon pemutusan kontrak kerja

Pesangon pemutusan kontrak kerja terutang ketika Bank memberhentikan hubungan kerja sebelum usia pensiun normal, atau ketika seorang pekerja menerima penawaran mengundurkan diri secara sukarela dengan kompensasi imbalan pesangon.

Bank mengakui pesangon pemutusan kontrak kerja pada tanggal yang lebih awal antara (i) ketika Bank tidak dapat lagi menarik tawaran atas imbalan tersebut dan (ii) ketika Bank mengakui biaya untuk restrukturisasi yang berasal dalam ruang lingkup PSAK 57 (revisi 2014) dan melibatkan pembayaran pesangon.

Dalam hal menyediakan pesangon sebagai penawaran untuk mengundurkan diri secara sukarela, pesangon pemutusan kontrak kerja diukur berdasarkan jumlah karyawan yang diharapkan menerima penawaran tersebut. Imbalan yang jatuh tempo lebih dari 12 bulan setelah periode pelaporan didiskontokan menjadi nilai kini.

Program bagi laba dan bonus

Bank dan Entitas Anak mengakui liabilitas dan beban untuk bonus dan bagi hasil berdasarkan rumusan yang mempertimbangkan kinerja karyawan dan laba yang dapat diatribusikan kepada pemegang saham setelah penyesuaian tertentu.

Bank dan Entitas Anak mengakui provisi ketika diwajibkan secara kontrak atau terdapat praktik masa lalu yang menyebabkan kewajiban konstruktif.

Jumlah program bagi laba dan bonus yang dicadangkan dan akan dibayarkan dalam kurun waktu kurang dari 12 bulan sejak tanggal laporan keuangan, disajikan di laporan posisi keuangan konsolidasian sebagai bagian dari "Liabilitas imbalan kerja karyawan".

y. Pembayaran berbasis saham

Bank dan Entitas Anak menyelenggarakan beberapa program imbalan berbasis saham, dimana Bank memberikan instrumen ekuitas Bank (opsi) kepada karyawan sebagai imbalan atas jasa mereka. Nilai wajar opsi yang diberikan diakui sebagai beban dan bersamaan dengan peningkatan pada ekuitas. Jumlah nilai yang harus dibebankan ditentukan dengan mengacu kepada nilai wajar opsi yang diberikan:

- termasuk kinerja pasar (misalnya: harga saham Bank);

2. ACCOUNTING POLICIES (continued)

x. Employee benefits (continued)

Termination Benefits

Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Bank recognises termination benefits at the earlier of the following dates: (i) when the Bank cannot longer withdraw the offer of those benefit; and (ii) when the entity recognises costs for a restructuring that is within the scope of PSAK 57 (revised 2014) and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

Profit sharing and bonus plans

The Bank and Subsidiary recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the employee's performance and profit attributable to the Bank and Subsidiary shareholders after certain adjustments has created a constructive obligation.

The Bank and Subsidiary recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provision amount of profit-sharing and bonus plans which will be paid within 12 months from reporting date is presented in consolidated statements of financial position as part of "Employee benefit liabilities".

y. Share-based payments

The Bank and Subsidiary establishes a number of equity-settled, share-based compensation plans, under which the Bank receives services from employees as consideration for equity instruments (options) of the Bank. The fair value of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example: a Bank's share price);

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2. KEBIJAKAN AKUNTANSI (lanjutan)

y. Pembayaran berbasis saham (lanjutan)

- tidak termasuk dampak dari jasa dan kondisi *vesting* yang tidak dipengaruhi kinerja pasar (misalnya, profitabilitas, target pertumbuhan penjualan dan tetap menjadi karyawan Bank selama periode waktu tertentu); dan
- termasuk dampak dari kondisi *non-vesting*.

Syarat jasa dan syarat yang tidak dipengaruhi kinerja pasar dimasukkan di dalam asumsi mengenai jumlah opsi yang diharapkan akan *vest*. Jumlah beban diakui selama periode *vesting*, yaitu periode dimana seluruh kondisi *vesting* tertentu telah terpenuhi.

Setiap akhir periode pelaporan, Bank dan Entitas Anak merevisi estimasi jumlah opsi yang diharapkan *vest* berdasarkan syarat jasa. Selisih antara estimasi revisian dengan jumlah estimasi sebelumnya, jika ada, diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian, dengan penyesuaian pada sisi ekuitas.

Ketika opsi dieksekusi, Bank menerbitkan sejumlah saham baru atau menjual kembali saham treasurinya (jika ada). Nilai kas yang diterima dikurangi dengan biaya transaksi yang dapat diatribusikan dikreditkan ke modal saham (nilai nominal) dan agio saham.

z. Perpajakan

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi konsolidasian, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Beban pajak kini dihitung berdasarkan peraturan perpajakan yang berlaku atau yang secara substantif berlaku pada akhir periode pelaporan, di negara dimana perusahaan dan entitas anak beroperasi dan menghasilkan pendapatan kena pajak. Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi di mana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

2. ACCOUNTING POLICIES (continued)

y. Share-based payments (continued)

- excluding the impact of any service and non-market performance vesting conditions (for example: profitability, sale growth targets and remaining an employee of the Bank over a specified time period); and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Bank and Subsidiary revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statements of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Bank issues new shares or resale its treasury shares (if any). The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

z. Taxation

The tax expense comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

z. Perpajakan (lanjutan)

Pajak penghasilan tangguhan diakui sepenuhnya, dengan menggunakan metode liabilitas untuk semua perbedaan temporer yang berasal dari selisih antara dasar pengenaan pajak aset dan liabilitas dengan nilai tercatatnya pada laporan keuangan konsolidasian. Namun, liabilitas pajak penghasilan tangguhan tidak diakui jika berasal dari pengakuan awal goodwill. Pajak penghasilan tangguhan juga tidak diperhitungkan jika pajak penghasilan tangguhan tersebut timbul dari pengakuan awal aset atau pengakuan awal liabilitas dalam transaksi yang bukan kombinasi bisnis yang pada saat transaksi tidak mempengaruhi laba akuntansi maupun laba kena pajak/rugi pajak.

Pajak penghasilan tangguhan ditentukan dengan menggunakan tarif pajak yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan dan diharapkan diterapkan ketika aset pajak penghasilan tangguhan direalisasi atau liabilitas pajak penghasilan tangguhan diselesaikan.

Aset pajak tangguhan diakui jika besar kemungkinan bahwa jumlah penghasilan kena pajak dimasa depan akan memadai untuk mengkompensasi aset pajak tangguhan yang muncul akibat perbedaan temporer tersebut.

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas pajak penghasilan tangguhan dikenakan oleh otoritas perpajakan yang sama. Aset pajak kini dan liabilitas pajak kini akan saling hapus ketika entitas memiliki hak yang berkekuatan hukum untuk melakukan saling hapus dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto atau untuk merealisasikan dan menyelesaikan liabilitas secara bersamaan.

Utang pajak penghasilan badan dan utang pajak lainnya Bank dan Entitas Anak disajikan sebagai utang pajak dalam laporan keuangan konsolidasian .

2. ACCOUNTING POLICIES (continued)

z. Taxation (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences which arise from the difference between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting period and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset arising from temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Corporate tax payables and other tax payables of Bank and Subsidiary are presented as taxes payable in the consolidated statement of financial position.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

aa. Pendapatan dan beban bunga dan pendapatan syariah

(i). Konvensional

Pendapatan dan beban bunga untuk semua instrumen keuangan dengan *interest-bearing* dicatat dalam "pendapatan bunga" dan "beban bunga" di dalam laporan laba rugi konsolidasian menggunakan metode suku bunga efektif.

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset atau liabilitas keuangan dan metode untuk mengalokasikan pendapatan atau beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset atau liabilitas keuangan.

(ii). Syariah

Pendapatan pengelolaan dana oleh Bank sebagai *mudharib* terdiri atas pendapatan dari jual dan beli transaksi *murabahah* dan pendapatan bagi hasil.

Pengakuan pendapatan atas piutang *murabahah* yang tidak memiliki risiko yang signifikan terkait dengan kepemilikan persediaan diakui pada laporan laba rugi konsolidasian dengan menggunakan metode tingkat imbal hasil efektif.

(iii). Hak pihak ketiga atas bagi hasil dana *syirkah* temporer

Hak pihak ketiga atas bagi hasil dana *syirkah* temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip *mudharabah* atas hasil pengelolaan dana mereka oleh Bank. Pendapatan yang dibagikan adalah yang telah diterima (*cash basis*).

2. ACCOUNTING POLICIES (continued)

aa. Interest income and expense and sharia income

(i). Conventional

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated statement of profit or loss using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts 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 liability.

(ii). Sharia

Revenues from fund management by Bank as *mudharib* consists of income from sales and purchases of *murabahah* transactions and profit sharing.

The revenue recognition of *murabahah* receivables that do not have significant risk in relation with the ownership of inventory are recognized in consolidated profit or loss using the effective rate of return method.

(iii). Third parties' share on return of temporary *syirkah* funds

Third parties' share on returns of temporary *syirkah* funds represents customer's share on the Bank's income derived from the management of their funds by the Bank under *mudharabah* principles. Income that will be distributed is the cash received (*cash basis*) from the share.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

aa. Pendapatan dan beban bunga dan pendapatan syariah (lanjutan)

- (iii). Hak pihak ketiga atas bagi hasil dana *syirkah* temporer (lanjutan)

Pembagian hasil usaha dilakukan berdasarkan prinsip bagi hasil usaha yaitu dari pendapatan Bank yang diterima berupa laba kotor.

Pendapatan marjin dan bagi hasil atas pembiayaan yang diberikan dan atas aset produktif lainnya akan dibagikan kepada nasabah penyimpan dana dan Bank sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya.

Selanjutnya, pendapatan marjin dan bagi hasil yang tersedia untuk nasabah tersebut kemudian dibagikan ke nasabah penabung dan deposan sebagai *shahibul maal* dan Bank sebagai *mudharib* sesuai porsi *nisbah* bagi hasil yang telah disepakati bersama sebelumnya. Pendapatan marjin dan bagi hasil dari pembiayaan dan aset produktif lainnya yang memakai dana Bank, seluruhnya menjadi milik Bank, termasuk pendapatan dari investasi bank berbasis imbalan.

ab. Pendapatan provisi dan komisi

Pendapatan provisi dan komisi yang dapat diatribusikan secara langsung kepada aktivitas peminjaman diakui sebagai pengurang biaya pinjaman dan nilai tercatat atas pinjaman tersebut akan diamortisasi sebagai pendapatan bunga dengan menggunakan metode suku bunga efektif.

Pada umumnya pendapatan provisi dan komisi diakui menggunakan basis akrual pada saat jasa telah diberikan. Pendapatan provisi atas komitmen memberikan pinjaman yang kemungkinan besar akan dicairkan (bersama-sama dengan biaya transaksi lain yang terkait langsung) diakui sebagai penyesuaian atas suku bunga efektif atas pinjaman yang diberikan.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian kredit diakui sebagai pendapatan pada saat terjadinya transaksi.

2. ACCOUNTING POLICIES (continued)

aa. Interest income and expense and sharia income (continued)

- (iii). *Third parties' share on return of temporary syirkah funds (continued)*

The distribution of revenue is based on profit sharing scheme on the Bank's gross profit.

Margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and the Bank based on proportion of fund used in the financing and other earning assets.

Margin income and profit sharing income allocated to the fund owners are available then distributed to fund owners as shahibul maal and the Bank as mudharib based on a predetermined ratio (nisbah). Margin income and profit sharing from financing facilities and other earning assets using the Bank's funds, are entirely shared for the Bank, including income from the Bank's fee-based transactions.

ab. Fee and commission income

Fees and commissions income directly attributable to lending activity are recognised as a deduction of lending cost and will be recognised as interest income by amortising the carrying value of loan using effective interest rate method.

Fees and commissions income are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are (together with related direct costs) recognised as an adjustment to the effective interest rate on the loan.

Fees and commissions income which are not related to lending activities are recognised as revenue on the transaction date.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

ac. Pendapatan dan beban operasional lainnya

Pendapatan dari komisi asuransi merupakan pendapatan yang diperoleh Bank berdasarkan persentasi tertentu dari total premi yang dibayarkan oleh Bank kepada perusahaan asuransi.

Beban umum dan administrasi merupakan beban yang timbul sehubungan dengan aktivitas kantor dan operasional Bank dan Entitas Anak. Beban tenaga kerja meliputi beban berupa gaji karyawan, bonus, lembur, tunjangan dan pelatihan.

Seluruh penghasilan dan beban yang terjadi dibebankan pada laporan laba rugi konsolidasian pada saat terjadi.

ad. Sewa

Penentuan apakah suatu perjanjian merupakan, atau mengandung, sewa dibuat berdasarkan substansi perjanjian itu sendiri dan penilaian apakah pemenuhan atas perjanjian bergantung dari penggunaan aset tertentu atau aset, dan apakah perjanjian memberikan hak untuk menggunakan aset.

Bank dan Entitas Anak menyewa aset tetap tertentu, berupa mesin ATM. Sewa aset tetap dimana Bank dan Entitas Anak, sebagai lessee, memiliki sebagian besar risiko dan manfaat kepemilikan diklasifikasikan sebagai sewa pembiayaan. Sewa pembiayaan dikapitalisasi pada awal masa sewa sebesar yang lebih rendah antara nilai wajar aset sewaan dan nilai kini pembayaran sewa minimum.

Kewajiban sewa yang terkait, dikurangi dengan beban keuangan, dimasukkan ke dalam "liabilitas sewa pembiayaan". Setiap pembayaran sewa dialokasikan antara liabilitas dan beban keuangan sehingga menghasilkan tingkat suku bunga yang konstan atas saldo liabilitas yang tersisa. Beban keuangan dibebankan pada laporan laba rugi konsolidasian selama periode sewa sehingga menghasilkan tingkat bunga periodik yang konstan untuk saldo liabilitas yang tersisa pada setiap periode.

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2. ACCOUNTING POLICIES (continued)

ac. Other operating income and expenses

Insurance commission income represent the Bank's incomes based on certain percentage of insurance premium paid by the Bank to insurance company.

General and administrative expenses represent expenses related to the Bank and Subsidiary's office and operational activities. Personnel expense includes salaries for employees, bonuses, overtime, allowances and training.

All of these income and expenses are recorded in the consolidated statement of profit or loss when incurred.

ad. Leases

Determination whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

The Bank and Subsidiary leases certain fixed assets, which is ATM machine. Leases of fixed assets where the Bank and Subsidiary as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in "finance lease liabilities". Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The finance cost is charged to the consolidated profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

ad. Sewa (lanjutan)

Aset tetap yang diperoleh melalui sewa pembiayaan disusutkan selama jangka waktu yang lebih pendek antara masa manfaat aset dan masa sewa apabila tidak terdapat kepastian yang memadai bahwa Bank akan mendapatkan hak kepemilikan pada akhir masa sewa.

Sewa dimana sebagian besar risiko dan manfaat yang terkait dengan kepemilikan dipertahankan oleh *lessor* diklasifikasikan sebagai sewa operasi. Pembayaran sewa operasi (dikurangi insentif yang diterima dari *lessor*) dibebankan pada laporan laba rugi konsolidasian dengan menggunakan metode garis lurus selama periode sewa.

ae. Laba per saham

Laba bersih per saham dasar dihitung dengan membagi laba bersih dengan rata-rata tertimbang jumlah saham biasa yang beredar pada periode berjalan.

Laba per saham dilusian dihitung dengan membagi jumlah rata-rata tertimbang saham biasa yang beredar dengan dampak dari semua efek berpotensi saham biasa yang dilutif yang dimiliki Bank, yaitu opsi saham.

Ketika opsi dieksekusi, Bank menerbitkan sejumlah saham baru atau menerbitkan kembali saham treasurinya (jika ada). Nilai kas yang diterima dikurangi dengan biaya transaksi yang dapat diatribusikan dikreditkan ke modal saham (nilai nominal) dan agio saham.

af. Pelaporan segmen

Segmen operasi adalah suatu komponen dari Bank:

- i. yang terlibat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain dari Bank yang sama);
- ii. hasil operasinya dikaji ulang secara berkala oleh pengambil keputusan operasional untuk pembuatan keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- iii. tersedia informasi keuangan yang dapat dipisahkan.

2. ACCOUNTING POLICIES (continued)

ad. Leases (continued)

The fixed assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Bank will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

ae. Earning per share

Basic earnings per share are computed by dividing net profit with the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the weighted average number of ordinary shares outstanding plus the assumed conversion of all dilutive potential ordinary shares owned by Bank, which is stock option.

When the options are exercised, the Bank issues new shares or reissues its treasury shares (if any). The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

af. Segment reporting

An operating segment is a component of a Bank:

- i. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Bank);*
- ii. whose operating results are reviewed regularly by the Bank's chief operating decision maker to make decisions about resources allocated to the segment and assess its performance; and*
- iii. for which discrete financial information is available.*

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2. KEBIJAKAN AKUNTANSI (lanjutan)

af. Pelaporan segmen (lanjutan)

Segmen operasi Bank dan Entitas Anak disajikan berdasarkan produk usaha yang terdiri dari ritel, kredit Usaha Kecil, Mikro dan Menengah (UMKM) serta Syariah dan penghimpunan dana treasuri (Catatan 38).

ag. Dividen

Pembagian dividen kepada para pemegang saham Bank diakui sebagai liabilitas dalam laporan keuangan konsolidasian Bank pada periode ketika dividen tersebut disetujui oleh para pemegang saham Bank.

ah. Transaksi dengan pihak berelasi

Bank dan Entitas Anak melakukan transaksi dengan pihak berelasi. Sesuai dengan PSAK 7 (revisi 2015) tentang "Pengungkapan Pihak-pihak Berelasi", yang dimaksud dengan pihak berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

- a. Orang atau anggota keluarga terdekatnya berelasi dengan entitas pelapor jika orang tersebut:
 - i. memiliki pengendalian atau pengendalian bersama terhadap entitas pelapor;
 - ii. memiliki pengaruh signifikan terhadap entitas pelapor; atau
 - iii. personal manajemen kunci entitas pelapor atau entitas induk pelapor;
- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut:
 - i. entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya terkait dengan entitas lain);
 - ii. suatu entitas adalah entitas asosiasi atau ventura bersama bagi entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, dimana entitas lain tersebut adalah anggotanya);

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2. ACCOUNTING POLICIES (continued)

af. Segment reporting (continued)

The Bank and Subsidiary disclose the operating segment based on business products that consist of retail, Micro, Small and Medium Enterprises (MSME) and Sharia and funding treasury (Note 38).

ag. Dividends

Dividends distribution to the Bank's shareholders is recognised as a liability in the Bank's consolidated financial statements in the period in which the dividends are approved by the Bank's shareholders.

ah. Transactions with related parties

The Bank and Subsidiary have transactions with related parties. In accordance with SFAS 7 (revised 2015) regarding "Related Party Disclosure", the meaning of a related party is a person or entity that is related to a reporting entity as follow:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is member of the key management personnel of the reporting entity or a parent of the reporting entity;
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);

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2. KEBIJAKAN AKUNTANSI (lanjutan)

ah. Transaksi dengan pihak berelasi (lanjutan)

- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut: (lanjutan)
 - iii. kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - iv. suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - v. entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja karyawan dari suatu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 - vi. entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam butir (a);
 - vii. orang yang diidentifikasi, dalam butir (a) (i) memiliki pengaruh signifikan terhadap entitas atau anggota manajemen kunci entitas (atau entitas induk dari entitas).
 - viii. entitas atau bagian dari grup dimana entitas merupakan anggotanya, menyediakan personal manajemen kunci kepada entitas pelapor atau kepada pemegang saham dari entitas pelaporan.

Jenis transaksi dan saldo dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan konsolidasian (Catatan 36).

3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING

Beberapa estimasi, pertimbangan dan asumsi dibuat dalam rangka penyusunan laporan keuangan konsolidasian dimana dibutuhkan pertimbangan manajemen dalam menentukan metodologi yang tepat untuk penilaian aset dan liabilitas.

Manajemen membuat estimasi, pertimbangan dan asumsi yang berimplikasi pada pelaporan nilai aset dan liabilitas atas tahun keuangan satu tahun kedepan. Semua estimasi dan asumsi yang diharuskan oleh PSAK adalah estimasi terbaik yang didasarkan pada standar yang berlaku. Estimasi dan pertimbangan dievaluasi secara terus menerus dan berdasarkan pengalaman masa lalu dan faktor-faktor lain.

Walaupun estimasi dan asumsi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan estimasi dan asumsi semula.

2. ACCOUNTING POLICIES (continued)

ah. Transactions with related parties (continued)

- b. An entity is related to a reporting entity if any of the following conditions applies: (continued)
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - vi. the entity controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a) (i) 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).
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The nature of transactions and balances of accounts with related parties are disclosed in the notes to the consolidated financial statements (Note 36).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Certain estimates, judgments and assumptions are made in the preparation of the consolidated financial statements. These often require management judgment in determining the appropriate methodology for valuation of assets and liabilities.

Management makes estimates, judgments and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with SFAS are best estimates undertaken in accordance with the applicable standard. Estimates and judgments are evaluated on a continuous basis, and are based on past experience and other factors.

Although these estimates and assumptions are based on management's best knowledge of current events and activities, actual result may differ from those estimates and assumption.

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING (lanjutan)**

Sumber utama ketidakpastian estimasi

1. Cadangan kerugian penurunan nilai aset keuangan

Bank melakukan peninjauan kembali atas piutang yang diberikan pada setiap tanggal laporan untuk melakukan penilaian atas penyisihan penurunan nilai yang telah dicatat. Justifikasi manajemen diperlukan dalam menentukan tingkat penyisihan yang dibutuhkan.

Untuk penilaian secara individu, kondisi spesifik penurunan nilai debitur dalam pembentukan penyisihan kerugian penurunan nilai atas aset keuangan dievaluasi secara individu berdasarkan estimasi terbaik manajemen atas nilai kini arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas tersebut, manajemen membuat pertimbangan tentang situasi keuangan debitur dan nilai realisasi bersih dari setiap agunan. Setiap aset yang mengalami penurunan nilai dinilai sesuai dengan manfaat yang ada dan strategi penyelesaian serta estimasi arus kas yang diperkirakan dapat diterima disetujui secara independen oleh Manajemen Risiko.

Bank juga membentuk cadangan kerugian penurunan nilai kolektif atas eksposur piutang yang diberikan, dimana evaluasi dilakukan berdasarkan data kerugian historis.

Perhitungan penyisihan penurunan nilai kolektif meliputi kerugian kredit yang melekat dalam portofolio aset keuangan dengan karakteristik ekonomi yang sama dan aset keuangan yang tidak signifikan secara individual. Dalam menilai kebutuhan untuk penyisihan kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit dan jenis produk. Guna membuat estimasi penyisihan yang diperlukan, manajemen membuat asumsi untuk menentukan kerugian yang melekat, dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman masa lalu dan kondisi ekonomi saat ini.

Keakuratan penyisihan tergantung pada seberapa baik estimasi arus kas masa depan untuk cadangan *counterparty* tertentu dan asumsi model dan parameter yang digunakan dalam menentukan penyisihan kolektif.

2. Liabilitas imbalan pasca kerja

Nilai kini liabilitas imbalan pasca kerja karyawan tergantung pada beberapa faktor yang ditentukan dengan dasar aktuarial berdasarkan beberapa asumsi. Perubahan atas asumsi-asumsi ini akan mempengaruhi jumlah tercatat atas liabilitas imbalan pasca kerja.

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**3. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (continued)**

Key sources of estimation uncertainty

1. Allowances for impairment losses of financial assets

The Bank review its receivables at reporting date to evaluate the allowance for impairment losses. Management's judgement is applied in the estimation when determining the level of allowance required.

For individual assessment, the specific debtors' conditions in determining allowance for impairment amount of the financial assets is evaluated individually and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about the debtors' financial situation and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits and the workout strategy and estimated cash flows considered recoverable are independently approved by the Risk Management.

The Bank estimates the collective impairment allowance for its receivables portfolio, where evaluation is performed based on historical data.

Collectively assessed impairment allowances covers credit losses inherent in portfolios of financial assets with similar economic characteristics and financial assets that are individually insignificant. In assessing the need for collective allowances, management considers factors such as credit quality and type of product. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the allowances depends on how well these estimate future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

2. Post employment benefit liabilities

The present value of the post-employment benefit liabilities depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of post employment benefit liabilities.

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING (lanjutan)**

Sumber utama ketidakpastian estimasi (lanjutan)

2. Liabilitas imbalan pasca kerja (lanjutan)

Asumsi yang digunakan dalam menentukan biaya/(pendapatan) untuk liabilitas imbalan pasca kerja karyawan antara lain tingkat diskonto, tingkat kenaikan gaji di masa datang, usia pensiun normal, tingkat mortalita dan lain-lain. Bank dan Entitas Anak menentukan tingkat diskonto yang tepat pada setiap akhir periode pelaporan. Ini merupakan tingkat suku bunga yang harus digunakan untuk menentukan nilai kini atas arus kas keluar masa depan yang diestimasi dan akan digunakan untuk membayar liabilitas imbalan pasca kerja. Dalam menentukan tingkat diskonto yang tepat, Bank dan Entitas Anak mempertimbangkan tingkat suku bunga obligasi pemerintah yang mempunyai jangka waktu yang menyerupai jangka waktu liabilitas imbalan pasca kerja.

Tingkat kenaikan gaji per tahun didasarkan pada informasi historis atas tingkat kenaikan gaji sebelumnya, tingkat inflasi dan masa kerja dan menyesuaikannya dengan perencanaan bisnis masa datang.

Asumsi tingkat mortalita telah didasarkan pada tabel mortalita terbaru yang dihitung dengan menggunakan metode aktuarial yang diterima secara umum.

Perubahan pada asumsi-asumsi tersebut di atas pada tahun-tahun buku berikutnya mungkin dapat menyebabkan penyesuaian terhadap jumlah tercatat liabilitas imbalan pasca kerja dan beban imbalan pasca kerja.

3. Perpajakan

Pertimbangan signifikan diperlukan dalam menentukan provisi perpajakan.

Bank dan Entitas Anak menentukan provisi perpajakan berdasarkan estimasi atas kemungkinan adanya tambahan beban pajak. Jika hasil akhir dari hal ini berbeda dengan jumlah yang dicatat semula, maka perbedaan tersebut akan berdampak pada laba rugi.

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**3. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (continued)**

**Key sources of estimation uncertainty
(continued)**

**2. Post employment benefit liabilities
(continued)**

The assumptions used in determining the net cost/(income) for post employment benefit liabilities includes the discount rate, salary increment rate, normal pension age, mortality rate and others. The Bank and Subsidiary determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post employment benefit liabilities. In determining the appropriate discount rate, the Bank and Subsidiary consider the interest rates of government bonds that have terms to maturity approximating the terms of the related post employment benefit liabilities.

Annual salary increment rate determined based on historical information of previous salary increment rate, inflation rate and length of service and adjust it for future business plan.

Mortality rate assumption is based on the latest mortality table which is calculated using actuarial method which is generally accepted.

Change on the above assumptions in the following years may require adjustments to the carrying amount of the post employment benefit liabilities and the post employment benefit expenses.

3. Taxation

Significant judgment is required in determining the provision for taxes.

The Bank and Subsidiary provides for tax provision based on estimates whether the additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact to the profit or loss.

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4. KAS

	<u>2017</u>
Rupiah	1,494,340
Dolar Amerika Serikat	<u>2,445</u>
	<u>1,496,785</u>

Saldo dalam mata uang Rupiah termasuk uang pada mesin ATM (Anjungan Tunai Mandiri) pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 42.118 dan Rp 10.100.

4. CASH

	<u>2016</u>
	1,446,796
	<u>1,384</u>
	<u>1,448,180</u>

Rupiah
United States Dollar

The Rupiah balance includes cash in ATMs (Automatic Teller Machines) as at 31 December 2017 and 2016 amounting to Rp 42,118 and Rp 10,100, respectively.

5. GIRO PADA BANK INDONESIA

	<u>2017</u>
Rupiah	4,425,794
Dolar Amerika Serikat	<u>672,547</u>
	<u>5,098,341</u>

Giro Wajib Minimum (GWM) pada tanggal 31 Desember 2017 dan 2016 adalah:

	<u>2017</u>
<u>Konvensional</u>	
Rupiah	
- GWM Primer	6.58%
- GWM Sekunder	11.81%
- GWM Loan to Funding Ratio *)	-
Mata uang asing	
- GWM mata uang asing	8.43%
<u>Entitas anak syariah</u>	
Rupiah	
- GWM Primer	5.50%

*) Pada tanggal 31 Desember 2017 dan 2016, rasio LFR Bank berada di atas batas maksimum yang ditentukan. Walaupun demikian, Bank tidak dikenakan GWM LFR dikarenakan rasio KPMM Bank berada di atas 14%.

Pada tanggal 31 Desember 2017, GWM Bank telah sesuai dengan PBI No. 18/14/PBI/2016 yang berlaku efektif 18 Agustus 2016 dan PBI No 19/6/PBI/2017 yang berlaku efektif sejak 1 Juli 2017 dimana GWM Sekunder, dan GWM LFR masing-masing sebesar 4%, dan 0% serta valuta asing sebesar 8%.

Berdasarkan PBI No. 18/14/PBI/2016, pemenuhan GWM Primer adalah 6,5% secara harian. Berdasarkan PBI No 19/6/PBI/2017, pemenuhan GWM Primer berubah menjadi 5% secara harian dan 1,5% secara rata rata selama periode tertentu.

5. CURRENT ACCOUNTS WITH BANK INDONESIA

	<u>2016</u>
	4,152,869
	<u>472,487</u>
	<u>4,625,356</u>

As at 31 December 2017 and 2016, the statutory reserves are:

	<u>2016</u>
<u>Conventional</u>	
Rupiah	
- Primary Statutory Reserves -	6.63%
- Secondary Statutory - Reserves	13.63%
- Loan to Funding Statutory - Ratio Reserves *)	-
Foreign currencies	
- Foreign currencies - Reserves	8.57%
<u>Sharia subsidiary</u>	
Rupiah	
- Primary Statutory Reserves -	5.51%

On 31 December 2017 and 2016, the Bank LFR ratio is above *) the specified limit. Nevertheless, the Bank is not subject to the GWM LFR because the Bank's CAR is above 14%.

As at 31 December 2017 and 2016, Bank's minimum statutory reserves complies with BI regulation No. 18/14/PBI/2016 which effective since 18 August 2016 and BI regulation No 19/6/PBI/2017 which effective since 1 July 2017 with Secondary Statutory Reserves, and Loan to Funding Ratio Statutory Reserves of 4%, and 0%, respectively, and foreign currencies of 8%.

Based on BI regulation No. 18/14/PBI/2016, the required Primary Statutory Reserves is 6.5% daily. Based on BI regulation No 19/6/PBI/2017 which effective since 1 July 2017, the required Primary Statutory Reserves changed to 5% daily and 1.5% averaging on certain period.

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5. GIRO PADA BANK INDONESIA (lanjutan)

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo rekening giro pada Bank Indonesia, sedangkan GWM Sekunder adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia, Sertifikat Deposito Bank Indonesia, Surat Utang Negara (SUN), dan/atau kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer dan GWM LFR yang dipelihara di Bank Indonesia.

Per tanggal 1 Juli 2017, pemenuhan GWM Sekunder hanya dapat dilakukan dengan menggunakan Sertifikat Bank Indonesia, Sertifikat Deposito Bank Indonesia dan Surat Utang Negara (SUN).

GWM LFR adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR Bank dibawah minimum LFR target Bank Indonesia (78%) atau jika diatas maksimum LFR target Bank Indonesia (92%) dan Kewajiban Penyediaan Modal Minimum ("KPMM") Bank lebih kecil dari KPMM Insentif Bank Indonesia sebesar 14%.

Entitas Anak yang menjalankan kegiatan usaha dengan prinsip syariah menerapkan Giro Wajib Minimum sesuai PBI No. 15/16/PBI/2013 tanggal 24 Desember 2013, dimana setiap Bank diwajibkan memelihara Giro Wajib Minimum dalam Rupiah dan valuta asing yang besarnya ditetapkan sebesar 5,00% dari dana pihak ketiga dalam Rupiah dan 1,00% dari pihak ketiga dalam valuta asing.

Bank dan Entitas Anak telah memenuhi ketentuan BI yang berlaku tentang Giro Wajib Minimum Bank Umum pada tanggal 31 Desember 2017 dan 2016.

6. GIRO PADA BANK LAIN

a. Berdasarkan mata uang

	<u>2017</u>	<u>2016</u>
Rupiah	<u>147,137</u>	<u>147,752</u>
Mata uang asing		
Dolar Amerika Serikat	339,907	710,146
Yen Jepang	820	465
Dolar Singapura	<u>78</u>	<u>68</u>
	<u>340,805</u>	<u>710,679</u>
	<u>487,942</u>	<u>858,431</u>

**5. CURRENT ACCOUNTS WITH BANK INDONESIA
(continued)**

Primary Statutory Reserve is a minimum reserve that should be maintained by Bank in the current accounts with Bank Indonesia, while Secondary Statutory Reserve is a minimum reserve that should be maintained by Bank which comprises of Bank Indonesia Certificates, Bank Indonesia Deposit Certificates, Government Debenture Debt (SUN), and/or excess reserve of Bank's current accounts from the Primary Statutory Reserve and LFR Statutory Reserve that should be maintained in Bank Indonesia.

As of 1 July 2017, GWM Secondary Statutory Reserve requirement only used Bank Indonesia Certificates, Bank Indonesia Deposit Certificates, and Government Debenture Debt (SUN).

The Minimum Statutory Reserve on LFR is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LFR is below the minimum of LFR targeted by Bank Indonesia (78%) or if the Bank's LFR above the maximum of LFR targeted by Bank Indonesia (92%) and the Capital Adequacy Ratio ("CAR") is below Bank Indonesia requirement of 14%.

The Bank's subsidiary which engaged in business using sharia principles, has implemented the Minimum Statutory Reserve in accordance with PBI No.15/16/PBI/2013 dated 24 December 2013, where every bank is obliged to maintain the Minimum Statutory Reserve in Rupiah of 5.00% from third party funds in Rupiah and of 1.00% from third party funds in foreign currencies.

The Bank and Subsidiary have fulfilled BI's regulations regarding Statutory Reserve Requirement of Commercial Banks as at 31 December 2017 and 2016.

6. CURRENT ACCOUNTS WITH OTHER BANKS

a. By currency

Rupiah

Foreign currencies
United States Dollar
Japanese Yen
Singapore Dollar

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6. GIRO PADA BANK LAIN (lanjutan)

**6. CURRENT ACCOUNTS WITH OTHER BANKS
(continued)**

b. Berdasarkan hubungan

b. By relationship

	<u>2017</u>	<u>2016</u>	
Pihak ketiga			Third parties
Rupiah	147,137	147,752	Rupiah
Mata uang asing	<u>328,776</u>	<u>138,846</u>	Foreign currencies
	475,913	286,598	
Pihak berelasi			Related parties
Mata uang asing	<u>12,029</u>	<u>571,833</u>	Foreign currencies
	<u>487,942</u>	<u>858,431</u>	

c. Berdasarkan pihak

c. By counterparties

	<u>2017</u>	<u>2016</u>	
Pihak ketiga			Third parties
Citibank N.A., New York	253,316	-	Citibank N.A., New York
PT Bank Central Asia Tbk	95,378	135,778	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	94,927	123,583	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	30,604	25,637	PT Bank Mandiri (Persero) Tbk
PT Bank Nagari	371	5	PT Bank Nagari
PT Bank Rakyat Indonesia (Persero) Tbk	272	7	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Aceh	257	1,007	PT Bank Aceh
PT Bank Lampung	191	15	PT Bank Lampung
PT Bank CIMB Niaga Tbk	173	173	PT Bank CIMB Niaga Tbk
PT BPD Sumatera Selatan dan Bangka Belitung	165	218	PT BPD Sumatera Selatan dan Bangka Belitung
PT BPD Jawa Timur Tbk	110	5	PT BPD Jawa Timur Tbk
PT Bank DBS	78	68	PT Bank DBS
Standard Chartered Indonesia	50	50	Standard Chartered Indonesia
PT BPD Sumatera Utara	8	13	PT BPD Sumatera Utara
Lain-lain	13	39	Others
Pihak berelasi			Related parties
Sumitomo Mitsui Banking Corporation, New York	11,209	571,368	Sumitomo Mitsui Banking Corporation, New York
Sumitomo Mitsui Banking Corporation, Japan	<u>820</u>	<u>465</u>	Sumitomo Mitsui Banking Corporation, Japan
	<u>487,942</u>	<u>858,431</u>	

Giro pada bank lain pada tanggal 31 Desember 2017 dan 2016 diklasifikasikan lancar berdasarkan kolektibilitas Bank Indonesia (BI). Tidak terdapat saldo giro pada bank lain yang diblokir atau digunakan sebagai agunan pada tanggal-tanggal tersebut.

As at 31 December 2017 and 2016, current accounts with other banks were classified as current based on Bank Indonesia (BI) collectibility. There were no current accounts with other banks which were blocked or used as collateral as at those dates.

Tingkat suku bunga rata-rata giro pada bank lain per tahun untuk tahun yang berakhir pada 31 Desember 2017 dan 2016 masing-masing adalah 1,33% dan 1,35%.

The average interest rates per annum of current accounts with other banks for the years ended 31 December 2017 and 2016 are 1.33% and 1.35%, respectively.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat giro pada bank lain yang mengalami penurunan nilai.

As at 31 December 2017 and 2016, there was no impairment on current account with other banks.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai.

Management believes that no allowance for impairment losses is necessary.

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7. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN

Penempatan pada Bank Indonesia dan bank lain terdapat dalam mata uang Rupiah dan mata uang asing dan ditempatkan pada pihak ketiga dan pihak berelasi.

7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

Placements with Bank Indonesia and other banks were in Rupiah and foreign currency and were placed at third parties and related parties.

a. Berdasarkan Mata Uang

a. By currency

	<u>2017</u>	<u>2016</u>	
Rupiah	7,878,953	6,033,565	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	<u>610,538</u>	<u>970,020</u>	United States Dollar
	8,489,491	7,003,585	
Pendapatan bunga yang masih akan diterima	<u>16,449</u>	<u>1,857</u>	Accrued interest income
	<u><u>8,505,940</u></u>	<u><u>7,005,442</u></u>	

b. Berdasarkan jenis

b. By type

	<u>2017</u>	<u>2016</u>	
FASBI bersih setelah dikurangi dengan diskonto yang belum diamortisasi	4,129,530	3,423,565	FASBI net of unamortised discount
FTK (Fine Tune Kontraksi) Sertifikat Bank Indonesia Syariah	2,499,423	1,500,000	FTK (Fine Tune Kontraksi) Certificate of Bank Indonesia Sharia
Deposito berjangka simple	755,000	50,000	Simple time deposits
Call money	<u>610,538</u>	<u>970,020</u>	Call money
	495,000	1,060,000	
	8,489,491	7,003,585	
Pendapatan bunga yang masih akan diterima	<u>16,449</u>	<u>1,857</u>	Accrued interest income
	<u><u>8,505,940</u></u>	<u><u>7,005,442</u></u>	

c. Berdasarkan pihak

c. By counterparties

	<u>2017</u>	<u>2016</u>	
Bank Indonesia - bersih setelah dikurangi dengan diskonto yang belum diamortisasi	<u>7,994,491</u>	<u>5,943,585</u>	Bank Indonesia - netted off with unamortised discount
Call money:			Call money:
PT Bank CIMB Niaga Tbk.	100,000	75,000	PT Bank CIMB Niaga Tbk.
PT Bank OCBC NISP Tbk.	100,000	100,000	PT Bank OCBC NISP Tbk.
PT Bank Bukopin Tbk.	75,000	105,000	PT Bank Bukopin Tbk.
PT BPD Jawa Barat dan Banten Tbk.	75,000	90,000	PT BPD Jawa Barat dan Banten Tbk.
PT Bank Jawa Tengah	50,000	50,000	PT Bank Jawa Tengah
PT BPD Jawa Timur Tbk.	40,000	-	PT BPD Jawa Timur Tbk.
PT BPD Riau Kepri	30,000	50,000	PT BPD Riau Kepri
PT Bank Danamon Indonesia Tbk.	25,000	75,000	PT Bank Danamon Indonesia Tbk.

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**7. PENEMPATAN PADA BANK INDONESIA DAN
BANK LAIN (lanjutan)**

c. Berdasarkan pihak (lanjutan)

	<u>2017</u>	<u>2016</u>
Call money: (lanjutan)		
PT Bank DKI	-	40,000
PT Bank Mega Tbk.	-	50,000
PT Bank Nagari	-	50,000
PT Bank Negara Indonesia (Persero) Tbk.	-	350,000
PT BPD Kalimantan Selatan	-	25,000
	<u>495,000</u>	<u>1,060,000</u>
	<u>8,489,491</u>	<u>7,003,585</u>
Pendapatan bunga yang masih akan diterima	<u>16,449</u>	<u>1,857</u>
	<u>8,505,940</u>	<u>7,005,442</u>

d. Berdasarkan periode jatuh tempo

	<u>2017</u>	<u>2016</u>
Sampai dengan 1 bulan	7,734,491	5,731,085
1 - 3 bulan	-	1,222,500
3 - 12 bulan	<u>755,000</u>	<u>50,000</u>
	8,489,491	7,003,585
Pendapatan bunga yang masih akan diterima	<u>16,449</u>	<u>1,857</u>
	<u>8,505,940</u>	<u>7,005,442</u>

e. Tingkat suku bunga

Tingkat suku bunga per tahun atas penempatan pada Bank Indonesia dan bank lain untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Rupiah	3.50%-6.08%	4.00%-8.25%
Mata uang asing	1.37%	0.69%

f. Cadangan kerugian penurunan nilai

Penempatan pada Bank Indonesia dan bank lain pada tanggal 31 Desember 2017 dan 2016 diklasifikasikan lancar berdasarkan kolektibilitas BI.

Manajemen berpendapat bahwa tidak terdapat penempatan pada Bank Indonesia dan bank lain yang mengalami penurunan nilai pada tanggal 31 Desember 2017 dan 2016.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat penempatan dana di Bank Indonesia dan bank lain yang diblokir atau digunakan sebagai agunan pada tanggal-tanggal tersebut.

**7. PLACEMENTS WITH BANK INDONESIA AND
OTHER BANKS (continued)**

c. By counterparties (continued)

Call money: (continued)

PT Bank DKI
PT Bank Mega Tbk.
PT Bank Nagari
PT Bank Negara Indonesia (Persero) Tbk.
PT BPD Kalimantan Selatan

d. By maturity period

Up to 1 month
1 - 3 months
3 - 12 months

e. Interest rate

The interest rate per annum of placements with Bank Indonesia and other banks for the years ended 31 December 2017 and 2016 are as follows:

Rupiah
Foreign currencies

f. Allowance for impairment losses

Placement with Bank Indonesia and other banks as at 31 December 2017 and 2016 was classified as current based on BI collectibility.

Management believes that there was no impairment on placement with Bank Indonesia and other banks as at 31 December 2017 and 2016.

As at 31 December 2017 and 2016 there are no placements with Bank Indonesia and other banks which were blocked or used as collateral as at those dates.

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8. EFEK-EFEK**a. Berdasarkan jenis mata uang dan golongan penerbit**

Seluruh efek-efek adalah dalam mata uang Rupiah dan dengan Bank Indonesia dan pihak ketiga yang terdiri dari:

8. MARKETABLE SECURITIES**a. By currency and issuer**

All marketable securities were denominated in Rupiah and were placed with Bank Indonesia and third parties, which consist of:

31 Desember/December 2017			
Nilai pada saat jatuh tempo/ Value at maturity date	Keuntungan yang belum direalisasi/ Unrealised Gain	Diskonto yang belum diamortisasi/ Unamortised discount	Nilai tercatat/ Carrying amount
<u>Tersedia untuk dijual/ Available for sale</u>			
Sertifikat Deposito Bank Indonesia/Certificate Deposit of Bank Indonesia			
1,000,000	827	(19,650)	981,177
Biaya Perolehan/ Cost	Keuntungan yang belum direalisasi/ Unrealised Gain	Premium/ (diskonto) yang belum diamortisasi/ Unamortised premium/ (discount)	Nilai tercatat/ Carrying amount
Reksadana/Mutual funds			
97,351	12,254	-	109,605
1,097,351	13,081	(19,650)	1,090,782
Nilai pada saat jatuh tempo/ Value at maturity date	Keuntungan yang belum direalisasi/ Unrealised Gain	Premium/ (diskonto) yang belum diamortisasi/ Unamortised premium/ (discount)	Nilai tercatat/ Carrying amount
<u>Dimiliki sampai jatuh tempo/ Held to maturity</u>			
Sertifikat Deposito Bank Indonesia/Certificate Deposit of Bank Indonesia			
1,695,933	-	(22,227)	1,673,706
Obligasi korporasi/ Corporate bonds			
383,000	-	243	383,243
Obligasi pemerintah/ Government bonds			
3,157,630	-	32,470	3,190,100
5,236,563	-	10,486	5,247,049
Pendapatan bunga yang yang masih akan diterima/Accrued interest income			
			28,711
			5,275,760
			<u>6,366,542</u>

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8. EFEK-EFEK (lanjutan)**8. MARKETABLE SECURITIES (continued)****a. Berdasarkan jenis mata uang dan golongan penerbit (lanjutan)****a. By currency and issuer (continued)**

31 Desember/December 2016			
Nilai pada saat jatuh tempo/ Value at maturity date	Keuntungan yang belum direalisasi/ Unrealised Gain	Diskonto yang belum diamortisasi/ Unamortised discount	Nilai tercatat/ Carrying amount
<u>Tersedia untuk dijual/ Available for sale</u>			
Sertifikat Bank Indonesia/Certificate of Bank Indonesia	400,000	(2,295)	(9,745)
Sertifikat Deposito Bank Indonesia/Certificate Deposit of Bank Indonesia	600,000	(1,326)	(9,672)
	1,000,000	(3,621)	(19,417)
	Biaya Perolehan/ Cost	Keuntungan yang belum direalisasi/ Unrealised Gain	Diskonto yang belum diamortisasi/ Unamortised discount
	97,351	6,925	-
Reksadana/Mutual funds	1,097,351	3,304	(19,417)
			104,276
			1,081,238
Nilai pada saat jatuh tempo/ Value at maturity date	Keuntungan yang belum direalisasi/ Unrealised Gain	Premium/ (diskonto) yang belum diamortisasi/ Unamortised premium/ (discount)	Nilai tercatat/ Carrying amount
<u>Dimiliki sampai jatuh tempo/ Held to maturity</u>			
Sertifikat Bank Indonesia/Certificate of Bank Indonesia	1,100,000	-	(24,518)
Sertifikat Deposito Bank Indonesia/Certificate Deposit of Bank Indonesia	850,000	-	(11,284)
Obligasi korporasi/ Corporate bonds	755,000	-	1,177
Obligasi pemerintah/ Government bonds	2,159,000	-	23,445
	4,864,000	-	(11,180)
Pendapatan bunga yang masih akan diterima/Accrued interest income			18,500
			4,871,320
			5,952,558

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8. EFEK-EFEK (lanjutan)**8. MARKETABLE SECURITIES (continued)****b. Berdasarkan jatuh tempo****b. By maturity period**

	<u>2017</u>	<u>2016</u>	
Sampai dengan 1 bulan	99,858	49,855	<i>Up to 1 month</i>
1 - 3 bulan	-	249,380	<i>1 - 3 months</i>
3 - 6 bulan	-	1,310,668	<i>3 - 6 months</i>
6 - 9 bulan	2,021,091	411,406	<i>6 - 9 months</i>
9 - 12 bulan	769,885	1,616,031	<i>9 - 12 months</i>
Lebih dari 12 bulan	3,337,392	2,192,442	<i>More than 12 months</i>
Tidak memiliki jatuh tempo	<u>109,605</u>	<u>104,276</u>	<i>No maturity date</i>
	6,337,831	5,934,058	
Pendapatan bunga yang masih akan diterima	<u>28,711</u>	<u>18,500</u>	<i>Accrued interest income</i>
	<u><u>6,366,542</u></u>	<u><u>5,952,558</u></u>	

c. Tingkat suku bunga rata-rata per tahun**c. Average interest rate per annum**

	<u>2017</u>	<u>2016</u>	
Sertifikat Bank Indonesia	5.85%	6.58%	<i>Certificates of Bank Indonesia</i>
Sertifikat Deposito			<i>Certificate Deposit of</i>
Bank Indonesia	5.56%	6.30%	<i>Bank Indonesia</i>
Obligasi korporasi	6.96%	7.79%	<i>Corporate bonds</i>
Obligasi pemerintah	7.48%	7.81%	<i>Government bonds</i>
Reksadana	6.64%	7.00%	<i>Mutual Funds</i>

Pendapatan bunga efektif yang diperoleh dari efek-efek tersedia untuk dijual dan dimiliki hingga jatuh tempo selama tahun berjalan telah dicatat pada "Pendapatan Bunga - efek-efek" (Catatan 29).

Effective interest income earned from available for sale and held to maturity marketable securities has been recognised as "Interest income - marketable securities" (Note 29).

d. Berdasarkan peringkat**d. By rating**

Obligasi korporasi berdasarkan peringkat adalah sebagai berikut:

Corporate bonds ranking are as follow:

31 Desember/December 2017		
Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying amount
PT Federal International Finance	Pefindo idAAA	158,203
PT Bank OCBC NISP Tbk.	Pefindo idAAA	70,025
PT Astra Sedaya Finance	Fitch AAA(idn)	60,006
PT Adira Dinamika Multi Finance Tbk.	Pefindo idAAA	33,004
PT Toyota Astra Finance	Fitch AAA(idn)	27,005
PT Bank Rakyat Indonesia (Persero) Tbk.	Pefindo idAAA	20,000
PT Indomobil Finance Indonesia	Pefindo idA	10,000
PT Bank CIMB Niaga Tbk.	Pefindo idAAA	5,000
		<u>383,243</u>

31 Desember/December 2016		
Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying amount
PT Adira Dinamika Multi Finance Tbk.	Pefindo idAAA	110,294
PT Astra Sedaya Finance	Pefindo AAA(idn)	111,177
PT Indomobil Finance Indonesia	Pefindo idA	15,053
PT Bank CIMB Niaga Tbk.	Pefindo idAAA	20,000
PT Toyota Astra Finance	Fitch AAA(idn)	56,077
PT Federal International Finance	Pefindo idAAA	160,224
PT Lembaga Pembiayaan Ekspor Indonesia	Pefindo idAAA	118,229
PT Bank Rakyat Indonesia (Persero) Tbk.	Pefindo idAAA	75,040
PT Bank OCBC NISP Tbk.	Pefindo idAAA	63,083
PT Bank UOB Indonesia	Fitch AAA(idn)	10,000
PT BFI Finance Indonesia Tbk.	Fitch A+(idn)	17,000
		<u>756,177</u>

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8. EFEK-EFEK (lanjutan)

e. Cadangan kerugian penurunan nilai

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan penurunan nilai atas efek-efek yang dimiliki Bank pada tanggal 31 Desember 2017 dan 2016.

f. Informasi penting lainnya sehubungan dengan efek-efek

Selama tahun yang berakhir 31 Desember 2017, Bank tidak melakukan penjualan atas efek-efek tersedia untuk dijual, sehingga tidak ada pemindahan keuntungan atau kerugian dari ekuitas ke laporan laba rugi.

Pada tahun yang berakhir 31 Desember 2016, Bank melakukan penjualan efek-efek tersedia untuk dijual sehingga terdapat pemindahan keuntungan sebesar Rp 6.354 dari ekuitas ke laporan laba rugi.

9. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI (REVERSE REPO)

Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo) adalah dalam mata uang Rupiah dan ditempatkan pada Bank Indonesia.

a. Berdasarkan jenis

8. MARKETABLE SECURITIES (continued)

e. Allowance for impairment losses

Management believes that no allowance for impairment losses is necessary on marketable securities held by the Bank as at 31 December 2017 and 2016.

f. Other significant information relating to marketable securities

During the years ended 31 December 2017, the Bank did not sell available for sale marketable securities, so there was no gains or losses transferred from equity to profit or loss.

During the years ended 31 December 2016, the Bank sold its available for sale marketable securities resulting to gain transfer from equity to profit or loss amounted to Rp 6,354.

9. SECURITIES PURCHASED UNDER RESALE AGREEMENTS (REVERSE REPO)

Securities purchased under resale agreements (Reverse Repo) were denominated in Rupiah and were placed at Bank Indonesia.

a. By type

2017

	Tanggal dimulai/ <i>Starting date¹⁾</i>	Tanggal jatuh tempo/ <i>Maturity date²⁾</i>	Nilai pokok/ <i>Principal amount</i>	Pendapatan bunga yang masih akan diterima/ <i>Accrued interest income</i>	Nilai tercatat/ <i>Carrying amount³⁾</i>	Harga penjualan kembali/ <i>Reselling price</i>
Rupiah						
Obligasi/Bonds FR0068	13 Desember/ <i>December 2017</i>	10 Januari/ <i>January 2018</i>	267,950	648	268,598	268,904
Obligasi/Bonds FR0070	8 Desember/ <i>December 2017</i>	9 Maret/ <i>March 2018</i>	213,885	689	214,574	216,496
Obligasi/Bonds SPN03180118	27 Desember/ <i>December 2017</i>	3 Januari/ <i>January 2018</i>	284,202	168	284,370	284,437
Obligasi/Bonds SPN03180215	27 Desember/ <i>December 2017</i>	3 Januari/ <i>January 2018</i>	23,615	14	23,629	23,635
Obligasi/Bonds SPN12180201	20 Desember/ <i>December 2017</i>	3 Januari/ <i>January 2018</i>	236,015	349	236,364	236,422
Obligasi/Bonds SPN12180201	27 Desember/ <i>December 2017</i>	3 Januari/ <i>January 2018</i>	212,555	125	212,680	212,730
Obligasi/Bonds SPN12180809	10 November/ <i>November 2017</i>	9 Februari/ <i>February 2018</i>	273,786	1,906	275,692	277,122
Surat Perbendaharaan Negara Syariah/Government Sharia Treasury Bills	6 Desember/ <i>December 2017</i>	3 Januari/ <i>January 2018</i>	234,418	776	235,194	235,254
Surat Perbendaharaan Negara Syariah/Government Sharia Treasury Bills	13 Desember/ <i>December 2017</i>	10 Januari/ <i>January 2018</i>	101,586	246	101,832	101,948
Surat Perbendaharaan Negara Syariah/Government Sharia Treasury Bills	20 Desember/ <i>December 2017</i>	17 Januari/ <i>January 2018</i>	50,764	78	50,842	50,945
Surat Perbendaharaan Negara Syariah/Government Sharia Treasury Bills	27 Desember/ <i>December 2017</i>	24 Januari/ <i>January 2018</i>	367,159	233	367,392	368,463
Surat Perbendaharaan Negara Syariah/Government Sharia Treasury Bills	27 Desember/ <i>December 2017</i>	24 Januari/ <i>January 2018</i>	229,474	146	229,620	230,289
Jumlah/Total			<u>2,495,409</u>	<u>5,378</u>	<u>2,500,787</u>	<u>2,506,645</u>

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**9. EFEK-EFEK YANG DIBELI DENGAN JANJI
DIJUAL KEMBALI (REVERSE REPO) (lanjutan)**

a. Berdasarkan jenis (lanjutan)

		2016				
	Tanggal dimulai/ <i>Starting date</i> ¹⁾	Tanggal jatuh tempo/ <i>Maturity date</i> ²⁾	Nilai pokok/ <i>Principal amount</i>	Pendapatan bunga yang masih akan diterima/ <i>Accrued interest income</i>	Nilai tercatat/ <i>Carrying amount</i> ³⁾	Harga penjualan kembali/ <i>Reselling price</i>
Rupiah						
Obligasi/Bonds FR0048	27 Desember/ <i>December 2016</i>	3 Januari/ <i>January 2017</i>	280,005	185	280,190	280,264
Obligasi/Bonds FR0069	27 Desember/ <i>December 2016</i>	3 Januari/ <i>January 2017</i>	456,772	301	457,073	457,194
Obligasi/Bonds FR0069	27 Desember/ <i>December 2016</i>	3 Januari/ <i>January 2017</i>	243,041	160	243,201	243,265
Obligasi/Bonds FR0065	7 Desember/ <i>December 2016</i>	4 Januari/ <i>January 2017</i>	200,514	724	201,238	201,325
Obligasi/Bonds FR0071	21 Desember/ <i>December 2016</i>	4 Januari/ <i>January 2017</i>	206,775	313	207,088	207,173
Obligasi/Bonds FR0064	28 Desember/ <i>December 2016</i>	11 Januari/ <i>January 2017</i>	402,198	221	402,419	402,972
Obligasi/Bonds FR0065	28 Desember/ <i>December 2016</i>	25 Januari/ <i>January 2017</i>	161,844	94	161,938	162,498
Obligasi/Bonds SPN12170203	28 Desember/ <i>December 2016</i>	4 Januari/ <i>January 2017</i>	472,190	249	472,439	472,626
Obligasi/Bonds SPN12170720	30 Desember/ <i>December 2016</i>	31 Maret/ <i>March 2017</i>	54,918	17	54,935	55,695
Obligasi/Bonds SPN12170804	30 Desember/ <i>December 2016</i>	31 Maret/ <i>March 2017</i>	182,304	57	182,361	184,885
Obligasi/Bonds SPN12170914	30 Desember/ <i>December 2016</i>	31 Maret/ <i>March 2017</i>	36,206	11	36,217	36,719
Jumlah/Total			2,696,767	2,332	2,699,099	2,704,616

- 1) Tanggal dimulai merupakan tanggal yang sama dengan tanggal pembelian efek.
- 2) Tanggal jatuh tempo merupakan tanggal yang sama dengan tanggal penjualan kembali efek.
- 3) Nilai tercatat merupakan harga pembelian efek ditambah dengan pendapatan bunga yang sudah diakui.

b. Berdasarkan periode jatuh tempo

Efek-efek yang dibeli dengan janji dijual kembali akan diselesaikan dalam waktu tidak lebih dari 12 bulan setelah tanggal laporan posisi keuangan.

c. Tingkat suku bunga rata-rata per tahun

Tingkat suku bunga rata-rata per tahun atas efek-efek yang dibeli dengan janji dijual kembali (*Reverse Repo*) untuk tahun-tahun yang berakhir pada 31 Desember 2017 dan 2016 masing-masing adalah 4,57% - 4,90% dan 5,45% - 5,60%.

**9. SECURITIES PURCHASED UNDER RESALE
AGREEMENTS (REVERSE REPO) (continued)**

a. By type (continued)

- 1) *Start date is the same as the securities purchase date.*
- 2) *Maturity date is the same as the securities resale date.*
- 3) *Carrying amount is securities purchase price added with interest income recognised.*

b. By maturity period

Securities purchased under resale agreements will be settled no more than 12 months after the date of financial positions.

c. Average interest rate per annum

The average interest rate per annum of securities purchased under resale agreements (Reverse Repo) for the years ended 31 December 2017 and 2016 are 4.57% - 4.90% and 5.45% - 5.60%, respectively.

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**9. EFEK-EFEK YANG DIBELI DENGAN JANJI
DIJUAL KEMBALI (REVERSE REPO) (lanjutan)**

**9. SECURITIES PURCHASED UNDER RESALE
AGREEMENTS (REVERSE REPO) (continued)**

d. Cadangan kerugian penurunan nilai

Berdasarkan ketentuan BI yang berlaku, efek-efek yang dibeli dengan janji dijual kembali (*Reverse Repo*) pada tanggal 31 Desember 2017 dan 2016 digolongkan sebagai lancar.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat efek-efek yang dibeli dengan janji dijual kembali yang mengalami penurunan nilai.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan penurunan nilai pada efek-efek yang dibeli dengan janji dijual kembali.

d. Allowance for impairment losses

Based on the prevailing BI regulation, all securities purchased under resale agreements (*Reverse Repo*) as at 31 December 2017 and 2016 were classified as current.

As at 31 December 2017 and 2016, there was no impairment of securities purchased under resale agreements.

Management believes that no allowance for impairment losses is necessary on securities purchased under resale agreements.

10. TAGIHAN DAN LIABILITAS DERIVATIF

10. DERIVATIVES RECEIVABLES AND PAYABLES

Dalam melakukan usaha bisnis, Bank melakukan transaksi instrumen keuangan derivatif seperti *foreign currency swaps* dan *spot* untuk keperluan perdagangan.

In the normal course of business, Bank enters into transactions involving derivative financial instruments such as *foreign currency swaps* and *spot* for trading purposes.

a. Berdasarkan jenis

a. By type

Instrumen	31 Desember/December 2017			Instruments
	Jumlah nosional mata uang asing (jumlah penuh)/ <i>Notional amount foreign currency (full amount)</i>	Nilai wajar/ <i>Fair values</i>		
		Tagihan derivatif/ <i>Derivatives receivables</i>	Liabilitas derivatif/ <i>Derivatives payables</i>	
Tidak terkait instrumen lindung nilai				Non-hedging instrument
Swap mata uang asing	370,500,000	2,111	2,886	<i>Foreign currency swaps</i>
Spot mata uang asing	30,000,000	227	-	<i>Foreign currency spot</i>
		2,338	2,886	

Instrumen	31 Desember/December 2016			Instruments
	Jumlah nosional mata uang asing (jumlah penuh)/ <i>Notional amount foreign currency (full amount)</i>	Nilai wajar/ <i>Fair values</i>		
		Tagihan derivatif/ <i>Derivatives receivables</i>	Liabilitas derivatif/ <i>Derivatives payables</i>	
Tidak terkait instrumen lindung nilai				Non-hedging instrument
Swap mata uang asing	303,000,000	43,652	8,344	<i>Foreign currency swaps</i>

b. Berdasarkan kolektibilitas

b. By collectibility

Seluruh tagihan derivatif pada tanggal 31 Desember 2017 dan 2016 tidak mengalami penurunan nilai, dan diklasifikasikan sebagai lancar berdasarkan kolektibilitas Bank Indonesia.

All derivatives receivables as of 31 December 2017 and 2016 were not impaired and were all classified as current based on Bank Indonesia's collectibility.

c. Berdasarkan jatuh tempo

c. By maturity date

Informasi mengenai jatuh tempo diungkapkan pada Catatan 41.

Information in respect of maturities is disclosed in Note 41.

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11. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH	2017	2016	11. LOANS AND SHARIA FINANCING/ RECEIVABLES
Pinjaman yang diberikan:			<i>Loans:</i>
- Pihak ketiga	59,277,279	58,147,138	<i>Third parties -</i>
- Pihak berelasi	21,285	24,460	<i>Related parties -</i>
Pembiayaan/piutang syariah:			<i>Sharia financing/ receivables:</i>
- Pihak ketiga	6,053,273	4,996,812	<i>Third parties -</i>
Pendapatan bunga/margin yang masih akan diterima	749,095	764,513	<i>Accrued interest/ margin income</i>
Dikurangi: Cadangan kerugian penurunan nilai	(794,115)	(685,304)	<i>Less: Allowance for impairment losses</i>
	<u>65,306,817</u>	<u>63,247,619</u>	

Semua pinjaman dan pembiayaan syariah yang diberikan oleh Bank adalah dalam mata uang Rupiah dengan rincian sebagai berikut:

All loans and sharia receivables disbursed by the Bank were denominated in Rupiah, with details as follows:

a. Berdasarkan jenis dan kolektibilitas sesuai Peraturan Bank Indonesia

a. Based on type and Bank Indonesia Regulation collectibility

2017							
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Pensiunan	36,038,827	915,769	50,571	54,838	48,047	37,108,052	<i>Pensioners</i>
Usaha Kecil Menengah	11,275,869	182,717	14,916	12,649	84,379	11,570,530	<i>Small medium enterprise</i>
Usaha Mikro Kecil	4,713,052	581,000	75,783	82,002	7,720	5,459,557	<i>Micro</i>
Pembiayaan/piutang syariah	5,860,628	91,814	64,099	12,722	24,010	6,053,273	<i>Sharia financing/ receivables</i>
Pegawai instansi lain	2,229,109	60,708	6,278	9,435	5,387	2,310,917	<i>Other institutions employee</i>
Keperluan rumah tangga	891,260	83,701	8,213	15,567	9,418	1,008,159	<i>Household goods</i>
Karyawan Umum	198,162	614	255	485	1,143	200,659	<i>Employee loan</i>
Kepemilikan Umum	1,572,838	17,217	171	578	546	1,591,350	<i>General-purpose</i>
Kepemilikan Mobil	40,206	8,563	83	463	25	49,340	<i>Car loan</i>
Jumlah	<u>62,819,951</u>	<u>1,942,103</u>	<u>220,369</u>	<u>188,739</u>	<u>180,675</u>	<u>65,351,837</u>	<i>Total</i>
Pendapatan bunga/margin yang masih akan diterima	683,317	65,778	-	-	-	749,095	<i>Accrued interest/ margin income</i>
Cadangan kerugian penurunan nilai	(228,803)	(242,798)	(108,494)	(84,086)	(129,934)	(794,115)	<i>Allowance for impairment losses</i>
	<u>63,274,465</u>	<u>1,765,083</u>	<u>111,875</u>	<u>104,653</u>	<u>50,741</u>	<u>65,306,817</u>	

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PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)**

**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

**a. Berdasarkan jenis dan kolektibilitas sesuai
Peraturan Bank Indonesia (lanjutan)**

**a. Based on type and Bank Indonesia
Regulation collectibility (continued)**

2016							
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Pensiunan	37,895,489	371,523	20,331	20,970	36,316	38,344,629	Pensioners
Usaha Kecil							Small medium
Menengah	9,101,824	82,477	14,587	1,242	74,091	9,274,221	enterprise
Usaha Mikro Kecil	6,453,080	502,661	65,093	109,834	39,195	7,169,863	Micro
Pembiayaan/piutang syariah	4,846,351	74,058	39,783	28,931	7,689	4,996,812	Sharia financing/ receivables
Pegawai instansi lain	1,809,306	16,493	2,994	2,021	4,793	1,835,607	Other institutions employee
Keperluan rumah tangga	710,403	58,215	8,727	12,990	5,245	795,580	Household goods
Karyawan	326,073	1,357	478	1,086	2,138	331,132	Employee loan
Umum	256,942	10,408	158	350	345	268,203	General-purpose
Kepemilikan							
Mobil	126,042	23,705	862	924	830	152,363	Car loan
Jumlah	61,525,510	1,140,897	153,013	178,348	170,642	63,168,410	Total
Pendapatan bunga/ margin yang masih akan diterima	716,666	47,847	-	-	-	764,513	Accrued interest/ margin income
Cadangan kerugian penurunan nilai	(242,674)	(182,886)	(67,749)	(91,431)	(100,564)	(685,304)	Allowance for impairment losses
	<u>61,999,502</u>	<u>1,005,858</u>	<u>85,264</u>	<u>86,917</u>	<u>70,078</u>	<u>63,247,619</u>	

Pada tanggal 31 Desember 2017, pinjaman yang diberikan yang dijamin dengan jaminan tunai adalah Rp 105.238 (31 Desember 2016: Rp 115.800).

As at 31 December 2017, loans secured by cash collateral were Rp 105,238 (31 December 2016: Rp 115,800).

b. Berdasarkan sektor ekonomi

b. By economic sector

2017							
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Rumah tangga	39,422,784	1,106,307	69,407	84,416	64,873	40,747,787	Household
Perdagangan	14,696,497	514,807	110,775	72,573	106,134	15,500,786	Trading
Perindustrian	3,646,740	143,487	10,422	15,644	1,765	3,818,058	Manufacturing
Jasa lainnya	2,614,096	79,346	16,932	6,915	1,721	2,719,010	Other services
Pertanian	623,647	36,848	4,574	3,645	3,758	672,472	Agriculture
Jasa akomodasi	420,178	55,772	6,220	5,173	429	487,772	Accommodation services
Konstruksi	661,311	218	-	-	1,600	663,129	Construction
Transportasi & komunikasi	589,289	4,510	804	311	283	595,197	Transportation & communication
Pertambangan	106,667	506	1,036	7	3	108,219	Mining
Lainnya	38,742	302	199	55	109	39,407	Others
Jumlah	62,819,951	1,942,103	220,369	188,739	180,675	65,351,837	Total
Pendapatan bunga/ margin yang masih akan diterima	683,317	65,778	-	-	-	749,095	Accrued interest/ margin income
Cadangan kerugian penurunan nilai	(228,803)	(242,798)	(108,494)	(84,086)	(129,934)	(794,115)	Allowance for impairment losses
	<u>63,274,465</u>	<u>1,765,083</u>	<u>111,875</u>	<u>104,653</u>	<u>50,741</u>	<u>65,306,817</u>	

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**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

b. Berdasarkan sektor ekonomi (lanjutan)

b. By economic sector (continued)

2016

	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Rumah tangga	40,975,914	484,711	35,927	45,542	50,056	41,592,150	Household
Perdagangan	13,421,599	399,976	89,997	96,377	70,873	14,078,822	Trading
Perindustrian	3,230,446	84,282	9,515	11,294	38,879	3,374,416	Manufacturing
Jasa lainnya	1,714,158	87,727	8,944	12,374	5,348	1,828,551	Other services
Pertanian	616,387	29,592	4,160	6,251	3,021	659,411	Agriculture
Jasa akomodasi	527,571	37,147	4,193	5,896	2,375	577,182	Accommodation services
Konstruksi	480,759	4,667	-	-	-	485,426	Construction
Transportasi & komunikasi	454,434	11,049	85	470	22	466,060	Transportation & communication
Pertambangan	65,349	1,339	-	3	2	66,693	Mining
Lainnya	38,893	407	192	141	66	39,699	Others
Jumlah	61,525,510	1,140,897	153,013	178,348	170,642	63,168,410	Total
Pendapatan bunga/ margin yang masih akan diterima	716,666	47,847	-	-	-	764,513	Accrued interest/ margin income
Cadangan kerugian penurunan nilai	(242,674)	(182,886)	(67,749)	(91,431)	(100,564)	(685,304)	Allowance for impairment losses
	<u>61,999,502</u>	<u>1,005,858</u>	<u>85,264</u>	<u>86,917</u>	<u>70,078</u>	<u>63,247,619</u>	

**c. Berdasarkan periode jangka waktu dan sisa
jangka waktu**

c. By maturity period and remaining maturity

Berdasarkan periode jangka waktu:

By maturity period:

	2017	2016	
Sampai dengan 1 tahun	13,577,598	10,008,631	Up to 1 year
1 - 2 tahun	4,052,536	4,053,871	1 - 2 years
2 - 5 tahun	10,017,102	11,587,318	2 - 5 years
Lebih dari 5 tahun	37,704,601	37,518,590	More than 5 years
	<u>65,351,837</u>	<u>63,168,410</u>	
Pendapatan bunga/ margin yang masih akan diterima	749,095	764,513	Accrued interest/ margin income
Cadangan kerugian penurunan nilai	(794,115)	(685,304)	Allowance for impairment losses
	<u>65,306,817</u>	<u>63,247,619</u>	

Berdasarkan sisa jangka waktu:

By remaining maturity:

	2017	2016	
Sampai dengan 1 bulan	1,663,336	946,163	Up to 1 month
1 - 3 bulan	2,687,829	1,809,675	1 - 3 months
3 - 6 bulan	3,751,907	3,014,302	3 - 6 months
6 - 12 bulan	8,022,317	7,136,089	6 - 12 months
Lebih dari 12 bulan	49,226,448	50,262,181	More than 12 months
	<u>65,351,837</u>	<u>63,168,410</u>	
Pendapatan bunga/ margin yang masih akan diterima	749,095	764,513	Accrued interest/ margin income
Cadangan kerugian penurunan nilai	(794,115)	(685,304)	Allowance for impairment losses
	<u>65,306,817</u>	<u>63,247,619</u>	

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**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

d. Berdasarkan pihak ketiga dan pihak berelasi

d. By third and related parties

	<u>2017</u>	<u>2016</u>	
Pihak ketiga	65,330,552	63,143,950	<i>Third parties</i>
Pihak berelasi	<u>21,285</u>	<u>24,460</u>	<i>Related parties</i>
	<u>65,351,837</u>	<u>63,168,410</u>	
Pendapatan bunga/ margin yang masih akan diterima	749,095	764,513	<i>Accrued interest/ margin income</i>
Cadangan kerugian penurunan nilai	<u>(794,115)</u>	<u>(685,304)</u>	<i>Allowance for impairment losses</i>
	<u>65,306,817</u>	<u>63,247,619</u>	

e. Tingkat suku bunga/margin rata-rata per tahun

e. Average interest/margin rate per annum

	<u>2017</u>	<u>2016</u>	
Suku bunga/margin rata-rata per tahun	20.23%	21.27%	<i>Average interest/margin rate per annum</i>

f. Cadangan kerugian penurunan nilai

f. Allowance for impairment losses

Perubahan dalam cadangan kerugian penurunan nilai pinjaman yang diberikan adalah sebagai berikut:

The movements of the allowance for impairment losses for loans are as follows:

	<u>2017</u>	<u>2016</u>	
Saldo awal tahun	(685,304)	(543,585)	<i>Balance at beginning of year</i>
Penyisihan selama tahun berjalan (Catatan 34)	(1,078,819)	(869,761)	<i>Allowance during the year (Note 34)</i>
Penerimaan kembali	(83,992)	(98,810)	<i>Recovery</i>
Penghapusbukuan	1,014,898	826,853	<i>Write-off</i>
Lain-lain	<u>39,102</u>	<u>(1)</u>	<i>Others</i>
Saldo akhir tahun	<u>(794,115)</u>	<u>(685,304)</u>	<i>Balance at end of year</i>

Perubahan dalam cadangan kerugian penurunan nilai pinjaman yang diberikan berdasarkan tujuan evaluasi penurunan nilai adalah sebagai berikut:

The movements of the allowance for impairment losses based on the evaluation of impairment purpose are as follows:

	<u>2017</u>			
	<u>Individual/ Individual</u>	<u>Kolektif/ Collective</u>	<u>Jumlah/ Total</u>	
Saldo awal	(21,173)	(664,131)	(685,304)	<i>Beginning balance</i>
Penyisihan selama tahun berjalan (Catatan 34)	(28,878)	(1,049,941)	(1,078,819)	<i>Allowance during the year (Note 34)</i>
Penerimaan kembali	-	(83,992)	(83,992)	<i>Recovery</i>
Penghapusbukuan	30,642	984,256	1,014,898	<i>Write-off</i>
Lain-lain	-	<u>39,102</u>	<u>39,102</u>	<i>Others</i>
Saldo akhir tahun	<u>(19,409)</u>	<u>(774,706)</u>	<u>(794,115)</u>	<i>Balance at end of the year</i>

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**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

**f. Cadangan kerugian penurunan nilai
(lanjutan)**

**f. Allowance for impairment losses
(continued)**

	2016			
	<u>Individual/ Individual</u>	<u>Kolektif/ Collective</u>	<u>Jumlah/ Total</u>	
Saldo awal	(13,712)	(529,873)	(543,585)	<i>Beginning balance</i>
Penyisihan selama tahun berjalan (Catatan 34)	(23,156)	(846,605)	(869,761)	<i>Allowance during the year (Note 34)</i>
Penerimaan kembali	(4,974)	(93,836)	(98,810)	<i>Recovery</i>
Penghapusbukuan	20,669	806,184	826,853	<i>Write-off</i>
Lain-lain	-	(1)	(1)	<i>Others</i>
Saldo akhir tahun	<u>(21,173)</u>	<u>(664,131)</u>	<u>(685,304)</u>	<i>Balance at end of the year</i>

Di dalam saldo cadangan kerugian penurunan nilai termasuk cadangan kerugian penurunan nilai pembiayaan syariah sebesar Rp 157.657 pada tanggal 31 Desember 2017 (2016: Rp113.856).

Included in allowance for impairment losses is provision for sharia financing amounted to Rp 157,657 as at 31 December 2017 (2016: Rp 113,856).

Manajemen berpendapat bahwa cadangan kerugian yang dibentuk cukup untuk menutup kemungkinan kerugian akibat penurunan nilai pinjaman yang diberikan dan pembiayaan/piutang syariah.

Management believes that the allowance for losses is adequate to cover impairment losses for loans and sharia financing/ receivables.

g. Pembiayaan bersama

g. Joint financing

Bank mengadakan perjanjian pembiayaan bersama dengan antara lain dengan PT BFI Finance Indonesia Tbk (BFI), PT Sumitomo Mitsui Finance and Leasing (SMFL) dan PT Oto Multi Artha (OMA) dalam rangka pembiayaan kepemilikan kendaraan bermotor, serta dengan PT Home Credit Indonesia (HCI) dalam rangka pembiayaan kepemilikan rumah tangga.

The Bank has entered into joint financing agreements with PT BFI Finance Indonesia Tbk (BFI), PT Sumitomo Mitsui Finance and Leasing (SMFL) and PT Oto Multi Artha (OMA) for motor vehicle financing and also with PT Home Credit Indonesia (HCI) for household goods.

h. Kredit Usaha Kecil, Mikro & Menengah ("UMKM")

h. Micro, Small & Medium Enterprises Loans ("MSME")

Jumlah UMKM yang diberikan Bank dan Entitas Anak pada tanggal 31 Desember 2017 dan 2016 adalah masing-masing sebesar Rp 17.837.563 dan Rp 17.139.489.

As at 31 December 2017 and 2016, the outstanding balances of MSME for the Bank and Subsidiary are Rp 17,837,563 and Rp 17,139,489, respectively.

Rasio kredit UMKM terhadap jumlah pinjaman yang diberikan per 31 Desember 2017 dan 2016 adalah masing-masing sebesar 27,29%, dan 27,13%.

As at 31 December 2017 and 2016, ratios of MSME loans to total loans are 27.29% and 27.13%.

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**11. PINJAMAN YANG DIBERIKAN DAN
PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)**

**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

**i. Batas Maksimum Pemberian Kredit
("BMPK")**

Berdasarkan laporan Batas Maksimum Pemberian Kredit (BMPK) Bank yang disampaikan kepada Bank Indonesia, pada tanggal 31 Desember 2017 dan 2016 tidak terdapat pelanggaran atau pun pelampauan BMPK kepada pihak ketiga dan pihak berelasi sesuai dengan peraturan yang telah ditetapkan Bank Indonesia.

i. Legal lending limit ("LLL")

Based on the the Bank's Legal Lending Limit (LLL) report to Bank Indonesia, as at 31 December 2017 and 2016, there was no violation or excess of LLL to both third parties and related parties in compliance with Bank Indonesia's regulation.

j. Pinjaman yang diberikan bermasalah

Berdasarkan peraturan Bank Indonesia No. 2/11/PBI/2000 tanggal 30 Juni 2000, rasio kredit bermasalah setinggi-tingginya adalah 5% dari jumlah pinjaman yang diberikan. Rasio kredit bermasalah (kotor dan bersih) Bank adalah sebagai berikut:

j. Non performing loans

Based on Bank Indonesia regulation No. 2/11/PBI/2000 dated 30 June 2000, the maximum non-performing loan ratio for a bank is 5% from total loans given. The gross and net non-performing loan ratios of the Bank are as follows:

	<u>2017</u>	<u>2016</u>	
Kurang lancar	220,369	153,013	Substandard
Diragukan	188,739	178,348	Doubtful
Macet	<u>180,675</u>	<u>170,642</u>	Loss
Jumlah kredit bermasalah - kotor	589,783	502,003	Total non-performing loans - gross
Cadangan kerugian penurunan nilai	<u>(322,514)</u>	<u>(259,744)</u>	Allowance for impairment losses
Jumlah kredit bermasalah-bersih	267,269	242,259	Total non - performing loans - net
Jumlah kredit yang diberikan	<u>65,351,837</u>	<u>63,168,410</u>	Total loans
Rasio kredit bermasalah-kotor	<u>0.90%</u>	<u>0.79%</u>	Non-performing loan ratio-gross
Rasio kredit bermasalah-bersih	<u>0.41%</u>	<u>0.38%</u>	Non-performing loan ratio-net

Pinjaman yang diberikan dijamin dengan agunan yang diikat dengan hipotik, hak tanggungan atau surat kuasa untuk menjual dan jaminan lainnya.

Loans are generally collateralised by registered mortgages, powers of attorney to mortgage or sell and other guarantees.

k. Kredit penerusan

Bank juga menyalurkan fasilitas kredit yang dananya bersumber dari Pemerintah Indonesia atau Bank Indonesia melalui kredit penerusan (*channeling loan*) dalam bentuk Kredit Usaha Tani (KUT) dan Kredit Pengusaha Kecil Menengah (KPKM).

k. Channeling loans

The Bank also provides loan facilities funded by the Government of Indonesia or Bank Indonesia through channeling loans in the form of Kredit Usaha Tani (KUT) and Kredit Pengusaha Kecil Menengah (KPKM).

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k. Kredit penerusan (lanjutan)

Dalam kredit penerusan ini, Bank memperoleh pendapatan administrasi sedangkan risiko kreditnya tetap berada pada Pemerintah atau Bank Indonesia.

Saldo dari kredit penerusan tidak diakui pada laporan keuangan Bank. Rincian saldo kredit penerusan adalah sebagai berikut:

	2017
Kredit Penerusan KUT	24,687
Kredit Penerusan KPKM	9,870
	<u>34,557</u>

I. Perjanjian

PT Asuransi Allianz Life Indonesia

Pada tanggal 26 November 2008, Bank melakukan perjanjian dengan PT Asuransi Allianz Life Indonesia ("Allianz"), bukan pihak berelasi, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan dan kredit usaha mikro dengan asuransi jiwa melalui Perjanjian Kerjasama (PKS) No.276/LGL-AG/ALLIANZ/XI/2008. Perjanjian Kerjasama ini mencakup 3 bagian (Asuransi untuk debitur Kredit Pensiun sebelum 1 Desember 2008, Asuransi untuk debitur Kredit Pensiun sejak 1 Desember 2008, dan Asuransi untuk debitur Kredit Mikro) dan berlaku hingga 5 (lima) tahun sejak tanggal perjanjian, dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing 5 (lima) tahun atau sebagaimana disepakati bersama oleh para pihak.

Pada tanggal 1 April 2013 dilakukan *restatement* PKS yang dibuat dalam bentuk PKS Induk (Perjanjian *Bancassurance* untuk Kegiatan Referensi No. PKS.074/DIR/PBPM/III/2013) dan PKS Turunan yang dibuat untuk masing-masing produk.

Premi asuransi Kredit Pensiun akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 8% dari akumulasi premi yang dibayarkan oleh debitur, yang diterima oleh Allianz, akan dikembalikan kepada Bank sebagai komisi. Komisi Bank berubah menjadi 10,5% untuk Kredit Pensiun yang dicairkan sejak 1 Januari 2014.

11. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

k. Channeling loan (continued)

The Bank receives administration fee, while the credit risk is with the Government or Bank Indonesia.

These channelling loans are not recognised in the Bank's financial statements. The balances are as follows:

	2016
	24,687
	9,870
	<u>34,557</u>

*KUT Channeling Loans
KPKM Channeling Loans*

I. Agreements

PT Asuransi Allianz Life Indonesia

On 26 November 2008, the Bank entered into an agreement with PT Asuransi Allianz Life Indonesia ("Allianz"), a non-related party, to cover the Bank from the risk of uncollectible pension and micro loans, through Cooperation Agreement No.276/LGL-AG/ALLIANZ/XI/2008. The insurance agreement consists of 3 sections (Insurance for pension loan debtors before 1 December 2008, Insurance for pensioner debtors effected 1 December 2008 onwards, and Insurance for micro loan debtors) and is effective for 5 (five) years since the date of the agreement, and shall then be automatically renewed for further successive periods of each of 5 (five) years or as mutually agreed by both parties.

On 1 April 2013, the agreement has been restated in the form of Master Agreement (Bancassurance Agreement for Referral Model No. PKS.074/DIR/PBPM/III/2013) and Sub Agreements which provided for each product.

The Pension Credit Life insurance premium is borne by both debtors and the Bank. 8% of the accumulated premiums paid by debtors which is received by Allianz will be returned to the Bank as commission. Bank commission has been revised to 10.5% for pension loan effective 1 January 2014 onwards.

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**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

I. Perjanjian (lanjutan)

I. Agreements (continued)

PT Asuransi Allianz Life Indonesia (lanjutan)

**PT Asuransi Allianz Life Indonesia
(continued)**

Sedangkan untuk debitur mikro, premi asuransi akan ditanggung oleh Bank dimana Allianz akan menagih nilai premi bulanan yang harus dibayarkan oleh Bank.

Meanwhile for micro debtor, the insurance premium is borne by Bank and Allianz will charge monthly insurance premium which need to be paid by the Bank.

Jumlah premi dan komisi yang diterima oleh Bank maupun Allianz untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

The total premiums and commission fees received either by the Bank or Allianz for the years ended 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	
Pembayaran premi dari Bank ke PT Asuransi Allianz Life Indonesia	705,693	774,029	<i>Premium payments from the Bank to PT Asuransi Allianz Life Indonesia</i>
Penerimaan komisi dari PT Asuransi Allianz Life Indonesia	98,422	111,223	<i>Commissions earned from PT Asuransi Allianz Life Indonesia</i>

PT Avrist Assurance

PT Avrist Assurance

Pada tanggal 23 Juni 2011, Bank melakukan perjanjian dengan PT Avrist Assurance ("Avrist"), bukan pihak berelasi, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan melalui Perjanjian Kerjasama No. 19/BANCA/PKS/VII/2011. Perjanjian Kerjasama ini berlaku selama satu tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing satu tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

On 23 June 2011, the Bank entered an agreement with PT Avrist Assurance ("Avrist"), a non-related party, to cover the Bank from the risk of uncollectible pensioners loan, through Cooperation Agreement No. 19/BANCA/PKS/VII/2011. The agreement is effective for one year and shall then be automatically renewed for further successive periods of each of one year or as mutually agreed by both parties.

Premi asuransi akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 8% dari akumulasi premi yang dibayarkan oleh debitur yang diterima oleh Avrist, akan dikembalikan kepada Bank sebagai komisi.

The insurance premium is borne by both debtors and the Bank. 8% of the accumulated premiums paid by debtors which is received by Avrist will be returned to the Bank as commission.

Jumlah premi dan komisi yang diterima oleh Bank maupun Avrist untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

The total premiums and commission fees received either by the Bank or Avrist for the years ended 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	
Pembayaran premi dari Bank ke PT Avrist Assurance	107,730	138,779	<i>Premium payments from the Bank to PT Avrist Assurance</i>
Penerimaan komisi dari PT Avrist Assurance	14,060	16,149	<i>Commissions earned from PT Avrist Assurance</i>

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**11. PINJAMAN YANG DIBERIKAN DAN
PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)**

I. Perjanjian (lanjutan)

PT Asuransi Jiwa Generali

Pada tanggal 22 Juni 2011, Bank juga telah melakukan perjanjian dengan PT Asuransi Jiwa Generali ("Generali"), bukan pihak berelasi, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan melalui Perjanjian Kerjasama No. 004/VI/LGL/2011. Perjanjian Kerjasama ini berlaku selama satu tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing satu tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

Premi asuransi akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 8% dari akumulasi premi yang dibayarkan oleh debitur, yang diterima oleh Generali, akan dikembalikan kepada Bank sebagai komisi. Komisi Bank berubah menjadi 11% untuk Kredit Pensiun yang dicairkan sejak 1 April 2014.

Jumlah premi dan komisi yang diterima oleh Bank maupun Generali untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>	
Pembayaran premi dari Bank ke PT Asuransi Jiwa Generali	174,588	250,519	Premium payments from the Bank to PT Asuransi Jiwa Generali
Penerimaan komisi dari PT Asuransi Jiwa Generali	19,637	25,170	Commissions earned from PT Asuransi Jiwa Generali

PT FWD Life Indonesia

Pada tanggal 13 Desember 2016, Bank juga melakukan implementasi kerjasama dengan PT FWD Life Indonesia ("FWD"), bukan pihak berelasi, untuk melindungi Bank dari risiko kerugian tidak tertagihnya Kredit Pegawai berdasarkan Perjanjian Kerjasama No. PKS 096a/DIR/PBBD/XII/2015. Perjanjian Kerjasama ini berlaku selama lima tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya selama lima tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

Premi asuransi akan ditanggung oleh debitur. Sebesar 20% dari premi yang dibayarkan oleh debitur, yang diterima oleh PT FWD Life Indonesia, akan dibayarkan kepada Bank sebagai komisi.

**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

I. Agreements (continued)

PT Asuransi Jiwa Generali

On 22 June 2011, the Bank entered into an agreement with PT Asuransi Jiwa Generali ("Generali"), non-related party, to cover the Bank from the risk of uncollectible pension loans, through Cooperation Agreement No. 004/VI/LGL/2011. The agreement is effective for one year and shall then be automatically renewed for further successive periods of each of one year or as mutually agreed by both parties.

The insurance premium is borne by both debtors and the Bank. 8% of the accumulated premiums paid by debtors which is received by Generali will be returned to the Bank as commission. Bank Commission has been revised to 11% for Pension Credit effective 1 April 2014 onwards.

The total premiums and commission fees received either by the Bank or Generali for the years ended 31 December 2017 and 2016 are as follows:

PT FWD Life Indonesia

On 13 December 2016, the Bank sign an agreement with PT FWD Life Indonesia ("FWD"), a non-related party, to cover the Bank from the risk of uncollectible active employee loans, through Cooperation Agreement No. PKS 096a/DIR/PBBD/XII/2015. The agreement is effective for five years and shall then be automatically renewed for further five years or as mutually agreed by both parties.

The insurance premium is borne by debtors. 20% of the premiums paid by debtors which is received by PT FWD Life Indonesia will be paid to the Bank as commission.

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**11. PINJAMAN YANG DIBERIKAN DAN
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I. Perjanjian (lanjutan)

PT FWD Life Indonesia (lanjutan)

Jumlah premi dan komisi yang diterima oleh Bank maupun FWD Life Indonesia untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>
Pembayaran premi dari Bank ke PT FWD Life Indonesia	628
Penerimaan komisi dari PT FWD Life Indonesia	114

PT Proteksi Antar Nusa

Pada tanggal 1 Maret 2017, Bank telah melakukan perjanjian dengan PT Proteksi Antar Nusa ("PAN"), bukan pihak berelasi, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan melalui Perjanjian Kerjasama No. PKS.007b/DIR/PBBD/III/2017. Perjanjian Kerjasama ini berlaku selama tiga tahun dan dapat diperpanjang sebagaimana disepakati bersama oleh kedua belah pihak.

Premi asuransi akan ditanggung oleh debitur. Sebesar 10,5% yang diterima oleh PAN akan dibayarkan kepada Bank sebagai komisi.

Jumlah premi dan komisi yang diterima oleh Bank maupun PAN untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>
Pembayaran premi dari Bank ke PT Proteksi Antar Nusa	8,519
Penerimaan komisi dari PT Proteksi Antar Nusa	814

m. Pinjaman yang diberikan dan pembiayaan/ piutang syariah yang direstrukturisasi

Pinjaman yang diberikan dan pembiayaan/ piutang syariah yang direstrukturisasi sampai dengan tanggal 31 Desember 2017 adalah sebesar Rp 1.040.862 (2016: Rp 1.302.029).

**11. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)**

I. Agreements (continued)

PT FWD Life Indonesia (continued)

The total premiums and commission fees received either by the Bank or FWD Life Indonesia for the years ended 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Pembayaran premi dari Bank ke PT FWD Life Indonesia	628	-
Penerimaan komisi dari PT FWD Life Indonesia	114	-

PT Proteksi Antar Nusa

On 1 March 2017, the Bank has entered an agreement with PT Proteksi Antar Nusa ("PAN"), a non-related party, to cover the Bank from the risk of uncollectible pensioners loan, through Cooperation Agreement No. PKS.007b/DIR/PBBD/III/2017. The agreement is effective for three years and can be extended as mutually agreed by both parties.

The insurance premium is borne by debtors. 10.5% which is received by PAN will be paid to the Bank as commission.

The total premiums and commission fees received either by the Bank or Proteksi Antar Nusa for the years ended 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Pembayaran premi dari Bank ke PT Proteksi Antar Nusa	8,519	-
Penerimaan komisi dari PT Proteksi Antar Nusa	814	-

m. Restructured loans and sharia financing/receivables

The balances of restructured loans and sharia financing/receivables as at 31 December 2017 was Rp 1,040,862 (2016: Rp 1,302,029).

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11. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

n. Informasi lainnya

Pendapatan bunga efektif yang diperoleh dari pinjaman yang diberikan selama tahun berjalan telah dicatat pada "Pendapatan bunga dan pendapatan syariah" (Catatan 29).

11. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

n. Other information

Effective interest income earned from loans during the year has been recognised as "Interest income and sharia income" (Note 29).

12. BIAYA DIBAYAR DIMUKA

	<u>2017</u>
Asuransi kredit	2,418,136
Sewa bangunan	228,063
Pemeliharaan dan pembaharuan IT	49,465
Jasa profesional	18,269
Tunjangan perumahan	6,701
Biaya promosi	4,624
Lainnya	8,182
	<u>2,733,440</u>

Asuransi kredit merupakan biaya yang ditanggungkan sehubungan dengan asuransi untuk melindungi risiko tidak tertagih kredit pensiun kepada pihak ketiga antara lain PT Asuransi Allianz Life Indonesia, PT Avrist Assurance, PT Asuransi Jiwa Generali, PT FWD Life Indonesia, dan PT Proteksi Antar Nusa yang akan diamortisasi selama periode asuransi.

Sewa bangunan merupakan biaya sewa kantor dibayar dimuka kepada pihak ketiga dengan umur sewa yang berkisar antara 2 - 72 bulan.

Pemeliharaan dan pembaharuan IT merupakan biaya dibayar dimuka atas teknologi informasi seperti lisensi dan pemeliharaan data.

Jasa profesional adalah biaya atas jasa konsultan eksternal sehubungan dengan pengembangan bisnis Bank.

Tunjangan perumahan merupakan biaya dibayar dimuka atas sewa rumah dinas karyawan.

Biaya promosi adalah biaya pemasangan iklan dan reward data.

Biaya dibayar dimuka lainnya termasuk biaya dibayar dimuka untuk asuransi uang tunai dan asuransi kendaraan.

12. PREPAYMENTS

	<u>2016</u>	
	2,256,905	<i>Loans insurance</i>
	291,002	<i>Building rental</i>
	40,849	<i>IT maintenance and renewal</i>
	28,338	<i>Professional service</i>
	12,882	<i>Housing allowance</i>
	6,804	<i>Promotion cost</i>
	6,927	<i>Others</i>
	<u>2,643,707</u>	

Loans insurance represents deferred expenses related with the insurance to cover the risk of uncollectible pension loans that may arise to third party among others PT Asuransi Allianz Life Indonesia, PT Avrist Assurance, PT Asuransi Jiwa Generali, PT FWD Life Indonesia and PT Proteksi Antar Nusa which are amortised during the period of the insurance.

Building rental represents prepaid office rental to the third parties with rental period ranging from 2 - 72 months.

IT maintenance and renewal represents prepayment of information technology such as license and data maintenance.

Professional service represent fees for external consultant services in relation with Bank's business development.

Housing allowance represents prepaid rent for employee housing facility.

Promotion cost represent advertisement fee and reward data fee.

Other prepayments primarily includes prepayments for cash and vehicle insurance.

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13. PERPAJAKAN**13. TAXATION****a. Pajak dibayar dimuka****a. Prepaid tax**

	<u>2017</u>	<u>2016</u>	
Pajak terkait:			<i>Taxes relating to:</i>
Pajak penghasilan 2017	53,308	-	<i>Corporate income tax 2017</i>
	<u>53,308</u>	<u>-</u>	

b. Utang pajak**b. Taxes payable**

	<u>2017</u>	<u>2016</u>	
Pajak penghasilan badan:			<i>Corporate income taxes:</i>
<u>Bank</u>			<u>Bank</u>
- Pasal 29 (Catatan 13c)	-	12,191	<i>Article 29 (Note 13c) -</i>
<u>Entitas anak</u>			<u>Subsidiary</u>
- Pasal 25 (Catatan 13c)	18,947	14,452	<i>Article 25 (Note 13c) -</i>
- Pasal 29 (Catatan 13c)	66,749	51,951	<i>Article 29 (Note 13c) -</i>
	<u>85,696</u>	<u>78,594</u>	
Pajak lainnya:			<i>Other taxes:</i>
<u>Bank</u>			<u>Bank</u>
- Pasal 23, 26 dan 4(2)	58,127	58,616	<i>Articles 23, 26 and 4(2) -</i>
- Pasal 21	21,128	17,526	<i>Article 21 -</i>
- Pajak pertambahan nilai	1,876	4,140	<i>Value added tax -</i>
<u>Entitas anak</u>			<u>Subsidiary</u>
- Pasal 23, 26 dan 4(2)	6,348	5,284	<i>Articles 23, 26 and 4(2) -</i>
- Pasal 21	3,677	2,509	<i>Article 21 -</i>
- Pajak pertambahan nilai	8	-	<i>Value added tax -</i>
	<u>91,164</u>	<u>88,075</u>	
	<u>176,860</u>	<u>166,669</u>	

c. Beban pajak penghasilan**c. Income tax expense**

	<u>2017</u>	<u>2016</u>	
Pajak penghasilan:			<i>Income taxes:</i>
- Kini:			<i>Current: -</i>
Bank	287,513	535,211	<i>Bank</i>
Entitas anak	264,471	165,531	<i>Subsidiary</i>
- Tangguhan (Catatan 13d)			<i>Deferred (Note 13d) -</i>
Bank	(11,124)	(5,442)	<i>Bank</i>
Entitas anak	(25,955)	(22,283)	<i>Subsidiary</i>
Beban pajak penghasilan	<u>514,905</u>	<u>673,017</u>	<i>Income tax expense</i>
Beban kurang bayar pajak penghasilan yang berasal dari periode lalu (Catatan 13f)	-	55,656	<i>Underpayment income tax expense related to prior periods (Note 13f)</i>
Jumlah pajak penghasilan	<u>514,905</u>	<u>728,673</u>	<i>Total income tax expenses</i>

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13. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Rekonsiliasi antara beban pajak penghasilan konsolidasian dan hasil perhitungan teoritis laba sebelum pajak penghasilan konsolidasian adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>	
Laba konsolidasian sebelum pajak penghasilan	1,936,845	2,604,519	<i>Consolidated profit before income tax</i>
Pajak dihitung dengan tarif pajak	484,211	651,129	<i>Tax calculated at tax rates</i>
Beban yang tidak dapat dikurangkan:			<i>Non deductible expenses:</i>
- Bank	19,352	17,576	<i>Bank -</i>
- Entitas anak	11,342	4,312	<i>Subsidiary -</i>
Beban pajak penghasilan konsolidasian	514,905	673,017	<i>Consolidated income tax expense</i>
Beban kurang bayar pajak penghasilan yang berasal dari periode lalu (Catatan 13f)	-	55,656	<i>Underpayment income tax expense related to prior periods (Note 13f)</i>
Jumlah pajak penghasilan	<u>514,905</u>	<u>728,673</u>	<i>Total income tax expenses</i>

Rekonsiliasi antara laba sebelum pajak penghasilan menurut laporan laba rugi konsolidasian dan taksiran penghasilan kena pajak adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>	
Laba konsolidasian sebelum pajak penghasilan	1,936,845	2,604,519	<i>Consolidated profit before income tax</i>
Dikurangi:			<i>Less:</i>
Laba sebelum pajak penghasilan Entitas Anak	(908,698)	(555,743)	<i>Profit before income tax Subsidiary</i>
Laba sebelum pajak penghasilan Bank	1,028,147	2,048,776	<i>Profit before income tax of the Bank</i>
Perbedaan waktu:			<i>Temporary differences:</i>
Penyisihan kerugian aset produktif - pinjaman yang diberikan	120,967	(25,004)	<i>Allowance for impairment losses on earning assets - loans</i>
Beban penyusutan	(19,675)	10,780	<i>Depreciation expenses</i>
Beban atas imbalan pasca kerja	(11,251)	(8,546)	<i>Post employment benefit expenses</i>
Akrual, bonus, tantiem dan lain-lain	(45,543)	44,537	<i>Accruals, bonus, tantiem and others</i>
Jumlah perbedaan waktu	<u>44,498</u>	<u>21,767</u>	<i>Total temporary differences</i>

13. TAXATION (continued)

c. Income tax expense (continued)

The reconciliation between consolidated income tax expense and the theoretical tax amount on consolidated profit before income tax is as follows:

The reconciliation between income before tax as shown in the consolidated statement of comprehensive income and estimated taxable income is as follows:

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13. PERPAJAKAN (lanjutan)**13. TAXATION (continued)****c. Beban pajak penghasilan (lanjutan)****c. Income tax expense (continued)**

	2017	2016	
Perbedaan tetap:			Permanent differences:
Beban yang tidak dapat dikurangkan	77,408	70,301	Non deductible expenses
Penghasilan kena pajak	1,150,053	2,140,844	Taxable income
Beban pajak penghasilan badan	287,513	535,211	Corporate income tax expense
Dikurangi:			Less:
Pajak dibayar dimuka:			Prepaid taxes
- Pasal 25	(340,821)	(523,020)	Article 25 -
Pajak penghasilan yang (lebih)/kurang dibayar	(53,308)	12,191	(Over)/underpayment of income tax
Utang pajak kini - Bank	-	12,191	Current tax payable - Bank
Utang pajak pasal 25 - Bank	-	-	Tax payable art 25 - Bank
Beban pajak penghasilan kini Entitas Anak	264,471	165,531	Current income tax expense of Subsidiary
Pembayaran pajak dimuka Entitas Anak	(197,722)	(113,580)	Prepayment of income tax of Subsidiary
Utang pajak penghasilan Entitas Anak	66,749	51,951	Income tax payable- Subsidiary
Utang pajak pasal 25 Entitas Anak	18,947	14,452	Tax payable art 25 Subsidiary
Utang pajak penghasilan konsolidasian	85,696	78,594	Income tax payable- consolidation

Perhitungan pajak penghasilan badan untuk tahun yang berakhir pada 31 Desember 2017 di atas adalah suatu perhitungan sementara yang dibuat untuk tujuan akuntansi dan dapat berubah pada waktu Bank menyampaikan Surat Pemberitahuan Pajak (SPT) tahunannya.

The calculation of income tax for the year ended 31 December 2017 is a preliminary estimate made for accounting purposes and is subject to change at the time Bank submits its annual tax return (SPT).

Perhitungan perpajakan untuk tahun yang berakhir 31 Desember 2016 sesuai dengan SPT tahunan Bank.

Tax calculation for the year ended 31 December 2016 is in accordance with Bank annual tax return (SPT).

d. Aset pajak tangguhan-bersih**d. Deferred tax assets-net**

Rincian dari aset pajak tangguhan Bank dan Entitas Anak adalah sebagai berikut:

Details of deferred tax assets of the Bank and Subsidiary are as follows:

31 Desember/December 2017					
Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/ (charged) to profit or loss	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance		
Penyisihan kerugian aset produktif - pinjaman yang diberikan	(14,688)	35,469	-	20,781	Allowance for impairment losses on earning assets - loans
Penyisihan kerugian penurunan nilai - persediaan	-	1,000	-	1,000	Allowance for impairment losses - inventory
Akrual bonus dan tantiem	99,182	(1,190)	-	97,992	Accruals, bonus and tantiem
Liabilitas imbalan pasca kerja	5,680	1,431	7,371	14,482	Post employment benefits
Kerugian yang belum direalisasi dari efek-efek tersedia untuk dijual	907	-	(1,112)	(205)	Unrealised loss on available for sale of marketable securities
Beban penyusutan	20,692	(2,937)	-	17,755	Depreciation expenses
Lain-lain	10,824	3,306	-	14,130	Others
Aset pajak tangguhan	122,597	37,079	6,259	165,935	Deferred tax assets

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13. PERPAJAKAN (lanjutan)

d. Aset pajak tangguhan - bersih (lanjutan)

	31 Desember/December 2016			Saldo akhir/ Ending balance	
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/ (charged) to profit or loss	Dibebankan ke ekuitas/ Charged to equity		
Penyisihan kerugian aset produktif - pinjaman yang diberikan	(15,418)	730	-	(14,688)	Allowance for impairment losses on earning assets - loans
Akrua bonus dan tantiem	76,890	22,292	-	99,182	Accruals, bonus and tantiem
Liabilitas imbalan pasca kerja	7,739	(4,253)	2,194	5,680	Post employment benefits
Kerugian yang belum direalisasi dari efek-efek tersedia untuk dijual	(490)	-	1,397	907	Unrealised loss on available for sale of marketable securities
Beban penyusutan	14,385	6,307	-	20,692	Depreciation expenses
Lain-lain	8,175	2,649	-	10,824	Others
Aset pajak tangguhan	91,281	27,725	3,591	122,597	Deferred tax assets

e. Administrasi

Berdasarkan undang-undang perpajakan yang berlaku di Indonesia, Bank menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang. Direktur Jenderal Pajak ("DJP") dapat menetapkan atau mengubah liabilitas pajak dalam batas waktu lima tahun sejak saat terutangnya pajak.

f. Surat ketetapan pajak

Tahun pajak 2010

Pada tanggal 11 Desember 2015, Bank telah menerima surat ketetapan pajak untuk tahun pajak 2010 dengan total pajak kurang bayar sebesar Rp 141.740. Bank menyetujui sebagian ketetapan pajak tersebut dan telah membukukan tambahan beban sebesar Rp 58.140. Bank tidak setuju atas sebagian hasil pemeriksaan sebesar Rp 83.600 dan telah mengajukan surat keberatan kepada kantor pajak. Pada bulan Desember 2015, Bank telah membayar kurang pajak sebesar Rp 8.339 yang dicatat sebagai pajak dibayar dimuka.

Pada tahun 2016, Bank mencabut surat keberatan atas hasil pemeriksaan diatas dan telah memperoleh persetujuan permohonan pencabutan keberatan dengan nomor surat S-3838/WPJ.19/2016 pada tanggal 13 Desember 2016. Oleh karena itu Bank membukukan tambahan beban pajak sebesar Rp 55.656 dalam laporan laba rugi tahun 2016.

Tahun pajak 2012 dan 2013

Pada tanggal 17 Juni 2015, Bank menerima surat pemberitahuan pemeriksaan lapangan untuk tahun pajak 2012 dan 2013. Pada bulan November 2016, Bank telah menerima surat dari kantor pajak mengenai pemberitahuan penghentian pemeriksaan pajak untuk tahun pajak 2012 dan 2013.

13. TAXATION (continued)

d. Deferred tax assets - net (continued)

e. Administration

Under the taxation laws of Indonesia, the Bank submits tax returns on the basis of self assessment. The Director General of Tax ("DGT") may assess or amend taxes within five years of the time the tax becomes due.

f. Tax assessments

Fiscal year 2010

On 11 December 2015, the Bank has received tax assesment letter for fiscal year 2010 with total underpayment amounted to Rp 141,740. The Bank partially accepted the assessment result and booked additional expense amounted to Rp 58,140. The Bank partially disagree with the tax audit result amounting to Rp 83,600 and has submitted objection letter to tax office. In December 2015, the Bank has paid the underpayment tax amounting to Rp 8,339 which recorded as prepaid tax.

In 2016, the Bank has cancelled the objection letter above and already granted cancellation approval with letter number S-3838/WPJ.19/2016 dated 13 December 2016. Therefore, the Bank booked additional Rp 55,656 as tax expense in profit or loss 2016.

Fiscal year 2012 and 2013

On 17 June 2015, the Bank received tax audit notice for fiscal year 2012 and 2013. In November 2016, the Bank has received letter from tax office regarding notice of termination of tax audit for fiscal year 2012 and 2013.

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14. ASET TETAP**14. FIXED ASSETS**

2017						
	Saldo awal/ <i>Beginning balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deductions</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo akhir/ <i>Ending balance</i>	
Model revaluasi						Revaluation model
Kepemilikan langsung						Direct ownership
Tanah	831,700	-	-	-	831,700	Land
Model biaya						Cost model
Kepemilikan langsung						Direct ownership
Gedung	300,463	14,123	(1,581)	13,094	326,099	Buildings
Kendaraan bermotor	111,697	36,473	(16,575)	51	131,646	Motor vehicles
Perlengkapan kantor	973,067	109,658	(112,217)	126,681	1,097,189	Office equipments
Leasehold improvement	627,713	39,950	(102,809)	28,142	592,996	Leasehold improvement
Aset dalam penyelesaian	35,134	123,640	(2,283)	(142,053)	14,438	Construction in progress
	<u>2,879,774</u>	<u>323,844</u>	<u>(235,465)</u>	<u>25,915</u>	<u>2,994,068</u>	
Model biaya						Cost model
Akumulasi penyusutan						Accumulated depreciation
Kepemilikan langsung						Direct ownership
Gedung	173,589	15,135	(612)	-	188,112	Buildings
Kendaraan bermotor	66,018	27,135	(13,405)	-	79,748	Motor vehicles
Perlengkapan kantor	640,033	161,144	(105,090)	3,565	699,652	Office equipments
Leasehold improvement	367,869	101,380	(102,808)	(5)	366,436	Leasehold improvement
	<u>1,247,509</u>	<u>304,794</u>	<u>(221,915)</u>	<u>3,560</u>	<u>1,333,948</u>	
Nilai Buku Bersih	<u>1,632,265</u>				<u>1,660,120</u>	Net Book Value
2016						
	Saldo awal/ <i>Beginning balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deductions</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo akhir/ <i>Ending balance</i>	
Model revaluasi						Revaluation model
Kepemilikan langsung						Direct ownership
Tanah	81,352	750,348	-	-	831,700	Land
Model biaya						Cost model
Kepemilikan langsung						Direct ownership
Gedung	292,745	9,286	(4,417)	2,849	300,463	Buildings
Kendaraan bermotor	101,455	15,293	(5,051)	-	111,697	Motor vehicles
Perlengkapan kantor	801,274	88,102	(28,396)	112,087	973,067	Office equipments
Leasehold improvement	443,758	58,493	(12,013)	137,475	627,713	Leasehold improvement
Aset dalam penyelesaian	160,559	131,725	(4,677)	(252,473)	35,134	Construction in progress
	<u>1,881,143</u>	<u>1,053,247</u>	<u>(54,554)</u>	<u>(62)</u>	<u>2,879,774</u>	
Aset sewa guna usaha						Leased assets
Anjungan Tunai Mandiri (ATM)	6,422	-	-	(6,422)	-	Automatic Teller Machine (ATM)
	<u>1,887,565</u>	<u>1,053,247</u>	<u>(54,554)</u>	<u>(6,484)</u>	<u>2,879,774</u>	
Model biaya						Cost model
Akumulasi penyusutan						Accumulated depreciation
Kepemilikan langsung						Direct ownership
Gedung	157,180	18,881	(2,490)	18	173,589	Buildings
Kendaraan bermotor	43,044	26,373	(3,399)	-	66,018	Motor vehicles
Perlengkapan kantor	516,376	143,293	(25,155)	5,519	640,033	Office equipments
Leasehold improvement	290,370	89,489	(11,972)	(18)	367,869	Leasehold improvement
	<u>1,006,970</u>	<u>278,036</u>	<u>(43,016)</u>	<u>5,519</u>	<u>1,247,509</u>	
Aset sewa guna usaha						Leased assets
Anjungan Tunai Mandiri (ATM)	4,372	1,144	-	(5,516)	-	Automatic Teller Machine (ATM)
	<u>1,011,342</u>	<u>279,180</u>	<u>(43,016)</u>	<u>3</u>	<u>1,247,509</u>	
Nilai Buku Bersih	<u>876,223</u>				<u>1,632,265</u>	Net Book Value

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14. ASET TETAP (lanjutan)

Rincian kerugian penjualan aset tetap adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Hasil atas penjualan aset tetap	4,561	687
Nilai buku	<u>7,104</u>	<u>2,579</u>
Kerugian penjualan aset tetap	<u>(2,543)</u>	<u>(1,892)</u>

Aset dalam penyelesaian pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 14.438 dan Rp 35.134 merupakan gedung yang dibeli atau disewa dari pihak ketiga dan masih dalam tahap renovasi dan perlengkapan kantor yang masih dalam tahap konstruksi. Konstruksi tersebut diperkirakan akan selesai tahun depan dengan persentase penyelesaian adalah antara 5% - 90%, (2016: 20% - 90%).

Aset tetap, kecuali tanah, telah diasuransikan kepada perusahaan asuransi pihak ketiga:

	<u>2017</u>	<u>2016</u>
PT Salvus Inti	1,123,040	-
PT Asuransi Dinamika Syariah	121,655	6,318
PT Asuransi Tugu Pratama Syariah	64,168	30,170
PT Asuransi Tugu Pratama	62,694	-
PT Asuransi Adira Dinamika	<u>5,698</u>	<u>1,190,415</u>
Total	<u><u>1,377,255</u></u>	<u><u>1,226,903</u></u>

Bank dan Entitas Anak berpendapat bahwa nilai pertanggungan asuransi cukup untuk menutup kemungkinan kerugian dari aset tetap tersebut.

Pada tanggal 31 Desember 2017 dan 2016, Bank dan Entitas Anak melakukan peninjauan kembali atas masa manfaat, metode penyusutan dan nilai residu aset tetap dan menyimpulkan bahwa tidak terdapat perubahan atas metode dan asumsi tersebut.

Penyusutan aset tetap dibebankan pada biaya umum dan administrasi pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 304.794 dan 279.180 (Catatan 33).

Pada tanggal 31 Desember 2017 dan 2016, untuk aset yang diukur dengan model biaya, tidak ada perbedaan yang signifikan antara nilai wajar aset tetap dengan nilai tercatatnya.

14. FIXED ASSETS (continued)

Details of the loss on disposal of fixed assets are as follows:

	<u>2017</u>	<u>2016</u>	
Hasil atas penjualan aset tetap	4,561	687	Proceeds from sale of fixed assets
Nilai buku	<u>7,104</u>	<u>2,579</u>	Net book value
Kerugian penjualan aset tetap	<u>(2,543)</u>	<u>(1,892)</u>	Loss on sale of fixed assets

Assets under construction as at 31 December 2017 and 2016 amounting to Rp 14,438 and Rp 35,134, respectively, related to buildings that were bought or rented from third parties but still in the renovation progress and office equipments that are still under construction. Those constructions are estimated to be completed next year with current percentages of completion between 5% - 90% (2016: 20% - 90%).

As at 31 December 2017 and 2016, fixed assets, except for land, have been insured by the third party insurance companies:

	<u>2017</u>	<u>2016</u>	
PT Salvus Inti	1,123,040	-	PT Salvus Inti
PT Asuransi Dinamika Syariah	121,655	6,318	PT Asuransi Dinamika Syariah
PT Asuransi Tugu Pratama Syariah	64,168	30,170	PT Asuransi Tugu Pratama Syariah
PT Asuransi Tugu Pratama	62,694	-	PT Asuransi Tugu Pratama
PT Asuransi Adira Dinamika	<u>5,698</u>	<u>1,190,415</u>	PT Asuransi Adira Dinamika
Total	<u><u>1,377,255</u></u>	<u><u>1,226,903</u></u>	Total

The Bank and Subsidiary believes that the coverage is adequate to cover possible losses arising from such risks.

As at 31 December 2017 and 2016, the Bank and Subsidiary perform a review on useful life, depreciation method and residual value of financial assets and conclude that there were no change in these method and assumptions.

The depreciation of fixed assets is charged to general and administrative expenses as at 31 December 2017 and 2016 amounting to Rp 304,794 and Rp 279,180, respectively (Note 33).

As at 31 December 2017 and 2016, assets which measured using cost model, there is no significant difference between the estimated fair value and carrying value of fixed assets.

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14. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2017, aset tetap yang sudah disusutkan penuh namun masih digunakan untuk menunjang aktivitas operasi Bank adalah sebesar Rp 794.484 (31 Desember 2016: Rp 380.637).

Manajemen Bank dan Entitas Anak berpendapat bahwa tidak terdapat indikasi adanya penurunan nilai yang permanen atas aset tetap.

Revaluasi tanah

Pada tanggal 1 Januari 2016, Bank melakukan perubahan kebijakan akuntansi atas tanah dari sebelumnya menggunakan model biaya menjadi model revaluasi. Penilaian atas tanah dan bangunan pada tanggal 30 November 2015 dilakukan oleh penilai independen eksternal KJPP Susan, Widjoyo & Rekan/VPC Asia Pacific dalam Laporan Penilaian tertanggal 7 Maret 2016. Penilaian dilakukan berdasarkan Standar Penilaian Indonesia, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim. Metode penilaian yang dipakai adalah metode data pasar. Pada tanggal 30 November 2015 nilai wajar (hirarki nilai wajar level 2) tanah yang dimiliki Bank bernilai Rp 830.384.

Nilai wajar tingkat 2 dari tanah dihitung dengan menggunakan pendekatan perbandingan harga pasar dan estimasi biaya reproduksi baru atau biaya pengganti baru. Harga pasar dari tanah yang paling mendekati disesuaikan dengan perbedaan atribut utama seperti ukuran aset, lokasi dan penggunaan aset. Untuk kedua pendekatan diatas, input yang paling signifikan dalam pendekatan penilaian ini adalah asumsi harga per meter.

Informasi mengenai penilaian kembali tanah pada tanggal 1 Januari 2016 untuk kelompok aset tanah yang dilakukan oleh Bank adalah sebagai berikut:

	Nilai buku sebelum revaluasi/ Carrying amount before revaluation	Nilai buku setelah revaluasi/ Carrying amount after revaluation	Keuntungan revaluasi/ Gain on revaluation	
Tanah	81,352	830,384	749,032	Land

Penilaian kembali yang dilakukan atas tanah menghasilkan jumlah kenaikan nilai tercatat sebesar Rp 749.032 yang dicatat sebagai "Pendapatan Komprehensif Lain".

14. FIXED ASSETS (continued)

As at 31 December 2017, fixed assets that have been fully depreciated but still used to support the Bank's operation activities are amounting to Rp 794,484 (31 December 2016: Rp 380,637).

The Bank and Subsidiary management believe that there is no indication of permanent impairment in the value of fixed assets.

Revaluation of land

On 1 January 2016, Bank changed its accounting policy of land from cost model to revaluation model. The valuations of land and building as of 30 November 2015 is performed by external independent valuer, KJPP Susan, Widjoyo & Rekan/VPC Asia Pacific in the Valuation Report dated 7 March 2016. Valuations are performed based on Indonesian Valuation Standards which appropriate with recent market transactions done on arm's length terms. The valuation method used is market data approach. As at 30 November 2015 fair values (fair value hierarchy level 2) of the Bank's land was Rp 830,384.

Level 2 fair values of land is calculated using the comparable market data approach and cost reproduction or cost replacement approach. The approximate market prices of comparable land is adjusted for differences in key attributes such as property size, location and use of an asset. For the two above approaches, the most significant input into this valuation approach is price per square meter assumptions.

Information of the revaluation of land as at 1 January 2016 performed by Bank are as follows:

The revaluation of land resulting increase in the carrying amount of land and building amounting to Rp 749,032 recognised as "Other Comprehensive Income".

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14. ASET TETAP (lanjutan)

Revaluasi tanah (lanjutan)

Penilaian kembali tanah untuk tujuan perpajakan dilakukan setelah mendapatkan persetujuan dari Direktorat Jenderal Pajak dengan Surat Keputusan No. KEP-356/WPJ.19/2016 tanggal 16 Maret 2016. Bank melakukan penilaian kembali aset tetap dengan mengacu pada ketentuan Peraturan Menteri Keuangan (PMK) No 191/PMK.010/2015 tanggal 15 Oktober 2015 sebagaimana telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015. Ketentuan penyusutan fiskal aset tetap untuk tujuan pajak setelah penilaian kembali dimulai sejak tanggal 1 Januari 2016.

Manajemen telah melakukan penilaian di tahun 2017 dan tidak terdapat kenaikan yang signifikan atas nilai tanah sehingga manajemen memutuskan untuk tidak membukukan nilai kenaikan tanah tersebut.

14. FIXED ASSETS (continued)

Revaluation of land (continued)

Revaluation of land for tax purposes is performed after the approval from Directorate General of Tax through its letter No KEP-356/WPJ.19/2016 dated 16 March 2016. Bank performed revaluation of fixed assets in accordance with the Finance Minister Regulation (PMK) No. 191/PMK.010/2015, dated 15 October 2015, as amended by PMK No. 233/PMK.03/2015, dated 21 December 2015. The provision concerning the fiscal depreciation of fixed assets for tax purpose after revaluation is started on 1 January 2016.

The management has performed assessment in 2017 and there is no significant increase on the value of land. Therefore, management decided not to book the increment of land value.

15. ASET TAK BERWUJUD

15. INTANGIBLE ASSETS

2017

	<u>Saldo Awal/ Beginning Balance</u>	<u>Penambahan/ Additions</u>	<u>Pengurangan/ Deductions</u>	<u>Reklasifikasi/ Reclassification</u>	<u>Saldo Akhir/ Ending Balance</u>	
Harga perolehan						Cost
Piranti lunak	739,101	25,959	(55,951)	227,396	936,505	Software
Pengembangan piranti lunak	195,772	436,256	(94,951)	(253,311)	283,766	Software development
Goodwill	61,116	-	-	-	61,116	Goodwill
	<u>995,989</u>	<u>462,215</u>	<u>(150,902)</u>	<u>(25,915)</u>	<u>1,281,387</u>	
Akumulasi amortisasi						Accumulated amortisation
Piranti lunak	360,614	173,897	(18,626)	(3,560)	512,325	Software
Nilai buku bersih	<u>635,375</u>				<u>769,062</u>	Net book value

2016

	<u>Saldo Awal/ Beginning Balance</u>	<u>Penambahan/ Additions</u>	<u>Pengurangan/ Deductions</u>	<u>Reklasifikasi/ Reclassification</u>	<u>Saldo Akhir/ Ending Balance</u>	
Harga perolehan						Cost
Piranti lunak	443,169	15,143	-	280,789	739,101	Software
Pengembangan piranti lunak	115,807	364,992	(10,722)	(274,305)	195,772	Software development
Goodwill	61,116	-	-	-	61,116	Goodwill
	<u>620,092</u>	<u>380,135</u>	<u>(10,722)</u>	<u>6,484</u>	<u>995,989</u>	
Akumulasi amortisasi						Accumulated amortisation
Piranti lunak	240,058	120,559	-	(3)	360,614	Software
Nilai buku bersih	<u>380,034</u>				<u>635,375</u>	Net book value

Sisa periode amortisasi untuk piranti lunak adalah 1 sampai dengan 4 tahun.

Goodwill merupakan selisih antara nilai perolehan dengan nilai wajar dari aset Entitas Anak yang diakuisisi. Goodwill dievaluasi terhadap penurunan nilai secara berkala (setiap tahun).

Remaining amortisation period of software is 1 to 4 years.

Goodwill arises from the difference between the cost of acquisition with the fair value of Subsidiary's assets acquired. Goodwill is assessed regularly for impairment (annually).

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15. ASET TAK BERWUJUD (lanjutan)

Manajemen Bank dan Entitas Anak berpendapat bahwa tidak terdapat indikasi adanya penurunan nilai aset tak berwujud.

Amortisasi aset tak berwujud pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 173.897 dan Rp 120.559 (Catatan 33).

Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat aset tak berwujud yang digunakan sebagai jaminan dan semua aset tak berwujud tidak dibatasi kepemilikannya.

15. INTANGIBLE ASSETS (continued)

Bank and Subsidiary management believe that there is no impairment in the value of intangible assets.

The amortisation of intangible assets as at 31 December 2017 and 2016 amounted to Rp 173,897 and Rp 120,559, respectively (Note 33).

As at 31 December 2017 and 2016 there is no intangible asset pledged as collateral and no limitation of ownership of the intangible asset.

16. ASET LAIN-LAIN - BERSIH

16. OTHER ASSETS - NET

	<u>2017</u>	<u>2016</u>	
Uang muka	159,374	90,147	<i>Advance payment</i>
Jaminan sewa	40,820	44,051	<i>Rental security deposit</i>
Persediaan terkait dengan pembiayaan syariah	26,019	206,843	<i>Inventory related to sharia financing</i>
Tagihan kepada asuransi	25,798	43,842	<i>Receivables from Insurance company</i>
Transaksi ATM	15,789	5,853	<i>ATM Transaction</i>
Persediaan keperluan kantor	13,024	4,616	<i>Office supplies</i>
Pembayaran bunga obligasi	6,000	19,125	<i>Bonds interest payment</i>
Agunan yang diambil alih dari Entitas Anak	169	3,476	<i>Foreclosed collateral from Subsidiary</i>
Aset imbalan kerja	-	26,430	<i>Employee benefit asset</i>
Lain-lain	<u>59,478</u>	<u>12,701</u>	<i>Others</i>
	<u>346,471</u>	<u>457,084</u>	
Cadangan kerugian penurunan nilai	<u>(4,000)</u>	<u>-</u>	<i>Allowance for impairment losses</i>
	<u><u>342,471</u></u>	<u><u>457,084</u></u>	

Uang muka merupakan pembelian inventaris, biaya perjalanan dinas dan uang muka operasional lainnya.

Jaminan atas sewa merupakan pembayaran atas deposit sewa gedung dan keamanan.

Persediaan terkait dengan pembiayaan syariah merupakan persediaan telepon genggam untuk debitur yang akan dibiayai melalui pembiayaan syariah.

Tagihan kepada asuransi adalah klaim kepada pihak asuransi atas uang pesangon, uang penghargaan masa kerja, uang penggantian hak bagi karyawan yang mengundurkan diri atau pensiun dan klaim *refund* premi nasabah kredit pensiun.

Advance payment consist of purchase on office supplies, business trip allowance and other operational advances.

Rental security deposit represents payment on building rent and security.

Inventory related to sharia financing represent mobile phones for customers which will be financed in the form of sharia financing.

Receivables from insurance company is the claim to the insurance on severance pay, gratuity, compensation for employees who resign and retire and premium refund claim for pension debtor.

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16. ASET LAIN-LAIN - BERSIH (lanjutan)

Persediaan keperluan kantor merupakan persediaan atas formulir aplikasi, materai, kartu ATM dan cek.

Pembayaran bunga obligasi adalah pelunasan dipercepat atas porsi bunga yang jatuh tempo pada awal bulan Januari 2018.

Lain-lain terdiri dari berbagai macam tagihan dari transaksi kepada pihak ketiga dan lain-lain.

Perubahan penyisihan kerugian aset lain-lain adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>	
Saldo awal tahun	-	-	<i>Balance at beginning of year</i>
Cadangan kerugian penurunan nilai (Catatan 34)	(18,800)	-	<i>Allowance for impairment losses (Note 34)</i>
Penghapusbukuan	<u>14,800</u>	<u>-</u>	<i>Write-off</i>
Saldo akhir tahun	<u>(4,000)</u>	<u>-</u>	<i>Balance at end of year</i>

Penyisihan kerugian aset lain-lain sebesar Rp 4.000 dibentuk untuk persediaan terkait pembiayaan syariah. Manajemen berpendapat bahwa jumlah penyisihan kerugian tersebut telah cukup.

16. OTHER ASSETS - NET (continued)

Office supplies represent supply of application forms, stamps, ATM cards and cheques.

Bonds interest payment represent early payment of interest portion which will be due on early January 2018.

Others mainly consist of various receivables from transaction with third parties and others.

The movement of the allowance for losses for other assets are as follows:

Allowance for impairment losses amounting Rp 4,000 is made for inventory related to sharia financing. Management believes that allowance for impairment losses is sufficient..

17. LIABILITAS SEGERA

Seluruh liabilitas segera adalah dalam mata uang Rupiah dan dengan pihak ketiga.

	<u>2017</u>	<u>2016</u>	
Kiriman uang yang belum diselesaikan	9,459	2,186	<i>Unsettled remittances transactions</i>
Titipan uang pensiun	8,839	8,010	<i>Unsettled pension funds</i>
Titipan bagi hasil deposito syariah	7,821	9,653	<i>Unsettled sharia profit-sharing</i>
Titipan asuransi pensiun	6,230	-	<i>Unsettled pension assurance funds</i>
Titipan uang notaris	2,261	2,140	<i>Unsettled notary funds</i>
Kewajiban kepada pemasok	-	67,878	<i>Obligation to vendor</i>
Lain-lain	<u>14,928</u>	<u>6,117</u>	<i>Others</i>
	<u>49,538</u>	<u>95,984</u>	

Kiriman uang yang belum diselesaikan merupakan transaksi masuk RTGS dan SKN yang belum diselesaikan oleh cabang.

Kewajiban kepada pemasok merupakan pembayaran atas pembelian telepon genggam yang belum jatuh tempo untuk persediaan pembiayaan sebagai bagian program laku pandai.

Liabilitas segera lain-lain terutama merupakan titipan *Corporate Social Responsibility*.

17. OBLIGATIONS DUE IMMEDIATELY

All obligations due immediately were denominated in Rupiah and to third parties.

Unsettled remittances transactions represent incoming transaction of RTGS and SKN that have not been settled by branch.

Obligation to vendor is payment for the purchase of handphone that has not matured for financing's inventory as part of branchless banking program.

Other obligations due immediately mostly consist of Corporate Social Responsibility fund.

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18. SIMPANAN NASABAH**18. DEPOSITS FROM CUSTOMERS**

	<u>2017</u>	<u>2016</u>	
Pihak ketiga:			<i>Third parties:</i>
- Giro	622,963	371,612	<i>Current account -</i>
- Tabungan	7,202,636	7,271,651	<i>Savings deposits -</i>
- Deposito berjangka	50,921,592	49,776,337	<i>Time deposits -</i>
- Deposito <i>on call</i>	<u>3,087,051</u>	<u>3,009,932</u>	<i>Deposits on call -</i>
	<u>61,834,242</u>	<u>60,429,532</u>	
Pihak berelasi :			<i>Related parties:</i>
- Giro	389	309	<i>Current account -</i>
- Tabungan	17,183	23,456	<i>Savings deposits -</i>
- Deposito berjangka	428,211	584,221	<i>Time deposits -</i>
- Deposito <i>on call</i>	<u>390,000</u>	<u>769,280</u>	<i>Deposits on call -</i>
	<u>835,783</u>	<u>1,377,266</u>	
	<u>62,670,025</u>	<u>61,806,798</u>	
Beban bunga yang masih harus dibayar	<u>193,765</u>	<u>235,420</u>	<i>Accrued interest expenses</i>
	<u>62,863,790</u>	<u>62,042,218</u>	
Berdasarkan mata uang:		<i>By currency:</i>	
	<u>2017</u>	<u>2016</u>	
Simpanan nasabah:			<i>Deposits from customers:</i>
Rupiah	57,829,500	57,650,228	<i>Rupiah</i>
Dolar Amerika Serikat	4,840,525	4,156,108	<i>United States Dollar</i>
Mata uang asing lainnya	(*)	462	<i>Other foreign currency</i>
	<u>62,670,025</u>	<u>61,806,798</u>	
Beban bunga yang masih harus dibayar:			<i>Accrued interest expense:</i>
Rupiah	189,686	233,393	<i>Rupiah</i>
Dolar Amerika Serikat	4,079	2,027	<i>United States Dollar</i>
Mata uang asing lainnya	-	(*)	<i>Other foreign currency</i>
	<u>193,765</u>	<u>235,420</u>	
	<u>62,863,790</u>	<u>62,042,218</u>	

(*) Jumlah kurang dari Rp 1.

(*) Amount is less than Rp 1.

a. Giro**a. Current account**

Berdasarkan pihak ketiga dan pihak berelasi:

By third and related parties:

	<u>2017</u>	<u>2016</u>	
Pihak ketiga	622,963	371,612	<i>Third parties</i>
Pihak berelasi	<u>389</u>	<u>309</u>	<i>Related parties</i>
	<u>623,352</u>	<u>371,921</u>	
Beban bunga yang masih harus dibayar	<u>137</u>	<u>248</u>	<i>Accrued interest expenses</i>
	<u>623,489</u>	<u>372,169</u>	

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18. SIMPANAN NASABAH (lanjutan)

a. Giro (lanjutan)

Berdasarkan jenis nasabah:

	2017	2016	
Perusahaan	467,863	225,937	Corporate
Asuransi	88,402	102,024	Insurance
Perorangan	59,591	35,573	Individual
Koperasi	4,770	6,638	Cooperative
Yayasan	2,726	1,749	Foundation
	<u>623,352</u>	<u>371,921</u>	
Beban bunga yang masih harus dibayar	137	248	Accrued interest expense
	<u>623,489</u>	<u>372,169</u>	

Berdasarkan mata uang:

	2017	2016	
Rupiah	623,046	371,921	Rupiah
Dolar Amerika Serikat	306	-	United States Dollar
	<u>623,352</u>	<u>371,921</u>	
Beban bunga yang masih harus dibayar			Accrued interest expenses
Rupiah	137	248	Rupiah
Dolar Amerika Serikat	(*)	(*)	United States Dollar
	<u>623,489</u>	<u>372,169</u>	

(*) Jumlah kurang dari Rp 1.

(*) Amount is less than Rp 1.

Tingkat suku bunga rata-rata giro per tahun untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah 4,41% dan 4,60%.

The average interest rate per annum for current account for the years ended 31 December 2017 and 2016 are 4.41%, and 4.60%, respectively.

Tidak ada saldo giro yang diblokir atau dijadikan jaminan kredit per 31 Desember 2017 dan 2016.

There is no current account blocked or pledged for loans as at 31 December 2017 and 2016.

b. Tabungan

Berdasarkan pihak ketiga dan pihak berelasi:

	2017	2016	
Pihak ketiga	7,202,636	7,271,651	Third parties
Pihak berelasi	17,183	23,456	Related parties
	<u>7,219,819</u>	<u>7,295,107</u>	
Beban bunga yang masih harus dibayar	4,104	2,729	Accrued interest expenses
	<u>7,223,923</u>	<u>7,297,836</u>	

b. Saving deposits

By third and related parties:

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18. SIMPANAN NASABAH (lanjutan)

18. DEPOSITS FROM CUSTOMERS (continued)

b. Tabungan (lanjutan)

b. Saving deposits (continued)

Berdasarkan jenis:

By type:

	<u>2017</u>	<u>2016</u>	
Tabungan "Citra Pensiun"	2,770,230	2,967,865	"Citra Pensiun" Savings
Tabungan "Se To"	2,324,504	2,737,937	"Se To" Savings
Tabungan "Wadiah TUR Prospera"	1,195,666	978,838	"Wadiah TUR Prospera" Savings
Tabungan "Jenius"	270,167	34,460	"Jenius" Savings
Tabungan "Pasti"	229,549	240,241	"Pasti" Savings
Tabungan "Wadiah WOW iB"	6,996	612	"Wadiah WOW iB" Savings
Lain-lain	422,707	335,154	Others
	<u>7,219,819</u>	<u>7,295,107</u>	
Beban bunga yang masih harus dibayar	4,104	2,729	Accrued interest expenses
	<u>7,223,923</u>	<u>7,297,836</u>	

Berdasarkan mata uang:

By Currency:

	<u>2017</u>	<u>2016</u>	
Simpanan nasabah			Deposit from customers
Rupiah	7,208,977	7,292,972	Rupiah
Dolar Amerikat Serikat	10,842	1,673	United States Dollar
Mata uang asing lainnya	(*)	462	Other foreign Currency
	<u>7,219,819</u>	<u>7,295,107</u>	
Beban bunga yang masih harus dibayar			Accrued interest expense
Rupiah	4,103	2,729	Rupiah
Dolar Amerika Serikat	1	(*)	United States Dollar
Mata uang asing lainnya	-	(*)	Other foreign Currency
	<u>4,104</u>	<u>2,729</u>	
	<u>7,223,923</u>	<u>7,297,836</u>	

(*) Jumlah kurang dari Rp 1.

(*) Amount is less than Rp 1.

Tingkat suku bunga rata-rata tabungan per tahun:

Average interest rate per annum for saving deposits:

	<u>2017</u>	<u>2016</u>	
Rupiah	2.30%	3.01%	Rupiah
Mata uang asing	0.59%	0.10%	Foreign currencies

Saldo tabungan yang diblokir pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar Rp 5.160 dan Rp 1.844.

Total saving deposits which are blocked as at 31 December 2017 and 2016 amounted to Rp 5,160 and Rp 1,844, respectively.

c. Deposito berjangka

c. Time deposits

Berdasarkan pihak ketiga dan pihak berelasi:

By third and related parties:

	<u>2017</u>	<u>2016</u>	
Pihak ketiga	50,921,592	49,776,337	Third parties
Pihak berelasi	428,211	584,221	Related parties
	<u>51,349,803</u>	<u>50,360,558</u>	
Beban bunga yang masih harus dibayar	186,319	226,982	Accrued interest expenses
	<u>51,536,122</u>	<u>50,587,540</u>	

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18. SIMPANAN NASABAH (lanjutan)

18. DEPOSITS FROM CUSTOMERS (continued)

c. Deposito berjangka (lanjutan)

c. Time deposits (continued)

Berdasarkan mata uang:

By currency:

	<u>2017</u>	<u>2016</u>	
Deposito berjangka			<i>Time Deposits</i>
Rupiah	46,520,426	46,206,123	<i>Rupiah</i>
Dolar Amerika Serikat	<u>4,829,377</u>	<u>4,154,435</u>	<i>United States Dollar</i>
	<u>51,349,803</u>	<u>50,360,558</u>	
Beban bunga yang masih harus dibayar			<i>Accrued interest expenses</i>
Rupiah	182,241	224,955	<i>Rupiah</i>
Dolar Amerika Serikat	<u>4,078</u>	<u>2,027</u>	<i>United States Dollar</i>
	<u>186,319</u>	<u>226,982</u>	
	<u>51,536,122</u>	<u>50,587,540</u>	

Berdasarkan jangka waktu:

By maturity:

	<u>2017</u>	<u>2016</u>	
Sampai dengan 1 bulan	31,783,298	19,606,380	<i>Up to 1 month</i>
1 - 3 bulan	12,480,032	16,565,559	<i>1 - 3 months</i>
3 - 6 bulan	5,229,978	7,963,431	<i>3 - 6 months</i>
6 - 12 bulan	1,837,437	6,023,402	<i>6 - 12 months</i>
Lebih dari 1 tahun	<u>19,058</u>	<u>201,786</u>	<i>More than 1 year</i>
	<u>51,349,803</u>	<u>50,360,558</u>	
Beban bunga yang masih harus dibayar	<u>186,319</u>	<u>226,982</u>	<i>Accrued interest expenses</i>
	<u>51,536,122</u>	<u>50,587,540</u>	

Berdasarkan sisa umur sampai dengan jatuh tempo:

By remaining maturity period:

	<u>2017</u>	<u>2016</u>	
Sampai dengan 1 bulan	30,153,312	25,617,100	<i>Up to 1 month</i>
1 - 3 bulan	14,110,038	16,967,724	<i>1 - 3 months</i>
3 - 6 bulan	5,178,160	4,752,359	<i>3 - 6 months</i>
6 - 12 bulan	1,889,255	2,853,325	<i>6 - 12 months</i>
Lebih dari 1 tahun	<u>19,038</u>	<u>170,050</u>	<i>More than 1 year</i>
	<u>51,349,803</u>	<u>50,360,558</u>	
Beban bunga yang masih harus dibayar	<u>186,319</u>	<u>226,982</u>	<i>Accrued interest expenses</i>
	<u>51,536,122</u>	<u>50,587,540</u>	

Berdasarkan tingkat suku bunga:

By interest rates:

	<u>2017</u>	<u>2016</u>	
Sampai dengan 7%	47,091,989	9,934,924	<i>Up to 7%</i>
7% - 8%	4,224,980	38,947,985	<i>7% - 8%</i>
8% - 9%	31,364	416,054	<i>8% - 9%</i>
9% - 10%	<u>1,470</u>	<u>1,061,595</u>	<i>9% - 10%</i>
	<u>51,349,803</u>	<u>50,360,558</u>	
Beban bunga yang masih harus dibayar	<u>186,319</u>	<u>226,982</u>	<i>Accrued interest expenses</i>
	<u>51,536,122</u>	<u>50,587,540</u>	

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18. SIMPANAN NASABAH (lanjutan)**18. DEPOSITS FROM CUSTOMERS** (continued)**c. Deposito berjangka** (lanjutan)**c. Time deposits** (continued)

Tingkat suku bunga rata-rata deposito per tahun:

Average interest rate per annum for time deposits:

	2017
Rupiah	6.94%
Mata uang asing	1.68%

	2016
Rupiah	7.97%
Foreign currencies	1.47%

Pada tanggal 31 Desember 2017 deposito berjangka yang diblokir atau dijadikan jaminan kredit adalah Rp 100.513 (2016: Rp 212.489).

As at 31 December 2017, time deposits blocked or pledged for loans were Rp 100,513 (2016: Rp 212,489).

Pada tanggal 31 Desember 2017 dan 2016, tidak ada saldo deposito berjangka yang didasarkan pada prinsip perbankan syariah yang diblokir atau dijadikan jaminan kredit.

As at 31 December 2017 and 2016, there are no time deposits under sharia banking principles which are blocked or pledged for loans.

d. Deposito on call**d. Deposits on call**

Seluruh deposito *on call* adalah dalam mata uang Rupiah.

Deposits on call are in Rupiah.

	2017
Deposito <i>on call</i>	3,477,051
Beban bunga yang masih harus dibayar	3,205
	3,480,256

	2016
Deposits on call	3,779,212
Accrued interest expenses	5,461
	3,784,673

Rata-rata suku bunga deposito *on call* per tahun untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, masing-masing adalah 6,91% dan 7,20%.

Average interest rates deposits on call per annum for the years ended 31 December 2017 and 2016 are 6.91% and 7.20%, respectively.

Berdasarkan pihak ketiga dan pihak berelasi:

By third and related parties:

	2017
Pihak ketiga	3,087,051
Pihak berelasi	390,000
	3,477,051
Beban bunga yang masih harus dibayar	3,205
	3,480,256

	2016
Third parties	3,009,932
Related parties	769,280
	3,779,212
Beban bunga yang masih harus dibayar	5,461
	3,784,673

19. SIMPANAN DARI BANK LAIN**19. DEPOSITS FROM OTHER BANKS**

Seluruh simpanan dari bank lain adalah dalam mata uang Rupiah dan dari pihak ketiga.

Deposits from other banks are in Rupiah and from third parties.

a. Berdasarkan jenis:**a. By type:**

	2017
Giro	70,251
Tabungan	33
Deposito berjangka	2,300
Sertifikat deposito tanpa warkat	-
Call money	750,000
	822,584
Beban bunga yang masih harus dibayar	822
	823,406

	2016
Current account	1,158
Saving deposits	33
Time deposits	2,300
Negotiable Certificate of Deposits	711,044
Call money	200,000
	914,535
Beban bunga yang masih harus dibayar	61
	914,596

Current account
Saving deposits
Time deposits
Negotiable Certificate of Deposits
Call money

Accrued interest expenses

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19. SIMPANAN DARI BANK LAIN (lanjutan)

a. Berdasarkan jenis: (lanjutan)

Tidak ada saldo simpanan dari bank lain yang diblokir atau dijadikan jaminan per 31 Desember 2017 dan 2016.

b. Tingkat suku bunga rata-rata per tahun:

	<u>2017</u>	<u>2016</u>
Giro	0.35%	0.29%
Tabungan	0.59%	0.80%
Call money	4.42%	5.04%
Deposito berjangka	6.97%	7.83%
Sertifikat deposito tanpa warkat	7.05%	7.59%

c. Jangka waktu:

Jangka waktu simpanan dari bank lain per 31 Desember 2017 dan 2016 adalah kurang dari 1 tahun.

19. DEPOSITS FROM OTHER BANKS (continued)

a. By type: (continued)

There are no deposits from other banks which are blocked or pledged as at 31 December 2017 and 2016.

b. Average interest rate per annum:

	<u>2017</u>	<u>2016</u>
Current account	0.35%	0.29%
Savings deposits	0.59%	0.80%
Call money	4.42%	5.04%
Time deposits	6.97%	7.83%
Negotiable certificate of deposit	7.05%	7.59%

c. Terms:

The term of deposits from other banks as at 31 December 2017 and 2016, less than 1 year.

20. UTANG OBLIGASI

Seluruh utang obligasi adalah dalam mata uang Rupiah.

20. BONDS PAYABLE

Bonds payable are denominated in Rupiah.

	<u>Peringkat/ Rating ^{*)}</u>	<u>2017</u>	<u>2016</u>	
Nilai nominal:				<i>Nominal value:</i>
- Obligasi Berkelanjutan I Tahap II	AAA (idn)	-	725,000	<i>Continuance Bonds I Phase II -</i>
- Obligasi Berkelanjutan I Tahap III	AAA (idn)	400,000	400,000	<i>Continuance Bonds I Phase III -</i>
- Obligasi Berkelanjutan II Tahap I	AAA (idn)	350,000	350,000	<i>Continuance Bonds II Phase I -</i>
- Obligasi Berkelanjutan III Tahap I	AAA (idn)	300,000	1,000,000	<i>Continuance Bonds III Phase I -</i>
- Obligasi Berkelanjutan III Tahap II	AAA (idn)	<u>1,500,000</u>	<u>-</u>	<i>Continuance Bonds III Phase II -</i>
		2,550,000	2,475,000	
Dikurangi: Biaya emisi yang belum diamortisasi		<u>(6,599)</u>	<u>(5,857)</u>	<i>Less: Unamortised bond issuance costs</i>
		2,543,401	2,469,143	
Beban bunga yang masih harus dibayar		<u>37,376</u>	<u>38,123</u>	<i>Accrued interest expenses</i>
		<u>2,580,777</u>	<u>2,507,266</u>	
Amortisasi biaya emisi obligasi		(5,129)	5,242	<i>Amortisation of bonds issuance cost</i>
Utang obligasi sesuai dengan jatuh temponya:				<i>Bonds payable based on maturity:</i>
Kurang dari 1 tahun		1,350,000	1,425,000	<i>Less than 1 year</i>
1 - 3 tahun		1,200,000	1,050,000	<i>1 - 3 years</i>
Lebih dari 3 tahun		<u>-</u>	<u>-</u>	<i>More than 3 years</i>
		<u>2,550,000</u>	<u>2,475,000</u>	

*) Berdasarkan peringkat dari PT Fitch Ratings Indonesia/Based on rating by PT Fitch Ratings Indonesia

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20. UTANG OBLIGASI (lanjutan)

Informasi lain mengenai utang obligasi pada tanggal 31 Desember 2017 adalah sebagai berikut:

20. BONDS PAYABLE (continued)

Other information relating to bonds as at 31 December 2017 are as follow:

Seri/ Series	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Obligasi Berkelanjutan I Tahap II/Continuance Bonds I Phase II				
Seri/ Series B	725,000	8.25%	3 Agustus/ August 2017	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan I Tahap III/Continuance Bonds I Phase III				
Seri/ Series B	400,000	8.25%	5 Maret/March 2018	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan II Tahap I/Continuance Bonds II Phase I				
Seri/ Series B	350,000	8.25%	4 Juli/July 2018	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan III Tahap I/Continuance Bonds III Phase I				
Seri/ Series A	700,000	7.50%	11 Juli/July 2017	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Seri/ Series B	300,000	8.00%	1 Juli/July 2019	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan III Tahap II/Continuance Bonds III Phase II				
Seri/ Series A	600,000	6.60%	27 Oktober/ October 2018	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Seri/ Series B	900,000	7.50%	17 Oktober/ October 2020	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date

Pembayaran bunga obligasi dibayarkan setiap 3 bulan dan pembayaran pokok dibayarkan pada saat jatuh tempo. Bank telah melakukan pembayaran pokok dan bunga obligasi sesuai dengan jadwal.

Bonds interest paid every 3 months and bonds principal paid on maturity date. Bank has paid the bonds principal and interest based on the schedule.

Dalam perjanjian perwaliananatan, diatur beberapa pembatasan yang harus dipenuhi oleh Bank, antara lain tidak menerbitkan obligasi lain atau instrumen utang lain yang sejenis yang mempunyai hak tagih yang lebih tinggi dari Obligasi Berkelanjutan I Tahap II, Tahap III, dan Obligasi Berkelanjutan II Tahap I, Obligasi Berkelanjutan III Tahap I dan Obligasi Berkelanjutan III Tahap II serta yang dijamin dengan aset, kecuali pinjaman dan fasilitas dari:

The trustee agreements provide several negative covenants to the Bank, among others, not issuing another bonds or other similar debt instrument with higher collecting right compares to Continuance Bonds I Phase II, Phase III, and Continuance Bonds II Phase I, Continuance Bonds III Phase I and Continuance Bonds III Phase II and collateralised with asset, except loans and facilities from:

- Fasilitas Bank Indonesia yang dijamin dengan aset dalam jumlah 10% dari aset yang dihitung dari laporan keuangan yang terakhir yang telah diaudit (Untuk Obligasi Berkelanjutan I Tahap II).
- Pinjaman bilateral interbank dan fasilitas bilateral dengan Bank Indonesia yang dijamin dengan aktiva dalam jumlah 20% dari aset yang dihitung dari laporan keuangan yang terakhir yang telah diaudit (untuk Obligasi Berkelanjutan III Tahap II).

- *Facility from Bank Indonesia is secured with assets in the number of 10% from assets which are calculated from the last audited financial statements (Applied to Continuance Bond I Phase II).*
- *Bilateral interbank loan and bilateral facility from Bank Indonesia is secured with assets in the number of 20% from assets which are calculated from the last audited financial statements (Applied to Continuance Bond III Phase II).*

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20. UTANG OBLIGASI (lanjutan)

Bank berkewajiban menjaga jumlah aset yang tidak diagunkan secara khusus minimal sebesar 125% dari total obligasi yang diterbitkan termasuk pokok obligasi. Bank telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut.

Seluruh utang obligasi yang diterbitkan Bank dicatatkan di Bursa Efek Indonesia dan dipergunakan untuk pertumbuhan usaha dalam bentuk ekspansi kredit.

20. BONDS PAYABLE (continued)

The Bank should keep the total assets that have not been specifically pledged at the minimum 125% from total issued bonds including bonds principal. The Bank has complied with the covenants on the trustee agreement.

All the bonds payable issued by the Bank have been listed in the Indonesia Stock Exchange and used for business growth in form of credit expansion.

21. PINJAMAN YANG DITERIMA

Pinjaman yang diterima terdiri dari pinjaman bank dan pinjaman bukan bank yang dilakukan dengan pihak berelasi dan pihak ketiga.

21. BORROWINGS

Borrowings consists of bank borrowings and non-bank borrowings with related parties and third parties.

	<u>2017</u>	<u>2016</u>	
Pinjaman bank:			<i>Bank borrowings:</i>
Sumitomo Mitsui Banking Corporation	2,238,638	2,088,237	<i>Sumitomo Mitsui Banking Corporation</i>
Pinjaman bukan bank:			<i>Non-bank borrowings:</i>
International Finance Corporation	<u>3,004,155</u>	<u>1,643,125</u>	<i>International Finance Corporation</i>
	<u>5,242,793</u>	<u>3,731,362</u>	
Dikurangi:			<i>Less:</i>
Biaya transaksi yang belum diamortisasi	(34,153)	(32,190)	<i>Unamortised transaction costs</i>
Beban bunga yang masih harus dibayar	<u>41,567</u>	<u>51,499</u>	<i>Accrued interest expenses</i>
	<u>5,250,207</u>	<u>3,750,671</u>	

a. Pinjaman bank

a. Bank borrowings

Cicilan pokok pinjaman yang dibayarkan sesuai dengan tanggal jatuh temponya:

Installments of principal borrowings based on maturity dates:

	<u>2017</u>	<u>2016</u>	
Sampai dengan 1 tahun	2,238,638	2,088,237	<i>Up to 1 year</i>
1 - 2 tahun	-	-	<i>1 - 2 years</i>
2 - 3 tahun	-	-	<i>2 - 3 years</i>
Lebih dari 3 tahun	<u>-</u>	<u>-</u>	<i>More than 3 years</i>
	<u>2,238,638</u>	<u>2,088,237</u>	
Dikurangi:			<i>Less:</i>
Biaya transaksi yang belum diamortisasi	<u>(8,892)</u>	<u>(5,561)</u>	<i>Unamortised transaction costs</i>
	<u>2,229,746</u>	<u>2,082,676</u>	
Beban bunga yang masih harus dibayar	<u>7,672</u>	<u>2,871</u>	<i>Accrued interest expenses</i>
	<u>2,237,418</u>	<u>2,085,547</u>	

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21. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

(i) Perjanjian Pinjaman 2016

Pada tanggal 28 September 2016, Bank telah menandatangani fasilitas kredit melalui pinjaman sindikasi dengan nilai maksimum sebesar USD 155.000.000 (angka penuh) dengan SMBC sebagai *Mandated Lead Arranger* dan *Bookrunner*, dan Sumitomo Mitsui Banking Corporation cabang Singapura sebagai agen.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro dan SME.

Berdasarkan perjanjian, fasilitas kredit terdiri dari Pinjaman Berjangka Sindikasi USD 50.000.000 (angka penuh) ("Fasilitas A") dan Pinjaman Revolving sebesar USD 105.000.000 (angka penuh) ("Fasilitas B").

Periode ketersediaan fasilitas A adalah tiga bulan terhitung sejak tanggal perjanjian. Periode ketersediaan fasilitas B dimulai sejak tanggal perjanjian sampai dengan 25 Agustus 2017, yaitu satu bulan sebelum tanggal jatuh tempo.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Fasilitas A

Pada tanggal 28 November 2016 telah dilakukan pencairan Pinjaman (Fasilitas *Term Loan*) sebesar USD 50.000.000 (nilai penuh), ekuivalen Rp 672.125 dengan suku bunga 1,93706% (3 bulan LIBOR + 1%).

21. BORROWINGS (continued)

a. Bank borrowings (continued)

(i) Loan Agreement 2016

On 28 September 2016, the Bank has entered into syndicated loan amounting to maximum USD 155,000,000 (full amount) with SMBC as the Mandated Lead Arranger as well Bookrunner, and Sumitomo Mitsui Banking Corporation - Singapore branch, as the agent.

The loan was used to finance the growth of micro and SME of the Bank's loan portfolio.

Based on agreement, credit facilities consist of Syndicated Term Loan amounting to USD 50,000,000 (full amount) ("Facility A") and Revolving Loan amounting to USD 105,000,000 (full amount) ("Facility B").

The availability period of Facility A is three months commencing from the date of agreement. The availability period of Facility B is commencing from the date of agreement until 25 August 2017, which is one month before maturity date.

The loan agreements provide several negative covenants to the Bank, such as:

- no substantial change is made to the general nature of its business without the prior written consent of the lender,
- not undertake or permit any merger, spin-off, consolidation or reorganisation, which has or could reasonably be expected to have material adverse effect,
- moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquidity asset ratio no less than 20%.

Facility A

On 28 November 2016 Facility A (*Term Loan Facility*) was drawdown amounting to USD 50,000,000 (full amount), equivalent to Rp 672,125 with interest rate 1.93706% (3 months LIBOR + 1%).

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21. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

(i) Perjanjian Pinjaman 2016 (lanjutan)

Fasilitas A (lanjutan)

Bank telah melakukan pembayaran bunga periode November 2016 - Februari 2017 pada tanggal 28 Februari 2017.

Pada tanggal 28 Februari 2017 tingkat suku bunga ditinjau kembali menjadi sebesar 2,05400% (3 bulan LIBOR + 1%) untuk 3 bulan yang berlaku hingga 30 Mei 2017.

Pada 30 Mei 2017, Bank telah melakukan pembayaran bunga dan tingkat suku bunga ditinjau kembali menjadi sebesar 2,20039% (3 bulan LIBOR + 1%) untuk 3 bulan yang berlaku hingga 30 Agustus 2017.

Pada tanggal 30 Agustus 2017, Bank telah melakukan pembayaran penuh pokok dan bunga pinjaman.

Fasilitas B

Pada tanggal 6 Desember 2016 telah dilakukan pencairan pinjaman (Pinjaman *Revolving*) sebesar USD 55.000.000 (angka penuh), ekuivalen Rp 736.038 dengan suku bunga 1,94639% (3 bulan LIBOR + 1%). Bank telah melakukan pembayaran penuh pokok dan bunga pinjaman pada akhir periode pinjaman yaitu pada 6 Maret 2017.

Pada tanggal 13 Desember 2016 telah dilakukan pencairan pinjaman sebesar USD 50.000.000 (angka penuh), ekuivalen Rp 665.375 dengan suku bunga 1,68000% (1 bulan LIBOR + 1%) jatuh tempo pada 13 Januari 2017. Pada tanggal 13 Januari 2017 Bank melakukan pembayaran bunga dan pokok pinjaman diperpanjang 1 bulan sampai 13 Februari 2017. Tingkat suku bunga pinjaman disesuaikan menjadi 1,76722% (1 bulan LIBOR + 1%). Bank telah melunasi pokok dan bunga pinjaman pada akhir periode pinjaman tanggal 13 Februari 2017.

21. BORROWINGS (continued)

a. Bank borrowings (continued)

(i) Loan Agreement 2016 (continued)

Facility A (continued)

The Bank has fully paid the interest for November 2016 - February 2017 period on 28 February 2017.

On 28 February 2017 the interest rate has been revised to 2.05400% (3 months LIBOR + 1%) for 3 months period, valid until 30 May 2017.

On 30 May 2017, the Bank has paid the interest and the interest rate has been revised to 2.20039% (3 months LIBOR + 1%) for 3 months period, valid until 30 August 2017.

On 30 August 2017, the Bank has fully paid the outstanding principal and interest.

Facility B

On 6 December 2016, loan was drawdown (revolving loan) amounting to USD 55,000,000 (full amount), equivalent to Rp 736,038 with interest rate 1.94639% (3 months LIBOR + 1%). The Bank has fully paid the outstanding principle and interest on due date on 6 March 2017.

On 13 December 2016, loan amounting to USD 50,000,000 (full amount), equivalent to Rp 665,375 has been drawdown with interest rate 1.68000% (1 month LIBOR + 1%) due date on 13 January 2017. On 13 January 2017 Bank has paid the due interest and rollover the outstanding principal until 13 February 2017. The interest rate has been adjusted to 1.76722% (1 month LIBOR + 1%). The Bank has paid the outstanding principal and interest on due date on 13 February 2017.

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21. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

(i) Perjanjian Pinjaman 2016 (lanjutan)

Facilitas B (lanjutan)

Pada tanggal 23 Maret 2017 dilakukan pencairan pinjaman sebesar USD 50.000.000 (angka penuh), ekuivalen Rp 666.225 dengan suku bunga 1,97722% (1 bulan LIBOR + 1%) dan jatuh tempo pada tanggal 25 April 2017.

Pada tanggal 25 April 2017 dilakukan *roll over* atas pinjaman sebesar USD 50.000.000 (angka penuh), ekuivalen Rp 664.225 dengan tingkat suku bunga 1,99056% (1 bulan LIBOR + 1%) dan jatuh tempo pada tanggal 26 Mei 2017.

Pada tanggal 26 Mei 2017 pinjaman sebesar USD 50.000.000 dilakukan *roll over* sebagian, sehingga sisa pinjaman adalah sebesar USD 25.000.000 (angka penuh), ekuivalen Rp 332.363 dengan tingkat suku bunga 2,19761% (3 bulan LIBOR + 1%) dan jatuh tempo pada tanggal 29 Agustus 2017. Pada tanggal 29 Agustus 2017, Bank telah melakukan pembayaran penuh pokok dan bunga.

Pada tanggal 12 April 2017 dilakukan pencairan pinjaman sebesar USD 55.000.000 (angka penuh), ekuivalen Rp 730.125 dengan suku bunga 1,98833% (1 bulan LIBOR + 1%) dan jatuh tempo pada tanggal 12 Mei 2017.

Pada tanggal 12 Mei 2017 dilakukan *roll over* atas pinjaman sebesar USD 55.000.000 (angka penuh), ekuivalen Rp 733.123 dengan suku bunga 2,18094% (3 bulan LIBOR + 1%) sampai 14 Agustus 2017. Pada tanggal 14 Agustus 2017, Bank telah melakukan pembayaran penuh pokok dan bunga.

(ii) Perjanjian Pinjaman tahun 2017

Pada tanggal 12 September 2017, Bank telah menandatangani fasilitas kredit melalui pinjaman sindikasi dengan nilai maksimum sebesar USD 250.000.000 (angka penuh) dengan SMBC sebagai Mandated Lead Arranger dan Bookrunner, dan Sumitomo Mitsui Banking Corporation cabang Singapura sebagai agen.

21. BORROWINGS (continued)

a. Bank borrowings (continued)

(i) Loan Agreement 2016 (continued)

Facility B (continued)

On 23 March 2017, loan was drawdown amounting to USD 50,000,000 (full amount), equivalent to Rp 666,225 with interest rate 1.97722% (1 month LIBOR + 1%) and due date on 25 April 2017.

On 25 April 2017, loan amounting to USD 50,000,000 (full amount), equivalent to Rp 664,225 was roll over with interest rate 1.99056% (1 month LIBOR + 1%) and due date on 26 May 2017.

On 26 May 2017, loan amounting to USD 50,000,000 was partially rolled over, therefore the remaining loan is amounting to USD 25,000,000 (full amount), equivalent to Rp 332,363 with interest rate 2.19761% (3 months LIBOR + 1%) and due date on 29 August 2017. On 29 August 2017, the Bank has fully paid the principal and interest.

On 12 April 2017, loan amounting to USD 55,000,000 (full amount), equivalent to Rp 730,125 has been drawdown with interest rate 1.98833% (1 month LIBOR + 1%) and due date on 12 May 2017.

On 12 May 2017, Facility B was rolled over amounting to USD 55,000,000 (full amount), equivalent to Rp 733,123 was roll over with interest rate 2.18094% (3 months LIBOR + 1%) and due date on 14 August 2017. On 14 August 2017, the Bank has fully paid the principal and interest.

(ii) Loan Agreement 2017

On 12 September 2017, the Bank has entered into syndicated loan amounting to maximum USD 250,000,000 (full amount) with SMBC as the Mandated Lead Arranger as well Bookrunner, and Sumitomo Mitsui Banking Corporation - Singapore branch, as the agent.

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21. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

**(ii) Perjanjian Pinjaman tahun 2017
(lanjutan)**

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro dan SME.

Berdasarkan perjanjian, fasilitas kredit terdiri dari Pinjaman Berjangka Sindikasi USD 115.000.000 (angka penuh) ("Fasilitas A") dan Pinjaman Revolving sebesar USD 135.000.000 (angka penuh) ("Fasilitas B").

Periode ketersediaan fasilitas A adalah tiga bulan terhitung sejak tanggal perjanjian. Bank tidak dapat melakukan penarikan kembali atas fasilitas pinjaman yang telah dilunasi.

Periode ketersediaan fasilitas B dimulai sejak tanggal perjanjian sampai dengan satu bulan sebelum tanggal jatuh tempo final. Tanggal jatuh tempo final adalah 360 hari sejak tanggal penarikan pertama fasilitas pinjaman.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8%, rasio likuiditas aset tidak kurang dari 20% dan rasio NPL (Non Performing Loan) tidak lebih dari 5%.

21. BORROWINGS (continued)

a. Bank borrowings (continued)

(ii) Loan Agreement 2017 (continued)

The loan was used to finance the growth of micro and SME of the Bank's loan portfolio.

Based on agreement, credit facilities consist of Syndicated Term Loan amounting to USD 115,000,000 (full amount) ("Facility A") and Revolving Loan amounting to USD 135,000,000 (full amount) ("Facility B").

The availability period of Facility A is three months comencing from the date of agreement. The Bank could not re-drawdown this loan facility that already repaid.

The availability period of Facility B is comencing from the date of agreement until one month before final maturity date. Final maturity date is 360 days from the date of first drawdown of the loan facility.

The loan agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*
- *not undertake or permit any merger, spin-off, consolidation or reorganisation, which has or could reasonably be expected to have material adverse effect,*
- *moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8%, liquidity asset ratio no less than 20% and NPL (Non Performing Loan Ratio) no more than 5%.*

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21. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

**(ii) Perjanjian Pinjaman tahun 2017
(lanjutan)**

Pada tanggal 20 November 2017 dilakukan penarikan Pinjaman Fasilitas A sebesar USD 115.000.000 (angka penuh), ekuivalen Rp 1.560.263 dengan suku bunga 2,43567% (3 bulan LIBOR +1%) jatuh tempo pada tanggal 20 Februari 2018.

Pada tanggal 26 Oktober 2017 dilakukan penarikan Pinjaman Fasilitas B (Pinjaman Revolving) sebesar USD 50.000.000 (angka penuh), ekuivalen Rp 678.375 dengan suku bunga 2,56444% (3 bulan LIBOR +1%) jatuh tempo pada tanggal 26 April 2018.

Pada tanggal 31 Desember 2017, total fasilitas yang tidak digunakan adalah Fasilitas B sebesar USD 85.000.000 (angka penuh).

b. Pinjaman bukan bank

Cicilan pokok pinjaman yang dibayarkan sesuai dengan tanggal jatuh temponya:

	<u>2017</u>	<u>2016</u>
Sampai dengan 1 tahun	-	1,643,125
1 - 2 tahun	2,339,030	-
2 - 3 tahun	665,125	-
Lebih dari 3 tahun	-	-
	<u>3,004,155</u>	<u>1,643,125</u>
Dikurangi:		
Biaya transaksi yang belum diamortisasi	<u>(25,261)</u>	<u>(26,629)</u>
	<u>2,978,894</u>	<u>1,616,496</u>
Beban bunga yang masih harus dibayar	<u>33,895</u>	<u>48,628</u>
	<u><u>3,012,789</u></u>	<u><u>1,665,124</u></u>

Pembayaran bunga pinjaman yang diterima telah dibayarkan oleh Bank sesuai dengan jadwal.

Termasuk di dalam pinjaman bukan bank adalah fasilitas pinjaman dengan International Finance Corporation (IFC), bukan pihak berelasi yang terdiri dari beberapa perjanjian sebagai berikut:

21. BORROWINGS (continued)

a. Bank borrowings (continued)

(ii) Loan Agreement 2017 (continued)

On 20 November 2017 Facility A (Term Loan) amounting to USD 115,000,000 (full amount), equivalent to Rp 1,560,263 has been drawdown with interest rate 2.43567% (3 months LIBOR +1%) due date on 20 February 2018.

On 26 October 2017 Facility B (Revolving Loan) amounting to USD 50,000,000 (full amount), equivalent to Rp 678,375 has been drawdown with interest rate 2.56444% (3 months LIBOR + 1%) due date on 26 April 2018.

On 31 December 2017, total unused Facility B amounted to USD 85,000,000 (full amount).

b. Non-bank borrowings

Installments of principal borrowings based on maturity date:

Up to 1 year
1 - 2 years
2 - 3 years
More than 3 years

Less:
Unamortised
transaction costs

Accrued interest expenses

Payments of interest on non-bank borrowings have been paid in accordance with the schedule.

Non-bank borrowings consisted of agreement of borrowing facilities from International Finance Corporation (IFC), non-related party as follow:

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(i) Perjanjian Pinjaman Jangka Panjang 2011

Berdasarkan Perjanjian Pinjaman Jangka Panjang 2011, IFC memberikan pinjaman sebesar Rp 474.440, yang dicairkan pada tanggal 16 Maret 2011, dengan suku bunga sebesar 9,795%. Berdasarkan amandemen terakhir pinjaman yang diterima, pembayaran bunga dibayarkan setiap 6 (enam) bulan, yaitu setiap tanggal 15 Januari dan 15 Juli, yang dimulai tanggal 15 Juli 2011 dan berakhir pada tanggal 15 Juli 2016.

Pokok pinjaman dibayarkan dengan cicilan sebanyak 6 (enam) kali pada setiap semester pada tanggal pembayaran bunga yang dimulai tanggal 15 Juli 2013 dan berakhir tanggal 15 Januari 2016. Bank telah melakukan pembayaran seluruh pokok pinjaman pada akhir periode pinjaman yaitu 15 Januari 2016.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro.

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan untuk melakukan suatu tindakan pembebanan terhadap aset Bank melebihi 35% dari pinjaman tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *demerger*, restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah SMBC menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(i) Senior Loan Agreement 2011

Based on the senior loan agreement 2011, IFC granted to distribute a loan to the Bank amounting to Rp 474,440 which have been drawdown on 16 March 2011 with the interest rate 9.795%. Based on the latest amendment of borrowing agreement, interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 15 July 2011 and ended on 15 July 2016.

The principal is paid on 6 (six) times installment basis on every interest date payment, commencing on 15 July 2013 with final installment to be paid at 15 January 2016. The Bank has fully paid the outstanding principal on 15 January 2016.

The loan was used to fund micro financing.

The loan agreements provide several negative covenants to the Bank, such as:

- *not create or permit to subsist any security interest or encumbrance over any of its assets exceeding 35% of the loan without the prior written consent of the lender,*
- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*
- *not undertake or permit any merger, demerger, corporate restructuring, which has or could reasonably be expected to have material adverse effect,*
- *not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that the action would changes the SMBC to become non-controlling shareholder under the Indonesia's Banking or Financial Regulations,*

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(i) Perjanjian Pinjaman Jangka Panjang 2011 (lanjutan)

- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%. Bank telah memenuhi persyaratan perjanjian pinjaman.

(ii) Perjanjian Pinjaman 2012

Pada tanggal 18 Maret 2013, Bank telah melakukan penarikan penuh atas fasilitas sebesar Rp 970.200 (ekuivalen USD 100.000.000 (nilai penuh)) dengan suku bunga sebesar 6,8%. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Juli 2013 dan berakhir pada tanggal 15 Januari 2014. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 18 Maret 2014.

Pada tanggal 24 Maret 2014, Bank telah melakukan penarikan penuh sebesar Rp 1.145.000 (ekuivalen USD 100.000.000 (nilai penuh)) dengan suku bunga 9,1%. Pembayaran bunga dilakukan setiap 6 bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Juli 2014 dan berakhir 15 Januari 2015. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 24 Maret 2015.

Pada tanggal 22 Desember 2015, Bank telah melakukan penarikan penuh sebesar Rp 1.400.000 (ekuivalen USD 100.000.000 (nilai penuh)) dengan suku bunga 11,85%. Pembayaran bunga dilakukan setiap 6 bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Januari 2016 dan berakhir 22 Juni 2016. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 22 Juni 2016.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(i) Senior Loan Agreement 2011 (continued)

- moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquid asset ratio no less than 20%. Bank has complied with covenants on loan agreements.

(ii) Loan Agreement 2012

The facility was fully drawdown on 18 March 2013, amounting to Rp 970,200 (equivalent to USD 100,000,000 (full amount)) with interest rate 6.8%. Interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 15 July 2013 and ended on 15 January 2014. The Bank has fully paid the outstanding principal by way of a bullet payment on 18 March 2014.

The facility was fully drawdown on 24 March 2014, amounting to Rp 1,145,000 (equivalent to USD 100,000,000 (full amount)) with interest rate 9.1%. Interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 15 July 2014 and ended on 15 January 2015. The Bank has fully paid the outstanding principal by way of a bullet payment on 24 March 2015.

The facility was fully drawdown on 22 December 2015, amounting to Rp 1,400,000 (equivalent to USD 100,000,000 (full amount)) with interest rate 11.85%. Interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 15 January 2016 and ended on 22 June 2016. The Bank has fully paid the outstanding principal by way of a bullet payment on due date on 22 June 2016.

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(ii) Perjanjian Pinjaman 2012 (lanjutan)

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro.

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *demerger*, restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah SMBC menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Periode ketersediaan berakhir pada tanggal 9 Oktober 2015 dan diperpanjang hingga 9 Oktober 2016.

Pada tanggal 8 Juni 2017 telah dilakukan penandatanganan atas amandemen perjanjian sebesar USD 100.000.000 (angka penuh) yang dapat dicairkan dalam Dollar Amerika Serikat atau Rupiah.

Bank dapat melakukan penarikan kembali atas fasilitas pinjaman ini (*revolving loan*) atas jumlah yang telah telah dibayar kembali atau dilunasi sebelum atau pada 8 Juni 2020.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro dan SME.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(ii) Loan Agreement 2012 (continued)

The loan was used to demonstrate the commitments of the Bank to finance micro loan.

The loan agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*
- *not undertake or permit any merger, demerger, corporate restructuring, which has or could reasonably be expected to have material adverse effect,*
- *not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that action would make the SMBC to become non-controlling shareholder under the Indonesia's Banking or Financial Regulations,*
- *moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquidity asset ratio no less than 20%.*

The availability period due on 9 October 2015 and extended until 9 October 2016.

Amendment Agreement has signed on 8 June 2017, amounting to USD 100,000,000 (full amount) which can be drawdown in United States Dollar or Rupiah.

The Bank could re-drawdown this loan facility (revolving loan) amounting to portion that already repaid prior to or on 8 June 2020.

The loan was used to finance the growth of the Bank's micro and SME loan portfolio.

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(ii) Perjanjian Pinjaman 2012 (lanjutan)

Pada tanggal 5 Desember 2017, Bank melakukan penarikan sebesar Rp 676.250, ekuivalen USD 50.000.000 (nilai penuh) dengan suku bunga 7,59%. Pembayaran bunga dilakukan setiap 6 bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Januari 2018 dan akan berakhir pada tanggal 5 Juni 2019.

Pada tanggal 31 Desember 2017, total fasilitas yang belum digunakan adalah sebesar USD 50.000.000 (nilai penuh).

(iii) Perjanjian Pinjaman 2014

Perjanjian Pinjaman Ketiga 2014

Pada tanggal 2 Oktober 2014, Bank telah melakukan penarikan penuh atas fasilitas sebesar Rp 608.500 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,91%. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Januari 2015 dan berakhir pada tanggal 15 Juli 2015. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 2 Oktober 2015.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro.

Pada tanggal 21 Juni 2016, Bank telah melakukan penarikan penuh sebesar Rp 668.250 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,85%. jatuh tempo 16 Januari 2017. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Juli 2016 dan berakhir pada tanggal 16 Januari 2017. Bank telah melakukan pembayaran pokok pinjaman pada pada akhir periode pinjaman yaitu pada 16 Januari 2017.

Pada tanggal 28 April 2017, Bank telah melakukan penarikan penuh sebesar Rp 664.250 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,05%, jatuh tempo pada 15 Juli 2018. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 15 Januari dan 15 Juli yang dimulai pada 17 Juli 2017 dan berakhir pada tanggal 15 Juli 2018.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(ii) Loan Agreement 2012 (continued)

On 5 December 2017, loan was drawdown amounting to Rp 676,250, equivalent to USD 50,000,000 (full amount) with interest rate 7.59%. Interest payment is semi-annual basis on 15 January and 15 July which started on 15 January 2018 and will be ended on 5 June 2019.

On 31 December 2017, total unused facility amounting to USD 50,000,000 (full amount).

(iii) Loan Agreement 2014

Third Loan Agreement 2014

The facility was fully drawdown on 2 October 2014, amounting to Rp 608,500 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.91%. Interest is paid on semi-annual basis on 15 January and 15 July, commencing on 15 January 2015 and ended on 15 July 2015. The Bank has fully paid the outstanding principal by way of a bullet payment on 2 October 2015.

The loan was used to fund micro financing.

The facility was fully drawdown on 21 June 2016, amounting to Rp 668,250 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.85%. maturing on 16 January 2017. Interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 15 July 2016 and ended on 16 January 2017. The bank has fully paid the outstanding principal by way of a bullet payment on due date on 16 January 2017.

On 28 April 2017, The Bank was fully drawdown the facility amounting to Rp 664,250 (equivalent to USD 50,000,000 (full amount)) with the interest rate 8.05%, maturing on 15 July 2018. Interest is paid on a semi-annual basis on 15 January and 15 July, commencing on 17 July 2017 and ended on 15 July 2018.

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(iii) Perjanjian Pinjaman 2014 (lanjutan)

**Perjanjian Pinjaman Ketiga 2014
(lanjutan)**

Pada tanggal 13 November 2017, periode ketersediaan fasilitas telah diperpanjang untuk periode 1 Agustus 2017 sampai dengan 1 Februari 2019.

Pada tanggal 31 Desember 2017, total fasilitas telah dipergunakan penuh sebesar USD 50.000.000 (nilai penuh).

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau reorganisasi, yang dapat memberikan dampak merugikan yang signifikan,
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah Sumitomo Mitsui Banking Corporation (SMBC) menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,
- selain itu, Bank wajib memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Perjanjian Pinjaman Keempat 2014

Pada tanggal 9 Oktober 2014, telah dilakukan penarikan fasilitas pinjaman keempat sebesar Rp 611.000 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,84%, jatuh tempo pada 9 Oktober 2015. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Januari 2015 dan berakhir pada tanggal 15 Juli 2015. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 9 Oktober 2015.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iii) Loan Agreement 2014 (continued)

**Third Loan Agreement 2014
(continued)**

On 13 November 2017, the facility availability period has been extended for period 1 August 2017 until 1 February 2019.

On 31 December 2017, the facility is fully utilized, amounting to USD 50,000,000 (full amount).

The loan agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*
- *not undertake or permit any merger, spin-off, consolidation or reorganization, which has or could reasonably be expected to have material adverse effect,*
- *not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that the action would changes the Sumitomo Mitsui Banking Corporation (SMBC) as non-controlling shareholder under the Indonesia's Banking or Financial Regulations,*
- *moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquidity asset ratio no less than 20%.*

Fourth Loan Agreement 2014

The fourth loan facility was drawdown on 9 October 2014, amounting to Rp 611,000 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.84% maturing on 9 October 2015. Interest is paid on semi-annual basis on 15 January and 15 July, commencing on 15 January 2015 and ended on 15 July 2015. The principal is paid by way of a bullet payment on due date on 9 October 2015.

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(iii) Perjanjian Pinjaman 2014 (lanjutan)

**Perjanjian Pinjaman Keempat 2014
(lanjutan)**

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro.

Pada tanggal 31 Oktober 2014, telah dilakukan penarikan fasilitas pinjaman keempat sebesar Rp 608.000 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,75%, jatuh tempo pada 31 Oktober 2015. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai tanggal 15 Januari 2015 dan berakhir tanggal 15 Juli 2015. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu 2 November 2015.

Pada tanggal 26 November 2014, telah dilakukan penarikan fasilitas pinjaman keempat sebesar Rp 608.250 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga 8,70%, jatuh tempo 26 November 2015. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai tanggal 15 Januari 2015 dan berakhir tanggal 15 Juli 2015. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu 26 November 2015.

Pada tanggal 4 Oktober 2016, telah dilakukan penarikan fasilitas pinjaman keempat sebesar Rp 649.500 (ekuivalen USD 50.000.000 (nilai penuh)) dengan suku bunga sebesar 8,20%, jatuh tempo pada 17 Juli 2017. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai tanggal 16 Januari 2017 dan berakhir tanggal 17 Juli 2017. Bank telah melakukan pembayaran pokok pinjaman pada 17 Juli 2017.

Tujuan pinjaman tersebut adalah untuk mendanai kredit mikro dan SME.

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iii) Loan Agreement 2014 (continued)

**Fourth Loan Agreement 2014
(continued)**

The loan was used to fund micro financing.

The fourth loan facility was drawdown on 31 October 2014, amounting to Rp 608,000 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.75% maturing on 31 October 2015. Interest is paid on semi-annual basis on 15 January and 15 July, commencing on 15 January 2015 and ended on 15 July 2015. The Bank has fully paid the outstanding principal by way of a bullet payment on 2 November 2015.

The fourth loan facility was drawdown on 26 November 2014, amounting to Rp 608,250 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.70% maturing on 26 November 2015. Interest is paid on semi-annual basis on 15 January and 15 July, commencing on 15 January 2015 and ended on 15 July 2015. The Bank has fully paid the outstanding principal by way of a bullet payment on 26 November 2015.

The fourth loan facility was drawdown on 4 October 2016, amounting to Rp 649,500 (equivalent to USD 50,000,000 (full amount)) with interest rate 8.20% maturing on 17 July 2017. Interest is paid on semi-annual basis on 15 January and 15 July, commencing on 16 January 2017 and ended on 17 July 2017. The principal will be paid by way of a bullet payment on due date on 17 July 2017. The Bank has fully paid the outstanding principal on 17 July 2017.

The loan was used to fund micro and SME financing.

The loan agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*

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b. Pinjaman bukan bank (lanjutan)

(iii) Perjanjian Pinjaman 2014 (lanjutan)

**Perjanjian Pinjaman Keempat 2014
(lanjutan)**

- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau reorganisasi, yang dapat memberikan dampak merugikan yang signifikan,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Periode ketersediaan fasilitas telah berakhir pada tanggal 1 Agustus 2017.

(iv) Perjanjian Pinjaman 2015

Berdasarkan perjanjian pinjaman 2015 dengan IFC, pada tanggal 30 Maret 2015, telah dilakukan penarikan fasilitas pinjaman tersebut sebesar Rp 1.310.700 (ekuivalen USD 100.000.000 (nilai penuh)) yang terdiri atas pinjaman A1 sebesar Rp 325.375 (ekuivalen USD 25.000.000 (nilai penuh)) dengan suku bunga 9,83%, jatuh tempo pada 30 Maret 2017, dan pinjaman A2 sebesar Rp 985.325 (ekuivalen USD 75.000.000 (nilai penuh)) dengan suku bunga 8,88%, jatuh tempo pada 30 September 2015.

Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 30 Maret dan 30 September, yang dimulai pada tanggal 30 September 2015 dan berakhir pada tanggal 30 Maret 2017 untuk pinjaman A1, dan pada 30 September 2015 untuk pinjaman A2.

Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada tanggal 30 Maret 2017 untuk pinjaman A1 dan 30 September 2015 untuk pinjaman A2.

Pada tanggal 24 November 2015, fasilitas pinjaman A2 telah dicairkan kembali sebesar Rp 972.704 (ekuivalen USD 71.343.736 (nilai penuh)) dengan suku bunga 12,59%, jatuh tempo pada 30 September 2016.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iii) Loan Agreement 2014 (continued)

**Fourth Loan Agreement 2014
(continued)**

- *not undertake or permit any merger, spin-off, consolidation or reorganization, which has or could reasonably be expected to have material adverse effect,*
- *Moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquidity asset ratio no less than 20%.*

The facility availability period was due on 1 August 2017.

(iv) Loan Agreement 2015

Based on loan agreement 2015 with IFC, on 30 March 2015, the facility was drawdown amounting to Rp 1,310,700 (equivalent to USD 100,000,000 (full amount)) which consists of A1 loan amounting to Rp 325,375 (equivalent to USD 25,000,000 (full amount)) with interest rate 9.83%, maturing on 30 March 2017, and A2 loan amounting to Rp 985,325 (equivalent to USD 75,000,000 (full amount)) with interest rate 8.88%, maturing on 30 September 2015.

Interest is paid on semi annual basis on 30 March and 30 September, commencing on 30 September 2015 and ended on 30 March 2017 for A1 loan, and on 30 September 2015 for A2 loan.

The Bank has fully paid the outstanding principal by way of bullet payment on due date on 30 March 2017 for A1 loan and 30 September 2015 for A2 loan.

On 24 November 2015, the A2 facility was rewithdrawn amounting to Rp 972,704 (equivalent to USD 71,343,736 (full amount)) with interest rate 12.59%, maturing on 30 September 2016.

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(iv) Perjanjian Pinjaman 2015 (lanjutan)

Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 30 Maret dan 30 September, yang dimulai pada tanggal 30 Maret 2016 dan berakhir pada tanggal 30 September 2016. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada 30 September 2016.

Pada tanggal 6 Juni 2017, Bank melakukan penarikan fasilitas A1 sebesar Rp 333.000 (ekuivalen USD 25.000.000 (nilai penuh)) dengan suku bunga 8,17%, jatuh tempo pada 6 Juni 2019. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 6 Juni dan 6 Desember, yang dimulai pada tanggal 6 Desember 2017 dan berakhir pada tanggal 6 Juni 2019.

Pada tanggal 6 Juni 2017, Bank melakukan penarikan fasilitas A2 sebesar Rp 1.000.350, ekuivalen USD 75.000.000 (nilai penuh) dengan suku bunga 6,64%, jatuh tempo pada 6 Desember 2017. Bank telah melakukan pembayaran bunga dan pokok pinjaman pada tanggal 6 Desember 2017.

Pada tanggal 20 Juni 2017, Bank melakukan penarikan fasilitas A1 sebesar Rp 332.125 (ekuivalen USD 25.000.000 (nilai penuh)) dengan suku bunga 8,06%, jatuh tempo pada 20 Juni 2019. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 20 Juni dan 20 Desember, yang dimulai pada tanggal 20 Desember 2017 dan berakhir pada tanggal 20 Juni 2019.

Pada tanggal 20 Juni 2017, Bank melakukan penarikan fasilitas A2 sebesar Rp 988.530 (ekuivalen USD 75.000.000 (nilai penuh)) dengan suku bunga 7,02%, jatuh tempo pada 20 Juni 2018. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 20 Juni dan 20 Desember, yang dimulai pada tanggal 20 Desember 2017 dan berakhir pada tanggal 20 Juni 2018.

Pada tanggal 31 Desember 2017, total fasilitas yang belum digunakan adalah sebesar USD 175.000.000 (nilai penuh) dari plafon pinjaman yang diberikan sebesar USD 300.000.000 (nilai penuh).

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iv) Loan Agreement 2015 (continued)

Interest is paid on semi annual basis on 30 March and 30 September, commencing on 30 March 2016 and ended on 30 September 2016. The Bank has fully paid the outstanding principal by way of bullet payment on due date on 30 September 2016.

On 6 June 2017, The Bank has drawdown the A1 facility amounting to Rp 333,000 (equivalent to USD 25,000,000 (full amount)) with the interest rate 8.17%, maturing on 6 June 2019. Interest is paid on semi annual basis on 6 June and 6 December, commencing on 6 December 2017 and ended on 6 June 2019.

On 6 June 2017, The Bank has drawdown the A2 facility amounting to Rp 1,000,350, equivalent to USD 75,000,000 (full amount) with the interest rate 6.64%, due date on 6 December 2017. Interest and principal will be paid on 6 December 2017. The Bank has fully paid the outstanding interest and principal on 6 December 2017.

On 20 June 2017, The Bank has drawdown the A1 facility amounting to Rp 333,125 (equivalent to USD 25,000,000 (full amount)) with the interest rate 8.06%, maturing on 20 June 2019. Interest is paid on semi annual basis on 20 June and 20 December, commencing on 20 December 2017 and ended on 20 June 2019.

On 20 June 2017, The Bank has drawdown the A2 facility amounting to Rp 988,530 (equivalent to USD 75,000,000 (full amount)) with the interest rate 7.02%, maturing on 20 June 2018. Interest is paid on semi annual basis on 20 June and 20 December, commencing on 20 December 2017 and ended on 20 June 2018.

On 31 December 2017, total unused facility amounted to USD 175,000,000 (full amount) from total plafond amounting to USD 300,000,000 (full amount).

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21. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(iv) Perjanjian Pinjaman 2015 (lanjutan)

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah Sumitomo Mitsui Banking Corporation (SMBC) menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,
- selain itu, Bank wajib untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Pada tanggal 31 Desember 2017, Bank telah memenuhi seluruh rasio yang dipersyaratkan.

c. Liabilitas sewa pembiayaan

Pada tahun 2016, Bank telah melunasi seluruh liabilitas sewa pembiayaannya.

22. AKRUAL

	2017
Akrual biaya promosi	125,310
Akrual biaya restrukturisasi ^{*)}	123,003
Akrual biaya operasional	120,680
Akrual jasa profesional	29,675
	<u>398,668</u>

^{*)} Akrua biaya restrukturisasi pada tanggal 31 Desember 2017 terdiri dari akrual atas Sumber Daya Manusia dan operasional yang akan digunakan di 2018 masing-masing senilai Rp 65.000.000 dan Rp 58.003.310.

21. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iv) Loan Agreement 2015 (continued)

The loan agreements provide several negative covenants to the Bank, such as:

- no substantial change is made to the general nature of its business without the prior written consent of the lender,
- not undertake or permit any merger, spin-off, consolidation or reorganisation, which has or could reasonably be expected to have material adverse effect,
- not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that the action would change the Sumitomo Mitsui Banking Corporation (SMBC) as non-controlling shareholder under the Indonesia's Banking or Financial Regulations,
- moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio no less than 8% and liquid asset ratio no less than 20%.

On 31 December 2017, the Bank has fulfilled all required ratios.

c. Finance lease liabilities

In 2016, Bank has repaid all of its finance lease liabilities.

22. ACCRUALS

	2016	
	102,776	Accrued promotion expenses
	-	Accrued restructuring expenses ^{*)}
	88,809	Accrued operational expenses
	12,463	Accrued professional fee
	<u>204,048</u>	

Accrued restructuring expenses as of 31 December 2017 consist of ^{*)} accruals for Human Capital and operational that will be used in 2018 amounted to Rp 65,000,000 and Rp 58,003,310 respectively.

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23. LIABILITAS IMBALAN KERJA KARYAWAN**23. EMPLOYEE BENEFIT LIABILITIES**

Liabilitas imbalan kerja karyawan terdiri dari:

Employee benefits liabilities are consisting of:

	<u>2017</u>	<u>2016</u>	
Akrual bonus karyawan dan THR	276,936	262,257	<i>Accrual of employee bonus and THR</i>
Akrual tantiem	20,678	80,900	<i>Accrual for tantiem</i>
Entitas anak	<u>113,516</u>	<u>83,150</u>	<i>Subsidiary</i>
	<u>411,130</u>	<u>426,307</u>	
Liabilitas imbalan pasca kerja			<i>Post employment benefit liabilities</i>
- Bank	-	2,219	<i>Bank -</i>
- Entitas Anak	7,372	-	<i>Subsidiary -</i>
Imbalan kerja jangka panjang lainnya			<i>Other long-term employee benefits</i>
- Bank	26,258	35,290	<i>Bank -</i>
- Entitas Anak	<u>12,024</u>	<u>9,812</u>	<i>Subsidiary -</i>
	<u>45,654</u>	<u>47,321</u>	
Liabilitas yang diakui pada laporan posisi keuangan konsolidasian	<u><u>456,784</u></u>	<u><u>473,628</u></u>	<i>Liability recognized in the consolidated statements of financial position</i>

Bank menerapkan kebijakan program manfaat imbalan pasca-kerja sesuai dengan Undang-Undang Tenaga Kerja (UUTK) No. 13 Tahun 2003 dan Perjanjian Kerjasama yang berlaku di Bank. Dasar perhitungan manfaat UUTK No. 13 ini menggunakan gaji pokok terkini. Program pensiun manfaat pasti ini dikelola oleh PT Asuransi Allianz Life Indonesia.

The Bank implemented post-employment benefit policy based on Labor Law (UUTK) No. 13 Year 2003 and Collective Labor Agreement applied in Bank. The calculation basis of this UUTK No. 13 benefit is the current basic salary. The Bank's defined benefit pension plan is managed by PT Asuransi Allianz Life Indonesia.

Program tersebut memberikan manfaat pensiun yang akan dibayarkan kepada karyawan yang berhak pada saat karyawan pensiun atau pada saat karyawan tersebut berhenti sesuai dengan peraturan UU Ketenagakerjaan. Pendanaan program pensiun ini dilakukan oleh Bank dengan membayar iuran tahunan yang setidaknya memenuhi jumlah minimum seperti yang diharuskan oleh peraturan perundang-undangan yang berlaku.

The program calls for benefits to be paid to eligible employees at retirement or when the employees resign according to the Labor Law regulation. The Bank has funded the plan through annual contributions which are sufficient to meet the minimum requirements set forth in applicable laws.

Pada tanggal 31 Desember 2017, jumlah karyawan yang memiliki hak atas manfaat ini adalah 6.673 karyawan (2016: 13.064 karyawan) (tidak diaudit).

As at 31 December 2017, the total number of employees eligible for this benefit are 6,673 employees (2016: 13,064 employees) (unaudited).

Selain memberikan manfaat yang disebutkan di atas, Bank juga memberikan manfaat cuti panjang kepada karyawannya.

Beside the benefits mentioned above, the Bank also provides its employees with long leave benefit.

Perhitungan aktuarial per 31 Desember 2017 dan 2016 dilakukan oleh PT Biro Pusat Aktuarial, aktuaris independen, berdasarkan laporannya masing-masing tertanggal 19 Januari 2018 dan 25 Januari 2017.

The actuarial calculation as at 31 December 2017 and 2016 was performed by PT Biro Pusat Aktuarial, an independent actuary, based on its reports dated 19 January 2018 and 25 January 2017, respectively.

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**23. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)**

Perhitungan aktuarial tersebut menggunakan asumsi-asumsi sebagai berikut:

23. EMPLOYEE BENEFIT LIABILITIES (continued)

The actuarial valuations were carried out using the following assumptions:

	<u>2017</u>	<u>2016</u>	
Asumsi ekonomi:			Economic assumptions:
Tingkat diskonto per tahun	6.5%	8.1%	Interest discount rate per annum
Tingkat kenaikan gaji per tahun	8%	9%	Salary increment rate per annum
Asumsi lainnya:			Other assumptions:
Usia pensiun normal	55	55	Normal pension age
	Tabel mortalita/ Mortality table Indonesia 2011	Tabel mortalita/ Mortality table Indonesia 2011	
Tingkat kematian	(TMI 11)	(TMI 11)	Mortality rate
Tingkat cacat	10% TMI 11	10% TMI 11	Disability rate

Imbalan pasca kerja

Post employment benefits

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

The movement in the defined benefit obligation over the year is as follows:

	<u>2017</u>	<u>2016</u>	
Saldo awal tahun	827,306	704,905	Balance at beginning of year
Biaya jasa kini	119,778	107,646	Current service cost
Biaya jasa lalu	(333,617)	-	Past service cost
Beban bunga	66,764	59,917	Interest expense
Pembayaran manfaat	(91,186)	(50,658)	Benefit payment
Pengukuran kembali:			Remeasurements:
- Perubahan penyesuaian pengalaman	(25,062)	24,670	Changes in experience - adjustment
- Perubahan asumsi keuangan	39,616	(19,174)	Changes in financial - assumptions
Saldo akhir tahun	<u>603,599</u>	<u>827,306</u>	Balance at end of year

Beban imbalan pasca-kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

Post-employment benefits expenses recognised in the statement of profit or loss are as follows:

	<u>2017</u>	<u>2016</u>	
Biaya jasa kini	119,778	107,646	Current service cost
Biaya jasa lalu:			Past service cost:
- Kurtailmen	(333,617)	-	Curtailments -
Penyelesaian plan asset	320,777	-	Plan asset settlement
Bunga bersih	179	(936)	Net interest
Jumlah beban atas imbalan kerja karyawan	<u>107,117</u>	<u>106,710</u>	Total employee benefit expense

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23. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)

23. EMPLOYEE BENEFIT LIABILITIES (continued)

Imbalan pasca kerja (lanjutan)

Post employment benefits (continued)

Rekonsiliasi perubahan selama tahun berjalan atas perubahan liabilitas bersih yang diakui di laporan posisi keuangan adalah sebagai berikut:

The reconciliation of the movement during the year of the net liability recognised in the statements of financial position are as follows:

	<u>2017</u>	<u>2016</u>	
Saldo awal tahun	2,219	(11,018)	Balance at beginning of year
Beban tahun berjalan	107,117	106,710	Current year expense
Kontribusi pemberi kerja	(119,786)	(108,570)	Employer's contribution
Jumlah yang diakui pada pendapatan komprehensif lain	<u>10,450</u>	<u>15,097</u>	Total amount recognised in other comprehensive income
Saldo akhir tahun	<u>-</u>	<u>2,219</u>	Balance at end of year

Estimasi liabilitas atas imbalan pasca-kerja:

Estimated post-employment benefit liabilities:

	<u>2017</u>	<u>2016</u>	
Nilai kini liabilitas pada akhir tahun	603,599	827,306	Present value of liabilities at end of year
Nilai wajar aset pada akhir tahun	(603,774)	(825,087)	Fair value of plant assets at end of year
Dampak batas atas aset	<u>175</u>	<u>-</u>	The effect of the asset ceiling
	<u>-</u>	<u>2,219</u>	

Pergerakan nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

The movement in the fair value of plan assets during the year is as follows:

	<u>2017</u>	<u>2016</u>	
Saldo awal tahun	825,087	715,923	Balance at beginning of year
Hasil yang diharapkan dari aset program	66,585	60,853	Expected return on plan assets
Kontribusi pemberi kerja	119,786	108,570	Employer's contribution
Imbalan yang dibayar	(91,186)	(50,658)	Benefit paid
Penyelesaian plan asset	(320,777)	-	Plan asset settlement
Pengukuran kembali:			Remeasurements:
- Imbal hasil atas aset program	<u>4,279</u>	<u>(9,601)</u>	Return on plan assets -
Saldo akhir tahun	<u>603,774</u>	<u>825,087</u>	Balance at end of year

Aset program terdiri dari:

Plan assets comprise the following :

	2017				2016				
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total	%	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total	%	
Kas/ Deposito berjangka	-	37,555	37,555	6.22%	-	256,602	256,602	31.10%	Cash/ Time deposit
Reksa Dana	566,219	-	566,219	93.78%	568,485	-	568,485	68.90%	Mutual Funds
Jumlah	<u>566,219</u>	<u>37,555</u>	<u>603,774</u>	<u>100%</u>	<u>568,485</u>	<u>256,602</u>	<u>825,087</u>	<u>100%</u>	Total

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**23. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)**

Imbalan pasca kerja (lanjutan)

Seluruh aset program pensiun ditempatkan pada deposito berjangka yang diterbitkan oleh Bank dan reksa dana.

Bank terekspos dengan beberapa risiko melalui program imbalan pasti. Risiko yang paling signifikan adalah sebagai berikut:

Volatilitas aset

Liabilitas program dihitung menggunakan tingkat diskonto yang merujuk kepada tingkat imbal hasil obligasi pemerintah, jika imbal hasil aset program lebih rendah, maka akan menghasilkan defisit program. Program pensiun imbalan pasti Bank memiliki porsi ekuitas yang signifikan, yang diharapkan untuk menghasilkan imbal hasil yang lebih tinggi dibandingkan obligasi pemerintah dan perusahaan jangka panjang sementara memberikan volatilitas dan risiko dalam jangka pendek.

Perubahan imbal hasil obligasi

Penurunan imbal hasil obligasi korporasi akan meningkatkan liabilitas program, walaupun hal ini akan saling hapus dengan kenaikan dari nilai obligasi program yang dimiliki.

Jumlah kontribusi yang diharapkan untuk program pensiun imbalan pasti dalam satu tahun ke depan adalah sebesar Rp 119.786.

Hasil yang diharapkan dari aset program ditentukan dengan mempertimbangkan imbal hasil yang diharapkan atas aset yang dengan mengacu pada kebijakan investasi. Hasil investasi bunga tetap didasarkan pada hasil pengembalian bruto pada tanggal pelaporan.

Nilai kini liabilitas yang didanai, nilai wajar aset program dan surplus pada program untuk empat tahun terakhir yaitu:

	31 Desember/December				
	2017	2016	2015	2014	2013
Nilai kini liabilitas yang didanai	603,599	827,306	704,905	767,566	663,754
Nilai wajar aset program	(603,774)	(825,087)	(715,923)	(592,031)	(499,103)
Dampak batas atas aset	175	-	-	-	-
Defisit/(surplus)	-	2,219	(11,018)	175,535	164,651
Penyesuaian pengalaman pada liabilitas program	25,062	(24,670)	22,084	2,396	64,056
Penyesuaian pengalaman pada aset program	4,279	(9,601)	3,372	(1,692)	(37,832)

23. EMPLOYEE BENEFIT LIABILITIES (continued)

Post employment benefits (continued)

All of the pension plan assets are placed on time deposits issued by the Bank and mutual funds.

The Bank is exposed to a number of risks through its defined benefit pension plans. The most significant risks are as follow:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields, if plan assets underperform this yield, this will create a deficit. The Bank's defined benefit pension plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Expected contributions to defined benefit pension plan for the next year are Rp 119,786.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

Present value of funded obligations, fair value of plan assets and surplus of program for the last four years are as follows:

Present value of funded obligations
Fair value of plan assets
The effect of the asset ceiling
Deficit/(surplus)
Experience adjustment on plan liabilities
Experience adjustment on plan assets

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**23. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)**

Imbalan pasca kerja (lanjutan)

Manajemen berkeyakinan bahwa estimasi liabilitas atas imbalan pasca-kerja per 31 Desember 2017 dan 2016 telah memenuhi persyaratan minimum UUTK No. 13.

Durasi rata-rata tertimbang dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2017 dan 2016 adalah 7 tahun.

Analisis jatuh tempo yang diharapkan dari manfaat pensiun tidak didiskontokan adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Kurang dari satu tahun	16,994	2,337
Antara satu dan dua tahun	41,171	48,595
Antara dua dan lima tahun	163,590	273,400
Lebih dari lima tahun	8,494,520	14,311,992

Sensitivitas liabilitas pensiun imbalan pasti untuk perubahan asumsi aktuarial pokok adalah sebagai berikut:

		<u>2017</u>		
		<u>Dampak program pension iuran pasti dan imbalan kerja jangka panjang lainnya/ Impact on defined contribution pension plan and other long-term employee benefits</u>		
		<u>Nilai kini kewajiban imbalan kerja/ Present value of benefit obligation</u>		
	<u>Perubahan Asumsi/ Change in Assumption</u>		<u>Biaya jasa kini/ Current service cost</u>	
Tingkat diskonto	Kenaikan/increase 1%	553,196	107,019	
	Penurunan/decrease 1%	661,883	134,860	<i>Discount rate</i>
Tingkat kenaikan gaji	Kenaikan/increase 1%	663,074	135,164	
	Penurunan/decrease 1%	551,318	106,559	<i>Salary increase rate</i>

Analisis sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam penghitungan kewajiban pensiun yang diakui dalam laporan posisi keuangan.

23. EMPLOYEE BENEFIT LIABILITIES (continued)

Post employment benefits (continued)

Management believes that the estimated post-employment benefit liabilities as at 31 December 2017 and 2016 have fulfilled the minimum requirements of Labor Law No. 13.

The weighted average duration of the defined benefit pension obligation at 31 December 2017 and 2016 is 7 years.

Expected maturity analysis of undiscounted pension benefits are as follows:

Less than a year	2,337
Between one and two years	48,595
Between two and five years	273,400
Beyond five years	14,311,992

The sensitivity of the defined benefit pension obligation to changes in the principal actuarial assumptions are as follows:

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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**23. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)**

Imbalan kerja jangka panjang lainnya

Bank juga memberikan manfaat cuti panjang kepada karyawannya.

Mutasi kewajiban imbalan kerja jangka panjang lainnya adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Saldo awal tahun	35,290	30,958
Biaya selama tahun berjalan	(5,913)	8,881
Pembayaran imbalan	<u>(3,119)</u>	<u>(4,549)</u>
Saldo akhir tahun	<u>26,258</u>	<u>35,290</u>

Beban imbalan kerja jangka panjang lainnya yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Biaya jasa kini	7,740	7,460
Biaya jasa lalu	(13,768)	-
Bunga bersih	2,848	2,644
Kerugian aktuarial	<u>(2,733)</u>	<u>(1,223)</u>
Jumlah beban atas imbalan kerja karyawan	<u>(5,913)</u>	<u>8,881</u>

Analisis jatuh tempo yang diharapkan dari manfaat pensiun tidak didiskontokan adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
Kurang dari satu tahun	2,648	4,542
Antara satu dan dua tahun	4,423	4,146
Antara dua dan lima tahun	25,401	41,501
Lebih dari lima tahun	150,715	283,811

Sensitivitas imbalan kerja jangka panjang lainnya untuk perubahan asumsi aktuarial pokok adalah sebagai berikut:

		<u>2017</u>		
		<u>Dampak program pension iuran pasti dan imbalan kerja jangka panjang lainnya/ Impact on defined contribution pension plan and other long-term employee benefits</u>		
	<u>Perubahan Asumsi/ Change in Assumption</u>	<u>Nilai kini kewajiban imbalan kerja/ Present value of benefit obligation</u>	<u>Biaya jasa kini/ Current service cost</u>	
Tingkat diskonto	Kenaikan/increase 1% Penurunan/decrease 1%	25,053 27,592	7,349 8,174	Discount rate
Tingkat kenaikan gaji	Kenaikan/increase 1% Penurunan/decrease 1%	27,559 25,059	8,163 7,351	Salary increase rate

23. EMPLOYEE BENEFIT LIABILITIES (continued)

Other long term employee benefits

The Bank also provides its employees with long leave benefit.

The movement in the other long term employee benefit is as follows:

	<u>2017</u>	<u>2016</u>
Saldo awal tahun	35,290	30,958
Biaya selama tahun berjalan	(5,913)	8,881
Pembayaran imbalan	<u>(3,119)</u>	<u>(4,549)</u>
Saldo akhir tahun	<u>26,258</u>	<u>35,290</u>

Other long term employee benefits expenses recognised in the statement of comprehensive income are as follows:

	<u>2017</u>	<u>2016</u>
Biaya jasa kini	7,740	7,460
Biaya jasa lalu	(13,768)	-
Bunga bersih	2,848	2,644
Kerugian aktuarial	<u>(2,733)</u>	<u>(1,223)</u>
Jumlah beban atas imbalan kerja karyawan	<u>(5,913)</u>	<u>8,881</u>

Expected maturity analysis of undiscounted pension benefits are as follows:

	<u>2017</u>	<u>2016</u>
Kurang dari satu tahun	2,648	4,542
Antara satu dan dua tahun	4,423	4,146
Antara dua dan lima tahun	25,401	41,501
Lebih dari lima tahun	150,715	283,811

The sensitivity of the other long term employee benefit to changes in the principal actuarial assumptions are as follows:

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24. LIABILITAS LAIN-LAIN**24. OTHER LIABILITIES**

	<u>2017</u>	<u>2016</u>	
Komisi asuransi diterima dimuka	165,833	175,833	<i>Up-front insurance commission</i>
Utang premi asuransi kredit	77,231	172,980	<i>Loan insurance premium payable</i>
Klaim asuransi	73,331	17,111	<i>Insurance claim</i>
Transaksi ATM	33,040	10,154	<i>ATM transaction</i>
Utang kepada pihak ketiga	18,098	17,819	<i>Payable to third parties</i>
Utang premi asuransi lainnya	11,386	12,455	<i>Other insurance premium payable</i>
Transaksi transfer nasabah	-	26,071	<i>Customer transfer transactions</i>
Promosi kredit syariah	-	25,888	<i>Promotion of sharia loan</i>
Lainnya	45,435	30,190	<i>Others</i>
	<u>424,354</u>	<u>488,501</u>	

Komisi asuransi diterima dimuka merupakan komisi yang diterima dari Allianz atas penjualan produk-produk asuransi kepada nasabah Bank melalui seluruh saluran distribusi Bank.

Up-front insurance commission represents commission received from Allianz for the sales of insurance products to the Bank's customers through all Bank's distribution channel.

Utang premi asuransi kredit terdiri dari pembayaran premi asuransi yang telah diterima dari debitur namun belum dibayarkan kepada perusahaan asuransi dan premi asuransi untuk para debitur kredit yang baru memperoleh fasilitas kredit mulai tanggal 1 Desember 2008 yang merupakan porsi yang menjadi tanggungan Bank dan belum dibayarkan kepada perusahaan asuransi.

Loan insurance premium payable consists of insurance premium payment from debtors not yet paid to the insurance company and insurance premium for the new pensioner debtors after 1 December 2008 borne by the Bank and not yet paid to the insurance company.

Klaim asuransi terdiri dari dana yang diterima dari hasil klaim asuransi atas nasabah kredit pensiun yang meninggal dunia dan penerimaan kembali premi asuransi Bank, jika terdapat pembaruan.

Insurance claim represent fund receive from insurance claim on pensioner debtor who pass away and refund of Bank insurance premium, for any credit renewal.

Utang kepada pihak ketiga merupakan titipan cicilan pertama kredit nasabah yang melalui PT Pos Indonesia (Persero).

Payables to third parties represent entrusted of first installment of customer loans through PT Pos Indonesia (Persero).

Promosi kredit syariah merupakan pembebasan atas satu kali angsuran pembiayaan syariah yang diberikan Entitas Anak kepada debitur.

Sharia credit promotion represents a one-time waiver installments of sharia financing granted by the Subsidiary to the debtors.

Lainnya terdiri dari utang pembayaran premi asuransi ke BPJS dan utang lainnya kepada pihak ketiga.

Others consist of payable for payment insurance premium to BPJS and other payables to third parties.

25. DANA SYIRKAH TEMPORER**25. TEMPORARY SYIRKAH FUNDS**

Bank menyajikan dana *syirkah* temporer sehubungan dengan kepemilikan Bank atas Entitas Anak yang bergerak di bidang perbankan syariah.

The Bank presented temporary syirkah funds in related to Bank's ownership in Subsidiary which engage in sharia banking industry.

	<u>2017</u>	<u>2016</u>	
Simpanan nasabah:			<i>Deposits from customer:</i>
Tabungan <i>mudharabah</i>	93,688	64,002	<i>Mudharabah</i>
Deposito <i>mudharabah</i>	5,154,360	4,330,712	<i>saving deposits</i>
	<u>5,248,048</u>	<u>4,394,714</u>	<i>Mudharabah time deposits</i>
Beban bagi hasil yang masih harus dibayar	13,735	12,320	<i>Accrued profit-sharing expenses</i>
	<u>5,261,783</u>	<u>4,407,034</u>	

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25. DANA SYIRKAH TEMPORER (lanjutan)

25. TEMPORARY SYIRKAH FUNDS (continued)

a. Tabungan *mudharabah*

a. *Mudharabah savings deposits*

Berdasarkan pihak berelasi dan pihak ketiga:

By related and third parties:

	<u>2017</u>	<u>2016</u>	
Pihak ketiga	92,925	63,641	<i>Third parties</i>
Pihak berelasi	<u>763</u>	<u>361</u>	<i>Related parties</i>
	<u>93,688</u>	<u>64,002</u>	

Berdasarkan jenis:

By type:

	<u>2017</u>	<u>2016</u>	
Tabungan			<i>Saving deposits</i>
<i>Citra Mudharabah</i>	26,616	20,072	<i>Citra Mudharabah</i>
<i>Taseto Mudharabah</i>	<u>67,072</u>	<u>43,930</u>	<i>Taseto Mudharabah</i>
	<u>93,688</u>	<u>64,002</u>	

Tabungan *Citra Mudharabah* merupakan simpanan dana pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Entitas Anak atas penggunaan dana tersebut dengan *nisbah* yang ditetapkan dan disetujui sebelumnya.

Citra Mudharabah saving deposits represent third parties' deposits which will receive return from Subsidiary's investment based on the agreed share (nisbah) of the Subsidiary's revenue.

Tabungan *Taseto Mudharabah* merupakan simpanan dana pihak lain yang mendapatkan imbal hasil optimal. Tabungan yang dikelola berdasarkan perjanjian bagi hasil (*akad Mudharabah Mutlaqah*) ini mendapatkan keleluasaan melakukan penarikan tunai tanpa batas dan juga bebas biaya administrasi bulanan.

Taseto Mudharabah saving deposits represent third parties' deposits which will receive optimum yields. Saving deposits were managed by sharing profits agreement (Mudharabah Mutlaqah contract) and have the flexibility to withdraw cash without limit and also free from monthly administration fee.

Kisaran *nisbah* bagi hasil untuk tabungan *mudharabah* per tahun:

Range of the annual profit sharing ratio for mudharabah saving deposits:

	<u>2017</u>	<u>2016</u>	
Nisbah bagi hasil	0.00% - 11.15%	0.00% - 11.60%	<i>Profit sharing ratio</i>

b. Deposito *mudharabah*

b. *Mudharabah time deposits*

Berdasarkan pihak berelasi dan pihak ketiga:

By related and third parties:

	<u>2017</u>	<u>2016</u>	
Pihak ketiga	5,147,649	4,324,203	<i>Third parties</i>
Pihak berelasi	<u>6,711</u>	<u>6,509</u>	<i>Related parties</i>
	<u>5,154,360</u>	<u>4,330,712</u>	
Beban bagi hasil yang masih harus dibayar	<u>13,735</u>	<u>12,320</u>	<i>Accrued profit sharing expenses</i>
	<u>5,168,095</u>	<u>4,343,032</u>	

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25. DANA SYIRKAH TEMPORER (lanjutan)

b. Deposito mudharabah (lanjutan)

Berdasarkan jenis:

	<u>2017</u>	<u>2016</u>
Deposito		
Citra <i>Mudharabah</i>	5,154,360	4,330,712
Beban bagi hasil yang masih harus dibayar	13,735	12,320
	<u>5,168,095</u>	<u>4,343,032</u>

Deposito Citra *Mudharabah* merupakan simpanan dana pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Entitas Anak atas penggunaan dana tersebut dengan nisbah yang ditetapkan dan disetujui sebelumnya dengan akad *Mudharabah Muthlaqah*.

Kisaran nisbah bagi hasil untuk deposito *mudharabah* per tahun:

	<u>2017</u>	<u>2016</u>
Nisbah bagi hasil	11.15% - 17.15%	11.60% - 17.15%

25. TEMPORARY SYIRKAH FUNDS (continued)

b. Mudharabah time deposits (continued)

By type:

	<u>2017</u>	<u>2016</u>
Deposito		
Citra <i>Mudharabah</i>	5,154,360	4,330,712
Beban bagi hasil yang masih harus dibayar	13,735	12,320
	<u>5,168,095</u>	<u>4,343,032</u>

Citra Mudharabah time deposits represent third parties' deposits which received a profit sharing return from the Subsidiary's income over utilisation of its fund based on an agreed profit sharing ratio arranged in Mudharabah Muthlaqah agreement.

Range of the annual profit sharing ratio for mudharabah saving deposits:

	<u>2017</u>	<u>2016</u>
Nisbah bagi hasil	11.15% - 17.15%	11.60% - 17.15%

26. MODAL SAHAM

Susunan pemegang saham Bank pada tanggal 31 Desember 2017 dan 2016 berdasarkan catatan yang dibuat oleh Biro Administrasi Efek adalah sebagai berikut:

Pemegang Saham	2017		
	Lembar Saham/ Number of Shares	Persentase/ Percentage	Jumlah/ Total
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%	46,722
Summit Global Capital Management B.V.	1,168,057,451	20.00%	23,361
Direksi			
- Jerry Ng	25,504,500	0.44%	510
- Djemi Suhenda	13,860,000	0.24%	277
- Ongki Wanadjati Dana	11,255,000	0.19%	225
- Anika Faisal	4,600,000	0.08%	92
- Arief Harris Tandjung	11,975,000	0.20%	240
- Kharim Indra Gupta Siregar	1,130,500	0.02%	23
PT Multi Kencana Mulia Publik	58,402,873	1.00%	1,168
	<u>2,114,188,130</u>	<u>36.20%</u>	<u>42,284</u>
	5,745,088,357	98.37%	114,902
Saham treasuri	<u>95,198,900</u>	<u>1.63%</u>	<u>1,904</u>
	<u>5,840,287,257</u>	<u>100%</u>	<u>116,806</u>

26. SHARE CAPITAL

Based on the share registrant record from Biro Administrasi Efek, the Bank's shareholders composition as at 31 December 2017 and 2016 are as follows:

Shareholders	2017		
	Lembar Saham/ Number of Shares	Persentase/ Percentage	Jumlah/ Total
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%	46,722
Summit Global Capital Management B.V.	1,168,057,451	20.00%	23,361
Directors			
- Jerry Ng	25,504,500	0.44%	510
- Djemi Suhenda	13,860,000	0.24%	277
- Ongki Wanadjati Dana	11,255,000	0.19%	225
- Anika Faisal	4,600,000	0.08%	92
- Arief Harris Tandjung	11,975,000	0.20%	240
- Kharim Indra Gupta Siregar	1,130,500	0.02%	23
PT Multi Kencana Mulia Publik	58,402,873	1.00%	1,168
	<u>2,114,188,130</u>	<u>36.20%</u>	<u>42,284</u>
	5,745,088,357	98.37%	114,902
Treasury shares	<u>95,198,900</u>	<u>1.63%</u>	<u>1,904</u>
	<u>5,840,287,257</u>	<u>100%</u>	<u>116,806</u>

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26. MODAL SAHAM (lanjutan)**26. SHARE CAPITAL (continued)**

Pemegang Saham	2016			Shareholders
	Lembar Saham/ Number of Shares	Persentase/ Percentage	Jumlah/ Total	
Sumitomo Mitsui Banking Corporation	2,336,114,903	40.00%	46,722	Sumitomo Mitsui Banking Corporation
Summit Global Capital Management B.V.	1,168,057,451	20.00%	23,361	Summit Global Capital Management B.V.
TPG Nusantara S.à.r.l.	489,407,774	8.38%	9,788	TPG Nusantara S.à.r.l.
Direksi				Directors
- Jerry Ng	25,504,500	0.44%	510	Jerry Ng -
- Djemi Suhenda	3,360,000	0.06%	67	Djemi Suhenda -
- Ongki Wanadjati Dana	3,255,000	0.06%	65	Ongki Wanadjati Dana -
- Anika Faisal	2,100,000	0.04%	42	Anika Faisal -
- Arief Harris Tandjung	1,975,000	0.03%	40	Arief Harris Tandjung -
- Kharim Indra Gupta Siregar	1,130,500	0.02%	23	Kharim Indra Gupta Siregar -
PT Multi Kencana Mulia Publik	58,402,873	1.00%	1,168	PT Multi Kencana Mulia
	1,655,780,356	28.34%	33,116	Public
	5,745,088,357	98.37%	114,902	
Saham treasuri	95,198,900	1.63%	1,904	Treasury shares
	5,840,287,257	100%	116,806	

Pemegang saham publik terdiri dari pemegang saham yang memiliki kurang dari 5% jumlah saham beredar. Seluruh saham yang beredar adalah saham biasa.

Public shareholders consist of shareholders whose ownership are less than 5% of outstanding shares. All the outstanding shares are ordinary shares.

Saham biasa memberikan hak kepada pemegangnya untuk memperoleh dividen dan hasil dari pembubaran Bank sesuai dengan proporsi jumlah dan jumlah yang dibayarkan atas saham yang dimiliki.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Bank in proportion to the number of and amounts paid on the shares held.

Perubahan komposisi kepemilikan saham**Changes in share ownership composition**

Pada tanggal 19 Oktober 2017, TPG Nusantara S.à.r.l. menjual kepemilikannya atas Bank sebesar 203.233.698 lembar saham sehingga kepemilikan saham TPG Nusantara S.à.r.l. menjadi 4,9% (dibawah 5%) atau sebesar 286.174.076 lembar saham.

On 19 October 2017, TPG Nusantara S.à.r.l. sold their ownership 203,233,698 shares, therefore total share ownership of TPG Nusantara S.à.r.l. became 4.9% (below 5%) or equivalent to 286,174,076 shares.

27. CADANGAN PEMBAYARAN BERBASIS SAHAM**27. SHARE-BASED PAYMENT RESERVE**

Pada tanggal 31 Desember 2017 dan 2016, Bank dan Entitas Anak memiliki cadangan pembayaran berbasis saham sebesar masing-masing Rp 254.496 dan Rp 200.109.

As at 31 December 2017 and 2016, the Bank and Subsidiary had share-based payments reserve amounting to Rp 254,496 and Rp 200,109, respectively.

Program 2013 - 20152013 - 2015 program

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 14 Maret 2013 sebagaimana dituangkan ke dalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 21 tanggal 14 Maret 2013 yang dibuat di hadapan Hadijah, S.H., M.Kn., dengan Akta Notaris No. 21 tanggal 14 Maret 2013, jo. Akta Notaris No.11 tanggal 8 April 2013, para pemegang saham menyetujui rencana Bank untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan jumlah tidak melebihi Rp 3.504, sehingga modal ditempatkan dan modal disetor Bank menjadi tidak melebihi Rp 120.310.

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 14 March 2013 as notarised on Deed of Minutes of Extraordinary General Meeting of Shareholders No.21 dated 14 March 2013, jo. Notarial Deed No.11 dated 8 April 2013 of Notary Hadijah, S.H., M.Kn., the shareholders approved the Bank's plan to increase the issued and paid-in capital by a number not exceeding Rp 3,504 which resulting the issued and paid-up capital of the Bank not exceeding Rp 120,310.

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

Program 2013 - 2015 (lanjutan)

Hal ini dilakukan dengan cara mengeluarkan hak opsi atas saham-saham baru masing-masing berharga nominal Rp 20 (nilai penuh) dengan jumlah tidak melebihi 175.208.618 saham. Hak opsi tersebut diberikan kepada para anggota Direksi dan para karyawan jenjang tertentu yang ditentukan oleh Dewan Komisaris atau oleh Direksi Bank berdasarkan kuasa yang diberikan oleh Dewan Komisaris, selama jangka waktu yang ditentukan oleh Dewan Komisaris. Pelaksanaan atas hak opsi atas saham-saham baru tersebut harus sesuai dengan harga pelaksanaan, syarat dan ketentuan yang telah diumumkan dalam "Keterbukaan Informasi" yang dimuat dalam harian Bisnis Indonesia tanggal 27 Februari 2013.

Periode pelaksanaan eksekusi opsi saham atas program 2013-2015 terdiri dari: (1) 50% pada bulan Agustus 2014, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 4 Agustus 2014 dan (2) 50% pada bulan Desember 2014, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 1 Desember 2014. Sisa hak opsi yang belum dieksekusi secara penuh sampai dengan 50% selama periode eksekusi pertama dapat dilaksanakan pada periode pelaksanaan eksekusi kedua.

Bank mensyaratkan para anggota Direksi dan para karyawan jenjang tertentu yang telah diberikan hak opsi untuk menyediakan jasa selama periode waktu tertentu.

Nilai wajar rata-rata tertimbang opsi program 2013-2015 yang diberikan selama tahun berjalan yang ditentukan dengan menggunakan *Binomial Model Parameter* adalah sebesar Rp 1.312,78 (nilai penuh) per opsi. Input model yang signifikan adalah harga saham rata-rata tertimbang sebesar Rp 5.150 pada tanggal pemberian, harga eksekusi seperti ditunjukkan di bawah, volatilitas sebesar 35%, hasil dividen 0%, usia opsi yang diharapkan selama dua tahun dan tingkat bunga bebas risiko tahunan sebesar 4,1%.

Volatilitas diukur dengan standar deviasi atas imbal hasil saham yang terus dimajemukan berdasarkan analisis statistik atas harga saham harian sejak 3 Januari 2011 sampai tanggal pemberian.

Program 2015 - 2020

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 26 Maret 2015 sebagaimana dituangkan kedalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 50 tanggal 26 Maret 2015 yang dibuat di hadapan Hadijah, S.H., M.Kn, para pemegang saham menyetujui rencana Bank untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan jumlah tidak melebihi Rp 4.672, sehingga modal ditempatkan dan modal disetor Bank menjadi tidak melebihi Rp 121.478.

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**27. SHARE-BASED PAYMENT RESERVE
(continued)**

2013 - 2015 program (continued)

*This is done by issuing option rights on new shares with a par value of Rp 20 (full amount) by a number not exceeding 175,208,618 shares. Share options granted to the members of the Board of Directors and the employees on a certain level are determined by the Board of Commissioners or by the Board of Directors of the Bank under authority granted by the Board of Commissioners, during a certain period determined by the Board of Commissioners. Implementation of the right options on new shares shall be in accordance with the exercise price, the terms and conditions that have been published in the "Disclosure of Information" published in *Bisnis Indonesia* newspaper on 27 February 2013.*

The exercise period of 2013-2015 program has been conducted on: (1) 50% on August 2014, with the implementation period of 30 trading days starting on 4 August 2014 and (2) 50% in December 2014, with the implementation period of 30 trading days starting on 1 December 2014. The remaining option rights which has not yet fully exercised up to 50% during the first exercise period can be implemented in the second exercise period of implementation.

Bank required the members of the Board of Director and the employees of a certain level which has been granted with share options to provide service in specified period of time.

The weighted average fair value of options granted during the year for 2013-2015 program determined using the Binomial Model Parameter was Rp 1,312.78 (full amount) per option. The significant inputs into the model were weighted average share price of Rp 5,150 on the grant date, exercise price shown below, volatility of 35%, dividend yield of 0%, an expected option life of two years, and an annual risk-free interest rate of 4.1%.

The volatility is measured at the standard deviation of continuously compounded share returns based on statistical analysis of daily share prices starting from 3 January 2011 until grant date.

2015 - 2020 program

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 26 March 2015 as notarised on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 50 dated 26 March 2015, the shareholders approved the Bank's plan to increase the issued and paid-in capital of the Bank by a number not exceeding Rp 4,672 which resulting the issued and paid-up capital of the Bank not exceeding Rp 121,478.

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

Program 2015 - 2020 (lanjutan)

Hal ini dilakukan dengan cara mengeluarkan hak opsi atas saham-saham baru masing-masing berharga nominal Rp 20,- (nilai penuh) dengan jumlah tidak melebihi 233.611.491 saham.

Berdasarkan Keputusan Sirkuler Resolusi Direksi No. PS/BOD/004/IV/2015, pada tanggal 15 April 2015 Bank memberikan hak opsi sebesar 141.575.000 saham. Hak opsi tersebut diberikan kepada para anggota Direksi dan para karyawan jenjang tertentu yang ditentukan oleh Dewan Komisaris atau oleh Direksi Bank berdasarkan kuasa yang diberikan oleh Dewan Komisaris, selama jangka waktu yang ditentukan oleh Dewan Komisaris.

Para anggota Direksi dan karyawan pada jenjang tertentu dapat mengeksekusi opsi saham yang diberikan selama mereka tetap menyediakan jasa selama periode opsi saham.

Pelaksanaan atas hak opsi atas saham-saham baru tersebut harus sesuai dengan harga pelaksanaan, syarat dan ketentuan yang telah diumumkan dalam "Keterbukaan Informasi" yang umumkan melalui *website* Bank dan *website* Bursa Efek Indonesia tanggal 17 Februari 2015.

Periode pelaksanaan eksekusi opsi saham atas program 2015-2020 terdiri dari: (1) Maksimum 30% pada bulan Mei 2017, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 1 Mei 2017; (2) Maksimum 30% pada bulan November 2017, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 6 November 2017; (3) Maksimum 60% pada bulan Mei 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 7 Mei 2018; (4) Maksimum 60% pada bulan November 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 5 November 2018; (5) Maksimum 100% pada bulan Mei 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 6 Mei 2019; (6) Maksimum 100% pada bulan Desember 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 2 Desember 2019. Sisa hak opsi yang belum dieksekusi secara penuh sampai dengan 100% selama periode eksekusi sebelumnya dapat dilaksanakan pada periode pelaksanaan eksekusi terakhir.

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**27. SHARE-BASED PAYMENT RESERVE
(continued)**

2015 - 2020 program (continued)

This is done by issuing option rights on new shares with a par value of Rp 20,- (full amount) by a number not exceeding 233,611,491 shares.

Based on Circular Resolution of Directors No. PS/BOD/004/IV/2015, dated 15 April 2015 Bank has granted 141,575,000 share options. Share options granted to the members of the Board of Directors and the employees on a certain level are determined by the Board of Commissioners or by the Board of Directors of the Bank under authority granted by the Board of Commissioners, during a certain period determined by the Board of Commissioners.

Board of Directors and the employees at certain levels are able to execute share options that have been granted to them under the condition that the respected party continue to provide service during the share options period.

Implementation of the right options on new shares shall be in accordance with the exercise price, the terms and conditions that have been published in the "Disclosure of Information" published in Bank's and Indonesia Stock Exchange's website on 17 February 2015.

The exercise period of 2015-2020 program will be conducted on (1) Maximum 30% in May 2017, with the implementation period of 30 trading days starting on 1 May 2017; (2) Maximum 30% in November 2017, with the implementation period of 30 trading days starting on 6 November 2017; (3) Maximum 60% in May 2018, with the implementation period of 30 trading days starting on 7 May 2018; (4) Maximum 60% in November 2018, with the implementation period of 30 trading days starting on 5 November 2018; (5) Maximum 100% on May 2019, with the implementation period of 30 trading days starting on 6 May 2019; (6) Maximum 100% on December 2019, with the implementation period of 30 trading days starting on 2 December 2019. The remaining option rights which has not yet fully exercised up to prior exercise period can be implemented in the last exercise period of implementation.

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

Program 2015 - 2020 (lanjutan)

Nilai wajar rata-rata tertimbang opsi program 2015-2020 yang diberikan selama tahun berjalan yang ditentukan dengan menggunakan *Binomial Model Parameter* adalah sebesar Rp 1.144,16; Rp 1.388,54; dan Rp 1.622,72 (nilai penuh) per opsi untuk masing-masing periode *vesting*. Input model yang signifikan adalah harga saham rata-rata tertimbang sebesar Rp 4.030 pada tanggal pemberian, harga eksekusi seperti ditunjukkan di bawah, volatilitas sebesar 29,37%, hasil dividen 0%, usia opsi yang diharapkan selama lima tahun dan tingkat bunga bebas risiko tahunan sebesar 7,5%.

Volatilitas diukur dengan standar deviasi atas imbal hasil saham yang terus dimajemukkan berdasarkan analisis stastisik atas harga saham harian sejak 3 Januari 2011 sampai tanggal pemberian.

Tingkat suku bunga bebas risiko sesuai dengan pengembalian keuntungan atas obligasi pemerintah dengan jangka waktu 5 tahun sejak tanggal pemberian.

Program 2016 - 2021

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 29 April 2016 sebagaimana dituangkan kedalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 60 tanggal 29 April 2016 yang dibuat di hadapan Hadijah, S.H., M.Kn, para pemegang saham menyetujui rencana Bank untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan jumlah tidak melebihi Rp 2.336.

Hal ini dilakukan dengan cara mengeluarkan hak opsi atas saham-saham baru masing-masing berharga nominal Rp 20,- (nilai penuh) dengan jumlah tidak melebihi 116.805.746 saham.

Para karyawan pada jenjang tertentu dapat mengeksekusi opsi saham yang diberikan selama mereka tetap menyediakan jasa selama periode opsi saham.

Pelaksanaan atas hak opsi atas saham-saham baru tersebut harus sesuai dengan harga pelaksanaan, syarat dan ketentuan yang telah diumumkan dalam "Keterbukaan Informasi" yang umumkan melalui website Bank dan website Bursa Efek Indonesia tanggal 8 Maret 2016 dan 27 April 2016.

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**27. SHARE-BASED PAYMENT RESERVE
(continued)**

2015 - 2020 program (continued)

The weighted average fair value of options granted during the year for 2015-2020 program determined using the Binomial Model Parameter was Rp 1,144.16; Rp 1,388.54; dan Rp1,622.72 (full amount) per option for each vesting period. The significant inputs into the model were weighted average share price of Rp 4,030 on the grant date, exercise price shown below, volatility of 29.37%, dividend yield of 0%, an expected option life of five years, and an annual risk-free interest rate of 7.5%.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices starting from 3 January 2011 until grant date.

The risk free interest rate correspond to market yields on government bonds of 5 years from grant date.

2016 - 2021 program

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 29 April 2016 which was notarised on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 60 dated 29 April 2016, the shareholders approved the Bank's plan to increase the issued and paid-in capital of the Bank by a number not exceeding Rp 2,336.

This is done by issuing option rights on new shares with a par value of Rp 20,- (full amount) by a number not exceeding 116,805,746 shares.

Employees at certain levels are able to execute share options that have been granted to them under the condition that the respected party continue to provide service during the share options period.

Implementation of the right options on new shares shall be in accordance with the exercise price, the terms and conditions that have been published in the "Disclosure of Information" published at the Bank's and Indonesia Stock Exchange's website on 8 March 2016 and 27 April 2016.

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

Program 2016 - 2021 (lanjutan)

Periode waktu pelaksanaan eksekusi opsi saham atas program 2016-2021 terdiri dari: (1) Maksimum 30% pada bulan Mei 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 28 Mei 2018; (2) Maksimum 30% pada bulan Desember 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 17 Desember 2018; (3) Maksimum 60% pada bulan Mei 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 28 Mei 2019; (4) Maksimum 60% pada bulan Desember 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 19 Desember 2019; (5) Maksimum 100% pada bulan Juni 2020, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 1 Juni 2020; (6) Maksimum 100% pada bulan Desember 2020, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 17 Desember 2020. Sisa hak opsi yang belum dieksekusi secara penuh sampai dengan 100% selama periode eksekusi sebelumnya dapat dilaksanakan pada periode pelaksanaan eksekusi terakhir.

Nilai wajar rata-rata tertimbang opsi program 2016-2021 yang diberikan selama tahun berjalan yang ditentukan dengan menggunakan *Binomial Model Parameter* adalah Rp 546,50, Rp 709,55, dan Rp 839,99 (nilai penuh) per opsi untuk masing-masing periode *vesting* (nilai penuh). Input model yang signifikan adalah harga saham rata-rata tertimbang sebesar Rp 2.480 pada tanggal pemberian, harga eksekusi seperti ditunjukkan di bawah, volatilitas per masing – masing periode *vesting* sebesar 28,92%, 29,60%, dan 29,10%, hasil dividen 0%, usia opsi yang diharapkan selama lima tahun dari tanggal pemberian, dan tingkat bunga bebas risiko tahunan masing – masing periode *vesting* sebesar 6,52%, 6,60%, dan 6,71%.

Volatilitas diukur dengan standar deviasi atas imbal hasil saham yang terus dimajemukkan berdasarkan analisis statistik atas harga saham harian sejak 15 Mei 2014 sampai tanggal pemberian untuk periode *vesting* pertama, sejak tanggal 13 Mei 2013 sampai tanggal pemberian untuk periode *vesting* kedua dan sejak 14 Mei 2012 sampai tanggal pemberian untuk periode *vesting* ketiga.

Tingkat suku bunga bebas risiko sesuai dengan pengembalian keuntungan atas obligasi pemerintah pada saat tanggal pemberian dengan jangka waktu 1 sampai dengan 5 tahun.

**27. SHARE-BASED PAYMENT RESERVE
(continued)**

2016 - 2021 program (continued)

The exercise period of 2016-2021 program is divided into the following: (1) Maximum 30% in May 2018, with the implementation period of 30 trading days starting on 28 May 2018; (2) Maximum 30% in December 2018, with the implementation period of 30 trading days starting on 17 December 2018; (3) Maximum 60% in May 2019, with the implementation period of 30 trading days starting on 28 May 2019; (4) Maximum 60% in December 2019, with the implementation period of 30 trading days starting on 19 December 2019; (5) Maximum 100% in June 2020, with the implementation period of 30 trading days starting on 1 June 2020; (6) Maximum 100% in December 2020, with the implementation period of 30 trading days starting on 17 December 2020. The remaining option rights which has not yet fully exercised up to prior exercise period can be implemented in the last exercise period of implementation.

The weighted average fair value of options granted during the year for 2016 – 2021 program determined by using *Binomial Model Parameter* are Rp 546.50, Rp 709.55, and Rp 839.99 (full amount) per option for each vesting period. The significant inputs into the model were weighted average share price of Rp 2,480 on the grant date, exercise price as shown below, volatility of 28.92%, 29.60%, and 29.10% respectively for each vesting period, dividend yield of 0%, expected life of five years from grant date, and annual risk-free interest rate of 6.52%, 6.60%, and 6.71%, respectively.

The volatility measured at the standard deviation of continuously compounded share returns, which is based on statistical analysis of daily share prices starting from 15 May 2014 until the grant date for first vesting period, starting from 13 May 2013 until the grant date for second vesting period and starting from 14 May 2012 for third vesting period.

The risk free interest rate correspond to market yields on government bonds at grant date with duration ranging from 1 to 5 years.

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

**27. SHARE-BASED PAYMENT RESERVE
(continued)**

Pergerakan jumlah opsi saham adalah sebagai berikut:

Movements in the number of share options are as follows:

		2017		
		Harga eksekusi per lembar dalam Rupiah (nilai penuh)/ <i>Exercise price per share in Rupiah (full amount)</i>	Opsi Saham (dalam ribuan lembar saham)/ <i>Options (in thousands of shares)</i>	
<u>Pada awal tahun</u>				<u>At beginning of the year</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	4,000	133,545	2015-2020 program -
-	Program 2016-2021	2,617	<u>56,645</u>	2016-2021 program -
			190,190	
<u>Diberikan</u>				<u>Granted</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	-	-	2015-2020 program -
-	Program 2016-2021	-	-	2016-2021 program -
			-	
<u>Kadaluwarsa</u>				<u>Forfeited</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	4,000	12,645	2015-2020 program -
-	Program 2016-2021	2,617	<u>3,565</u>	2016-2021 program -
			16,210	
<u>Pada akhir periode</u>				<u>At end of the period</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	4,000	120,900	2015-2020 program -
-	Program 2016-2021	2,617	<u>53,080</u>	2016-2021 program -
			<u>173,980</u>	
		2016		
		Harga eksekusi per lembar dalam Rupiah (nilai penuh)/ <i>Exercise price per share in Rupiah (full amount)</i>	Opsi Saham (dalam ribuan lembar saham)/ <i>Options (in thousands of shares)</i>	
<u>Pada awal tahun</u>				<u>At beginning of the year</u>
-	Program 2013-2015	4,743	83,450	2013-2015 program -
-	Program 2015-2020	4,000	136,715	2015-2020 program -
-	Program 2016-2021	-	-	2016-2021 program -
			220,165	
<u>Diberikan</u>				<u>Granted</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	4,000	10,500	2015-2020 program -
-	Program 2016-2021	2,617	<u>56,645</u>	2016-2021 program -
			67,145	
<u>Kadaluwarsa</u>				<u>Forfeited</u>
-	Program 2013-2015	4,743	(83,450)	2013-2015 program -
-	Program 2015-2020	4,000	(13,670)	2015-2020 program -
-	Program 2016-2021	-	-	2016-2021 program -
			(97,120)	
<u>Pada akhir periode</u>				<u>At end of the period</u>
-	Program 2013-2015	-	-	2013-2015 program -
-	Program 2015-2020	4,000	133,545	2015-2020 program -
-	Program 2016-2021	2,617	<u>56,645</u>	2016-2021 program -
			<u>190,190</u>	

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**27. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)**

Opsi saham atas program 2015-2020 yang masih ada pada akhir periode berjalan memiliki tanggal kadaluwarsa dan harga eksekusi berikut ini:

Tanggal Pemberian/ Grant date	Tanggal kadaluwarsa/ Expiry date	Harga eksekusi per lembar (angka penuh)/ Exercise price per share (full amount)	Opsi Saham/Shares Options (dalam ribuan lembar saham/in thousands of shares)	
			2017	2016
15 April/April 2015	Januari/January 2020	4,000	111,300	123,045
10 Juli/July 2015	Januari/January 2020	4,000	-	-
9 Oktober/October 2015	Januari/January 2020	4,000	-	-
8 Januari/January 2016	Januari/January 2020	4,000	-	-
11 April/April 2016	Januari/January 2020	4,000	-	-
11 Juli/July 2016	Januari/January 2020	4,000	-	-
10 Oktober/October 2016	Januari/January 2020	4,000	9,600	10,500
			<u>120,900</u>	<u>133,545</u>

**27. SHARE-BASED PAYMENT RESERVE
(continued)**

Share options of 2015-2020 program outstanding at the end of the period have the following expiry dates and exercise prices:

Opsi saham atas program 2016-2021 yang masih ada pada akhir periode berjalan memiliki tanggal kadaluwarsa dan harga eksekusi berikut ini:

Tanggal Pemberian/ Grant date	Tanggal kadaluwarsa/ Expiry date	Harga eksekusi per lembar (angka penuh)/ Exercise price per share (full amount)	Opsi Saham/Shares Options (dalam ribuan lembar saham/in thousands of shares)	
			2016	2015
21 September/September 2016	Januari/January 2021	2,617	53,080	56,645
9 Desember/December 2016	Januari/January 2021	2,617	-	-
10 Maret/March 2017	Januari/January 2021	2,617	-	-
12 Juni/June 2017	Januari/January 2021	2,617	-	-
11 September/September 2017	Januari/January 2021	2,617	-	-
11 Desember/December 2017	Januari/January 2021	2,617	-	-
			<u>53,080</u>	<u>56,645</u>

Share options of 2016-2021 program outstanding at the end of the period have the following expiry dates and exercise prices:

28. PENGGUNAAN LABA BERSIH

Penggunaan laba bersih untuk dua tahun terakhir adalah sebagai berikut:

	Laba bersih untuk tahun buku/ Net income for financial year	
	2016	2015
Saldo laba	1,177,588	1,701,847
Pembagian dividen tunai	<u>574,509</u>	<u>-</u>
	<u>1,752,097</u>	<u>1,701,847</u>

Berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan, para pemegang saham menyetujui penggunaan laba bersih untuk tahun yang berakhir pada tanggal 31 Desember 2015 sebagai berikut: (1) Bank tidak akan membagikan dividen kepada para pemegang saham dan (2) seluruh total laba bersih yang diperoleh Bank selama tahun buku yang berakhir pada tanggal 31 Desember 2015 dinyatakan sebagai saldo laba yang belum ditentukan penggunaannya.

28. APPROPRIATION OF NET INCOME

The appropriation of net income for the last two financial years were as follows:

	Laba bersih untuk tahun buku/ Net income for financial year	
	2016	2015
Saldo laba	1,177,588	1,701,847
Pembagian dividen tunai	<u>574,509</u>	<u>-</u>
	<u>1,752,097</u>	<u>1,701,847</u>

Based on the result of the Annual General Meeting of Shareholders, the shareholders approved the appropriation of net income for the year ended 31 December 2015 as follows: (1) the Bank shall not distribute any dividend to the shareholders and (2) all of the net income acquired by the Company in book year ended on 31 December 2015 shall be declared as unappropriated retained earnings.

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28. PENGGUNAAN LABA BERSIH (lanjutan)

Para pemegang saham menyetujui penggunaan laba bersih untuk tahun yang berakhir pada tanggal 31 Desember 2016 sebagai berikut: (1) Bank akan membagikan dividen kepada para pemegang saham sebesar Rp 574.509 atau Rp 100 per lembar saham dan (2) sisa dari total laba bersih yang diperoleh Bank untuk tahun buku yang berakhir pada tanggal 31 Desember 2016 dinyatakan sebagai saldo laba yang belum ditentukan penggunaannya.

Pada tanggal 21 April 2017, PT Kustodian Sentral Efek Indonesia telah melakukan distribusi dividen tunai Bank kepada pemegang saham sesuai Daftar Pemegang Saham pada tanggal 6 April 2017 (tanggal pencatatan).

28. APPROPRIATION OF NET INCOME (continued)

the shareholders approved the appropriation of net income for the year ended 31 December 2016 as follows: (1) the Bank shall distribute dividend to the shareholders amounted Rp 574,509 or Rp 100 each shares and (2) the remaining balance of the net income acquired by the Bank in book year ended on 31 December 2016 shall be declared as unappropriated retained earnings.

On 21 April 2017, PT Kustodian Sentral Efek Indonesia has distributed Bank's cash dividends to Shareholders based on Shareholders List on 6 April 2017 (recording date).

29. PENDAPATAN BUNGA DAN PENDAPATAN SYARIAH

29. INTEREST INCOME AND SHARIA INCOME

	<u>2017</u>	<u>2016</u>	
Pendapatan bunga:			Interest income
Pihak ketiga:			Third parties:
Pinjaman yang diberikan	10,444,856	10,862,508	Loans
Efek-efek	368,661	384,731	Marketable securities
Penempatan pada Bank Indonesia	158,796	108,985	Placements with Bank Indonesia
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	158,680	97,238	Securities purchased under resale agreements (Reverse Repo)
Giro dan penempatan pada bank lain	8,989	14,574	Current accounts and placements with other banks
Efek-efek yang dijual dengan janji dibeli kembali (Repo)	20	-	Securities sold under repurchase agreements (Repo)
Pihak berelasi:			Related parties:
Pinjaman yang diberikan	569	708	Loans
Giro dan penempatan pada bank lain	238	-	Current accounts and placement with other banks
	<u>11,140,809</u>	<u>11,468,744</u>	
Pendapatan syariah			Sharia income
Pihak ketiga:			Third parties:
Pinjaman yang diberikan	2,833,239	2,177,556	Loans
Penempatan pada Bank Indonesia	37,702	36,387	Placement with Bank Indonesia
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	34,030	-	Securities purchased under resale agreements (Reverse Repo)
Efek-efek	282	-	Marketable securities
Giro dan penempatan pada bank lain	-	12,539	Current accounts and placement with other banks
	<u>2,905,253</u>	<u>2,226,482</u>	
	<u>14,046,062</u>	<u>13,695,226</u>	

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30. BEBAN BUNGA DAN BAGI HASIL SYARIAH**30. INTEREST EXPENSE AND SHARIA PROFIT SHARING**

	<u>2017</u>	<u>2016</u>	
Beban bunga			Interest expense
Simpanan nasabah			Customer deposits
Pihak ketiga:			Third parties:
Deposito berjangka	3,508,535	3,799,341	Time deposits
Tabungan	146,165	171,176	Saving deposits
Deposito <i>on call</i>	28,098	56,407	Deposit on call
Giro	<u>8,662</u>	<u>12,741</u>	Current account
	3,691,460	4,039,665	
Pihak berelasi:			Related parties:
Deposito berjangka	3,446	2,847	Time deposits
Tabungan	4,351	3,870	Saving deposits
Giro	<u>8,680</u>	<u>124</u>	Current account
	16,477	6,841	
	<u>3,707,937</u>	<u>4,046,506</u>	
Utang obligasi	175,950	204,483	Bonds payable
Pinjaman yang diterima	237,183	266,929	Borrowings
Efek-efek yang dijual dengan janji dibeli kembali (<i>Repo</i>)	4	-	Securities sold under repurchase agreements (<i>Repo</i>)
Simpanan dari Bank lain			Deposits from other banks
Pihak ketiga	<u>52,167</u>	<u>26,033</u>	Third parties
	<u>4,173,241</u>	<u>4,543,951</u>	
Bagi hasil syariah:			Sharia profit sharing:
Pihak ketiga	350,671	296,892	Third parties
Pihak berelasi	<u>540</u>	<u>404</u>	Related parties
	351,211	297,296	
	<u>4,524,452</u>	<u>4,841,247</u>	

31. PENDAPATAN OPERASIONAL LAINNYA**31. OTHER OPERATING INCOME**

	<u>2017</u>	<u>2016</u>	
Pendapatan dari komisi asuransi	188,181	208,308	Insurance commission income
Denda keterlambatan	173,110	163,516	Penalty income
Pendapatan dari penerimaan kembali kredit atas hapus buku	127,278	143,569	Income from write-off recovery
Pendapatan administrasi atas pinjaman yang diberikan	61,945	48,921	Loan administration income
Pendapatan administrasi dana pihak ketiga	58,084	41,505	Third party fund administration income
Penerimaan kembali dari kerugian operasional	3,887	4,117	Operational loss recovery
Pembagian keuntungan dari asuransi	-	45,964	Profit sharing from insurance
Lain-lain	<u>27,510</u>	<u>33,151</u>	Others
	<u>639,995</u>	<u>689,051</u>	

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31. PENDAPATAN OPERASIONAL LAINNYA
(lanjutan)

Komisi asuransi adalah komisi yang diterima oleh Bank berdasarkan perjanjian yang telah disepakati dengan Allianz, Avrist, Generali, FWD dan Proteksi Antar Nusa.

Lain-lain termasuk jasa cover dana, jasa payment point dan pendapatan dividen.

31. OTHER OPERATING INCOME (continued)

Insurance commission is the commission received by the Bank based on agreements with Allianz, Avrist, Generali, FWD and Proteksi Antar Nusa.

Others consist of fund cover service, payment point service, and dividend income.

32. BEBAN TENAGA KERJA

32. PERSONNEL EXPENSES

	<u>2017</u>	<u>2016</u>	
Gaji, upah, bonus, tantiem dan imbalan kerja karyawan	2,107,783	2,116,868	<i>Salaries, wages, bonus, tantiem and employee benefit</i>
Pesangon atas restrukturisasi organisasi	366,716 ^{*)}	-	<i>Severance payment on restructuring organisation</i>
Tunjangan hari raya	346,353	328,797	<i>Holiday allowances</i>
Tunjangan kesehatan	194,713	186,917	<i>Medical benefit</i>
Tunjangan pajak	142,066	113,445	<i>Tax allowances</i>
Pendidikan dan latihan	158,483	107,250	<i>Training and education</i>
Jamsostek	87,567	85,270	<i>Jamsostek</i>
Fasilitas representasi	86,331	55,212	<i>Representation allowance</i>
Tunjangan program kepemilikan kendaraan	52,558	56,728	<i>Car ownership program allowance</i>
Tunjangan cuti	49,998	22,327	<i>Leave allowance</i>
Tunjangan telepon	27,439	26,924	<i>Telephone allowance</i>
Tunjangan perumahan	17,232	22,831	<i>Housing allowance</i>
Lain-lain	33,245	20,592	<i>Others</i>
	<u>3,670,484</u>	<u>3,143,161</u>	

Termasuk dalam beban tenaga kerja adalah gaji, opsi saham dan kompensasi lainnya yang dibayarkan kepada Direksi, Dewan Komisaris dan Komite Audit Bank.

Lain-lain termasuk uang dinas, tunjangan parkir, fasilitas lembur entitas anak dan tunjangan kemahalan daerah.

Included under personnel expenses are salaries, share options and other compensations paid to the Directors and Commissioners and Audit Committee of the Bank.

Others consist of allowance for business travel, parking allowance, overtime facility of subsidiary and living cost for employees who are transferred to another area.

^{*)} Pada tahun 2017, Bank melakukan "Program Pengakhiran Kerja Sukarela" (PPKS). Bank melakukan pembayaran pesangon atas restrukturisasi organisasi sebesar Rp 687.493. Pesangon tersebut dibayar menggunakan cadangan imbalan pasca kerja sebesar Rp 320.777 sehingga beban tahun berjalan sebesar Rp 366.716.

^{*)} In 2017, the Bank Conducts "Program Pengakhiran Kerja Sukarela" (PPKS). The Bank paid severance payment for organisational restructuring amounting to Rp 687,493. The severance payment also utilised the post employment benefits provisions amounting to Rp 320,777 thus resulting in a net expense of Rp 366,716.

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33. BEBAN UMUM DAN ADMINISTRASI**33. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2017</u>	<u>2016</u>	
Perlengkapan kantor dan jasa dari pihak ketiga	1,042,221	926,043	<i>Office supplies and services from third parties</i>
Sewa	620,841	468,580	<i>Rent</i>
Beban asuransi	296,359	313,091	<i>Insurance expense</i>
Penyusutan aset tetap (Catatan 14)	304,794	279,180	<i>Depreciation of fixed assets (Note 14)</i>
Promosi dan iklan	243,666	224,592	<i>Promotion and advertising</i>
Jasa profesional	189,514	168,209	<i>Professional fee</i>
Amortisasi piranti lunak (Catatan 15)	173,897	120,559	<i>Amortisation of software (Note 15)</i>
Pemeliharaan dan perbaikan	43,365	51,458	<i>Repairs and maintenance</i>
Lain-lain	33,653	12,403	<i>Others</i>
	<u>2,948,310</u>	<u>2,564,115</u>	

Beban perlengkapan kantor dan jasa dari pihak ketiga terdiri dari beban honorarium, perjalanan dinas, tagihan kantor pos, beban listrik, air dan telepon, komunikasi data, peralatan kantor dan jasa pengiriman.

Office supplies and services from third parties consist of expenses from honorarium, business travelling, post office billing, utilities, data communication, office supplies, and delivery services.

Lain-lain termasuk pajak reklame, Pajak Bumi dan Bangunan (PBB), dan beban lain-lain Entitas Anak.

Others consist of advertisement tax, property tax, and Subsidiary's miscellaneous expenses.

34. CADANGAN KERUGIAN PENURUNAN NILAI**34. ALLOWANCE FOR IMPAIRMENT LOSSES**

	<u>2017</u>	<u>2016</u>	
Pinjaman yang diberikan dan pembiayaan/piutang syariah (Catatan 11f)	1,078,819	869,761	<i>Loans and sharia financing/receivables (Note 11f)</i>
Aset lain-lain (Catatan 16)	18,800	-	<i>Other assets (Note 16)</i>
	<u>1,097,619</u>	<u>869,761</u>	

35. BEBAN OPERASIONAL LAINNYA**35. OTHER OPERATING EXPENSES**

	<u>2017</u>	<u>2016</u>	
<i>Fee komisi dan administrasi</i>	87,696	43,961	<i>Commissions and administrative fees</i>
Beban rumah tangga	53,863	52,599	<i>Household expenses</i>
Keanggotaan OJK	41,835	36,532	<i>OJK Membership</i>
Kerugian terkait risiko operasional	9,166	20,323	<i>Loss of operational risk</i>
Beban pengurusan klaim asuransi	4,167	5,102	<i>Insurance claim expenses</i>
Rekrutmen	4,146	5,313	<i>Recruitment</i>
Beban retribusi	3,862	4,402	<i>Retribution expenses</i>
Beban pengembangan komunitas	3,138	7,556	<i>Community development expenses</i>
Lain-lain	88,435	101,380	<i>Others</i>
	<u>296,308</u>	<u>277,168</u>	

Lain-lain termasuk biaya jamuan, biaya keanggotaan dan biaya administrasi lainnya.

Others consist of entertainment expenses, membership fees and other administration expenses.

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36. INFORMASI MENGENAI PIHAK BERELASI

Dalam kegiatan usahanya, Bank dan Entitas Anak mengadakan transaksi dengan pihak-pihak berelasi, terutama meliputi transaksi-transaksi keuangan.

Di bawah ini adalah ikhtisar pihak-pihak berelasi yang bertransaksi dengan Bank dan Entitas Anak, termasuk sifat hubungan dan sifat transaksinya:

36. RELATED PARTIES INFORMATION

In the normal course of business, the Bank and Subsidiary engage in transactions with related parties, primarily consisting of financial transactions.

The following is a summary of related parties who have transactions with the Bank and Subsidiary, including the nature of the relationship and transactions:

Pihak berelasi/ Related parties	Sifat dari hubungan/ Nature of relationships	Sifat dari transaksi/ Nature of transactions
Sumitomo Mitsui Banking Corporation	Pemegang saham akhir yang signifikan/ <i>A significant shareholder</i>	Giro pada bank lain; Pinjaman yang diterima/ <i>Current accounts with other bank; Borrowings</i>
Summit Global Capital Management B.V.	Pemegang saham akhir yang signifikan/ <i>A significant shareholder</i>	-
PT Oto Multi Artha	Dimiliki oleh pemegang saham akhir yang signifikan/ <i>Owned by a significant shareholder</i>	Dana pihak ketiga/ <i>Third party fund</i>
PT Summit Oto Finance	Dimiliki oleh pemegang saham akhir yang signifikan/ <i>Owned by a significant shareholder</i>	Dana pihak ketiga/ <i>Third party fund</i>
Personil manajemen kunci/ <i>Key Management Personnel</i>	Direktur, Komisaris dan pejabat eksekutif/ <i>Directors, Commissioners and executive employees</i>	Pinjaman yang diberikan, dana pihak ketiga, pembayaran kompensasi dan remunerasi berupa gaji pokok, honorarium, bonus, tantiem dan tunjangan lainnya, imbalan pasca kerja/ <i>Loans, third party fund, payments of compensation and remuneration in form of basic salary, honorarium, bonus, tantiem and other allowances, post-employment benefits</i>

Transaksi dengan pihak berelasi

Saldo dan rincian transaksi dengan pihak berelasi adalah sebagai berikut:

(a) Giro pada bank lain

	2017	2016
Giro pada bank lain: Pihak berelasi	12,029	571,833
Persentase terhadap jumlah aset	0.01%	0.63%

Transactions with related parties

The outstanding balances and detail transactions with related parties are as follows:

(a) *Current account with other banks*

*Current accounts with other banks:
Related party*

Percentage to total assets

(b) Penempatan pada Bank Indonesia dan bank lain

	2017	2016
Pendapatan bunga: Pihak berelasi	238	-
Persentase terhadap jumlah pendapatan bunga	0.00%	-

(b) *Placement with Bank Indonesia and other Banks*

*Interest income:
Related party*

Percentage to total interest income

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(lanjutan)**

36. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak berelasi (lanjutan)

Transactions with related parties (continued)

(c) Pinjaman yang diberikan

(c) Loans

	<u>2017</u>	<u>2016</u>	
Pinjaman yang diberikan			Loan
Personil manajemen kunci	21,285	24,460	Key management personnel
Pendapatan bunga/margin yang masih akan diterima	<u>8</u>	<u>10</u>	Accrued interest/margin income
	21,293	24,470	
Persentase terhadap jumlah aset	<u>0.02%</u>	<u>0.03%</u>	Percentage to total assets
Pendapatan bunga:			Interest income:
Personil manajemen kunci	<u>569</u>	<u>708</u>	Key management personnel
Persentase terhadap jumlah pendapatan bunga	<u>0.01%</u>	<u>0.01%</u>	Percentage to total interest income

Suku bunga atas pinjaman yang diberikan kepada personil manajemen kunci adalah sebesar 5% sampai dengan 8% dengan jangka waktu pinjaman antara 1 sampai dengan 10 tahun. Pinjaman tersebut diberikan tanpa adanya jaminan tertentu.

Interest rate charged on loan to key management personnel is amounting 5% until 8% with term between 1 until 10 years. Such loan is given without any specific collateral.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat penurunan nilai atas pinjaman yang diberikan kepada personil manajemen kunci.

There is no impairment on the loan to key management personnel as at 31 December 2017 and 2016.

(d) Dana pihak ketiga

(d) Third parties funds

	<u>2017</u>	<u>2016</u>	
Dana pihak ketiga			Third party fund
Personil manajemen kunci:			Key management personnel:
Giro	2	1	Current account
Tabungan	17,183	23,456	Savings deposits
Deposito berjangka dan deposito on call	<u>177,911</u>	<u>540,411</u>	Time deposits and deposits on call
Pihak berelasi:			Related party:
Giro	387	308	Current account
Tabungan	-	-	Savings deposits
Deposito berjangka dan deposito on call	<u>640,300</u>	<u>813,090</u>	Time deposits and deposits on call
	835,783	1,377,266	
Beban bunga yang masih harus dibayarkan	<u>2,382</u>	<u>3,040</u>	Accrued interest expense
	838,165	1,380,306	
Persentase terhadap jumlah liabilitas	<u>1.15%</u>	<u>1.95%</u>	Percentage to total liabilities

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36. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

Transaksi dengan pihak berelasi (lanjutan)

(d) Dana pihak ketiga (lanjutan)

	<u>2017</u>	<u>2016</u>
Beban bunga:		
Personil manajemen kunci	7,454	6,592
Pihak berelasi	<u>9,023</u>	<u>249</u>
	<u>16,477</u>	<u>6,841</u>
Persentase terhadap jumlah beban bunga	<u>0.36%</u>	<u>0.15%</u>

Dana pihak ketiga ditempatkan dalam giro, tabungan maupun deposito berjangka. Tingkat suku bunga yang diberikan oleh Bank adalah sebesar 6,5% - 10,75%. Untuk deposito berjangka tergantung tenor dan jumlah pokok deposito.

(e) Dana Syirkah Temporer

	<u>2017</u>	<u>2016</u>
Simpanan nasabah		
Personil manajemen kunci:		
Tabungan <i>mudharabah</i>	718	338
Deposito <i>mudharabah</i>	5,291	2,959
Pihak berelasi:		
Tabungan <i>mudharabah</i>	45	23
Deposito <i>mudharabah</i>	<u>1,420</u>	<u>3,550</u>
	7,474	6,870
Beban bunga yang masih harus dibayar	<u>22</u>	<u>23</u>
	7,496	6,893
Persentase terhadap jumlah dana syirkah temporer	<u>0.14%</u>	<u>0.16%</u>
Beban bagi hasil	540	404
Persentase terhadap beban bagi hasil	<u>0.15%</u>	<u>0.14%</u>

(f) Pinjaman yang diterima

	<u>2017</u>	<u>2016</u>
Pinjaman yang diterima		
Pihak berelasi	2,229,746	2,082,676
Persentase terhadap jumlah liabilitas	<u>3.05%</u>	<u>2.95%</u>
Beban bunga:		
Pihak berelasi	<u>40,824</u>	<u>3,380</u>
Persentase terhadap jumlah beban bunga	<u>0.90%</u>	<u>0.07%</u>

36. RELATED PARTIES INFORMATION (continued)

Transactions with related parties (continued)

(d) Third parties funds (continued)

*Interest expenses:
Key management
personnel
Related party*

*Percentage to total
interest expenses*

Third party funds are placed on current account, saving account and time deposit. Interest rate given by the Bank for the placement is amounting to 6.5% - 10.75%. For time deposit depends on tenor and principal amount.

(e) Dana Syirkah Temporer

*Deposits from customers
Key management personnel:
Mudharabah saving deposits
Mudharabah time deposits*

*Related Party:
Mudharabah saving deposits
Mudharabah time deposits*

Accrued profit-sharing expenses

*Percentage to total dana
syirkah temporer*

Profit sharing

Percentage to profit sharing

(f) Borrowings

*Borrowings
Related party*

Percentage to total liabilities

*Interest expense:
Related party*

*Percentage to total
interest expense*

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**36. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)**

Transaksi dengan pihak berelasi (lanjutan)

g) Kompensasi dan remunerasi personil manajemen kunci

Kompensasi yang dibayar atau terutang pada manajemen kunci atas jasa kepegawaian adalah sebagai berikut:

36. RELATED PARTIES INFORMATION (continued)

Transactions with related parties (continued)

g) Compensation and remuneration of key management personnel

The compensation paid or payable to key management for employee services is shown below:

	2017								
	Dewan Direksi/ Board of Directors		Dewan Komisaris/ Board of Commissioners		Pemegang saham utama yang juga bagian dari manajemen/ Shareholders that are part of management		Personil manajemen kunci lainnya/ Other key management personnel		
	%)	Rp	%)	Rp	%)	Rp	%)	Rp	
Gaji dan imbalan karyawan jangka pendek lainnya	5.04%	184,968	0.51%	18,723	-	-	5.65%	207,220	Salaries and other short-term employee benefits
Imbalan pascakerja	-	-	-	-	-	-	0.38%	14,060	Post-employment benefits
Imbalan jangka panjang lainnya	-	-	-	-	-	-	0.01%	402	Other long-term benefits
Pemberian opsi saham	-	-	-	-	-	-	-	-	Stock option program
Jumlah	5.04%	184,968	0.51%	18,723	-	-	6.04%	221,682	Total
	2016								
	Dewan Direksi/ Board of Directors		Dewan Komisaris/ Board of Commissioners		Pemegang saham utama yang juga bagian dari manajemen/ Shareholders that are part of management		Personil manajemen kunci lainnya/ Other key management personnel		
	%)	Rp	%)	Rp	%)	Rp	%)	Rp	
Gaji dan imbalan karyawan jangka pendek lainnya	4.70%	148,556	0.81%	25,643	-	-	7.40%	234,116	Salaries and other short-term employee benefits
Imbalan pascakerja	-	-	-	-	-	-	0.45%	14,121	Post-employment benefits
Imbalan jangka panjang lainnya	-	-	-	-	-	-	0.03%	842	Other long-term benefits
Pemberian opsi saham	0.26%	8,289	-	-	-	-	1.21%	37,892	Stock option program
Jumlah	4.96%	156,845	0.81%	25,643	-	-	9.09%	286,971	Total

*)% terhadap jumlah beban tenaga kerja

*)% to total salary expense

(h) Pembayaran Berbasis Saham

Pembayaran berbasis saham yang diberikan kepada personil manajemen kunci adalah sebagai berikut:

(h) Share-Based Payments

Share-based payment given to the key management personnel as follow:

	Program 2016-2021 *)				
	BTPN		BTPN Syariah		
	Harga eksekusi Opsi/ Option exercise price	Opsi saham/ Share option	Harga eksekusi Opsi/ Option exercise price	Opsi saham/ Share option	
Manajemen kunci lainnya	2,617	52,865,000	2,617	3,780,000	Other key management
		52,865,000		3,780,000	

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36. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

36. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak berelasi (lanjutan)

Transactions with related parties (continued)

(h) Pembayaran Berbasis Saham (lanjutan)

(h) *Share-Based Payments* (continued)

Pembayaran berbasis saham yang diberikan kepada personil manajemen kunci adalah sebagai berikut:

Share-based payment given to the key management personnel as follow:

	Program 2015-2020 ^{*)}				
	BTPN		BTPN Syariah		
	Harga eksekusi Opsii/ Option exercise price	Opsii saham/ Share option	Harga eksekusi Opsii/ Option exercise price	Opsii saham/ Share option	
Direksi	4,000	36,700,000	4,000	9,400,000	<i>Board of Directors</i>
Manajemen kunci lainnya	4,000	96,215,000	4,000	9,760,000	<i>Other key management</i>
		<u>132,915,000</u>		<u>19,160,000</u>	
	Program 2013-2015 ^{*)}				
	Harga eksekusi Opsii/ Option exercise price	Opsii saham/ Share option			
Direksi		4,743		24,800,000	<i>Board of Directors</i>
Manajemen kunci lainnya		4,743		80,595,000	<i>Other key management</i>
				<u>105,395,000</u>	

*) dalam angka penuh

*) in full amount

37. KOMITMEN DAN KONTINJENSI

37. COMMITMENTS AND CONTINGENCIES

Seluruh komitmen dan kontinjensi adalah dalam mata uang Rupiah dan dari pihak ketiga.

Commitments and contingencies are in Rupiah currency and from third parties.

a. Berdasarkan jenis

a. By type

	2017	2016	
Aset kontinjensi			Contingent assets
Garansi yang diterima	2,035	2,021	<i>Guarantee received</i>
Pendapatan bunga dalam penyelesaian	62,994	54,436	<i>Interest receivable on non-performing loan</i>
	<u>65,029</u>	<u>56,457</u>	
Liabilitas komitmen			Commitments liability
Fasilitas penyediaan dana yang belum digunakan	5,328,527	4,749,212	<i>Unused funding facilities</i>

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37. KOMITMEN DAN KONTINJENSI (lanjutan)

**37. COMMITMENTS AND CONTINGENCIES
(continued)**

b. Berdasarkan kolektibilitas BI

b. By BI collectibility

	<u>2017</u>	<u>2016</u>	
Lancar	5,325,526	4,749,137	Current
Dalam perhatian khusus	3,001	75	Special mention
Kurang lancar	-	-	Substandard
Diragukan	-	-	Doubtful
Macet	-	-	Loss
	<u>5,328,527</u>	<u>4,749,212</u>	

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat komitmen dan kontinjensi yang mengalami penurunan nilai yang signifikan.

As at 31 December 2017 and 2016, there was no significant impairment on commitment and contingencies.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai.

Management believes that no allowance for impairment losses is necessary.

Sesuai dengan peraturan BI yang berlaku, Bank harus menghitung penyisihan penghapusan aset atas transaksi rekening administratif, termasuk diantaranya fasilitas yang belum digunakan. Selisih perhitungan penyisihan penghapusan aset dengan cadangan kerugian penurunan nilai menjadi pengurang modal dalam perhitungan rasio KPMM.

According to prevailing BI regulation, the Bank has to calculate provision for possible losses of off-balance sheet items, including unused loan. The difference between provision for possible losses and allowance for impairment losses will deduct the capital in CAR ratio calculation.

c. Kasus hukum

c. Litigation cases

Pada tanggal 9 Maret 2015, Bank menghadapi tuntutan hukum perdata dari Pemerintah Kota Semarang, gugatan secara material adalah sebesar Rp 31.385 dan secara immaterial adalah sebesar Rp 10.000. Gugatan ini telah ditolak oleh Pengadilan Tinggi Semarang dan dalam proses kasasi di Mahkamah Agung Republik Indonesia.

On 9 March 2015, the Bank face lawsuit from Semarang City Government, with material value of Rp 31,385 and immaterial value of Rp 10,000. This lawsuit has been rejected by Semarang High Court and in the process of cassation at Supreme Court of Republic Indonesia.

Atas perkara ini juga terdapat perkara pidana di Pengadilan Tindak Pidana Korupsi Semarang dengan tindakwa pihak eksternal dan karyawan bank sebagai saksi. Perkara ini telah diputus Mahkamah Agung Republik Indonesia dengan pidana penjara selama 12 tahun dan pidana denda sebesar Rp 500 atau digantikan dengan pidana penjara selama 6 bulan dan pidana tambahan sebesar Rp 26.717 dengan memperhitungkan yang sudah dikembalikan sebesar Rp 4.943.

This case also has criminal case at Corruption Trial in Semarang with external parties as a defendant and Bank's employee as a witness. The case has been decided by Supreme Court of Republic Indonesia with imprisonment for 12 years and criminal penalty amounting to Rp 500 or substitute with imprisonment for 6 months and additional penalty amounting to Rp 26,717 that also take into into account of amount that already returned amounting to Rp 4,943.

Hal ini masih dalam status penyidikan, sehingga belum dapat ditentukan jumlah kerugian yang timbul.

Considering that the legal process is still ongoing, the amount of loss incurred has not yet determined.

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38. SEGMENT OPERASI

Segmen operasi dilaporkan sesuai dengan laporan internal yang disiapkan untuk Direksi, yang bertindak sebagai pengambil keputusan operasi, dimana beliau bertanggung jawab untuk mengalokasikan sumber daya ke segmen dan melakukan penilaian atas performanya. Seluruh segmen operasi yang digunakan oleh Bank dan Entitas Anak telah memenuhi kriteria pelaporan berdasarkan PSAK 5 (revisi 2009), "Segmen Operasi".

Bank dan Entitas Anak memiliki 4 (empat) pelaporan segmen, berdasarkan produk usaha, sebagaimana disajikan dalam tabel di bawah ini.

Ritel

Terdiri dari pinjaman yang diberikan dan dana pihak ketiga dari nasabah pensiunan dan nasabah individual lainnya yang tidak digunakan untuk kegiatan usaha.

Kredit Usaha Mikro, Kecil & Menengah (UMKM)

Terdiri dari pinjaman yang diberikan dan dana pihak ketiga dari nasabah usaha mikro, kecil dan menengah yang digunakan untuk kegiatan usaha.

Penghimpunan dana dan treasuri

Terdiri dari aktivitas penghimpunan dana dari pihak ketiga dan bank lain, serta aktivitas treasuri termasuk pinjaman yang diterima dan surat berharga yang diterbitkan. Penghimpunan dana treasuri berada di bawah direktorat yang sama.

Syariah

Merupakan lini segmen operasi atas Entitas Anak yang dimulai dari tanggal efektif beroperasi sebagai Bank Umum Syariah.

Terdiri dari pembiayaan syariah dan dana pihak ketiga dari nasabah syariah yang digunakan untuk kegiatan usaha.

Dalam mengalokasikan beban operasional, manajemen mengatribusikan beberapa pos beban operasional sesuai dengan kebijakan pelaporan internal Bank dan Entitas Anak.

38. OPERATING SEGMENT

Operating segments are reported in accordance with the internal reporting provided to the Directors, as the chief operating decision maker, who are responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the Bank and Subsidiary meet the definition of a reportable segment under SFAS 5 (revised 2009), "Operating Segment".

The Bank and Subsidiary have 4 (four) reportable segments, in accordance with the business product, as set out in the table below.

Retail

Consists of loans and third party fund from pensioners and other individual customers which related to non-commercial purpose.

Micro, Small & Medium Enterprises (MSME)

Consists of loans and third party fund from micro, small & medium enterprises customers for commercial purposes.

Funding and treasury

Consists of funding business activity in raising funds from third party and other banks, and centralised treasury operations including borrowings and securities issued. Funding and treasury are under the same directorate.

Sharia

Represents a line of operating segments of Subsidiary which started from the effective date operating as Sharia Commercial Bank.

Consists of sharia financing and third party fund from sharia customers which related to commercial purpose.

In allocating operating expenses, management attributed some of its expenses based on Bank and Subsidiary internal reporting policy.

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38. SEGMENT OPERASI (lanjutan)

Informasi pelaporan segmen adalah sebagai berikut:

38. OPERATING SEGMENT (continued)

The reportable segment information is as follow:

	2017						
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan treasury/ Funding and Treasury	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidation	
Pendapatan							Revenue
Pendapatan bunga/margin (Beban)/pendapatan bunga antar segmen	7,853,666 (4,457,119)	2,560,728 (1,136,826)	726,415 5,593,945	2,905,253 -	- -	14,046,062 -	Interest/margin income Inter-segment interest (expense)/income
Pendapatan operasional lainnya	<u>249,065</u>	<u>253,948</u>	<u>(37,106)</u>	<u>7,046</u>	<u>(3,416)</u>	<u>469,537</u>	Other operating income
Jumlah pendapatan segmen	<u>3,645,612</u>	<u>1,677,850</u>	<u>6,283,254</u>	<u>2,912,299</u>	<u>(3,416)</u>	<u>14,515,599</u>	Total segment income
Beban							Expenses
Beban bunga/bagi hasil Beban tenaga kerja	- (1,242,943)	(7,417) (688,215)	(4,165,824) (905,788)	(351,211) (833,538)	- -	(4,524,452) (3,670,484)	Interest/profit sharing Personnel expenses General, administrative and other operating expenses
Beban umum, administrasi dan operasional lainnya Cadangan kerugian penurunan nilai	(1,220,544) <u>(304,601)</u>	(249,324) <u>(558,432)</u>	(1,193,426) <u>(37)</u>	(584,740) <u>(234,549)</u>	3,416 -	(3,244,618) <u>(1,097,619)</u>	Allowance for impairment losses
Jumlah beban segmen	<u>(2,768,088)</u>	<u>(1,503,388)</u>	<u>(6,265,075)</u>	<u>(2,004,038)</u>	<u>3,416</u>	<u>(12,537,173)</u>	Total segment expenses
(Beban)/pendapatan non-operasional	<u>(3,502)</u>	<u>(761)</u>	<u>(37,755)</u>	<u>437</u>	-	<u>(41,581)</u>	Non-operating (expenses)/income
Laba segmen sebelum pajak penghasilan	874,022	173,701	(19,576)	908,698	-	1,936,845	Segment income before income tax
Beban pajak penghasilan	<u>(234,957)</u>	<u>(46,695)</u>	<u>5,262</u>	<u>(238,515)</u>	-	<u>(514,905)</u>	Income tax expense
Laba bersih	<u>639,065</u>	<u>127,006</u>	<u>(14,314)</u>	<u>670,183</u>	<u>-</u>	<u>1,421,940</u>	Net income
Laba bersih yang dapat diatribusikan kepada:							Income for the year attributable to:
Pemiliki entitas induk						1,220,886	Owners of the parent
Kepentingan non-pengendali						201,054	Non-controlling interest
Aset							Assets
Pinjaman/pembiayaan yang diberikan-bersih	41,490,239	16,681,704	490,162	5,895,617	-	64,557,722	Net loans/financing
Pendapatan bunga/margin yang masih akan diterima	557,966	114,947	1,070	75,112	-	749,095	Accrued interest/margin income
Aset lain-lain	-	-	21,704,384	2,738,123	(36,708)	24,405,799	Other assets
Pendapatan bunga yang masih akan diterima	-	-	<u>33,004</u>	<u>17,534</u>	-	<u>50,538</u>	Accrued interest income
Jumlah aset yang dialokasikan	<u>42,048,205</u>	<u>16,796,651</u>	<u>22,228,620</u>	<u>8,726,386</u>	<u>(36,708)</u>	<u>89,763,154</u>	Total allocated asset
Aset yang tidak dialokasikan						<u>5,726,696</u>	Unallocated asset
Jumlah aset						<u>95,489,850</u>	Total assets
Liabilitas							Liabilities
Simpanan nasabah/dana syirkah temporer	-	438,467	60,933,727	6,545,879	-	67,918,073	Customer deposits/ temporary syirkah fund
Beban bunga/bagi hasil yang masih harus dibayar	-	170	193,595	13,735	-	207,500	Accrued interest/profit sharing expense
Liabilitas lain-lain	-	-	8,611,398	-	(36,773)	8,574,625	Other liabilities
Beban bunga yang masih harus dibayar	-	-	<u>79,753</u>	<u>12</u>	-	<u>79,765</u>	Accrued interest expenses
Jumlah liabilitas yang dialokasikan	-	<u>438,637</u>	<u>69,818,473</u>	<u>6,559,626</u>	<u>(36,773)</u>	<u>76,779,963</u>	Total allocated liabilities
Liabilitas yang tidak dialokasikan						<u>1,509,090</u>	Unallocated liabilities
Jumlah liabilitas						<u>78,289,053</u>	Total liabilities

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38. SEGMENT OPERASI (lanjutan)**38. OPERATING SEGMENT (continued)**

	2016						
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan treasury/ Funding and Treasury	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidation	
Pendapatan							Revenue
Pendapatan bunga/margin (Beban)/pendapatan bunga antar segmen	8,036,529 (4,593,645)	2,784,454 (1,199,139)	647,761 5,792,784	2,226,482 -	- -	13,695,226 -	Interest/margin income Inter-segment interest (expense)/income
Pendapatan operasional lainnya	<u>285,615</u>	<u>293,245</u>	<u>28,382</u>	<u>4,895</u>	<u>(2,195)</u>	<u>609,942</u>	Other operating income
Jumlah pendapatan segmen	<u>3,728,499</u>	<u>1,878,560</u>	<u>6,468,927</u>	<u>2,231,377</u>	<u>(2,195)</u>	<u>14,305,168</u>	Total segment income
Beban							Expenses
Beban bunga/bagi hasil Beban tenaga kerja	- (1,195,890)	(6,812) (822,622)	(4,537,139) (353,591)	(297,296) (771,058)	- -	(4,841,247) (3,143,161)	Interest/profit sharing Personnel expenses
Beban umum, administrasi dan operasional lainnya	(1,226,816)	(352,263)	(774,764)	(489,635)	2,195	(2,841,283)	General, administrative and other operating expenses
Cadangan kerugian penurunan nilai	<u>(174,826)</u>	<u>(575,376)</u>	<u>(1,000)</u>	<u>(118,559)</u>	<u>-</u>	<u>(869,761)</u>	Allowance for impairment losses
Jumlah beban segmen	<u>(2,597,532)</u>	<u>(1,757,073)</u>	<u>(5,666,494)</u>	<u>(1,676,548)</u>	<u>2,195</u>	<u>(11,695,452)</u>	Total segment expenses
(Beban)/pendapatan non-operasional	<u>(5,280)</u>	<u>(425)</u>	<u>(406)</u>	<u>914</u>	<u>-</u>	<u>(5,197)</u>	Non-operating (expenses)/income
Laba segmen sebelum pajak penghasilan	<u>1,125,687</u>	<u>121,062</u>	<u>802,027</u>	<u>555,743</u>	<u>-</u>	<u>2,604,519</u>	Segment income before income tax
Beban pajak penghasilan	<u>(321,659)</u>	<u>(34,592)</u>	<u>(229,174)</u>	<u>(143,248)</u>	<u>-</u>	<u>(728,673)</u>	Income tax expense
Laba bersih	<u>804,028</u>	<u>86,470</u>	<u>572,853</u>	<u>412,495</u>	<u>-</u>	<u>1,875,846</u>	Net income
Laba bersih yang dapat diatribusikan kepada:							Income for the year attributable to:
Pemiliki entitas induk						1,752,097	Owners of the parent
Kepentingan non-pengendali						123,749	Non-controlling interest
Aset							Assets
Pinjaman/pembiayaan yang diberikan-bersih	41,355,070	16,056,080	189,000	4,882,956	-	62,483,106	Net loans/financing
Pendapatan bunga/margin yang masih akan diterima	571,293	134,642	661	57,917	-	764,513	Accrued interest/margin income
Aset lain-lain	-	-	20,825,900	1,774,429	(33,952)	22,566,377	Other assets
Pendapatan bunga yang masih akan diterima	-	-	<u>22,099</u>	<u>590</u>	<u>-</u>	<u>22,689</u>	Accrued interest income
Jumlah aset yang dialokasikan	<u>41,926,363</u>	<u>16,190,722</u>	<u>21,037,660</u>	<u>6,715,892</u>	<u>(33,952)</u>	<u>85,836,685</u>	Total allocated asset
Aset yang tidak dialokasikan						<u>5,534,702</u>	Un-allocated asset
Jumlah aset						<u>91,371,387</u>	Total assets
Liabilitas							Liabilities
Simpanan nasabah/dana syirkah temporer	-	367,633	60,446,315	5,387,564	-	66,201,512	Customer deposits/ temporary syirkah fund
Beban bunga/bagi hasil yang masih harus dibayar	-	85	235,335	12,320	-	247,740	Accrued interest/profit sharing expense
Liabilitas lain-lain	-	-	7,116,679	-	(33,829)	7,082,850	Other liabilities
Beban bunga yang masih harus dibayar	-	-	<u>89,683</u>	<u>-</u>	<u>-</u>	<u>89,683</u>	Accrued interest expense
Jumlah liabilitas yang dialokasikan	<u>-</u>	<u>367,718</u>	<u>67,888,012</u>	<u>5,399,884</u>	<u>(33,829)</u>	<u>73,621,785</u>	Total allocated liabilities
Liabilitas yang tidak dialokasikan						<u>1,437,174</u>	Unallocated liabilities
Jumlah liabilitas						<u>75,058,959</u>	Total liabilities

Berdasarkan informasi geografis

Pada tanggal 31 Desember 2017 (tidak diaudit), segmen berdasarkan geografis terdiri dari 1.147 cabang yang terbagi menjadi 4 area yaitu Jawa, Sumatera, Bali dan Nusa Tenggara, serta Kalimantan dan Sulawesi (2016: 1.261 cabang) (tidak diaudit).

Geographical information

As of 31 December 2017 (unaudited), geographical segment consists of 1,147 branches that are located into 4 areas, which are Java, Sumatera, Bali and Nusa Tenggara, also Kalimantan and Sulawesi (2016: 1,261 branches) (unaudited).

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38. SEGMENT OPERASI (lanjutan)

Berdasarkan informasi geografis (lanjutan)

Segmen informasi berdasarkan geografis adalah sebagai berikut:

38. OPERATING SEGMENT (continued)

Geographical information (continued)

Information concerning geographical segments is as follows:

	<u>Jawa/ Java</u>	<u>Sumatera</u>	<u>Bali dan/and Nusa Tenggara</u>	<u>Kalimantan dan/and Sulawesi</u>	<u>Penyesuaian dan eliminasi/ Adjustment and elimination</u>	<u>Konsolidasi/ Consolidation</u>	
31 Desember 2017							31 December 2017
Pendapatan bunga	8,607,180	2,808,532	628,277	2,002,073	-	14,046,062	Interest income
Total aset	68,077,010	13,656,250	3,297,836	11,163,956	(705,202)	95,489,850	Total assets
31 Desember 2016							31 December 2016
Pendapatan bunga	8,230,078	2,832,006	628,741	2,004,401	-	13,695,226	Interest income
Total aset	64,073,299	13,953,999	3,238,320	10,802,068	(696,299)	91,371,387	Total assets

39. LABA BERSIH PER SAHAM

39. EARNINGS PER SHARE

	<u>2017</u>	<u>2016</u>	
Laba yang diatribusikan kepada pemilik entitas induk	<u>1,220,886</u>	<u>1,752,097</u>	Profit attributable to owner of the parent
Jumlah rata-rata tertimbang saham biasa	<u>5,745,088,357</u>	<u>5,766,566,995</u>	Weighted average number of shares
Laba bersih per saham dasar (nilai penuh)	<u><u>213</u></u>	<u><u>304</u></u>	Basic earnings per share (full amount)
Laba bersih per saham dilusian (nilai penuh)	<u><u>206</u></u>	<u><u>294</u></u>	Diluted earnings per share (full amount)

Laba per saham dasar

Laba per saham dasar dihitung dengan membagi laba yang diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada tahun yang bersangkutan.

Laba per saham dilusian

Dalam perhitungan laba bersih per saham dilusian jumlah rata-rata tertimbang jumlah yang beredar disesuaikan dengan asumsi bahwa semua efek berpotensi saham yang sifatnya dilutif dikonversi.

Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki potensi saham yang bersifat dilutif masing-masing sebesar 173.980.000 dan 190.190.000 lembar saham.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owner of the parent by the weighted average number of shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

As at 31 December 2017 and 2016, Bank has dilutive potential shares 173,980,000 and 190,190,000 shares, respectively.

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40. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN

a. PT Taspen (Persero)

Bank memiliki kerja sama dengan PT Taspen (Persero) dalam hal pembayaran uang pensiun kepada para pensiunan pegawai Pemerintah. Perjanjian Kerjasama ini dituangkan dalam perjanjian No. JAN-08/DIR/2007 dan No. PKS.023/DIR/III/2007 tentang Pembayaran Tabungan Hari Tua, Tabungan Hari Tua Asuransi Multiguna Sejahtera dan Pensiun melalui rekening Bank. Kerjasama ini berlaku untuk masa 2 (dua) tahun mulai tanggal 13 April 2007 sampai 12 April 2009 dan telah mengalami beberapa kali perpanjangan, terakhir melalui perjanjian PK.031/DIR/PBSRM/VI/2017 mulai tanggal 19 Juni 2017 sampai 18 Juni 2019.

b. PT Pos Indonesia (Persero)

Bank memiliki kerja sama dengan PT Pos Indonesia (Persero) dalam hal pembayaran uang pensiun kepada para pensiunan pegawai Pemerintah. Perjanjian Kerjasama ini dituangkan dalam perjanjian No. PKS. 060/DIR/RBPB/III/2012 dan No. PKS. 35/DIRUT/0312 tanggal 14 Maret 2012 tentang Pemotongan Uang Pensiun untuk Angsuran Kredit Pensiun. Jangka waktu kerjasama ini adalah 2 (dua) tahun yaitu sampai 27 Maret 2014, diperpanjang melalui No. PKS. 057/DIR/PBIRM/IV/2014 dan No. PKS. 77/DIRUT/0414 tanggal 25 April 2014. Perjanjian ini berlaku dari tanggal 28 Maret 2014 sampai 27 Maret 2016 dan perpanjangan yang terakhir melalui No. PKS. 100a/DIR/PBSRM/III/2016 dan No. PKS. 79/DIRTEKJASKUG/0316 tanggal 28 Maret 2016. Perjanjian ini berlaku dari tanggal 28 Maret 2016 sampai 27 Maret 2017. Perpanjangan terakhir melalui No. PKS. 013/DIR/PBSRM/III/2017 and No. PKS 70/DIJASKUG/0317 tanggal 28 Maret 2017 sampai 27 September 2017. Sampai dengan tanggal penerbitan laporan keuangan, Bank masih dalam proses pembahasan perpanjangan jangka waktu perjanjian.

c. Perjanjian Kerjasama dengan lembaga pengelola dana pensiun lainnya

Bank juga melakukan kerjasama dalam rangka pembayaran manfaat pensiun dengan beberapa lembaga pengelola dana pensiun lainnya sebagai berikut:

**Lembaga Pengelola Dana Pensiun/
Pension Fund Management Institution**

25 Dana Pensiun/Pension Fund
3 Perusahaan asuransi/Insurance Company
3 Lainnya/Others

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS

a. PT Taspen (Persero)

The Bank has cooperated with PT Taspen (Persero) in terms of payment of pension to retired government employees. The Cooperation Agreement was stipulated in agreement No. JAN-08/DIR/2007 and No. PKS.023/DIR/III/2007 concerning the Payment of Old-Age-Savings Plan, Old-Age-Savings Plan of Multiguna Sejahtera Insurance and Pension through the Bank's account. The agreement is for 2 (two) years from 13 April 2007 to 12 April 2009 and has been extended for several times, the latest are stipulated in agreement PK.031/DIR/PBSRM/VI/2017 starting 19 June 2017 to 18 June 2019.

b. PT Pos Indonesia (Persero)

The Bank has cooperated with PT Pos Indonesia (Persero) in terms of payment of pension to retired government employees. The Cooperation Agreements are stipulated in agreements No PKS. 060/DIR/RBPB/III/2012 and No. PKS. 35/DIRUT/0312 dated 14 March 2012 concerning the Deductions of Pension Benefit for Pension Loan Installment. These agreements were for 2 (two) years, and expired on 27 March 2014, and the extension are stipulated under No. PKS. 057/DIR/PBIRM/IV/2014 and No. PKS. 77/DIRUT/0414 dated 25 April 2014. This agreement valid from 28 March 2014 until 27 March 2016 and the latest extension are stipulated under No. PKS. 100a/DIR/PBSRM/III/2016 and No. PKS. 79/DIRTEKJASKUG/0316 dated 28 March 2016. These agreements valid from 28 March 2016 until 27 March 2017. The latest extension are stipulated under No. PKS. 013/DIR/PBSRM/III/2017 and No. PKS 70/DIJASKUG/0317 dated 28 March 2017 until 27 September 2017. Until the issuance date of financial statement, the Bank is still on the process of discussion for extending the agreement period.

c. Cooperation Agreements with other pension fund management institutions

The Bank operates pension benefit payments in cooperation with several other pension fund management institutions as follows:

Periode/Period

9 Oktober/October 2006 – Tidak terbatas/Unlimited
Tidak terbatas/Unlimited
9 Juni/June 2015 – 9 Juni/June 2020

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40. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN (lanjutan)

d. Perjanjian Kerjasama sehubungan dengan penyediaan jasa *payment point* oleh Bank

Berdasarkan Perjanjian Kerjasama dengan institusi-institusi tertentu, Bank menyediakan jasa *payment point* untuk memudahkan para nasabah Bank dalam melakukan transaksi pembayaran iuran-iuran bulanan antara lain pembayaran iuran listrik, telepon, pajak, air minum dan lain sebagainya.

e. Perjanjian Kerjasama untuk menunjang kegiatan operasional Bank

Untuk menunjang kegiatan operasionalnya, Bank telah menandatangani beberapa Perjanjian Kerjasama dengan berbagai pihak dalam bidang penyediaan jasa teknologi informasi, sewa pembiayaan kendaraan bermotor, mesin ATM dan bangunan, penyediaan jasa tenaga kerja, asuransi kesehatan tenaga kerja dan lain sebagainya.

f. Perjanjian untuk melindungi debitur-debitur pensiunan dengan asuransi jiwa

Untuk melindungi risiko ketidaktertagihan pinjaman yang diberikan kepada para pensiunan, Bank telah melaksanakan kerjasama dengan PT Asuransi Allianz Life Indonesia pada tanggal 26 November 2008, PT Avrist Assurance pada tanggal 23 Juni 2011, PT Asuransi Jiwa Generali Indonesia pada tanggal 22 Juni 2011, PT FWD Life Indonesia pada tanggal 13 Desember 2016, dan PT Proteksi Antar Nusa pada tanggal 1 Maret 2017 (Catatan 11).

g. Perjanjian pembiayaan bersama

PT BFI Finance Indonesia Tbk.

Pada tanggal 25 Agustus 2011 melalui Perjanjian Kerjasama No. PKS.189/DIR/RBFI/VIII/2011, Bank melakukan Perjanjian Kerjasama pembiayaan bersama *without recourse* dengan PT BFI Finance Indonesia Tbk. ("BFI"). Dalam Perjanjian Kerjasama ini, porsi fasilitas pembiayaan yang akan diberikan untuk pelanggan BFI adalah maksimum 90% dari Bank dan minimum 10% dari pihak BFI. Fasilitas maksimum pembiayaan bersama adalah sebesar Rp 1.300.000. Pada tanggal 20 Februari 2014, jangka waktu Perjanjian telah diperpanjang hingga 25 Agustus 2016. Dalam tahun 2016, perjanjian ini telah jatuh tempo dan tidak diperpanjang.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

d. Cooperation Agreements related with providing *payment point* services by the Bank

*Based on agreements with certain institutions, the Bank provides *payment point* services to facilitate the Bank's depositors with *payment transaction* for monthly bills such as electricity, telephone, tax, water payment, etc.*

e. Cooperation Agreements to support the operational activities of the Bank

To support its operational activities, the Bank has entered several agreements in relation to information technology services, leasing of vehicles, ATM machines and buildings, outsourcing of personnel, personnel medical insurance, etc.

f. Agreements to cover pension debtors with life insurance

To cover the risk of uncollectible loans that may arise from pensioners, the Bank entered agreements with PT Asuransi Allianz Life Indonesia on 26 November 2008, PT Avrist Assurance on 23 June 2011, PT Asuransi Jiwa Generali Indonesia on 22 June 2011, PT FWD Life Indonesia on 13 December 2016 and PT Proteksi Antar Nusa on 1 March 2017 (Note 11).

g. Joint financing agreements

PT BFI Finance Indonesia Tbk.

On 25 August 2011, through Cooperation Agreement No. PKS.189/DIR/RBFI/VIII/2011, the Bank entered a joint financing without recourse arrangement with PT BFI Finance Indonesia Tbk. ("BFI"). Based on the agreement, the amount of funds to be financed by each party will be a maximum of 90% from the Bank and a minimum of 10% from BFI. Maximum joint financing facilities is Rp 1,300,000. On 20 February 2014, the agreement has been extended to 25 August 2016. In 2016, this agreement was due and not extended.

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40. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN (lanjutan)

g. Perjanjian pembiayaan bersama (lanjutan)

PT Home Credit Indonesia

Pada tanggal 23 Juni 2014 melalui Perjanjian Kerjasama No PKS.087/DIR/TFI/VI/2014, Bank melakukan Perjanjian Kerjasama pembiayaan bersama *without recourse* dengan PT Home Credit Indonesia ("HCI"). Dalam Perjanjian Kerjasama ini, porsi fasilitas pembiayaan yang akan diberikan untuk debitur adalah maksimum 90% dari Bank dan minimum 10% dari pihak HCI.

Pada tanggal 19 September 2016 melalui Addendum Perjanjian Kerjasama No PKS.063/DIR/SMEBD/IX/2016 fasilitas pembiayaan bersama ditingkatkan menjadi Rp 1.200.000 dan jangka waktu perjanjian telah diperpanjang hingga 23 Juni 2020.

PT SMFL Leasing Indonesia

Pada tanggal 16 Februari 2017 melalui Perjanjian Kerjasama No. PKS.006/DIR/SMEMB/II/2017, Bank melakukan Perjanjian Kerjasama pembiayaan bersama *without recourse* dengan PT SMFL Leasing Indonesia ("SMFL"). Dalam Perjanjian Kerjasama ini, porsi fasilitas pembiayaan yang akan diberikan untuk pelanggan SMFL adalah maksimum 90% dari Bank dan minimum 10% dari pihak SMFL. Fasilitas maksimum pembiayaan bersama adalah sebesar Rp 250.000. Jangka waktu perjanjian adalah untuk 3 (tiga) tahun, terhitung mulai tanggal 16 Februari 2017 hingga 16 Februari 2020.

h. Perjanjian pinjaman bilateral

Pada tanggal 18 Desember 2013 melalui perjanjian No. PKS. 299/DIR/TFI/XII/2013, Bank melakukan perjanjian pinjaman bilateral dengan PT. Home Credit Indonesia ("HCI") dengan limit sebesar Rp 50.000. Perjanjian dengan HCI telah dilakukan addendum pertama tanggal 2 Mei 2014 melalui addendum perjanjian No. PKS.063a/DIR/TFI/V/2014 dengan perubahan limit menjadi Rp 100.000, addendum kedua pada tanggal 12 Desember 2014 melalui perjanjian No. PKS.170/DIR/TFI/XII/2014 tanggal 12 Desember 2014 dengan perubahan jangka waktu ketersediaan.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

g. Joint financing agreements (continued)

PT Home Credit Indonesia

On 23 June 2014, through Cooperation Agreement No. PKS.087/DIR/TFI/VI/2014, the Bank entered a joint financing without recourse arrangement with PT Home Credit Indonesia ("HCI"). Based on the agreement, the amount of funds to be financed by each party will be a maximum of 90% from the Bank and a minimum of 10% from HCI.

On 19 September 2016, through Cooperation Agreement No. PKS.063/DIR/SMEBD/IX/2016 joint financing facilities has been increased to Rp 1,200,000 and the agreement has been extended to 23 June 2020.

PT SMFL Leasing Indonesia

On 16 February 2017 through Cooperation Agreement No. PKS.006/DIR/SMEMB/II/2017, the Bank entered a joint financing without recourse arrangement with PT SMFL Leasing Indonesia ("SMFL"). Based on the agreement, the amount of funds to be financed by each party will be a maximum of 90% from the bank and minimum of 10% from SMFL. The maximum joint financing facility is amounted to Rp 250,000. The term of the agreement is for 3 (three) years, from 16 February 2017 to 16 February 2020.

h. Bilateral loan agreement

On 18 December 2013 through agreement No. PKS. 299/DIR/TFI/XII/2013, the Bank entered a Bilateral Loan Agreement with PT Home Credit Indonesia ("HCI") with limit Rp 50,000. The first amendment of Agreement has been done on 2 May 2014 through addendum Agreement No. PKS.063a/DIR/TFI/V/2014 with amendment of the limit to be Rp 100,000, and the second amendment on 12 December 2014 through agreement No PKS.170/DIR/TFI/XII/2014 with amendment on the availability period.

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40. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN (lanjutan)

h. Perjanjian pinjaman bilateral (lanjutan)

Adendum ketiga pada tanggal 22 Oktober 2015 melalui perjanjian No. PKS.082/DIR/FINTF/X/2015 dengan perubahan jangka waktu ketersediaan, tanggal jatuh tempo perjanjian dan pembayaran kembali, serta adendum keempat pada tanggal 28 Oktober 2016 melalui perjanjian No. PKS.077/FINTF/DIR/X/2016 dengan perubahan jangka waktu ketersediaan dan kesepakatan untuk membayar biaya fasilitas per tahun sesuai jangka waktu ketersediaan. Adendum kelima pada tanggal 27 Maret 2017 melalui perjanjian No. PKS.001/PK-MF/Mitra Bisnis/2017 dengan perubahan jangka waktu ketersediaan dan penambahan fasilitas pinjaman menjadi Rp 1.000.000. Perjanjian ini berlaku sampai dengan 21 Maret 2018.

i. Perjanjian pembiayaan konsumen dan penunjukan pengelola fasilitas

Pada tanggal 8 Agustus 2012 melalui Perjanjian Kerjasama No. PKS.178/DIR/RBFI/VIII/2012, Bank melakukan Perjanjian Kerjasama pembiayaan konsumen dan penunjukan pengelola fasilitas dengan PT BFI Finance Indonesia Tbk ("BFI"). Dalam Perjanjian Kerjasama ini, pembiayaan yang akan diberikan untuk pelanggan BFI adalah 100% dari Bank. Fasilitas maksimum untuk kerjasama pembiayaan ini dapat juga digunakan untuk fasilitas pembiayaan bersama sebesar Rp 1.300.000. Pada tanggal 20 Februari 2014 melalui Perubahan dan Pernyataan Kembali Perjanjian Kerjasama No. PKS.016a/DIR/TFI/II/2014, perjanjian telah diperpanjang hingga 25 Agustus 2016. Dalam tahun 2016, perjanjian ini telah jatuh tempo dan tidak di perpanjang.

j. Perjanjian Kerjasama Jasa Pemasaran dan Administrasi Produk BTPN

Pada tanggal 31 Agustus 2015 melalui Perjanjian Kerjasama No. PKS.068/DIR/CFB/VIII/2015, Bank melakukan kerjasama Jasa Pemasaran dan Administrasi Produk BTPN dengan PT Oto Multi Artha ("OMA"). Dalam Perjanjian Kerjasama ini, pembiayaan yang akan diberikan untuk debitur adalah 100% dari Bank. Jangka waktu perjanjian adalah untuk 3 (tiga) tahun, terhitung mulai tanggal 31 Agustus 2015 hingga 31 Agustus 2018.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

h. Bilateral loan agreement (continued)

Third amendment on 22 October 2015 Agreement No. PKS.082/DIR/FINTF/X/2015 with amendment of availability period, maturity of agreement and repayment clause, and the fourth amendment on 28 October 2016 Agreement No. PKS.077/FINTF/DIR/X/2016 with amendment of availability period and as of the date of fourth amendment agreement, the borrower agrees to pay a facility fee per year according to availability period. Fifth amendment on 27 March 2017 through agreement No. PKS.001/PK-MF/Mitra Bisnis/2017 with amendment of availability period and additional facility to Rp 1,000,000. The agreement valid until 21 March 2018.

i. Consumer financing and servicing agent agreement

On 8 August 2012 through Cooperation Agreement No. PKS.178/DIR/RBFI/VIII/2012, the Bank entered a consumer financing and servicing agent arrangement with PT BFI Finance Indonesia Tbk ("BFI"). Based on the agreement, the amount of funds to be financed will be 100% from the Bank. Maximum facility of this agreement can also be used together with joint financing facility of Rp 1,300,000. On 20 February 2014 through addendum and restatement Cooperations Agreement No. PKS.016a/DIR/TFI/II/2014, the agreement has been extended to 25 August 2016. In 2016, this agreement was due and not extended.

j. Marketing and Administration Services for BTPN Product agreement

On 31 August 2015 through Cooperation Agreement No. PKS.068/DIR/CFB/VIII/2015, the Bank entered a Marketing and Administration Services for BTPN Product agreement with PT Oto Multi Artha ("OMA"). The amount of funds for debtor to be financed will be 100% from the Bank. The term of the agreement is for 3 (three) years, from 31 August 2015 to 31 August 2018.

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j. Perjanjian Kerjasama Jasa Pemasaran dan Administrasi Produk BTPN (lanjutan)

Adendum pertama perjanjian telah dilakukan pada tanggal 27 Juli 2016 melalui adendum perjanjian No. PKS.053/DIR/FINTF/VII/2016 dengan perubahan pada persyaratan dan dokumen sehubungan dengan nasabah dan kendaraan.

k. Perjanjian dengan JP Morgan Chase Bank, National Association

Pada tanggal 20 Februari 2009, Bank mengadakan perjanjian "International Swaps and Derivatives Association (ISDA)" dengan JP Morgan Chase Bank, National Association.

Perjanjian ini dibuat sehubungan dengan rencana Bank untuk melakukan transaksi *Interest Rate Swap (IRS)*.

Untuk tahun-tahun yang berakhir pada 31 Desember 2017 dan 2016 tidak terdapat transaksi IRS antara Bank dengan JP Morgan Chase Bank.

l. Perjanjian dengan Standard Chartered Bank

Pada tanggal 12 April 2011, Bank mengadakan perjanjian "International Swaps and Derivatives Association (ISDA)" dengan Standard Chartered Bank. Perjanjian ini dibuat sehubungan dengan rencana Bank untuk melakukan transaksi *Interest Rate Swap (IRS)*.

Untuk tahun yang berakhir pada 31 Desember 2017 dan 2016 tidak terdapat transaksi IRS antara Bank dengan Standard Chartered Bank.

m. Perjanjian dengan Serikat Pekerja

Pada tanggal 16 Desember 2016, Bank bersama Serikat Pekerja kembali mengesahkan Perjanjian Kerja Bersama ("PKB") yang berlaku efektif terhitung sejak tanggal 16 Desember 2016 sampai dengan 15 Desember 2018. PKB ini telah mendapat bukti pendaftaran PKB dari Kementerian Tenaga Kerja dan Transmigrasi Republik Indonesia.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

j. Marketing and Administration Services for BTPN Product agreement (continued)

The first amendment of agreement has been done on 27 July 2016 through addendum agreement No. PKS.053/DIR/FINTF/VII/2016 with amendment in requirement and documents related with customer and the vehicle.

k. Agreement with JP Morgan Chase Bank, National Association

On 20 February 2009, the Bank entered an "International Swaps and Derivatives Association (ISDA)" agreement with JP Morgan Chase Bank, National Association.

This agreement was relating to the Bank's plan to enter into Interest Rate Swap (IRS) transaction.

For the years ended 31 December 2017 and 2016 there are no IRS transactions between the Bank and JP Morgan Chase Bank.

l. Agreement with Standard Chartered Bank

On 12 April 2011, the Bank entered an "International Swaps and Derivatives Association (ISDA)" agreement with Standard Chartered Bank. This agreement was relating to the Bank's plan to enter into Interest Rate Swap (IRS) transaction.

For the years ended on 31 December 2017 and 2016 there are no IRS transaction between Bank and Standard Chartered Bank.

m. Agreements with Labor Union

On 16 December 2016, the Bank and Labor Union has legalised Collective Labor Agreement ("PKB") between the Bank and all employees that started effectively from 16 December 2016 until 15 December 2018. This PKB has been approved by Board of Commissioners and Minister of Manpower and Transmigration of the Republic of Indonesia.

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n. Perjanjian Kerjasama *bancassurance* untuk Nasabah Sinaya

Pada tanggal 11 Agustus 2014, melalui Perjanjian Kerjasama No. PKS.108/DIR/FINCM/VIII/2014, Bank melakukan Perjanjian Kerjasama *bancassurance* dengan PT Asuransi Allianz Life Indonesia ("Allianz"). Bank akan mendistribusikan produk-produk asuransi jiwa dari Allianz kepada Nasabah Sinaya melalui seluruh jalur distribusi Bank sesuai dengan Model Bisnis *Bancassurance*. Perjanjian ini berlaku selama 10 tahun.

o. Perjanjian dengan PT Indosurya Inti Finance

Pada tanggal 21 Agustus 2017 melalui perjanjian No. 128 Tanggal 21 Agustus 2017, Bank melakukan perjanjian pinjaman dengan PT Indosurya Inti Finance dengan plafon sebesar Rp 100.000 dan suku bunga antara 11%-12%. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 21 Februari 2023.

p. Perjanjian dengan Bintang Mandiri Finance

Pada tanggal 19 September 2017 melalui perjanjian No.38 Tanggal 19 September 2017, Bank melakukan perjanjian pinjaman dengan Bintang Mandiri Finance dengan plafon sebesar Rp 50.000 dan suku bunga 11,25% yang meningkat sebesar 0,25% pada tahun pertama sampai tahun keempat, dan pada tahun kelima meningkat sebesar 0,5%. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 19 September 2023.

q. Perjanjian dengan PT Multindo Auto Finance

Pada tanggal 5 Oktober 2017 melalui perjanjian No.18 Tanggal 5 Oktober 2017, Bank melakukan perjanjian pinjaman dengan PT Multindo Auto Finance dengan plafon sebesar Rp 100.000 dan suku bunga antara 11%-12%. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 5 Oktober 2021.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

n. *Bancassurance* Agreement for Sinaya Customers

On 11 August 2014, through Cooperation Agreement No. PKS.108/DIR/FINCM/VIII/2014, the Bank entered a *bancassurance* agreement with PT Asuransi Allianz Life Indonesia ("Allianz"). Bank will distribute life insurance products of Allianz to Sinaya Customers through the entire distribution channel of Bank in accordance with the *Bancassurance* Business Model. The agreement is effective for 10 years.

o. Agreements with PT Indosurya Inti Finance

On 21 August 2017 through agreement No. 128 Tanggal 21 Agustus 2017, the Bank entered a loan agreement with PT Indosurya Inti Finance with plafond amounting to Rp 100,000 and interest rate between 11%-12%. The agreement valid since the loan agreement signed until 21 February 2023.

p. Agreements with Bintang Mandiri Finance

On 19 September 2017 through agreement No. 38 Tanggal 19 September 2017, the Bank entered a loan agreement with Bintang Mandiri Finance with plafond amounting to Rp 50,000 and interest rate of 11.25% which increase 0.25% every year from first year to fourth year, and 0.5% on the fifth year. The agreement valid since the loan agreement signed until 19 September 2023.

q. Agreements with PT Multindo Auto Finance

On 5 October 2017 through agreement No.18 Tanggal 5 Oktober 2017, the Bank entered a loan agreement with PT Multindo Auto Finance with plafond amounting to Rp 100,000 and interest rate between 11%-12%. The agreement valid since the loan agreement signed until 5 October 2021.

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40. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN (lanjutan)

r. Perjanjian dengan PT Sahabat Finansial Keluarga

Pada tanggal 25 Agustus 2017 melalui perjanjian No.177 Tanggal 25 Agustus 2017, Bank melakukan perjanjian pinjaman dengan PT Sahabat Finansial Keluarga dengan plafon sebesar Rp 100.000 dan suku bunga untuk tahun pertama adalah 9,5% dan meningkat 0,25% hingga jatuh tempo. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 25 Agustus 2023.

s. Perjanjian dengan Artha Prima Finance

Pada tanggal 24 Oktober 2017 melalui perjanjian No.64 Tanggal 24 Oktober 2017, Bank melakukan perjanjian pinjaman dengan Artha Prima Finance dengan plafon sebesar Rp 60.000 dan suku bunga 11% yang meningkat sebesar 0,25% setiap tahun. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 24 Oktober 2021.

t. Perjanjian dengan Buana Sejahtera Multidana

Pada tanggal 14 November 2017 melalui perjanjian No.110 Tanggal 14 November 2017, Bank melakukan perjanjian pinjaman dengan Buana Sejahtera Multidana dengan plafon sebesar Rp 15.000 dan suku bunga 11,25% yang meningkat sebesar 0,25% setiap tahun. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 14 November 2021.

u. Perjanjian dengan PT Trihamas Finance

Pada tanggal 17 Oktober 2017 melalui perjanjian No. 03 Tanggal 17 Oktober 2017, Bank melakukan perjanjian pinjaman dengan PT Trihamas Finance dengan plafon sebesar Rp 50.000 dan suku bunga untuk tahun pertama adalah 11,25% dan meningkat 0,25% di tahun ketiga. Perjanjian ini berlaku sejak penandatanganan perjanjian pinjaman sampai dengan 17 Oktober 2022.

v. Komitmen signifikan lainnya

Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki komitmen sewa gedung kantor masing-masing sebesar Rp 18.554 dan Rp 7.679.

40. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

r. Agreements with PT Sahabat Finansial Keluarga

On 25 August 2017 through agreement No.177 Tanggal 25 Agustus 2017, the Bank entered into a agreement with PT Sahabat Finansial Keluarga with plafond amounting to Rp 100,000 and interest rate for first year is 9.5% and then increase 0.25% until maturity date. The agreement valid since the loan agreement signed until 25 August 2023.

s. Agreements with Artha Prima Finance

On 24 October 2017 through agreement No.64 Tanggal 24 October 2017, the Bank entered a loan agreement with Artha Prima Finance with plafond amounting to Rp 60,000 and interest rate of 11% which increase 0.25% per annum. The agreement valid since the loan agreement signed until 24 October 2021.

t. Agreements with Buana Sejahtera Multidana

On 14 November 2017 through agreement No.110 Tanggal 14 November 2017, the Bank entered a loan agreement with Buana Sejahtera Multidana with plafond amounting to Rp 15,000 and interest rate of 11.25% which increase 0.25% per annum. The agreement valid since the loan agreement signed until 14 November 2021.

u. Agreements with PT Trihamas Finance

On 17 October 2017 through agreement No. 03 Tanggal 17 Oktober 2017, the Bank entered a loan agreement with PT Trihamas Finance with plafond amounting to Rp 50,000 and interest rate for first year is 11.25% and then increase 0.25% on third year. The agreement valid since the loan agreement signed until 17 October 2022.

v. Other significant commitment

As at 31 December 2017 and 2016, Bank has office building rental commitments amounted to Rp 18,554 and Rp 7,679 respectively.

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41. MANAJEMEN RISIKO KEUANGAN

Kerangka Manajemen Risiko

Pengembangan manajemen risiko keuangan di Bank dan Entitas Anak berpedoman pada peraturan Bank Indonesia tentang Penerapan Manajemen Risiko bagi Bank Umum serta dokumen-dokumen dari *Basel Committee of Banking Supervision*, terutama konsep *Basel Accord II*.

Kerangka manajemen risiko Bank dan Entitas Anak diimplementasikan melalui kebijakan-kebijakan, prosedur, limit-limit transaksi dan kewenangan, toleransi risiko serta perangkat manajemen risiko. Bank dan Entitas Anak melakukan pengembangan manajemen risiko secara berkesinambungan sesuai dengan meningkatnya perkembangan dan kompleksitas bisnis, strategi dan sistem informasi manajemen.

Penerapan manajemen risiko mencakup:

- Pengawasan aktif Dewan Komisaris dan Direksi
- Kecukupan kebijakan, prosedur dan penetapan limit
- Kecukupan proses identifikasi, pengukuran, pemantauan dan pengendalian risiko serta sistem informasi manajemen risiko
- Pengendalian internal yang menyeluruh

Organisasi manajemen risiko Bank dan Entitas Anak melibatkan pengawasan dari Dewan Komisaris dan Direksi. Bank dan Entitas Anak telah membentuk Komite Pemantauan Risiko sebagai pengawas tertinggi di tingkat komisaris. Di tingkat Direksi telah dibentuk Komite Manajemen Risiko yang merupakan bagian yang sangat penting dalam pengendalian risiko, kontrol unit yang memantau seluruh risiko yang terdapat pada kegiatan operasional Bank dan Entitas Anak. Sejalan dengan ketentuan Otoritas Jasa Keuangan terkait dengan manajemen risiko terintegrasi, maka Bank sebagai anggota dari konglomerasi keuangan telah berkoordinasi dengan entitas utama dari konglomerasi keuangan dalam melakukan penerapan manajemen risiko terintegrasi dan menjadi anggota dari Komite Manajemen Risiko Terintegrasi yang dipimpin oleh Direktur Manajemen Risiko Entitas Utama yang ditunjuk.

Komite Audit Bank memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Bank. Dalam menjalankan fungsinya, Komite Audit dibantu oleh Divisi Internal Audit.

41. FINANCIAL RISK MANAGEMENT

Risk Management Framework

Financial risk management development in the Bank and Subsidiary is guided by Bank Indonesia regulations which govern risk management implementation by banks operating in Indonesia, as well as Basel Accord II documentation issued by the Basel Committee of Banking Supervision.

The Bank and Subsidiary risk management framework is implemented through policies, procedures, transactions and authorisation limits, risk tolerance as well as risk management tools. The Bank and Subsidiary carry out continuous risk management development in line with the increasing business complexity and the development organization, strategies and management information systems.

Implementation of risk management covers:

- *Board of Commissioner and Board of Director active supervision*
- *Sufficient policy, procedure and sets limit*
- *Sufficient process of identification, measurement, risk oversight and control and risk management information*
- *Overall internal control system*

The organization of the Bank and Subsidiary risk management involves the oversight from the Board of Commissioners and Directors. The Bank and Subsidiary has established Risk Monitoring Committee as the highest risk authority in the commissioner level. At the Director level a Risk Management Committee has been established which constitutes a crucial element in risk control, a control unit to monitor all of the risks in the Bank and Subsidiary operating activities. In line with prevailing the Financial Service Authority (OJK) regulation regarding integrated risk management, bank as a member of financial conglomerates has coordinated with primary entity in order to implement integrated risk management and registered as a member of integrated risk management committee lead by designated Risk Management Director of Major Entity.

The Bank Audit Committee is responsible for monitoring compliance within the Bank and Subsidiary risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank Audit Committee is assisted in these functions by Internal Audit Division.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka Manajemen Risiko (lanjutan)

Risiko yang berasal dari instrumen keuangan Bank dan Entitas Anak adalah risiko keuangan, termasuk diantaranya adalah risiko kredit dan pembiayaan, risiko likuiditas, risiko pasar dan risiko operasional.

Entitas Anak secara umum telah menerapkan manajemen risiko, antara lain dengan membentuk unit risiko pada Entitas Anak. Manajemen risiko pada Entitas Anak secara operasional dilakukan terpisah dari unit bisnis dan menjalankan fungsinya secara independen. Untuk mendukung penerapan manajemen risiko, pada organisasi Entitas Anak juga dibentuk Komite Audit yang memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Entitas Anak.

Disamping itu, Dewan Komisaris dan Direksi pada Entitas Anak secara aktif juga melakukan pemantauan, dan evaluasi terhadap pengendalian internal melalui laporan-laporan yang disampaikan oleh Entitas Anak untuk selanjutnya digunakan sebagai salah satu bahan pertimbangan dalam menetapkan kebijakan pada Entitas Anak.

Bank selaku Entitas Induk telah menerapkan manajemen risiko konsolidasian sesuai ketentuan Bank Indonesia. Penerapan manajemen risiko konsolidasian antara lain mencakup laporan perhitungan Kecukupan Penyediaan Modal Minimum (KPM) konsolidasian dan Batas Maksimum Pemberian Kredit (BMPK) konsolidasian, Bank juga menyusun laporan Profil Risiko konsolidasi, Tingkat Kesehatan Bank (*Risk-Based Bank Rating*) dan *Internal Capital Adequacy Assessment Process (ICAAP)* konsolidasian.

Risiko kredit dan pembiayaan

Risiko kredit dan pembiayaan adalah risiko kerugian keuangan yang timbul jika nasabah, klien atau rekanan Bank dan Entitas Anak gagal memenuhi liabilitas kontraktualnya kepada Bank dan Entitas Anak. Risiko kredit dan pembiayaan terutama berasal dari pinjaman yang diberikan dan pembiayaan/piutang syariah.

Bank juga terekspos risiko kredit yang muncul dari investasi pada surat berharga utang (efek-efek).

(i) Manajemen risiko kredit dan pembiayaan

Melakukan kaji ulang atas kebijakan kredit secara periodik terutama jika terdapat perubahan kondisi perekonomian, perubahan peraturan dan/atau pendekatan bisnis.

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41. FINANCIAL RISK MANAGEMENT (continued)

Risk Management Framework (continued)

The risks arising from financial instruments to which the Bank and Subsidiary are exposed are financial risks, which include credit and financing risk, liquidity risk, market risk and operational risk.

Subsidiary has generally implemented risk management, among others by establishing a risk unit in Subsidiary. Risk management in each Subsidiary is operating separately from the business unit and conducting its function independently. To support the implementation of risk management, the Subsidiary has established Audit Committee in their organisational structure, which has responsibility to monitor the compliance of risk management policy and procedure on a regular basis, and to analyse the adequacy of risk management framework which related to the risk faced by the Subsidiary.

In addition, the Board of Commissioners and Directors of Subsidiary actively monitor and evaluate the internal controls of the Subsidiary, through the reports submitted by the Subsidiary, as a basis in formulating and developing appropriate policies for the Subsidiary.

As the Parent Entity, Bank has implemented consolidated risk management as defined by Bank Indonesia. The implementation of consolidated risk management among others include report of consolidated minimum Capital Adequacy Ratio (CAR) and Legal Lending Limit (LLL), Bank also prepare the consolidated risk profile, consolidated Risk-Based Bank Rating and consolidated Internal Capital Adequacy Assessment Process (ICAAP).

Credit and financing risk

Credit and financing risk is the risk of financial loss, should any of the Bank and Subsidiary customers, clients or market counterparties fail to fulfill their contractual obligations to the Bank and Subsidiary. Credit and financing risk arise mainly from loans and sharia financing/receivables.

The Bank is also exposed to other credit risks arising from investment in debt securities (marketable securities).

(i) Credit and financing risk management

Conducting review of the credit policies periodically especially if there are any changes in market conditions, changes in regulations and/or business approach.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit dan pembiayaan (lanjutan)

(i) Manajemen risiko kredit dan pembiayaan (lanjutan)

Batas pemberian kredit ditetapkan dan ditelaah mengikuti perubahan pada kondisi pasar dan ekonomi. Telaahan kredit secara periodik dan penilaian atas kemungkinan wanprestasi juga dilakukan. Proses persetujuan kredit dilakukan melalui komite kredit.

Bank dan Entitas Anak terus melanjutkan untuk mengelola dan mengawasi secara aktif kualitas portofolio pinjaman yang diberikan dengan cara meningkatkan kebijakan manajemen risiko kredit dan pembiayaan secara efektif, penyempurnaan prosedur dan pengembangan sistem.

Sistem Informasi Manajemen telah tersedia dan mencakup tingkat yang cukup rinci untuk mendeteksi setiap perkembangan yang kurang baik sedini mungkin sehingga memungkinkan dilakukannya tindakan yang tepat waktu atas penurunan kualitas kredit atau untuk meminimalisasi kerugian kredit.

Agunan

Bank menerapkan berbagai kebijakan dan praktik untuk memitigasi risiko kredit, khususnya untuk mikro dan menengah. Bank menerapkan berbagai panduan atas jenis-jenis agunan yang dapat diterima dalam rangka memitigasi risiko kredit. Jenis-jenis agunan atas pinjaman yang diberikan antara lain adalah:

- Tanah dan/atau Bangunan;
- Kendaraan; dan
- Mesin

(ii) Cadangan kerugian penurunan nilai dan kebijakan pencadangan

Penurunan nilai adalah kondisi dimana terdapat bukti obyektif terjadinya peristiwa yang merugikan sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal kredit tersebut dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa datang atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Cadangan kerugian pinjaman yang diberikan dihitung dengan menggunakan pendekatan kolektif dan individual.

Cadangan kerugian penurunan nilai yang diakui pada pelaporan keuangan hanyalah kerugian yang telah terjadi pada tanggal laporan keuangan atas posisi keuangan berdasarkan bukti obyektif.

41. FINANCIAL RISK MANAGEMENT (continued)

Credit and financing risk (continued)

(i) *Credit and financing risk management (continued)*

Lending limits are set and reviewed in the light of changing market and economic conditions. Periodic credit reviews and assessments of probability of default are also conducted. Credit approval processed by credit committee.

The Bank and Subsidiary continue to actively manage and monitor the loan portfolio quality by improving credit and financing risk management policies effectively, improving procedures and systems development.

Management Information Systems (MIS) are in place and have covered sufficient level of detail to detect any adverse development at an early stage, allowing timely measurement to be taken to counteract any possible deterioration in credit quality or to minimise credit losses.

Collateral

The Bank employs a range of policies and practices to mitigate credit risk especially for micro and medium enterprises. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans are as follows:

- *Land and/or Building;*
- *Vehicles; and*
- *Machine*

(ii) *Impairment and provisioning policies*

Impairment is a condition where there is an objective evidence of adverse event as a result of one or more events occurring after the initial recognition of these credits and these adverse events has impact on the estimated future cash flows of financial assets or group of financial assets that can be reliably estimated.

Loans impairment allowances calculated using collective and individual approach.

Impairment allowances that recognised for financial reporting purposes are only for losses that have been incurred at the date of the statement of financial position based on objective evidence.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit dan pembiayaan (lanjutan)

Credit and financing risk (continued)

(iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya

(iii) Maximum exposure to credit and financing risk before collateral held or other credit enhancements

Eksposur risiko kredit dan pembiayaan terhadap aset keuangan pada laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Credit and financing risk exposures relating to financial assets on the consolidated statement of financial position at 31 December 2017 and 2016 are as follows:

	Eksposur maksimum/ Maximum exposure		
	2017	2016	
Giro pada Bank Indonesia	5,098,341	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	487,942	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	8,505,940	7,005,442	Placement with Bank Indonesia and other banks
Efek-efek:			Marketable securities:
- Tersedia untuk dijual	1,090,782	1,081,238	Available for sale -
- Dimiliki hingga jatuh tempo	5,275,760	4,871,320	Held to maturity -
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,500,787	2,699,099	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	2,338	43,652	Derivative receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih			Loans and sharia financing/receivables - net
- Pensiun	36,947,323	38,227,650	Pension -
- UMKM	16,681,704	16,056,080	MSME -
- Syariah	5,895,616	4,882,955	Sharia -
- Lainnya	5,033,079	3,316,421	Others -
- Pendapatan bunga/margin yang masih akan diterima	749,095	764,513	Accrued interest/margin income -
Penyertaan saham - bersih	22	22	Investments - net
Aset lain-lain	27,795	43,855	Other assets
	<u>88,296,524</u>	<u>84,476,034</u>	

Eksposur risiko kredit terhadap rekening administratif konsolidasian pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Credit risk exposures relating to consolidated off-balance sheet items as at 31 December 2017 and 2016 are as follows:

	Eksposur maksimum/ Maximum exposure		
	2017	2016	
Fasilitas kredit kepada nasabah yang belum ditarik - committed	-	-	Unused loan facilities granted - committed

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan

Concentration of risks of financial assets with credit and financing risk exposure

Bank dan Entitas Anak mengelola dan mengendalikan konsentrasi risiko kredit dan pembiayaan dimanapun risiko tersebut teridentifikasi - secara khusus, terhadap debitur individu dan kelompok, dan industri serta sektor geografis yang disajikan setelah cadangan kerugian penurunan nilai.

The Bank and Subsidiary manage and control concentrations of credit and financing risk wherever they are identified - in particular, to individual and Bank and Subsidiary group counterparties, and to industries and geographical sectors that are presented net after allowance for impairment losses.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit dan pembiayaan (lanjutan)

- (iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

Bank dan Entitas Anak menentukan tingkat risiko kredit dan pembiayaan yang dimiliki dengan menetapkan batas jumlah risiko yang bisa diterima yang terkait dengan satu debitur atau beberapa kelompok debitur.

a) Sektor geografis

41. FINANCIAL RISK MANAGEMENT (continued)

Credit and financing risk (continued)

- (iii) Maximum exposure to credit and financing risk before collateral held or other credit enhancements (continued)

Concentration of risks of financial assets with credit and financing risk exposure (continued)

The Bank and Subsidiary structure the levels of credit and financing risk it undertakes by placing limits on the amount of risk accepted in relation to one or more borrowers.

a) Geographical sectors

	2017					
	Jawa (Java*)	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Giro pada Bank Indonesia	5,098,341	-	-	-	5,098,341	Current accounts with Bank Indonesia
Giro pada bank lain	483,960	1,343	2,407	232	487,942	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	8,505,940	-	-	-	8,505,940	Placement with Bank Indonesia and other banks
Efek-efek:						Marketable securities:
- Tersedia untuk dijual	1,090,782	-	-	-	1,090,782	Available for sale -
- Dimiliki hingga jatuh tempo	5,275,760	-	-	-	5,275,760	Held to maturity -
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,500,787	-	-	-	2,500,787	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	2,338	-	-	-	2,338	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih	38,200,318	12,016,601	4,270,444	10,819,454	65,306,817	Loans and sharia financing/ receivables - net
Penyertaan saham	-	14	-	8	22	Investments
Aset lain-lain	14,722	4,487	2,546	6,040	27,795	Other assets
	<u>61,172,948</u>	<u>12,022,445</u>	<u>4,275,397</u>	<u>10,825,734</u>	<u>88,296,524</u>	

*) Termasuk Kantor Pusat

*) including Head Office

	2016					
	Jawa (Java*)	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Giro pada Bank Indonesia	4,625,356	-	-	-	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	842,152	7,373	3,108	5,798	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	7,005,442	-	-	-	7,005,442	Placement with Bank Indonesia and other banks
Efek-efek:						Marketable securities:
- Tersedia untuk dijual	1,081,238	-	-	-	1,081,238	Available for sale -
- Dimiliki hingga jatuh tempo	4,871,320	-	-	-	4,871,320	Held to maturity -
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,699,099	-	-	-	2,699,099	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	43,652	-	-	-	43,652	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih	36,327,857	13,350,159	3,145,022	10,424,581	63,247,619	Loans and sharia financing/ receivables - net
Penyertaan saham	22	-	-	-	22	Investments
Aset lain-lain	9,938	17,781	3,755	12,381	43,855	Other assets
	<u>57,506,076</u>	<u>13,375,313</u>	<u>3,151,885</u>	<u>10,442,760</u>	<u>84,476,034</u>	

*) Termasuk Kantor Pusat

*) including Head Office

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit dan pembiayaan (lanjutan)

Credit and financing risk (continued)

(iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

(iii) *Maximum exposure to credit and financing risk before collateral held or other credit enhancements (continued)*

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

Concentration of risks of financial assets with credit and financing risk exposure (continued)

a) Sektor geografis (lanjutan)

a) *Geographical sectors (continued)*

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan wilayah geografis tempat Bank dan Entitas Anak beroperasi adalah sebagai berikut:

Credit risk exposure relating to commitment and contingency based on the geographic areas which the Bank and Subsidiary operate are as follows:

		2017					
		Jawa/Java	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Fasilitas kredit kepada nasabah yang belum ditarik-committed		-	-	-	-	-	Unused loan facilities granted - committed
		2016					
		Jawa/Java	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Fasilitas kredit kepada nasabah yang belum ditarik-committed		-	-	-	-	-	Unused loan facilities granted - committed

b) Sektor industri

b) *Industry sectors*

Tabel berikut ini menggambarkan rincian eksposur kredit Bank dan Entitas Anak pada nilai tercatat (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan sektor industri.

The following table breaks down the Bank and Subsidiary credit exposure at carrying amounts (without taking into account any collateral held or other credit enhancements), as categorised by the industry sectors.

		2017							
		Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business Services	Perindustrian/ Manufacturing	Lain-lain/ Others	Jumlah/ Total	
Giro pada Bank Indonesia		5,098,341	-	-	-	-	-	5,098,341	Current accounts with Bank Indonesia
Giro pada bank lain		-	487,942	-	-	-	-	487,942	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain		8,010,323	495,617	-	-	-	-	8,505,940	Placement with Bank Indonesia and other banks
Efek-efek: - Tersedia untuk dijual - Dimiliki hingga jatuh tempo		981,177	109,605	-	-	-	-	1,090,782	Marketable securities: Available for sale -
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)		2,500,787	-	-	-	-	-	2,500,787	Held to maturity - Securities purchased under resale agreement (Reverse Repo)
Tagihan derivatif		-	2,338	-	-	-	-	2,338	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih		-	1,274,478	15,264,810	3,144,804	163,831	45,458,894	65,306,817	Loans and sharia financing/ receivables - net
Penyertaan saham		-	22	-	-	-	-	22	Investments
Aset lain-lain		-	-	-	-	-	27,795	27,795	Other assets
		<u>21,454,726</u>	<u>2,781,664</u>	<u>15,264,810</u>	<u>3,144,804</u>	<u>163,831</u>	<u>45,486,689</u>	<u>88,296,524</u>	

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- (iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

b) Sektor industri (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

Credit and financing risk (continued)

- (iii) Maximum exposure to credit and financing risk before collateral held or other credit enhancements (continued)

Concentration of risks of financial assets with credit and financing risk exposure (continued)

b) Industry sectors (continued)

	2016						Jumlah/ Total	
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business Services	Perindustrian/ Manufacturing	Lain-lain/ Others		
Giro pada Bank Indonesia	4,625,356	-	-	-	-	-	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	-	858,431	-	-	-	-	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	5,944,175	1,061,267	-	-	-	-	7,005,442	Placement with Bank Indonesia and other banks
Efek-efek: - Tersedia untuk dijual - Dimiliki hingga jatuh tempo	976,962	104,276	-	-	-	-	1,081,238	Marketable securities: Available for sale -
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	4,083,080	788,240	-	-	-	-	4,871,320	Held to maturity - Securities purchased under resale agreement (Reverse Repo)
Tagihan derivatif	2,699,099	-	-	-	-	-	2,699,099	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/ piutang syariah - bersih	-	43,652	-	-	-	-	43,652	Loans and sharia financing/ receivables - net
Penyertaan saham	-	241,177	13,885,289	3,065,215	3,329,052	42,726,886	63,247,619	Investments
Aset lain-lain	-	22	-	-	-	-	22	Other assets
	-	43,855	-	-	-	-	43,855	
	<u>18,328,672</u>	<u>3,140,920</u>	<u>13,885,289</u>	<u>3,065,215</u>	<u>3,329,052</u>	<u>42,726,886</u>	<u>84,476,034</u>	

Pinjaman yang diberikan pada sektor "Lain-lain" terutama terdiri dari kredit pensiunan.

Loans in sector "Others" mostly consist of pensioners loan.

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan sektor industri adalah sebagai berikut:

Credit risk exposure relating to commitment and contingency based on industry sectors are as follows:

	2017						Jumlah/ Total	
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business Services	Perindustrian/ Manufacturing	Lain-lain/ Others		
Fasilitas kredit kepada nasabah yang belum ditarik-committed	-	-	-	-	-	-	-	Unused loan facilities granted - committed

	2016						Jumlah/ Total	
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business Services	Perindustrian/ Manufacturing	Lain-lain/ Others		
Fasilitas kredit kepada nasabah yang belum ditarik-committed	-	-	-	-	-	-	-	Unused loan facilities granted - committed

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit dan pembiayaan (lanjutan)

Credit and financing risk (continued)

(iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

(iii) Maximum exposure to credit and financing risk before collateral held or other credit enhancements (continued)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

Concentration of risks of financial assets with credit and financing risk exposure (continued)

c) Kualitas kredit dari aset keuangan

c) Credit quality of financial assets

Pada tanggal 31 Desember 2017 dan 2016, kualitas kredit atas aset keuangan terbagi atas:

As at 31 December 2017 and 2016, quality of financial assets are divided as follows:

	2017				Jumlah/ Total	
	Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired	Mengalami penurunan nilai/ Impaired			
Giro pada Bank Indonesia	5,098,341	-	-	5,098,341	Current accounts with Bank Indonesia	
Giro pada bank lain	487,942	-	-	487,942	Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank lain	8,505,940	-	-	8,505,940	Placements with Bank Indonesia and other banks	
Efek-efek:					Marketable securities:	
- Tersedia untuk dijual	1,090,782	-	-	1,090,782	Available for sale -	
- Dimiliki hingga jatuh tempo	5,275,760	-	-	5,275,760	Held to maturity -	
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,500,787	-	-	2,500,787	Securities purchased under resale agreements (Reverse Repo)	
Tagihan derivatif	2,338	-	-	2,338	other banks	
Pinjaman yang diberikan dan pembiayaan/ piutang syariah - bersih:					Loans and sharia financing/ receivables - net:	
- Pihak ketiga	63,253,172	1,765,083	267,269	65,285,524	Third parties -	
- Pihak berelasi	21,293	-	-	21,293	Related parties -	
Penyertaan saham	22	-	-	22	Investments	
Aset lain-lain	27,795	-	-	27,795	Other assets	
	<u>86,264,172</u>	<u>1,765,083</u>	<u>267,269</u>	<u>88,296,524</u>		
	2016					
	Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired	Mengalami penurunan nilai/ Impaired		Jumlah/ Total	
Giro pada Bank Indonesia	4,625,356	-	-	4,625,356	Current accounts with Bank Indonesia	
Giro pada bank lain	858,431	-	-	858,431	Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank lain	7,005,442	-	-	7,005,442	Placements with Bank Indonesia and other banks	
Efek-efek:					Marketable securities:	
- Tersedia untuk dijual	1,081,238	-	-	1,081,238	Available for sale -	
- Dimiliki hingga jatuh tempo	4,871,320	-	-	4,871,320	Held to maturity -	
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,699,099	-	-	2,699,099	Securities purchased under resale agreements (Reverse Repo)	
Tagihan derivatif	43,652	-	-	43,652	other banks	
Pinjaman yang diberikan dan pembiayaan/ piutang syariah - bersih:					Loans and sharia financing/ receivables - net:	
- Pihak ketiga	61,975,032	1,005,858	242,259	63,223,149	Third parties -	
- Pihak berelasi	24,470	-	-	24,470	Related parties -	
Penyertaan saham	22	-	-	22	Investments	
Aset lain-lain	43,855	-	-	43,855	Other assets	
	<u>83,227,917</u>	<u>1,005,858</u>	<u>242,259</u>	<u>84,476,034</u>		

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Risiko kredit dan pembiayaan (lanjutan)

- (iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

- c) Kualitas kredit dari aset keuangan (lanjutan)

Penjelasan pembagian kualitas kredit yang diberikan yang "belum jatuh tempo atau tidak mengalami penurunan nilai" adalah:

- Lancar

Pinjaman dalam kategori ini memiliki kemampuan yang sangat kuat untuk membayar bunga dan pokok pinjaman yang diberikan dan pembiayaan/piutang syariah oleh Bank dan Entitas Anak.

- Pernah mengalami keterlambatan pembayaran

Pinjaman dalam kategori ini dianggap memiliki kapasitas memadai untuk membayar bunga dan pokoknya. Namun terdapat pertimbangan terkait dengan kemampuan nasabah dalam melakukan pembayaran pada saat jatuh tempo.

Definisi Bank atas penurunan nilai kredit yang adalah yang memenuhi salah satu kriteria sebagai berikut:

- Menunggak di atas 90 hari, termasuk fasilitas yang memburuk karena penyamaan kolektibilitas,
- Kredit yang direstrukturisasi dengan kolektibilitas 3, 4 dan 5.

Analisa umur kredit yang diberikan yang "telah jatuh tempo tetapi tidak mengalami penurunan nilai" pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	2017				Jumlah/ Total	
	Pensiunan/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others		
1 – 30 hari	645,856	286,048	36,690	108,746	1,077,340	1 – 30 days
31 – 60 hari	185,895	262,376	29,578	41,710	519,559	31 – 60 days
61 – 90 hari	84,018	215,293	25,546	20,347	345,204	61 – 90 days
	<u>915,769</u>	<u>763,717</u>	<u>91,814</u>	<u>170,803</u>	<u>1,942,103</u>	
Pendapatan bunga/ margin yang masih harus diterima	29,827	25,669	4,671	5,611	65,778	Accrued interest income/margin
Cadangan kerugian penurunan nilai	(49,373)	(117,174)	(42,481)	(33,770)	(242,798)	Allowance for impairment losses
	<u>896,223</u>	<u>672,212</u>	<u>54,004</u>	<u>142,644</u>	<u>1,765,083</u>	

41. FINANCIAL RISK MANAGEMENT (continued)

Credit and financing risk (continued)

- (iii) Maximum exposure to credit and financing risk before collateral held or other credit enhancements (continued)

Concentration of risks of financial assets with credit and financing risk exposure (continued)

- c) Credit quality of financial assets (continued)

Details for credit quality of loans that are "neither past due nor impaired" are as follow:

- Current

Loans in this category are considered to have very strong capacity to pay interest and principal of loans, and sharia financing by the Bank and Subsidiary.

- Has an overdue experience

Loans in this category are considered to have adequate capacity to pay interest and principal. However, there is a concern over the debtor's ability to make payments when due.

The Bank's definition of impaired loans is that meets one of the following criteria:

- Loans in arrears over 90 days, which including downgrading facility due to collectibility equalisation,
- Restructured loan with collectibility 3, 4 and 5.

An aging analysis of loans that are "past due but not impaired" on 31 December 2017 and 2016 is set out below:

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit dan pembiayaan (lanjutan)

(iii) Eksposur maksimum risiko kredit dan pembiayaan tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit dan pembiayaan (lanjutan)

c) Kualitas kredit dari aset keuangan (lanjutan)

	2016					
	Pensiun/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others	Jumlah/ Total	
1 – 30 hari	258,682	213,456	36,129	72,193	580,460	1 – 30 days
31 – 60 hari	79,608	200,556	21,025	24,687	325,876	31 – 60 days
61 – 90 hari	33,233	171,126	16,904	13,298	234,561	61 – 90 days
	<u>371,523</u>	<u>585,138</u>	<u>74,058</u>	<u>110,178</u>	<u>1,140,897</u>	
Pendapatan bunga/ margin yang masih harus diterima	14,148	25,162	4,932	3,605	47,847	Accrued interest income/margin
Cadangan kerugian Penurunan nilai	(21,204)	(101,141)	(35,965)	(24,576)	(182,886)	Allowance for impairment losses
	<u>364,467</u>	<u>509,159</u>	<u>43,025</u>	<u>89,207</u>	<u>1,005,858</u>	

Perubahan pada penyisihan kerugian penurunan nilai adalah sebagai berikut:

Movements of the allowance for impairment losses are as follows:

	2017					
	Pensiun/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others	Jumlah/ Total	
Saldo Awal	116,981	388,003	113,856	66,464	685,304	Beginning balance
Penambahan Penerimaan kembali	181,927	558,339	215,749	122,804	1,078,819	Addition
Penghapusan piutang	5,860	70,544	4,210	3,378	83,992	Recovery
Lainnya	(107,350)	(668,504)	(176,158)	(62,886)	(1,014,898)	Write-off Others
Saldo akhir	<u>197,410</u>	<u>348,382</u>	<u>157,657</u>	<u>90,666</u>	<u>794,115</u>	Ending balance

	2016					
	Pensiun/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others	Jumlah/ Total	
Saldo Awal	62,801	406,532	62,000	12,252	543,585	Beginning balance
Penambahan Penerimaan kembali	89,442	575,374	118,559	86,386	869,761	Addition
Penghapusan piutang	1,688	87,545	4,129	5,448	98,810	Recovery
Lainnya	(36,950)	(681,448)	(70,831)	(37,624)	(826,853)	Write-off Others
Saldo akhir	<u>116,981</u>	<u>388,003</u>	<u>113,856</u>	<u>66,464</u>	<u>685,304</u>	Ending balance

Risiko likuiditas

Risiko likuiditas adalah risiko yang terjadi jika Bank dan Entitas Anak tidak dapat memenuhi pembayaran kewajiban pada saat jatuh tempo, termasuk pencairan simpanan nasabah. Salah satu parameter yang digunakan adalah dengan menganalisa profil maturitas dari sumber pendanaan yang pada umumnya berjangka pendek dan sebagian besar aset yang disalurkan dalam bentuk kredit dengan jangka waktu yang pada umumnya berjangka panjang. Terjadinya kesenjangan yang cukup besar akan dapat meningkatkan risiko likuiditas.

Liquidity risk

Liquidity risk is the risk that the Bank and Subsidiary are unable to meet their payment obligations as they fall due, including withdrawal of customer deposits. One of the parameters used is by analysing the maturity profile from the funding source, which is usually short term, and most of the asset which were distributed in the form of loans, which is usually long-term. A relatively wide gap can increase liquidity risk.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

Profil maturitas diproyeksikan atas jangka waktu yang tersisa berdasarkan tanggal kontraktual aset dan liabilitas tertentu. Secara historis, sebagian besar dari simpanan diperpanjang pada saat jatuh tempo yang dipengaruhi oleh perilaku nasabah dan tingkat kepercayaan terhadap Bank dan Entitas Anak. Untuk mengelola risiko likuiditas atas kondisi tersebut, maka Bank dan Entitas Anak menetapkan strategi yang sesuai dan jumlah kas dan aset cair yang perlu dimiliki, yang dapat dicairkan atau dijadikan jaminan jika ada kebutuhan likuiditas yang mendesak.

41. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

This maturity profile is projected based on the remaining period to the contractual maturity date of assets and liabilities. Historically, a significant portion of deposits are rolled-over on the maturity date which is affected by customer behaviour and confidence level in the Bank and Subsidiary. To manage the liquidity risk of the condition, the Bank and Subsidiary establish appropriate strategies and the amount of cash and liquid assets that can be liquidated or used as collateral should there be an urgent need for liquidity.

	2017							
	<u>Jumlah/ Total</u>	<u>Sesuai permintaan/ On demand</u>	<u>≤ 1 Bulan/ ≤ 1 Month</u>	<u>> 1-3 Bulan/ > 1-3 Months</u>	<u>> 3-6 Bulan/ > 3-6 Months</u>	<u>> 6-12 Bulan/ > 6-12 Months</u>	<u>> 12 Bulan/ > 12 Months</u>	
<u>Aset</u>								<u>Assets</u>
Kas	1,496,785	1,496,785	-	-	-	-	-	Cash
Giro pada Bank Indonesia	5,098,341	5,098,341	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	487,942	487,942	-	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	8,505,940	-	7,770,940	25,000	280,000	430,000	-	Placement with Bank Indonesia and other banks
Efek-efek	6,366,542	109,605	178,435	1,176,344	1,979,710	994,544	1,927,904	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,500,787	-	2,010,521	490,266	-	-	-	Securities purchased under resale agreements
Tagihan derivatif	2,338	-	2,338	-	-	-	-	(Reverse Repo)
Pinjaman yang diberikan dan pembiayaan/piutang syariah	66,100,932	-	2,412,431	2,687,829	3,751,907	8,022,317	49,226,448	Derivatives receivables
Penyertaan saham	22	22	-	-	-	-	-	Loans and sharia financing/receivables
Aset lain-lain	27,795	-	27,795	-	-	-	-	Investments
								Other assets
Jumlah aset	90,587,424	7,192,695	12,402,460	4,379,439	6,011,617	9,446,861	51,154,352	Total assets
Cadangan kerugian penurunan nilai	(794,115)	-	-	-	-	-	-	Allowance for impairment losses
	89,793,309							
<u>Liabilitas</u>								<u>Liabilities</u>
Liabilitas segera	49,538	330	44,053	5,155	-	-	-	Obligations due immediately
Giro	623,489	623,352	137	-	-	-	-	Current account
Tabungan	7,223,923	7,219,819	4,104	-	-	-	-	Savings deposits
Deposito berjangka dan deposito on call	55,016,378	3,477,051	30,342,836	14,110,038	5,178,160	1,889,255	19,038	Time deposits and deposit on call
Simpanan dari bank lain	823,406	822,584	822	-	-	-	-	Deposits from other banks
Liabilitas derivatif	2,886	-	2,886	-	-	-	-	Derivatives payables
Utang obligasi	2,580,777	-	37,376	400,000	-	950,000	1,193,401	Bonds payable
Pinjaman yang diterima	5,250,207	-	41,567	-	998,530	2,893,996	1,316,114	Borrowings
Liabilitas lain-lain	227,916	83,048	125,738	18,675	235	219	1	Other liabilities
Jumlah liabilitas	71,798,520	12,226,184	30,599,519	14,533,868	6,176,925	5,733,470	2,528,554	Total liabilities
Aset/(liabilitas) bersih	18,788,904	(5,033,489)	(18,197,059)	(10,154,429)	(165,308)	3,713,391	48,625,798	Net assets/(liabilities)
Aset bersih								Net assets
Setelah cadangan kerugian penurunan nilai	17,994,789	-	-	-	-	-	-	net of allowance for impairment losses

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**41. FINANCIAL RISK MANAGEMENT (continued)****Risiko likuiditas (lanjutan)****Liquidity risk (continued)**

	2016							
	Jumlah/ Total	Sesuai permintaan/ On demand	≤ 1 Bulan/ ≤ 1 Month	> 1-3 Bulan/ > 1-3 Months	> 3-6 Bulan/ > 3-6 Months	> 6-12 Bulan/ > 6-12 Months	> 12 Bulan/ > 12 Months	
Aset								Assets
Kas	1,448,180	1,448,180	-	-	-	-	-	Cash
Giro pada Bank Indonesia	4,625,356	4,625,356	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	858,431	858,431	-	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	7,005,442	-	5,732,942	1,222,500	-	50,000	-	Placement with Bank Indonesia and other banks
Efek-efek	5,952,558	104,276	299,540	1,148,954	1,384,432	1,031,642	1,983,714	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	2,699,099	-	2,425,585	273,514	-	-	-	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	43,652	-	43,652	-	-	-	-	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah	63,932,923	-	1,710,676	1,809,675	3,014,302	7,136,089	50,262,181	Loans and sharia financing/receivables
Penyertaan saham	22	22	-	-	-	-	-	Investments
Aset lain-lain	43,855	-	43,855	-	-	-	-	Other assets
Jumlah aset	86,609,518	7,036,265	10,256,250	4,454,643	4,398,734	8,217,731	52,245,895	Total assets
Cadangan kerugian penurunan nilai	(685,304)	-	-	-	-	-	-	Allowance for impairment losses
	<u>85,924,214</u>							
Liabilitas								Liabilities
Liabilitas segera	95,984	951	68,400	26,534	72	12	15	Obligations due immediately
Giro	372,169	371,921	248	-	-	-	-	Current account
Tabungan	7,297,836	7,295,107	2,729	-	-	-	-	Savings deposits
Deposito berjangka dan deposito on call	54,372,213	3,779,212	25,849,543	16,967,724	4,752,359	2,853,325	170,050	Time deposits and deposit on call
Simpanan dari bank lain	914,596	201,191	1,161	1,200	170,700	540,344	-	Deposits from other banks
Liabilitas derivatif	8,344	-	8,344	-	-	-	-	Derivatives payable
Utang obligasi	2,507,266	-	26,195	11,928	-	1,422,166	1,046,977	Bonds payable
Pinjaman yang diterima	3,750,671	-	690,429	331,012	-	2,729,230	-	Borrowings
Liabilitas lain-lain	260,138	-	59,576	197,871	1,437	1,254	-	Other liabilities
Jumlah liabilitas	69,579,217	11,648,382	26,706,625	17,536,269	4,924,568	7,546,331	1,217,042	Total liabilities
Aset/(liabilitas) bersih	17,030,301	(4,612,117)	(16,450,375)	(13,081,626)	(525,834)	671,400	51,028,853	Net assets/(liabilities)
Aset bersih Setelah cadangan kerugian penurunan nilai	<u>16,344,997</u>							Net assets net of allowance for impairment losses

Tabel jatuh tempo berikut ini menyajikan informasi mengenai perkiraan jatuh tempo dari liabilitas sesuai kontrak menjadi arus kas yang *undiscounted* pada tanggal 31 Desember 2017 dan 2016, sesuai dengan kriteria.

The maturity tables below provide information on estimated maturities based on contractual undiscounted cash flows of financial liabilities as of 31 December 2017 and 2016, in accordance with SFAS 60 criteria.

	2017							
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/ month	1-3 bulan/ month	3-6 bulan/ months	6-12 bulan/ months	1-2 tahun/ years		2-5 tahun/ years
Liabilitas segera	49,538	49,538	-	-	-	-	-	Obligations due immediately
Giro	625,056	625,056	-	-	-	-	-	Current account
Tabungan	7,236,189	7,234,528	284	292	913	172	-	Saving deposits
Deposito berjangka dan deposito on call	55,447,013	35,536,055	12,658,699	5,339,226	1,893,053	19,980	-	Time deposits and deposit on call
Simpanan dari bank lain	860,482	859,278	1,204	-	-	-	-	Deposits from other banks
Liabilitas derivatif	2,886	2,886	-	-	-	-	-	Derivative liability
Utang obligasi	2,859,807	40,322	408,137	40,322	1,023,367	386,203	961,456	Bonds payable
Pinjaman yang diterima	5,509,515	31,102	9,058	1,099,546	3,001,188	1,368,621	-	Borrowings
Liabilitas lain-lain	227,916	227,916	-	-	-	-	-	Other liabilities
Jumlah liabilitas	72,818,402	44,606,681	13,077,382	6,479,386	5,918,521	1,774,976	961,456	

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)**41. FINANCIAL RISK MANAGEMENT (continued)****Risiko likuiditas (lanjutan)****Liquidity risk (continued)**

	2016							
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/ month	1-3 bulan/ month	3-6 bulan/ months	6-12 bulan/ months	1-2 tahun/ years		2-5 tahun/ years
Liabilitas segera	95,984	73,428	22,471	85	-	-	-	Obligations due immediately
Giro	372,169	372,169	-	-	-	-	-	Current account
Tabungan	7,361,840	7,361,840	-	-	-	-	-	Saving deposits
Deposito berjangka dan deposito <i>on call</i>	59,268,753	32,426,997	18,740,953	5,033,094	2,889,642	178,067	-	Time deposits and deposit on call
Simpanan dari bank lain	956,640	236,216	1,004	172,595	546,825	-	-	Deposits from other banks
Liabilitas derivatif	8,344	8,344	-	-	-	-	-	Derivative liability
Utang obligasi	2,711,875	49,650	1,524,301	456,256	681,668	-	-	Bonds payable
Pinjaman yang diterima	3,852,069	714,375	350,337	9,864	2,777,493	-	-	Borrowings
Liabilitas lain-lain	281,978	84,745	196,605	327	300	1	-	Other liabilities
	<u>74.909.652</u>	<u>41.327.764</u>	<u>20.835.671</u>	<u>5.672.221</u>	<u>6.895.928</u>	<u>178.068</u>	<u>-</u>	

Informasi mengenai perkiraan *cash outflow* dari rekening administratif pada tanggal 31 Desember 2017 dan 2016 dapat dilihat pada tabel berikut.

The tables below provide information on estimated *cash outflow* of off-balance sheet as at 31 December 2017 and 2016.

	2017							
	Jumlah/ Total	Sesuai permintaan/ On demand	Kurang dari/ Less than 1bulan/ month	1-3 bulan/ months	3-6 bulan/ months	6-12 bulan/ months		Lebih dari/ More than 12 bulan/ months
Fasilitas kredit kepada nasabah yang belum ditarik - <i>committed</i>	-	-	-	-	-	-	-	Unused loan facilities granted committed -

	2016							
	Jumlah/ Total	Sesuai permintaan/ On demand	Kurang dari/ Less than 1bulan/ month	1-3 bulan/ months	3-6 bulan/ months	6-12 bulan/ months		Lebih dari/ More than 12 bulan/ months
Fasilitas kredit kepada nasabah yang belum ditarik - <i>committed</i>	-	-	-	-	-	-	-	Unused loan facilities granted committed -

Kebijakan yang dijalankan Bank dalam mengendalikan risiko likuiditas adalah:

Policies adopted by the Bank in managing its liquidity risk include:

- Menetapkan kebijakan pengendalian risiko likuiditas yang telah disesuaikan dengan misi, strategi bisnis, kecukupan permodalan, sumber daya manusia dan *risk appetite* Bank.
 - Menetapkan kebijakan dan prosedur penetapan limit risiko likuiditas secara tertulis, lengkap, memadai dan cukup mudah ditelusuri.
 - *Asset & Liability Committee* (ALCO) dan *Funding Committee* (FC) sebagai *sub committee* dari ALCO, berfungsi sebagai pengendali risiko likuiditas dengan mengatur strategi pendanaan dan *pricing* yang tepat sesuai rencana dan toleransi risiko Bank.
 - Menjaga cadangan likuiditas agar sesuai dengan rekomendasi ALCO.
 - Mengelola portofolio pendanaan untuk menghindari risiko konsentrasi dan ketergantungan pada sumber pendanaan tertentu. Hal ini dimonitor secara bulanan oleh ALCO dan *Risk Management Committee* (RMC).
 - Fungsi monitoring yang independen dari Satuan kerja manajemen risiko.
- Application of a liquidity risk control policy that is suited to the Bank's mission, business strategy, capital adequacy, human resources and appetite for risk.
 - Application of a liquidity risk limit policies and procedures that are written, complete, adequate and easy to follow.
 - Asset & Liability Committee (ALCO) and the Funding Committee (FC) as a sub-committee of the ALCO, serves as a control of liquidity risk by arranging appropriate funding and pricing strategies to the plan and the Bank's risk tolerance.
 - Maintain liquidity reserves to match the ALCO's recommendation.
 - Managing its funding portfolio to avoid concentration risk and dependence on single source of funding. It's monitored by ALCO and Risk Management Committee (RMC).
 - The independent monitoring function of the risk management working unit.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

Pada tanggal 31 Desember 2017, persentase *Loan to Deposit Ratio* adalah sebesar 96,22% (2016: 95,42%).

Risiko pasar

Risiko pasar adalah potensi timbulnya kerugian dalam nilai buku atau fluktuasi arus kas di masa mendatang yang diakibatkan oleh perubahan suku bunga atau nilai tukar.

Secara keseluruhan, risiko pasar dibagi menjadi dua bagian sebagai berikut:

(i) Risiko mata uang asing

Risiko mata uang asing timbul dari adanya posisi neraca dan komitmen dan kontinjensi (*off-balance sheet*) baik di sisi aset maupun liabilitas yang timbul melalui transaksi mata uang asing.

Bank mengukur risiko nilai tukar untuk melihat dampak perubahan nilai tukar pada pendapatan dan modal Bank. Untuk mengelola dan memitigasi risiko nilai tukar, pembatasan posisi secara internal telah ditetapkan di bawah limit regulator, yaitu sebesar 20%. Untuk posisi devisa neto, Bank memperkenalkan pengukuran yang lebih sensitif terhadap risiko, seperti VaR (*Value at Risk*) untuk keperluan analisis internal sebagai indikator. VaR akan diperhitungkan secara bertahap di dalam kerangka limit risiko pasar.

Posisi Devisa Neto

Berdasarkan Peraturan Bank Indonesia (PBI) No. 17/5/PBI/2015 tanggal 29 Mei 2015, perubahan keempat atas PBI No. 5/13/PBI/2003, tentang Posisi Devisa Neto (PDN) Bank Umum tanggal 1 Juli 2010, maksimum PDN adalah 20% dari modal.

PDN adalah jumlah dari nilai absolut selisih bersih aktiva dan pasiva dalam laporan posisi keuangan untuk setiap valuta asing dan selisih bersih tagihan dan kewajiban komitmen dan kontinjensi dalam rekening administratif untuk setiap valuta asing, yang semuanya dinyatakan dalam Rupiah.

Berikut adalah Posisi Devisa Neto Bank pada tanggal 31 Desember 2017 dan 2016 dalam mata uang (ekuivalen Rupiah). Nilai ini adalah yang dilaporkan kepada Bank Indonesia pada tanggal laporan posisi keuangan sebagai bagian dari laporan harian.

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41. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

As at 31 December 2017, the *Loan to Deposit Ratio* is 96.22% (2016: 95.42%).

Market risk

Market risk is the potential loss in book value or future cash flows fluctuation due to changes in interest rates or exchange rates.

In overall, market risk is divided into two following risks:

(i) *Foreign currency risk*

Foreign exchange risk arise from on and off-balance sheet positions both on the asset and liability sides through transactions in foreign currencies.

The Bank measures the foreign exchange risk to understand the impact of the exchange rate movement on the Bank's revenue and capital. In order to manage and mitigate the foreign exchange risk, predefined limits are set on top of the 20% regulatory limit. For net open position (NOP), the Bank is introducing a more risk sensitive measurement, such as VaR (Value at Risk) for internal analysis purpose as indicator. VaR is to be incorporated in stages in market risk limit framework.

Net Open Position

Based on Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated 29 May 2015, the fourth amendment made to PBI No. 5/13/PBI/2003, regarding Net Open Position (NOP) for Commercial Banks dated 1 July 2010, NOP is set to a maximum of 20% of capital.

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of receivables and commitments and contingent liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

Below is the Net Open Position of Bank as at 31 December 2017 and 2016 in currency (Rupiah equivalent). These amounts are reported to Bank Indonesia on the statement of financial position's date as part of daily reporting.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(i) Risiko mata uang asing (lanjutan)

Posisi Devisa Neto (lanjutan)

	31 Desember/December 2017			<u>Currencies</u>
	<u>Aset/ Assets</u>	<u>Liabilitas/ Liabilities</u>	<u>Posisi Devisa Neto/ Net Open Position</u>	
<u>Mata Uang</u>				
Laporan posisi keuangan dan rekening administratif				Statement of financial position and off- balance sheet
Dolar Amerika Serikat	7,129,200	7,082,331	46,869	United States Dollar
Yen Jepang	820	-	820	Japanese Yen
Dolar Singapura	78	-	78	Singapore Dollar
			<u>47,767</u>	Total
Jumlah Modal Tier I dan II			14,098,268	Total Tier I and II Capital
Rasio PDN			0.34%	NOP Ratio

	31 Desember/December 2016			<u>Currencies</u>
	<u>Aset/ Assets</u>	<u>Liabilitas/ Liabilities</u>	<u>Posisi Devisa Neto/ Net Open Position</u>	
<u>Mata Uang</u>				
Laporan posisi keuangan dan rekening administratif				Statement of financial position and off- balance sheet
Dolar Amerika Serikat	6,250,325	6,249,301	1,024	United States Dollar
Yen Jepang	465	460	5	Japanese Yen
Dolar Singapura	68	2	66	Singapore Dollar
			<u>1,095</u>	Total
Jumlah Modal Tier I dan II			14,019,335	Total Tier I and II Capital
Rasio PDN			0.01%	NOP Ratio

Eksposur Bank atas risiko nilai tukar mata uang asing

Tabel dibawah ini mengikhtisarkan eksposur Bank atas risiko nilai tukar mata uang asing pada tanggal 31 Desember 2017. Termasuk di dalamnya adalah instrumen keuangan Bank pada nilai tercatat, dikategorikan berdasarkan jenis mata uang.

Bank's exposure to foreign currency exchange risk

The table below summarises Bank's exposure to foreign currency exchange rate risk at 31 December 2017. Included in the table are Bank's financial instruments at carrying amounts, categorised by currency.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(i) Risiko mata uang asing (lanjutan)

Eksposur Bank atas risiko nilai tukar mata uang asing (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Bank's exposure to foreign currency exchange risk (continued)

	31 Desember/December 2017				
	Dolar Amerika Serikat/ United States Dollar	Dolar Singapura/ Singapore Dollar	Yen Jepang/ Japanese Yen	Jumlah/ Total	
Aset					Assets
Kas	2,445	-	-	2,445	Cash
Giro pada Bank Indonesia	672,547	-	-	672,547	Current accounts with Bank Indonesia
Giro pada bank lain	339,907	78	820	340,805	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	610,608	-	-	610,608	Placements with Bank Indonesia and other banks
Aset lain-lain	14	-	-	14	Other assets
Jumlah aset	1,625,521	78	820	1,626,419	Total assets
Liabilitas					Liabilities
Giro	306	-	-	306	Current account
Tabungan Deposito berjangka dan deposito on call	10,843	-	-	10,843	Savings deposits
Pinjaman yang diterima	4,833,455	-	-	4,833,455	Time deposits and deposits on call
Liabilitas lain-lain	2,238,638	-	-	2,238,638	Borrowings
	310	-	-	310	Other liabilities
Jumlah liabilitas Aset/(liabilitas) bersih	7,083,552	-	-	7,083,552	Total liabilities
	(5,458,031)	78	820	(5,457,133)	Net assets/(liabilities)
	31 Desember/December 2016				
	Dolar Amerika Serikat/ United States Dollar	Dolar Singapura/ Singapore Dollar	Yen Jepang/ Japanese Yen	Jumlah/ Total	
Aset					Assets
Kas	1,384	-	-	1,384	Cash
Giro pada Bank Indonesia	472,487	-	-	472,487	Current accounts with Bank Indonesia
Giro pada bank lain	710,146	68	465	710,679	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	970,020	-	-	970,020	Placements with Bank Indonesia and other banks
Jumlah aset	2,154,037	68	465	2,154,570	Total assets
Liabilitas					Liabilities
Tabungan Deposito berjangka dan deposito on call	1,673	2	460	2,135	Savings deposits
Pinjaman yang diterima	4,154,435	(*)	(*)	4,154,435	Time deposits and deposits on call
Liabilitas lain-lain	2,091,109	-	-	2,091,109	Borrowings
	58	-	-	58	Other liabilities
Jumlah liabilitas Aset/(liabilitas) bersih	6,247,275	2	460	6,247,737	Total liabilities
	(4,093,238)	66	5	(4,093,167)	Net assets/(liabilities)

(*) Jumlah kurang dari Rp 1

Amount is less than Rp 1 (*)

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(i) Risiko mata uang asing (lanjutan)

Eksposur Bank atas risiko nilai tukar mata uang asing (lanjutan)

Tabel di bawah ini mengikhtisarkan sensitivitas laba bersih Bank pada tanggal 31 Desember 2017 atas perubahan nilai tukar mata uang asing yaitu:

	31 Desember/December 2017	
	Peningkatan/ Increased by 1%	Penurunan/ Decreased by 1%
Pengaruh terhadap laba bersih	(478)	478

Proyeksi di atas mengasumsikan bahwa perubahan nilai tukar mata uang asing bergerak pada jumlah yang sama sehingga tidak mencerminkan perubahan potensial kepada laba atas perubahan beberapa nilai tukar mata uang asing sementara lainnya tidak berubah. Proyeksi juga mengasumsikan bahwa seluruh variabel lainnya adalah konstan dan berdasarkan tanggal pelaporan yang konstan serta seluruh posisi hingga jatuh tempo.

(ii) Risiko tingkat bunga

Pendapatan Bank dan Entitas Anak yang berasal dari kegiatan konvensional merupakan selisih antara bunga yang dihasilkan dari sisi aset dengan bunga yang dibayarkan kepada dana pihak ketiga. Perubahan tingkat bunga jika tidak diantisipasi dapat menyebabkan penurunan pendapatan Bank dan Entitas Anak.

Risiko tingkat bunga berdampak pada fluktuasi arus kas di masa mendatang baik pada aset maupun liabilitas. Hal ini dapat mempengaruhi pendapatan bunga Bank maupun nilai wajar dari instrumen keuangan yang dimiliki Bank dan Entitas Anak.

Manajemen risiko tingkat bunga

Kebijakan yang dijalankan Bank dan Entitas Anak dalam pengendalian terhadap risiko suku bunga:

- a) Melakukan pemantauan risiko suku bunga.
- b) Melakukan simulasi perhitungan *Net Interest Income* terhadap semua kemungkinan perubahan tingkat suku bunga.
- c) Melakukan pemantauan terhadap *Repricing Gap Profile Assets & Liabilities* secara keseluruhan dalam mengantisipasi pergerakan trend suku bunga pasar yang dapat menyebabkan kerugian.

Tabel di bawah ini mengikhtisarkan eksposur instrumen keuangan Bank dan Entitas Anak terhadap risiko tingkat suku bunga.

41. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Bank's exposure to foreign currency exchange risk (continued)

The table below shows the sensitivity of Bank's net income to movement of foreign exchange rates as at 31 December 2017:

Impacted to net income

The projection assumes that foreign exchange rates move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

(ii) Interest rate risk

The Bank and Subsidiary derive its conventional activities income from the difference between the interest generated on the asset side and the interest paid to third party funds. If not anticipated, changes in interest rates can result in a decrease in the Bank and Subsidiary's income.

Interest rate risk has an effect to future cash flow fluctuation of both assets and liabilities. It can affect the Bank and Subsidiary interest income and fair value of the financial instruments.

Interest rate risk management

Policies adopted by the Bank and Subsidiary in managing its interest rate risk include:

- a) Monitoring of interest rate risk.
- b) To simulate net interest income calculation on all possible interest rate changes.
- c) Monitoring of overall Repricing Gap Profile Assets and Liabilities in order to anticipate adverse movement of interest rate.

The tables below summarise the Bank and Subsidiary exposure to interest rate risks.

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	2017							Jumlah/ Total	
	Bunga tetap/Fixed rate					Tidak dikenakan bunga/ Non interest bearing			
	Bunga mengambang/ Floating rate	≤ 1 Bulan/ Month	1 - 3 Bulan/ Months	> 3 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months				
Aset								Assets	
Kas	-	-	-	-	-	-	1,496,785	1,496,785	Cash
Giro pada Bank Indonesia	-	5,098,341	-	-	-	-	-	5,098,341	Current accounts with Bank Indonesia
Giro pada bank lain	-	475,913	-	-	-	-	12,029	487,942	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	-	7,754,491	25,000	280,000	430,000	-	16,449	8,505,940	Placement with Bank Indonesia and other banks
Efek-efek	-	149,724	1,176,344	1,979,710	994,544	2,037,509	28,711	6,366,542	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	-	2,005,143	490,266	-	-	-	5,378	2,500,787	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	-	-	-	-	-	-	2,338	2,338	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah	-	1,663,336	2,687,829	3,751,907	8,022,317	49,226,448	749,095	66,100,932	Loans and sharia financing/receivables
Penyertaan saham	-	-	-	-	-	-	22	22	Investments
Aset lain-lain	-	-	-	-	-	-	27,795	27,795	Other assets
Jumlah aset keuangan	-	17,146,948	4,379,439	6,011,617	9,446,861	51,263,957	2,338,602	90,587,424	Total financial assets
Liabilitas									Liabilities
Liabilitas segera	-	-	-	-	-	-	49,538	49,538	Obligations due immediately
Giro	-	623,352	-	-	-	-	137	623,489	Current accounts
Tabungan	-	7,219,819	-	-	-	-	4,104	7,223,923	Saving deposits
Deposito berjangka dan deposit on call	-	33,630,363	14,110,038	5,178,160	1,889,255	19,038	189,524	55,016,378	Time deposits and deposit on call
Simpanan dari bank lain	-	822,584	-	-	-	-	822	823,406	Deposits from other banks
Liabilitas derivatif	-	-	-	-	-	-	2,886	2,886	Derivatives payables
Utang obligasi	-	-	400,000	-	950,000	1,193,401	37,376	2,580,777	Bonds payable
Pinjaman yang diterima	-	-	-	998,530	2,893,996	1,316,114	41,567	5,250,207	Borrowings
Liabilitas lain-lain	-	-	-	-	-	-	227,916	227,916	Other liabilities
Jumlah liabilitas keuangan	-	42,296,118	14,510,038	6,176,690	5,733,251	2,528,553	553,870	71,798,520	Total financial liabilities
Jumlah gap repricing suku bunga	-	(25,149,170)	(10,130,599)	(165,073)	3,713,610	48,735,404	1,784,732	18,788,904	Total interest repricing gap
	2016								
	Bunga tetap/Fixed rate					Tidak dikenakan bunga/ Non interest bearing		Jumlah/ Total	
	Bunga mengambang/ Floating rate	≤ 1 Bulan/ Month	1 - 3 Bulan/ Months	> 3 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months				> 12 Bulan/ Months
Aset								Assets	
Kas	-	-	-	-	-	-	1,448,180	1,448,180	Cash
Giro pada Bank Indonesia	-	4,625,356	-	-	-	-	-	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	-	858,431	-	-	-	-	-	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	-	5,731,085	1,222,500	-	50,000	-	1,857	7,005,442	Placement with Bank Indonesia and other banks
Efek-efek	-	299,540	1,146,990	1,380,381	1,028,778	1,974,092	122,777	5,952,558	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	-	2,423,340	273,427	-	-	-	2,332	2,699,099	Securities purchased under resale agreements (Reverse Repo)
Tagihan derivatif	-	-	-	-	-	-	43,652	43,652	Derivatives receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah	-	946,163	1,809,675	3,014,302	7,136,089	50,262,181	764,513	63,932,923	Loans and sharia financing/receivables
Penyertaan saham	-	-	-	-	-	-	22	22	Investments
Aset lain-lain	-	-	-	-	-	-	43,855	43,855	Other assets
Jumlah aset keuangan	-	14,883,915	4,452,592	4,394,683	8,214,867	52,236,273	2,427,188	86,609,518	Total financial assets
Liabilitas									Liabilities
Liabilitas segera	-	-	-	-	-	-	95,984	95,984	Obligations due immediately
Giro	-	358,520	-	-	-	-	13,649	372,169	Current accounts
Tabungan	-	7,295,107	-	-	-	-	2,729	7,297,836	Saving deposits
Deposito berjangka dan deposit on call	-	29,396,312	16,967,724	4,752,359	2,853,325	170,050	232,443	54,372,213	Time deposits and deposit on call
Simpanan dari bank lain	-	202,291	1,200	170,700	540,344	-	61	914,596	Deposits from other banks
Liabilitas derivatif	-	-	-	-	-	-	8,344	8,344	Derivatives payables
Utang obligasi	-	-	-	-	1,422,166	1,046,977	38,123	2,507,266	Bonds payable
Pinjaman yang diterima	-	662,782	322,876	-	2,713,514	-	51,499	3,750,671	Borrowings
Liabilitas lain-lain	-	-	-	-	-	-	260,138	260,138	Other liabilities
Jumlah liabilitas keuangan	-	37,915,012	17,291,800	4,923,059	7,529,349	1,217,027	702,970	69,579,217	Total financial liabilities
Jumlah gap repricing suku bunga	-	(23,031,097)	(12,839,208)	(528,376)	685,518	51,019,246	1,724,218	17,030,301	Total interest repricing gap

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(ii) Risiko tingkat bunga (lanjutan)

Manajemen risiko tingkat bunga (lanjutan)

Tabel di bawah ini merupakan tingkat suku bunga rata-rata per tahun untuk aset dan liabilitas yang penting untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016:

	<u>2017</u>	<u>2016</u>
	%	%
ASET		
Giro pada bank lain	1.33	1.35
Penempatan pada Bank Indonesia dan bank lain		
Rupiah	4.47	4.81
Mata uang asing	1.37	0.69
Sertifikat Bank Indonesia	5.85	6.58
Sertifikat Deposito Bank Indonesia	5.56	6.30
Obligasi korporasi	6.96	7.79
Obligasi pemerintah	7.48	7.81
Reksadana	6.64	7.00
Pinjaman yang diberikan dan pembiayaan/ piutang syariah	20.23	21.27
LIABILITAS		
Simpanan nasabah		
- Giro	4.41	4.60
- Tabungan		
Rupiah	2.30	3.01
Mata uang asing	0.59	0.10
- Deposito berjangka		
Rupiah	6.94	7.97
Mata uang asing	1.68	1.47
- Deposito <i>on call</i>	6.91	7.20
Simpanan dari bank lain		
- Giro	0.35	0.29
- Tabungan	0.59	0.80
- <i>Call money</i>	4.42	5.04
- Deposito berjangka	6.97	7.83
- <i>Negotiable certificate deposit</i>	7.05	7.59
Utang obligasi	8.18	8.39
Pinjaman yang diterima		
Rupiah	8.22	11.10
Mata uang asing	2.60	-

Tidak terdapat risiko tingkat suku bunga yang akan mempengaruhi arus kas di masa yang akan datang karena aset dan liabilitas keuangan Bank mempunyai tingkat suku bunga tetap. Risiko tingkat suku bunga yang dimiliki Bank atas nilai wajar instrumen keuangan yang dikelompokkan sebagai tersedia untuk dijual adalah tidak signifikan.

41. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(ii) *Interest rate risk* (continued)

Interest rate risk management (continued)

The table below summarises the average interest rates per annum for significant assets and liabilities for the years ended 31 December 2017 and 2016:

ASSETS
Current accounts with other banks
Placements with Bank Indonesia and other banks
Rupiah
Foreign currency
Certificate of Bank Indonesia
Deposit certificates of Bank Indonesia
Corporate bonds
Government bonds
Mutual Funds
Loans and Sharia financing/receivables
LIABILITIES
Deposit from customers
Current account -
Savings deposits -
Rupiah
Foreign currency
Time deposits -
Rupiah
Foreign currency
Deposit on call -
Deposit from other banks
Current account -
Savings deposits -
Call money -
Time deposits -
Negotiable certificate deposit -
Bonds payable
Borrowings
Rupiah
Foreign currency

There is no interest rate risk affecting future cash flow since Bank's financial assets and liabilities bear fixed interest rate. The interest rate risk borne by the Bank for fair value of financial instrument classified as available for sale is considered insignificant.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Manajemen Risiko Permodalan

Modal regulasi

Tujuan manajemen permodalan Bank dan Entitas Anak adalah untuk mempertahankan posisi modal yang kuat untuk mendukung pertumbuhan bisnis dan mempertahankan investor, deposan, pelanggan dan kepercayaan pasar. Dalam pengelolaan permodalan, Bank dan Entitas Anak mempertimbangkan faktor-faktor seperti: pengembalian modal yang optimal pada pemegang saham, menjaga keseimbangan antara keuntungan yang lebih tinggi dengan *gearing ratio* serta keamanan yang diberikan oleh posisi modal yang sehat.

Sesuai dengan PBI No. 15/12/PBI/2013 tanggal 12 Desember 2013 tentang Kewajiban Penyediaan Modal Minimum (KPMM) Bank Umum dan SE BI No. 14/37/DPNP tanggal 27 Desember 2012 tentang KPMM sesuai Profil Risiko dan Pemenuhan *Capital Equivalency Maintained Assets (CEMA)*, Bank wajib melakukan perhitungan KPMM minimum berdasarkan profil risiko dan melakukan *Internal Capital Adequacy Assessment Process (ICAAP)*. Peraturan ini juga mengatur tentang pemenuhan rasio modal inti (*Tier 1*) paling rendah sebesar 6% dan rasio modal inti utama (*Common Equity Tier 1*) paling rendah sebesar 4,5%, efektif sejak 1 Januari 2014.

Selain itu, PBI di atas juga mengatur perubahan struktur permodalan Bank yang berlaku 1 Januari 2015 dan Bank diwajibkan untuk membentuk penyangga modal (*buffer*) yang berlaku secara bertahap mulai 1 Januari 2016 sampai 1 Januari 2019.

Bank dan Entitas Anak telah memenuhi semua persyaratan modal yang diwajibkan sepanjang tahun.

Posisi permodalan Bank dan Entitas Anak berdasarkan peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>	<u>2016</u>
KONSOLIDASI		
Aset tertimbang menurut risiko		
- Dengan memperhitungkan risiko kredit	47,736,670	45,422,834
- Dengan memperhitungkan risiko kredit dan operasional	63,708,206	60,539,206
- Dengan memperhitungkan risiko kredit, operasional dan pasar	63,755,973	60,540,301
Modal		
- Modal inti	15,109,418	14,584,659
- Modal pelengkap	597,307	568,733
	<u>15,706,725</u>	<u>15,153,392</u>

41. FINANCIAL RISK MANAGEMENT (continued)

Capital Risk Management

Regulatory capital

The Bank and Subsidiary capital management objectives is to maintain a strong capital position to support business growth and to sustain investors, depositors, customers and market confidence. In managing its capital, the Bank and Subsidiary consider factors such as: providing optimal capital rate of return to shareholders and maintaining a balance between high return gearing ratio and safety provided by a sound capital position.

According to BI regulation No. 15/12/PBI/2013 dated 12 December 2013 regarding Capital Adequacy Ratio (CAR) for Commercial Bank and BI Circular Letter No. 14/37/DPNP dated 27 December 2012 regarding Capital Adequacy Ratio based on Risk Profile and Fullfillment of Capital Equivalency Maintained Assets (CEMA), the Bank is required to calculate minimum CAR in accordance to its risk profile and to perform Internal Capital Adequacy Assessment Process (ICAAP). This regulation also stipulates minimum Tier 1 ratio at the minimum of 6% and common equity Tier 1 ratio at the minimum of 4.5%, effective on 1 January 2014.

Moreover, the above stated BI regulation also stipulates changes in capital components effective on 1 January 2015 and Bank is required to set aside capital buffer which is imposed in stages from 1 January 2016 to 1 January 2019.

The Bank and Subsidiary have complied with all externally imposed capital requirements throughout the year.

The Bank and Subsidiary regulatory capital position under the prevailing BI regulation as at 31 December 2017 and 2016 was as follows:

CONSOLIDATED

Risk weighted assets

With credit risk charge -
With credit and operational -
risk charge
With credit, operational and -
market risk charge

Capital

Core capital -
Supplementary capital -

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41. FINANCIAL RISK MANAGEMENT (continued)

Manajemen Risiko Permodalan (lanjutan)

Capital Risk Management (continued)

Modal regulasi (lanjutan)

Regulatory capital (continued)

	<u>2017</u>	<u>2016</u>	
KONSOLIDASI (lanjutan)			CONSOLIDATED (continued)
Rasio kewajiban penyediaan modal minimum			Capital adequacy ratio
- Dengan memperhitungkan risiko kredit	32.90%	33.36%	<i>Including credit risk -</i>
- Dengan memperhitungkan risiko kredit dan operasional	24.65%	25.03%	<i>Including credit and - operational risk</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	24.64%	25.03%	<i>Including credit, operational - and market risk</i>
Rasio kewajiban penyediaan modal minimum yang diwajibkan oleh Bank Indonesia	9% sampai dengan kurang dari 10%/9% to less than 10%	9% sampai dengan kurang dari 10%/9% to less than 10%	<i>Minimum capital adequacy ratio required by Bank Indonesia</i>
- Rasio Kewajiban Penyediaan Modal Minimum	24.64%	25.03%	<i>Capital Adequacy Ratio -</i>
- Rasio CET 1	23.70%	24.09%	<i>CET 1 Ratio -</i>
- Rasio tier 1	23.70%	24.09%	<i>Tier 1 Ratio -</i>
- Rasio tier 2	0.94%	0.94%	<i>Tier 2 Ratio -</i>
BANK			BANK
Aset tertimbang menurut risiko			Risk weighted assets
- Dengan memperhitungkan risiko kredit	42,915,930	41,157,660	<i>With credit risk charge -</i>
- Dengan memperhitungkan risiko kredit dan operasional	56,555,669	54,756,469	<i>With credit and operational - risk charge</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	56,603,436	54,757,564	<i>With credit, operational and - market risk charge</i>
Modal			Capital
- Modal inti	13,561,110	13,503,767	<i>Core capital -</i>
- Modal pelengkap	537,158	515,568	<i>Supplementary capital -</i>
	<u>14,098,268</u>	<u>14,019,335</u>	
Rasio kewajiban penyediaan modal minimum			Capital adequacy ratio
- Dengan memperhitungkan risiko kredit	32.85%	34.06%	<i>Including credit risk -</i>
- Dengan memperhitungkan risiko kredit dan operasional	24.93%	25.60%	<i>Including credit and - operational risk</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	24.91%	25.60%	<i>Including credit, operational - and market risk</i>
Rasio kewajiban penyediaan modal minimum yang diwajibkan oleh Bank Indonesia	9% sampai dengan kurang dari 10%/9% to less than 10%	9% sampai dengan kurang dari 10%/9% to less than 10%	<i>Minimum capital adequacy ratio required by Bank Indonesia</i>
- Rasio Kewajiban Penyediaan Modal Minimum	24.91%	25.60%	<i>Capital Adequacy Ratio -</i>
- Rasio CET 1	23.96%	24.66%	<i>CET 1 Ratio -</i>
- Rasio tier 1	23.96%	24.66%	<i>Tier 1 Ratio -</i>
- Rasio tier 2	0.95%	0.94%	<i>Tier 2 Ratio -</i>

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Manajemen Risiko Permodalan (lanjutan)

Modal regulasi (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, rasio kecukupan modal konsolidasian bagi Bank dan Entitas Anak adalah masing-masing 24,64%, dan 25,03%.

Manajemen menggunakan peraturan rasio permodalan untuk memantau kecukupan modal, sesuai dengan standar industri. Pendekatan Bank Indonesia untuk pengukuran modal tersebut terutama didasarkan pada pemantauan kebutuhan modal yang diwajibkan terhadap modal yang tersedia.

Estimasi nilai wajar instrumen keuangan

Untuk aset dan liabilitas keuangan yang diukur menggunakan nilai wajar, berikut ini adalah hirarki nilai wajar:

- a. Tingkat 1
Harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- b. Tingkat 2
Input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) maupun tidak langsung (misalnya derivasi harga); dan
- c. Tingkat 3
Input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Tabel berikut menyajikan aset dan liabilitas Bank dan Entitas Anak yang diukur sebesar nilai wajar pada tanggal 31 Desember 2017 dan 2016:

	2017					
	Nilai tercatat/ Carrying Value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value	
Aset						Assets
Efek-efek	1,090,782	-	1,090,782	-	1,090,782	Marketable securities
Tagihan derivatif	2,338	-	2,338	-	2,338	Derivative receivables
Penyertaan saham	22	-	-	22	22	Investments
	<u>1,093,142</u>	<u>-</u>	<u>1,093,120</u>	<u>22</u>	<u>1,093,142</u>	
Liabilitas						Liabilities
Liabilitas derivatif	2,886	-	2,886	-	2,886	Derivative receivables
	2016					
	Nilai tercatat/ Carrying Value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value	
Aset						Assets
Efek-efek	1,081,238	-	1,081,238	-	1,081,238	Marketable securities
Tagihan derivatif	43,652	-	43,652	-	43,652	Derivative receivables
Penyertaan saham	22	-	-	22	22	Investments
	<u>1,124,912</u>	<u>-</u>	<u>1,124,890</u>	<u>22</u>	<u>1,124,912</u>	
Liabilitas						Liabilities
Liabilitas derivatif	8,344	-	8,344	-	8,344	Derivative receivables

41. FINANCIAL RISK MANAGEMENT (continued)

Capital Risk Management (continued)

Regulatory capital (continued)

As at 31 December 2017 and 2016, the consolidated capital adequacy ratios for the Bank and Subsidiary were 24.64% and 25.03%, respectively.

Management uses regulatory capital ratios in order to monitor its capital base and these capital ratios remain the industry standards for measuring capital adequacy. BI's approach to such measurement is primarily based on monitoring the relationship of the capital resources requirement to available capital resources.

Fair value estimation of financial instruments

For financial assets and liabilities measured at fair value, the following are the hierarchy of the fair values:

- a. Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2
Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c. Level 3
Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The tables below show the Bank and Subsidiary assets and liabilities that are measured at fair value as at 31 December 2017 and 2016:

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

41. FINANCIAL RISK MANAGEMENT (continued)

**Estimasi nilai wajar instrumen keuangan
(lanjutan)**

**Fair value estimation of financial instruments
(continued)**

Tabel dibawah ini menggambarkan nilai tercatat dan nilai wajar dari instrumen keuangan yang tidak disajikan di laporan posisi keuangan Bank pada nilai wajarnya:

The table below summarises the carrying amounts and fair values of those financial instruments not presented in the Bank's statements of financial position at their fair values:

	2017		2016		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Aset					Assets
Giro pada Bank Indonesia	5,098,341	5,098,341	4,625,356	4,625,356	Current accounts with Bank Indonesia
Giro pada bank lain	487,942	487,942	858,431	858,431	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	8,505,940	8,505,940	7,005,442	7,005,442	Placement with Bank Indonesia and other banks
Efek-efek	6,366,542	6,216,268	5,952,558	5,961,132	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali (Reverse repo)	2,500,787	2,500,787	2,699,099	2,699,099	Securities purchased under resale agreement (Reverse repo)
Pinjaman yang diberikan dan pembiayaan/piutang syariah	65,306,817	78,890,032	63,247,619	75,687,589	Loans and sharia financing receivables
Aset lain-lain	27,795	27,795	43,855	43,855	Other assets
Liabilitas					Liabilities
Liabilitas segera	49,538	49,538	95,984	95,984	Obligations due immediately
Simpanan nasabah	62,863,790	62,863,790	62,042,218	62,042,218	Deposits from customers
Simpanan dari bank lain	823,406	823,406	914,596	914,596	Deposits from other banks
Utang obligasi	2,580,777	2,563,457	2,507,266	2,479,210	Bonds payable
Pinjaman yang diterima	5,250,207	5,311,997	3,750,671	3,435,002	Borrowing
Liabilitas lain-lain	227,916	227,916	250,138	250,138	Other liabilities

(i) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, aset lain-lain, liabilitas segera, simpanan dari bank lain dan liabilitas lain-lain.

(i) Current accounts with Bank Indonesia and other banks, placement with Bank Indonesia and other banks, other assets, obligations due immediately, deposits from other banks and other liabilities.

Estimasi nilai wajar terhadap giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain dengan suku bunga tetap, aset lain-lain, liabilitas segera, simpanan nasabah, simpanan dari bank lain dan liabilitas lain-lain ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa.

The estimated fair value of current accounts with Bank Indonesia and other banks, fixed interest bearing placement with Bank Indonesia and other banks, other assets, obligations due immediately, deposits from customers, deposits from other banks and other liabilities is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Nilai tercatat dari giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain dengan suku bunga tetap, aset lain-lain, bunga yang masih akan diterima dan uang muka, liabilitas segera, simpanan nasabah, simpanan dari bank lain dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar dikarenakan memiliki tenor kurang dari satu tahun.

The carrying amount of current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks with fixed interest rates, interest receivables and advances, obligations due immediately, deposits from customers, deposits from other banks and other liabilities excluding tax payables are reasonable approximation of fair value since the maturity is below one year.

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**Estimasi nilai wajar instrumen keuangan
(lanjutan)**

(ii) Efek-efek

Nilai wajar dari efek-efek yang memiliki jatuh tempo lebih dari 1 tahun diestimasi menggunakan nilai kuotasi pasar terakhir (level 1 – hirarki nilai wajar).

(iii) Pinjaman yang diberikan dan pembiayaan/ piutang syariah

Estimasi nilai wajar dari pinjaman yang diberikan mencerminkan jumlah diskonto dari estimasi kini dari arus kas masa depan yang diharapkan akan diterima. Arus kas masa depan yang diharapkan didiskontokan pada tingkat suku bunga pasar terkini untuk menentukan nilai wajar (level 3 - hirarki nilai wajar).

Nilai tercatat dari pembiayaan syariah merupakan perkiraan yang layak atas nilai wajar dikarenakan pinjaman tersebut memiliki tenor satu tahun atau kurang.

(iv) Simpanan nasabah

Estimasi nilai wajar simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah terutang ketika utang tersebut dibayarkan.

Estimasi nilai wajar simpanan dengan tingkat suku bunga tetap yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa (level 2 - hirarki nilai wajar).

Nilai tercatat dari simpanan *wadiah* merupakan perkiraan yang layak atas nilai wajar dikarenakan simpanan tersebut memiliki tenor satu tahun atau kurang.

(v) Utang obligasi

Nilai wajar utang obligasi diestimasi menggunakan nilai kuotasi pasar terakhir (level 1 - hirarki nilai wajar).

(vi) Pinjaman yang diterima

Nilai wajar dari pinjaman dinilai dengan menggunakan diskonto arus kas berdasarkan tingkat suku bunga efektif yang dikenakan pada pinjaman terakhir yang digunakan (level 2 - hirarki nilai wajar).

41. FINANCIAL RISK MANAGEMENT (continued)

**Fair value estimation of financial instruments
(continued)**

(ii) Marketable Securities

The fair value for marketable securities, which maturity date are more than 12 months, are estimated using the last quoted market price (level 1 – fair value hierarchy).

(iii) Loans and sharia financing/ receivables

The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received. Estimated cash flows are discounted at current market rates to determine fair value (level 3 - fair value hierarchy).

Carrying value of sharia financing approximates the estimates fair value since sharia financing tenure is one year or less.

(iv) Deposits from customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity (level 2 - fair value hierarchy).

Carrying value of wadiah deposits approximates the estimates fair value since wadiah deposits tenure is one year or less.

(v) Bonds payable

The fair value of bonds payable is estimated by using the last quoted market price (level 1 - fair value hierarchy).

(vi) Borrowing

The fair value of borrowing is estimated by using discounted cash flows applying the effective interest rate charged by the lender for the last utilisation of borrowing (level 2 - fair value hierarchy).

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional

Risiko operasional adalah risiko terjadinya kerugian yang disebabkan oleh ketidak-cukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem atau adanya kejadian-kejadian eksternal.

Kerangka Kerja Pengelolaan Risiko Operasional

1. Kerangka kerja pengelolaan risiko operasional Bank dan Entitas Anak dilakukan dengan pembagian akuntabilitas dan peran yang jelas. Direksi seperti halnya Dewan Komisaris bertanggung jawab untuk mengawasi efektivitas dari kerangka kerja pengelolaan risiko operasional secara menyeluruh maupun pada pelaksanaannya.

Pada tingkatan operasional dibentuk sistem pengendalian secara berlapis, dimana *Quality Assurance (QA)* berperan membantu *Risk Taking Unit (RTU)* dalam penegakan pengelolaan risiko operasional sehari-hari. Pada lapis pengendalian berikutnya, *Divisi Operational Risk Management (ORM)* bersama-sama dengan *Divisi Compliance* berperan dalam pendefinisian, penyempurnaan dan pemeliharaan kerangka kerja risiko operasional, memastikan kecukupan mitigasi risiko, kebijakan dan prosedur, serta berperan sebagai koordinator/fasilitator atas aktivitas pengelolaan risiko operasional.

Berikutnya Satuan Kerja Auditor Internal (SKAI) secara independen berperan memastikan bahwa risiko yang tersisa (*residual risks*) masih berada dalam batasan yang dapat diterima (*risk appetite*).

Penyelarasan kerja antara pihak-pihak yang terkait praktek pengendalian internal Bank dilakukan secara berkelanjutan melalui forum-forum periodik dan fasilitasi rutin.

2. Pelaksanaan kerangka kerja ORM di Bank dan Entitas Anak dilakukan dalam tahapan proses yang terpadu dan terdiri dari proses Identifikasi, Pengukuran, Pemantauan serta Pengendalian/ Mitigasi risiko.

Dalam proses ini secara bertahap dilakukan tinjauan risiko secara menyeluruh atas produk, sistem maupun aktivitas/proses Bank dan Entitas Anak yang baru maupun perubahannya, pengembangan sistem registrasi risiko, pendefinisian mitigasi/mekanisme kontrol, serta secara berkelanjutan melakukan pengukuran atas pemaparan risiko dan tingkat kedisiplinan unit kerja dalam menerapkan mekanisme kontrol.

41. FINANCIAL RISK MANAGEMENT (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.

Operational Risk Management Framework

1. *The Bank and Subsidiary operational risk management framework is executed with clear accountabilities of all parties involved. The Board of Directors and the Board of Commissioners are responsible to oversee the effectiveness of the overall operational risk management framework as well as its execution.*

Layered of defenses was formed at the operational levels, whereas Quality Assurance (QA) is assisting the Risk Taking Units (RTUs) in day-to-day enforcement of operational risk management practices. While in the next layer, Operational Risk Management (ORM) Division together with Compliance Division act in defining, refining and maintaining the operational risk framework, ensuring the adequacy of risk mitigation, policies and procedures and act as the coordinator/facilitator of the overall operational risk management activities.

The Internal Auditors (SKAI) are then independently performing the assurance that all residual risks are within the agreed risk appetite.

Continuous alignment between all parties related to internal control practices in the Bank is conducted through regular forums and facilitations.

2. *Practices of ORM Framework in Bank and Subsidiary are conducted through an integrated processes consists of Risk Identification, Measurement, Monitoring and Controlling/Mitigating*

The stages of its processes involve comprehensive risk reviews over new initiative and/or changes to Bank and Subsidiary products, system and activities/processes, development of risk registration, definition of mitigations/control mechanisms as well as continuous measurement over residual risk exposures and the level of the units' discipline in deploying control mechanisms.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional (lanjutan)

**Kerangka Kerja Pengelolaan Risiko Operasional
(lanjutan)**

3. Otomasi dari proses pengelolaan risiko operasional sehari-hari baik di Bank dan Entitas Anak dilakukan melalui ORMS (*Operational Risk Management System*) yang merupakan aplikasi *online real-time* untuk memudahkan pencatatan, analisis dan pelaporan dari data risiko operasional, dengan kemampuan melakukan identifikasi risiko, penilaian/pengukuran, pemantauan dan pengendalian/mitigasi yang dilaksanakan secara terintegrasi, sehingga dapat meningkatkan efektivitas dari pengelolaan risiko operasional.
4. Perhitungan beban modal untuk risiko operasional dilakukan Bank dan Entitas Anak dengan menggunakan Pendekatan Indikator Dasar sesuai dengan jadwal Otoritas Jasa Keuangan. Sementara persiapan untuk langkah perhitungan KPMM selanjutnya disesuaikan dengan jadwal Regulator.
5. Bank dan Entitas Anak telah memiliki pedoman bagi Pengelolaan Kelangsungan Usaha yang komprehensif dan mengacu kepada standard industri ISO 22301, dengan tujuan untuk mengantisipasi risiko operasional yang mungkin terjadi dari situasi ekstrim/kritikal karena bencana alam seperti banjir, gempa bumi dan juga faktor lainnya seperti kebakaran, gangguan sistem pasokan listrik, hingga situasi bisnis yang kurang menguntungkan, sehingga kelangsungan layanan kepada nasabah dapat terjamin.
6. Beberapa inisiatif pokok telah dilaksanakan di Bank dan Entitas Anak, guna terus menyempurnakan praktek pengelolaan risiko operasional, yaitu:
 - Memperluas cakupan ORMS (*ORM System*) hingga ke seluruh *Risk Taking Units*, seluruh Fungsi QA di Lini Bisnis/Fungsi Pendukung, Unit Kepatuhan, *Fraud Management Unit* dan Audit Internal.
 - Perluasan proses penilaian risiko melalui kajian risiko operasional secara berkelanjutan terhadap inisiatif yang disampaikan oleh unit-unit Bisnis termasuk inisiatif yang berkaitan dengan pengembangan bisnis *Smart Digital Banking* dan Laku Pandai.

41. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

**Operational Risk Management Framework
(continued)**

3. *Automation of day-to-day ORM processes in Bank and Subsidiary are enabled by the ORMS (Operational Risk Management System), an internally designed online-real time application which is implemented to strengthen the capture, analysis and reporting of operational risk data by enabling risk identification, assessment/ measurement, monitoring and controlling/mitigating to be conducted in an integrated manner, thereby enhance the effectiveness of operational risk management.*
4. *Bank and Subsidiary have performed the capital charges calculation for operational risk by using Basic Indicator Approach as per Financial Service Authority timeline. Whilst, preparation towards the adoption of the next stage Internal Capital Adequacy Assessment Process (ICAAP) will concur to Regulator timetable.*
5. *Bank and Subsidiary have comprehensive Business Continuity Management (BCM) guidelines in reference to ISO 22301 standard of practices, to anticipate operational risks which might arise from critical situations such as natural disasters e.g. flood, earthquake and other factors .eg. fire, major system disruption, power failure, as well as non-conducive business environment to ensure continuous services to customer.*
6. *Some major initiatives have been put into effect to continuously improve ORM practices in the Bank and Subsidiary such as:*
 - *The extension of ORMS (ORM System) coverage to include Bank's Risk Taking Units, all QA Functions in Business/Support Functions, Compliance, Fraud Management Unit and Internal Audit.*
 - *Extension of risk assessment process through continuous operational risk assessment into initiatives which were initiated by Business Units including initiatives that related with development of Smart Digital and Branchless Banking.*

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional (lanjutan)

Kerangka Kerja Pengelolaan Risiko Operasional
(lanjutan)

6. Beberapa inisiatif pokok telah dilaksanakan di Bank dan Entitas Anak, guna terus menyempurnakan praktek pengelolaan risiko operasional, yaitu: (lanjutan)
- Perluasan aktivitas Penilaian Kontrol Secara Mandiri (KCSA) hingga ke RTUs.
 - Pengembangan pengelolaan kelangsungan usaha (BCM) melalui restrukturisasi Kebijakan BCM, Prosedur BIA & BCP dan Prosedur Rencana Pengelolaan Insiden telah dijalankan agar implementasi BCM sesuai dengan praktek terbaik.
 - Memulai transformasi dalam implementasi Pengelolaan Kelangsungan Usaha (BCM) dengan memperkuat rencana kelangsungan usaha dari fungsi-fungsi bisnis yang kritical, sesuai dengan praktek yang lazim dan arahan dari Basel BCBS.
 - Melaksanakan Uji Rencana Kelangsungan Usaha dalam bentuk simulasi langsung di beberapa unit kerja kritical, baik itu uji sistem dan aplikasi, maupun kesiapan lokasi alternatif.

Risiko non-keuangan lainnya

Bank dan Entitas Anak juga memonitor risiko non-keuangan sebagai berikut:

- (i) risiko hukum untuk mengurangi kemungkinan kerugian dari tuntutan hukum atau kelemahan aspek yuridis, contohnya yang disebabkan oleh lemahnya perikatan, ketiadaan peraturan perundang-undangan yang menyebabkan suatu transaksi yang telah dilakukan tidak sesuai dengan ketentuan yang ada, dan proses litigasi;
- (ii) risiko reputasi untuk mengurangi kemungkinan kerugian dari publikasi negatif yang terkait dengan kegiatan usaha Bank dan Entitas Anak atau persepsi negatif terhadap Bank dan Entitas Anak;
- (iii) risiko strategi untuk mengurangi kemungkinan kerugian akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik yang gagal mengantisipasi perubahan lingkungan bisnis; dan
- (iv) risiko kepatuhan untuk mengurangi kemungkinan kerugian karena tidak mematuhi atau tidak melaksanakan peraturan perundang-undangan dan ketentuan lain yang berlaku, termasuk prinsip syariah bagi Bank dan Entitas Anak.

41. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

Operational Risk Management Framework
(continued)

6. Some major initiatives have been put into effect to continuously improve ORM practices in the Bank and Subsidiary such as: (continued)
- Extension of Key Control Self-Assessment (KCSA) practices to the RTUs.
 - Improvement of the Business Continuity Management (BCM) Implementation by Refining BCM Policy, BIA & BCP Procedure and Incident Management Plan Procedure has been conducted in accordance to common best practices.
 - Start the transformation on the Business Continuity Management (BCM) implementation which will strengthen the BCM of critical business functions as per common practices and Basel BCBS direction.
 - Conducted the Business Continuity Plan testing with direct simulation method on some critical working units, both systems and applications, as well as the readiness of the alternative locations.

Other non-financial risk

The Bank and Subsidiary also monitor non-financial risk as follows:

- (i) legal risks to minimise possible losses from lawsuits and/or weaknesses in juridical matters, for example caused by the Bank and Subsidiary being involved with weak legal arrangements, an absence and/or change of regulations, which causes a transaction by the Bank and Subsidiary to become illegal and litigation process;
- (ii) reputation risks to minimise possible losses from negative publicity relating to the business activities of the Bank and Subsidiary or negative perception about the Bank and Subsidiary;
- (iii) strategic risks to minimise possible losses arising from wrong decision and/or carrying out a strategic decision that fails to anticipate changes in the business environment; and
- (iv) compliance risks to minimise possible loss from non-compliance or failure to implement prevailing laws and regulations, including sharia principles for the Bank and Subsidiary.

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko non-keuangan lainnya (lanjutan)

Upaya-upaya yang dilakukan untuk mengelola risiko-risiko hukum, risiko reputasi, risiko strategis dan risiko kepatuhan seperti tersebut di atas diantaranya adalah:

- Risiko hukum dikelola dengan cara:
 - (i) Membentuk unit kerja khusus bidang hukum;
 - (ii) Menetapkan kebijakan pengendalian risiko hukum terutama yang berpengaruh kepada aktivitas fungsional. Kebijakan dievaluasi minimal satu tahun sekali;
 - (iii) Mengidentifikasi dan mengendalikan risiko hukum yang melekat pada produk dan aktivitas baru sebelum diperkenalkan kepada nasabah;
 - (iv) Mengidentifikasi risiko hukum yang terdapat pada setiap aktivitas fungsional;
 - (v) Pengukuran risiko hukum secara kuantitatif.

- Risiko reputasi dikelola dengan cara:
 - (i) Membentuk satuan kerja yang memiliki kewenangan dan tanggung jawab untuk memberikan informasi yang komprehensif kepada nasabah dan pemangku kepentingan;
 - (ii) Menetapkan kebijakan komunikasi dalam rangka menghadapi publikasi negatif atau pencegahannya;
 - (iii) Mengidentifikasi risiko reputasi yang terdapat pada setiap aktivitas fungsional;
 - (iv) Mengukur risiko reputasi secara kuantitatif.

- Risiko strategis dikelola dengan cara:
 - (i) Menyusun rencana korporasi dan rencana kerja 3 (tiga) tahun sesuai dengan misi dan strategi Bank yang disetujui oleh Komisaris serta Direksi dengan memperhitungkan dampak terhadap permodalan, dan dilakukan *review* minimal semesteran;
 - (ii) Membangun Sistem Informasi Manajemen dengan pengukuran kinerja yang tepat dan melakukan pemantauan berkala atas *key initiatives* yang dilaksanakan oleh unit-unit untuk mencapai rencana kerja sesuai dengan tenggat waktunya; dan
 - (iii) Menetapkan kebijakan yang mengatur perumusan dan pemantauan pelaksanaan strategi termasuk rencana korporasi dan rencana bisnis.

41. FINANCIAL RISK MANAGEMENT (continued)

Other non-financial risk (continued)

Initiatives taken to manage legal risks, reputation risks, strategic risks and compliance risks as described above, include the following:

- *Legal risks are managed by:*
 - (i) *Forming a legal division;*
 - (ii) *Establishing policies of legal risk controls particularly risks affecting functional activities. Those policies are evaluated annually;*
 - (iii) *Identifying and controlling legal risks that were inherent to products and new activities before launching;*
 - (iv) *Identifying legal risks affecting all functional activities;*
 - (v) *Quantifying legal risks.*

- *Reputation risks are managed by:*
 - (i) *Forming a unit that is authorised and responsible to provide comprehensive information to customers and stakeholders;*
 - (ii) *Establishing communication policies to anticipate any negative public/customer publication;*
 - (iii) *Identifying reputation risks in all functional activities;*
 - (iv) *Quantifying reputation risks.*

- *Strategic risks are managed by:*
 - (i) *Setting up 3 (three) years period corporate and business plan in accordance with the Bank's objectives and strategies that have been approved by Board of Commissioners and Directors by considering the impact to capital, and reviewed at least semi-annually;*
 - (ii) *Setting up a Management Information System with an accurate performance measurement that periodically monitors key initiatives initiated by Bank and Subsidiary units to achieve business plan goal within the prescribed time; and*
 - (iii) *Establishing guidance to set up and monitor the implementation of strategies including corporate and business plan.*

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41. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko non-keuangan lainnya (lanjutan)

- Risiko kepatuhan dikelola dengan cara:
 - (i) Membentuk unit kerja kepatuhan independen dalam struktur organisasi yang melakukan pengawasan aktif kepada unit-unit kerja secara periodik;
 - (ii) Menetapkan prosedur pengendalian risiko kepatuhan, kebijakan pengaturan tanggung jawab dan *review* kepatuhan secara berkala;
 - (iii) Menetapkan prosedur identifikasi dan pengukuran untuk risiko kepatuhan pada seluruh aktivitas fungsional;
 - (iv) Memiliki sistem laporan risiko kepatuhan secara periodik minimal setiap bulan;
 - (v) Melakukan pemisahan fungsi yang jelas antara satuan kerja operasional, satuan kerja pengendalian risiko dan satuan kerja pemantau risiko dalam struktur organisasi.

42. JAMINAN PEMERINTAH TERHADAP LIABILITAS PEMBAYARAN BANK UMUM

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004 yang berlaku efektif sejak tanggal 22 September 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-undang Republik Indonesia No. 7 Tahun 2009 tanggal 13 Januari 2009 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang No. 3 Tahun 2008, dibentuk untuk menjamin liabilitas tertentu bank-bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang Dijamin Lembaga Penjaminan Simpanan (LPS), maka pada tanggal 31 Desember 2017 dan 2016 jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp 2.000 untuk per nasabah per bank. Berdasarkan Siaran Pers LPS No. PRESS-36/SEKL/2017, simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau dibawah 5,75% untuk simpanan dalam Rupiah dan 0,75% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2017 (31 Desember 2016: 6,25% dan 0,75%).

Pada tanggal 31 Desember 2017 dan 2016, Bank dan Entitas Anak adalah peserta dari program penjaminan tersebut. Premi yang telah dibayarkan pada 31 Desember 2017 dan 2016 adalah Rp 128.522 dan 118.427.

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41. FINANCIAL RISK MANAGEMENT (continued)

Other non-financial risk (continued)

- Compliance risks are managed by:
 - (i) Forming an independent compliance division which performs active monitoring to other divisions periodically;
 - (ii) Establishing procedure of compliance risk control, policies of responsibility and compliance review periodically;
 - (iii) Establishing procedures to identify and assess compliance risks in all functional activities;
 - (iv) Establishing risk compliance report system periodically at the minimum once a month;
 - (v) Setting up a clear segregation of duties between operational, risk control and risk monitoring unit.

42. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Law No. 24 dated 22 September 2004, effective on 22 September 2005, which was amended by the Government Regulation as Substitution of Law No. 7 Year 2009 dated 13 January 2009 regarding with the Determination of Government Regulation as Substitution of Law No. 3 Year 2008, Deposit Insurance Agency ("LPS") was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, which the amount of guarantee can be amended if the situation complies with the valid particular criterias.

As at 31 December 2017 and 2016, based on Government Regulation No. 66 year 2008 dated 13 October 2008 regarding The Amount of Deposit Guaranteed by Indonesia Deposit Insurance Agency (LPS), the amount of deposits covered by LPS is customer deposits up to Rp 2,000 per depositor per bank. Based on LPS Corporation Press No. PRESS-36/SEKL/2017, customer deposits are only covered if the rate of interest is equal to or below 5.75% for deposits denominated in Rupiah and 0.75% for deposits denominated in foreign currency as at 31 December 2017 (31 December 2016: 6.25% and 0.75%, respectively).

As at 31 December 2017 and 2016, the Bank and Subsidiary both are participants of the guarantee program. Premium paid as of 31 December 2017 and 2016 are Rp 128,522 and 118,427, respectively.

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43. STANDAR AKUNTANSI BARU

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) telah menerbitkan standar baru, amandemen dan interpretasi berikut, namun belum berlaku efektif untuk tahun buku yang dimulai pada 1 Januari 2017 sebagai berikut :

- PSAK 69 "Agrikultur"
- Amandemen PSAK 2 "Laporan Arus Kas tentang Prakarsa Pengungkapan"
- Amendemen PSAK 13 "Properti Investasi tentang Pengalihan Properti Investasi"
- Amandemen PSAK 16 "Aset Tetap"
- Amandemen PSAK 46 "Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi"
- Amendemen PSAK 53 "Pembayaran Berbasis Saham tentang Klasifikasi dan Pengukuran Transaksi Pembayaran Berbasis Saham"
- Penyesuaian Tahunan PSAK 15 "Investasi pada Entitas Asosiasi dan Ventura Bersama"
- Penyesuaian Tahunan PSAK 67 "Pengungkapan Kepentingan dalam Entitas Lain"

Standar tersebut akan berlaku efektif pada 1 Januari 2018.

- ISAK 33 "Transaksi Valuta Asing dan Imbalan dimuka"

Standar tersebut akan berlaku efektif pada 1 Januari 2019.

- PSAK 71 "Instrumen Keuangan"
- PSAK 72 "Pendapatan dari Kontrak dengan Pelanggan"
- PSAK 73 "Sewa"
- Amendemen PSAK 15 "Investasi pada Entitas Asosiasi dan Ventura Bersama tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama"
- Amandemen PSAK 62 "Kontrak asuransi"
- Amendemen PSAK 71 "Instrumen Keuangan tentang Fitur Percepatan Pelunasan dengan Kompensasi Negatif"

Standar tersebut akan berlaku efektif pada 1 Januari 2020.

Pada saat penerbitan laporan keuangan Perseroan masih mempelajari dampak yang mungkin timbul dari penerapan standar baru dan revisi tersebut serta pengaruhnya pada laporan keuangan Perseroan.

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**43. NEW PROSPECTIVE ACCOUNTING
STANDARDS**

Financial Accounting Standard Board of Indonesian Institute of Accountants (DSAK-IAI) has issued the following new standards, amendments and interpretations, but not yet effective for the financial year beginning 1 January 2017 as follows :

- *SFAS 69 "Agriculture"*
- *The amendments to SFAS 2 "Statements of Cash Flows about Disclosure Initiative"*
- *The amendments to SFAS 13 "Investment Property about Transfers of Investment Property"*
- *The amendments to SFAS 16 "Property, Plant and Equipment"*
- *The amendments to SFAS 46 "Income Tax about Deferred Tax Assets Recognition for Unrealised Loss"*
- *The amendments to SFAS 53 "Shared Based Payments about Classification and Measurement of Share-based Payment Transactions"*
- *Annual Improvements to SFAS 15 "Investments in Associates and Joint Ventures"*
- *Annual Improvements to SFAS 67 "Disclosures of Interests in Other Entities"*

The above standards will be effective on 1 January 2018.

- *ISFAS 33 "Foreign Currency Transactions and Advance Consideration"*

The above standards will be effective on 1 January 2019.

- *SFAS 71 "Financial Instruments"*
- *SFAS 72 "Revenue from Contracts with Customers"*
- *SFAS 73 "Leases"*
- *The amendments to SFAS 15 "Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures"*
- *The amendments to SFAS 62 "Insurance contract"*
- *The amendments to SFAS 71 "Financial Instruments: Prepayment Features with Negative Compensation"*

The above standard will be effective on 1 January 2020.

As at the authorisation date of these financial statements, the Company is still evaluating the potential impact of these new and revised standards to the Company's financial statements.

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44. INFORMASI KEUANGAN TAMBAHAN

Bank menerbitkan laporan keuangan konsolidasian yang merupakan laporan keuangan utama. Informasi keuangan tambahan PT Bank Tabungan Pensiunan Nasional Tbk. (Entitas Induk) ini, dimana investasi pada Entitas Anak dicatat dengan metode harga perolehan, disajikan untuk dapat menganalisis hasil usaha entitas induk saja. Informasi keuangan tambahan PT Bank Tabungan Pensiunan Nasional Tbk. (Entitas Induk) (halaman 174-183) berikut ini harus dibaca bersamaan dengan laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk. dan Entitas Anak.

44. SUPPLEMENTARY FINANCIAL INFORMATION

The Bank published the consolidated financial statements as its primary financial statements. The supplementary financial information of PT Bank Tabungan Pensiunan Nasional Tbk. (Parent Entity) which account for investments in Subsidiary using the cost method, have been prepared in order that the parent entity's results of operations can be analysed. The following supplementary financial information of PT Bank Tabungan Pensiunan Nasional Tbk. (Parent Entity) (pages 174-183) should be read in conjunction with the consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk. and Subsidiary.

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
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STATEMENTS OF FINANCIAL POSITION
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	2017	2016	
ASET			ASSETS
Kas	1,268,260	1,256,517	Cash
Giro pada Bank Indonesia	4,734,359	4,349,579	Current accounts with Bank Indonesia
Giro pada bank lain:			Current accounts with other banks:
- Pihak ketiga	474,178	571,833	Third parties -
- Pihak berelasi	12,029	286,059	Related parties -
	<u>486,207</u>	<u>857,892</u>	
Penempatan pada Bank Indonesia dan bank lain	7,404,591	5,731,085	Placement with Bank Indonesia and other banks
Pendapatan bunga yang masih akan diterima	686	1,267	Accrued interest income
	<u>7,405,277</u>	<u>5,732,352</u>	
Efek-efek:			Marketable securities:
Aset keuangan tersedia untuk dijual	1,090,782	1,081,238	Available for sale financial assets
Aset keuangan dimiliki hingga jatuh tempo	5,208,177	4,852,820	Held to maturity financial assets
Pendapatan bunga yang masih akan diterima	28,419	18,500	Accrued interest income
	<u>6,327,378</u>	<u>5,952,558</u>	
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	1,512,008	2,696,767	Securities purchased under resale agreements (Reverse Repo)
Pendapatan bunga yang masih akan diterima	3,899	2,332	Accrued interest income
	<u>1,515,907</u>	<u>2,699,099</u>	
Tagihan derivatif	2,338	43,652	Derivatives receivables
Pinjaman yang diberikan:			Loans:
- Pihak ketiga	59,277,279	58,147,138	Third parties -
- Pihak berelasi	21,285	24,460	Related parties -
Pendapatan bunga yang masih akan diterima	673,983	706,597	Accrued interest income
Dikurangi: Cadangan kerugian penurunan nilai	(636,458)	(571,448)	Less: Allowance for impairment losses
	<u>59,336,089</u>	<u>58,306,747</u>	
Penyertaan saham	729,632	723,608	Investments
Biaya dibayar dimuka	2,662,143	2,572,903	Prepayments
Pajak dibayar dimuka:			Prepaid taxes:
- Pajak penghasilan	53,308	-	Corporate income taxes -
Aset pajak tangguhan - bersih	97,246	84,621	Deferred tax assets - net
Aset tetap	2,559,589	2,529,810	Fixed assets
Dikurangi: Akumulasi penyusutan	(1,089,733)	(1,083,883)	Less: Accumulated depreciation
	<u>1,469,856</u>	<u>1,445,927</u>	
Aset tak berwujud	1,151,296	879,743	Intangible assets
Dikurangi: Akumulasi amortisasi	(481,053)	(341,900)	Less: Accumulated amortisation
	<u>670,243</u>	<u>537,843</u>	
Aset lain-lain	280,288	181,040	Other assets
Dikurangi: Cadangan kerugian penurunan nilai	-	-	Less: Allowance for impairment losses
	<u>280,288</u>	<u>181,040</u>	
JUMLAH ASET	<u>87,038,531</u>	<u>84,744,338</u>	TOTAL ASSETS

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STATEMENTS OF FINANCIAL POSITION
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(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>	
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
Liabilitas segera	28,631	15,921	<i>Obligations due immediately</i>
Simpanan nasabah:			<i>Deposits from customers:</i>
- Pihak ketiga	60,536,411	59,436,682	<i>Third parties -</i>
- Pihak berelasi	835,783	1,377,266	<i>Related parties -</i>
Beban bunga yang masih harus dibayar	<u>193,765</u>	<u>235,420</u>	<i>Accrued interest expense</i>
	<u>61,565,959</u>	<u>61,049,368</u>	
Simpanan dari bank lain	859,357	948,363	<i>Deposits from other banks</i>
Beban bunga yang masih harus dibayar	<u>810</u>	<u>61</u>	<i>Accrued interest expenses</i>
	<u>860,167</u>	<u>948,424</u>	
Liabilitas derivatif	2,886	8,344	<i>Derivatives payables</i>
Utang pajak:			<i>Taxes payables:</i>
- Pajak penghasilan	-	12,191	<i>Income taxes -</i>
- Pajak lain-lain	<u>81,131</u>	<u>80,282</u>	<i>Other taxes -</i>
	<u>81,131</u>	<u>92,473</u>	
Utang obligasi	2,543,401	2,469,143	<i>Bonds payables</i>
Beban bunga yang masih harus dibayar	<u>37,376</u>	<u>38,123</u>	<i>Accrued interest expenses</i>
	<u>2,580,777</u>	<u>2,507,266</u>	
Pinjaman yang diterima:			<i>Borrowings:</i>
- Pinjaman bank	2,238,638	2,088,237	<i>Bank borrowings -</i>
- Pinjaman bukan bank	3,004,155	1,643,125	<i>Non-bank borrowings -</i>
Biaya transaksi yang belum diamortisasi	(34,153)	(32,190)	<i>Unamortised transaction costs</i>
Beban bunga yang masih harus dibayar	<u>41,567</u>	<u>51,499</u>	<i>Accrued interest expenses</i>
	<u>5,250,207</u>	<u>3,750,671</u>	
Akrual	333,948	176,945	<i>Accruals</i>
Liabilitas imbalan kerja karyawan:			<i>Employee benefit liabilities:</i>
- Bonus dan tantiem	297,614	343,157	<i>Bonus and tantiem -</i>
- Imbalan pasca kerja	<u>26,258</u>	<u>37,509</u>	<i>Post employment benefit -</i>
	<u>323,872</u>	<u>380,666</u>	
Liabilitas lain-lain	<u>396,306</u>	<u>432,077</u>	<i>Other liabilities</i>
JUMLAH LIABILITAS	<u>71,423,884</u>	<u>69,362,155</u>	TOTAL LIABILITIES

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
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**STATEMENTS OF FINANCIAL POSITION
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	<u>2017</u>	<u>2016</u>	
EKUITAS			EQUITY
Modal saham -			<i>Share capital -</i>
Modal dasar Rp 150.000			<i>Authorised capital of Rp 150,000</i>
terdiri dari:			<i>consist of:</i>
7.500.000.000 saham			<i>7,500,000,000 shares as</i>
(2016: 7.500.000.000			<i>(2016: 7,500,000,000</i>
saham) dengan			<i>shares) with par</i>
nilai nominal Rp 20 (nilai penuh)			<i>value of Rp 20 (full amount)</i>
per saham			<i>per share:</i>
Modal ditempatkan dan			
disetor penuh pada			<i>Issued and fully paid-up capital</i>
2017 sebesar			<i>in 2016 is 5,840,287,257</i>
5.840.287.257 saham			<i>shares (2016:</i>
(2016:			<i>5,840,287,257 shares)</i>
5.840.287.257 saham	116,806	116,806	<i>Additional paid-in capital</i>
Tambahan modal disetor	1,429,385	1,429,385	<i>Reserve on revaluation of</i>
Cadangan revaluasi			<i>fixed asset</i>
aset tetap	720,782	720,782	
Cadangan pembayaran			<i>Share-based payment reserve</i>
berbasis saham	254,496	200,109	
Keuntungan/(kerugian)			<i>Unrealised gains/(loss)</i>
yang belum direalisasi atas			<i>on available for sale</i>
efek-efek dalam kelompok			<i>marketable securities</i>
tersedia untuk dijual	12,875	4,209	<i>Retained earnings:</i>
Saldo laba:			<i>Appropriated -</i>
- Dicadangkan	23,361	23,361	<i>Unappropriated -</i>
- Belum dicadangkan	<u>13,319,346</u>	<u>13,149,935</u>	
	15,877,051	15,644,587	
Saham treasuri	<u>(262,404)</u>	<u>(262,404)</u>	<i>Treasury shares</i>
Jumlah ekuitas	<u>15,614,647</u>	<u>15,382,183</u>	<i>Total equity</i>
JUMLAH LIABILITAS DAN EKUITAS	<u><u>87,038,531</u></u>	<u><u>84,744,338</u></u>	TOTAL LIABILITIES AND EQUITY

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN Pensiunan Nasional Tbk
ENTITAS INDUK/PARENT ENTITYLAPORAN LABA RUGI DAN PENGHASILAN
KOMPRESIF LAIN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016

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STATEMENTS OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	2017	2016	
PENDAPATAN/(BEBAN) BUNGA			INTEREST INCOME/(EXPENSE)
Pendapatan bunga	11,140,809	11,468,744	Interest income
Beban bunga	<u>(4,173,241)</u>	<u>(4,543,951)</u>	Interest expense
PENDAPATAN BUNGA BERSIH	<u>6,967,568</u>	<u>6,924,793</u>	NET INTEREST INCOME
Pendapatan operasional lainnya:			Other operating income:
Pendapatan dan komisi asuransi dan lain-lain	636,365	686,350	Insurance commission income and others
Kerugian transaksi spot dan derivatif bersih	<u>(170,458)</u>	<u>(79,109)</u>	Net loss from spot and derivative transactions
	465,907	607,241	
Beban operasional lainnya:			Other operating expense:
Beban tenaga kerja	(2,836,946)	(2,372,104)	Personnel expenses
Beban umum dan administrasi	(2,428,891)	(2,120,464)	General and administrative expenses
Kerugian penurunan nilai	(863,070)	(751,201)	Impairment losses
Beban operasional lain-lain	<u>(234,403)</u>	<u>(233,377)</u>	Other operating expenses
	<u>(6,363,310)</u>	<u>(5,477,146)</u>	
PENDAPATAN OPERASIONAL – BERSIH	<u>1,070,165</u>	<u>2,054,888</u>	NET OPERATING INCOME
(BEBAN)/PENDAPATAN NON-OPERASIONAL			NON-OPERATING (EXPENSES)/INCOME
Pendapatan non-operasional	2,746	1,029	Non-operating income
Beban non-operasional	<u>(44,764)</u>	<u>(7,141)</u>	Non-operating expenses
	<u>(42,018)</u>	<u>(6,112)</u>	
LABA SEBELUM PAJAK PENGHASILAN	<u>1,028,147</u>	<u>2,048,776</u>	PROFIT BEFORE INCOME TAX
BEBAN PAJAK PENGHASILAN	<u>(276,389)</u>	<u>(585,425)</u>	INCOME TAX EXPENSE
LABA BERSIH PERIODE BERJALAN	<u>751,758</u>	<u>1,463,351</u>	NET INCOME FOR THE PERIOD
(RUGI)/LABA KOMPRESIF LAIN:			OTHER COMPREHENSIVE (EXPENSES)/INCOME:
Pos-pos yang tidak akan direklasifikasi ke laba rugi			Items that will not be reclassified to profit or loss
Keuntungan revaluasi aset tetap	-	743,552	Gain on revaluation of fixed assets
Pengukuran kembali imbalan pasca kerja	(10,450)	(15,098)	Remeasurements of post employment benefit
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi	<u>2,612</u>	<u>(18,996)</u>	Income tax relating to items that will not be reclassified to profit or loss
	<u>(7,838)</u>	<u>709,458</u>	
Pos-pos yang akan direklasifikasi ke laba rugi			Items that will be reclassified to profit or loss
Keuntungan/(kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	9,778	2,289	Unrealised gain/(loss) on available for sale marketable securities
Pajak penghasilan terkait pos-pos yang akan direklasifikasi ke laba rugi	<u>(1,112)</u>	<u>451</u>	Income tax relating to items that will be reclassified to profit or loss
	<u>8,666</u>	<u>2,740</u>	
LABA KOMPRESIF LAIN TAHUN BERJALAN, SETELAH PAJAK	<u>828</u>	<u>712,198</u>	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX
JUMLAH LABA KOMPRESIF TAHUN BERJALAN, SETELAH PAJAK	<u>752,586</u>	<u>2,175,549</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
ENTITAS INDUK/PARENT ENTITY****LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016***(Expressed in millions of Rupiah, unless otherwise stated)*

	<u>2017</u>	<u>2016</u>	
LABA BERSIH PER SAHAM (NILAI PENUH)			EARNINGS PER SHARE (FULL AMOUNT)
Dasar			<i>Basic</i>
- Dari operasi yang dilanjutkan	<u>131</u>	<u>254</u>	<i>From continuing operations -</i>
Dilusian			<i>Diluted</i>
- Dari operasi yang dilanjutkan	<u>127</u>	<u>246</u>	<i>From continuing operations -</i>

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
ENTITAS INDUK/PARENT ENTITY

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

	Modal ditempatkan dan disetor penuh/ issued and fully paid-up share capital	Tambahan modal disetor/ Additional paid in share capital	Cadangan revaluasi aset tetap/Reserve on revaluation of fixed asset	Pembayaran berbasis saham/ Share-based payment reserve	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual/ Unrealised gain/(loss) on available for sale marketable securities	Saldo laba yang sudah ditentukan penggunaannya (Appropriated retained earnings)	Saldo laba yang belum ditentukan penggunaannya (Unappropriated retained earnings)	Saham treasuri/ Treasury shares	Jumlah ekuitas/ Total equity
Saldo per 1 Januari 2017	116.806	1.429.385	720.782	200.109	4.209	23.361	13.149.935	(262.404)	15.382.183
Laba bersih tahun berjalan	-	-	-	-	-	-	751.758	-	751.758
Rugi/(laba) komprehensif lainnya:									
Aset keuangan tersedia untuk dijual	-	-	-	-	9.778	-	-	-	9.778
Pengukuran kembali imbangan pascakerja	-	-	-	-	-	-	(10.450)	-	(10.450)
Cadangan revaluasi aset tetap	-	-	-	-	(1.112)	-	2.612	-	1.500
Efek pajak terkait	-	-	-	-	-	-	-	-	-
Jumlah laba komprehensif selama tahun berjalan	-	-	-	-	8.666	-	743.920	-	752.586
Saham treasuri	-	-	-	-	-	-	-	-	-
Pembagian dividen tunai	-	-	-	-	-	-	(574.509)	-	(574.509)
Pembayaran berbasis saham	-	-	-	54.387	-	-	-	-	54.387
Saldo per 31 Desember 2017	116.806	1.429.385	720.782	254.496	12.875	23.361	13.319.346	(262.404)	15.614.647

Balance as at 1 January 2017
Net profit for the year
Other comprehensive (expenses)/
income:
Available for sale
financial asset
Remeasurement of
post employment benefit
Reserve on revaluation
of fixed asset
Related tax effect
Total comprehensive income
during the year
Treasury shares
Distribution of cash dividends
Share-based payment
Balance as at 31 December 2017

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk
ENTITAS INDUK/PARENT ENTITY

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016**
(Expressed in millions of Rupiah, unless otherwise stated)

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up share capital	Tambahan modal disetor/ Additional paid in share capital	Cadangan revaluasi aset tetap/Reserve on revaluation of fixed asset	Pembayaran berbasis saham/ Share-based payment reserve	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual/ Unrealised gain/(loss) on available for sale securities	Saldo laba yang sudah ditentukan penggunaannya /Appropriated retained earnings	Saldo laba yang belum ditentukan penggunaannya /Unappropriated retained earnings	Saham treasuri/ Treasury shares	Jumlah ekuitas/ Total equity	Balance as at 1 January 2016
Saldo per 1 Januari 2016	116.806	1.429.385	-	147.157	1.469	23.361	11.697.908	-	13.416.086	
Laba bersih tahun berjalan	-	-	-	-	-	-	1.463.351	-	1.463.351	Net profit for the year
Rugi/(laba) komprehensif lainnya:										Other comprehensive (expenses)/ income:
Aset keuangan tersedia untuk dijual	-	-	-	-	2.289	-	-	-	2.289	Available for sale financial asset
Pengukuran kembali imbalan pasca kerja	-	-	-	-	-	-	(15.098)	-	(15.098)	Remeasurement of post employment benefit
Cadangan revaluasi aset tetap	-	-	743.552 (22.770)	-	-	-	-	-	743.552 (18.545)	Reserve on revaluation of fixed asset Related tax effect
Efek pajak terkait	-	-	-	-	451	-	3.774	-	-	
Jumlah laba komprehensif selama tahun berjalan	-	-	720.782	-	2.740	-	(1.452.027)	-	7.12.198	Total comprehensive income during the year
Saham treasuri	-	-	-	-	-	-	-	(262.404)	(262.404)	Treasury shares
Pembayaran berbasis saham	-	-	-	52.952	-	-	-	-	52.952	Share-based payment
Saldo per 31 Desember 2016	116.806	1.429.385	720.782	200.109	4.209	23.361	13.149.935	(262.404)	15.382.183	Balance as at 31 December 2016

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSUNAN NASIONAL Tbk.
ENTITAS INDUK/PARENT ENTITYLAPORAN ARUS KAS
UNTUK TAHUN - TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	2017	2016	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga	11,162,518	11,378,864	Interest received
Pembayaran bunga	(4,197,550)	(4,509,652)	Interest paid
			Fee and commission income received
Pendapatan provisi dan komisi	465,204	602,327	
Penerimaan kembali atas kredit yang telah dihapusbukukan	79,782	94,681	Recovery from written-off loan
Pembayaran beban tenaga kerja	(2,849,803)	(2,283,162)	Payment of personnel expenses
Pembayaran beban operasional lainnya	(2,305,648)	(2,271,538)	Payment of other operating expenses
(Pembayaran)/penerimaan lain-lain	(39,779)	(4,288)	Other (payment)/receipt
Pembayaran pajak penghasilan badan	(288,580)	(635,696)	Corporate income tax paid
Arus kas sebelum perubahan dalam aset dan liabilitas operasi	2,026,144	2,371,536	Cash flows before changes in operating assets and liabilities
Penurunan/(kenaikan) dalam aset operasional:			Decrease/(increase) in operating assets:
Penempatan pada Bank Indonesia dan bank lain - jatuh tempo lebih dari 3 bulan	-	-	Placements with Bank Indonesia and other banks - with maturity more than 3 months
Efek-efek yang dibeli dengan janji dijual kembali (Reverse Repo)	1,184,759	(1,602,366)	Securities purchased under resale agreement (Reverse Repo)
Pinjaman yang diberikan	(1,968,582)	(4,018,262)	Loans
Tagihan derivatif	41,314	(43,652)	Derivative receivables
Kenaikan/(penurunan) dalam liabilitas operasional dan dana <i>syirkah</i> temporer:			Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds:
Simpanan nasabah	558,246	4,350,519	Deposits from customers
Simpanan dari bank lain	(89,006)	934,148	Deposits from other banks
Kewajiban derivatif	(5,458)	8,344	Derivative liabilities
Arus kas bersih diperoleh dari aktivitas operasi	1,747,417	2,000,267	Net cash flows provided from operating activities

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk.
ENTITAS INDUK/PARENT ENTITYLAPORAN ARUS KAS
UNTUK TAHUN - TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	2017	2016	
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Efek-efek	(555,612)	(710,900)	Marketable securities
Pembayaran untuk akuisisi/ tambahan modal disetor Entitas Anak	(6,024)	(6,771)	Payment for acquisition/ additional paid in capital of Subsidiary
Pembelian aset tetap dan aset tak berwujud	(671,586)	(567,389)	Purchase of fixed assets and intangible assets
Hasil dari penjualan aset tetap	2,128	248	Proceeds from sale of fixed assets
Arus kas bersih digunakan untuk aktivitas investasi	(1,231,094)	(1,284,812)	Net cash flows used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran utang obligasi	(1,425,000)	(1,135,000)	Payment of bonds payable
Penerimaan dari obligasi yang diterbitkan	1,500,000	1,000,000	Proceeds from issuance of bonds
Biaya emisi obligasi	(5,871)	(6,483)	Bonds issuance cost
Biaya transaksi pinjaman	(24,110)	(6,082)	Borrowing transaction cost
Penerimaan dari pinjaman yang diterima	8,243,293	3,405,988	Proceeds from borrowings
Pembayaran angsuran dan pelunasan pinjaman yang diterima	(6,731,862)	(2,451,777)	Installment payment and settlement of borrowings
Pembayaran dividen	(574,509)		Payment of dividends
Pembayaran kewajiban sewa guna usaha	-	(1,124)	Payment of finance lease payables
Akuisisi saham treasury	-	(262,404)	Acquisition of treasury shares
Arus kas bersih diperoleh dari aktivitas pendanaan	981,941	543,118	Net cash flows provided from financing activities

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK TABUNGAN PENSUNAN NASIONAL Tbk.
ENTITAS INDUK/PARENT ENTITYLAPORAN ARUS KAS
UNTUK TAHUN - TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)


STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2017</u>	<u>2016</u>	
KENAIKAN BERSIH KAS DAN SETARA KAS	1,498,264	1,258,573	NET INCREASE IN CASH AND CASH EQUIVALENTS
DAMPAK PERUBAHAN SELISIH KURS TERHADAP KAS DAN SETARA KAS	703	4,914	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
SALDO KAS DAN SETARA KAS AWAL TAHUN	<u>12,494,308</u>	<u>11,230,821</u>	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR
SALDO KAS DAN SETARA KAS AKHIR TAHUN	<u>13,993,275</u>	<u>12,494,308</u>	CASH AND CASH EQUIVALENTS AT THE END OF YEAR
INFORMASI TAMBAHAN ARUS KAS:			SUPPLEMENTAL CASH FLOW INFORMATIONS:
AKTIVITAS YANG TIDAK MEMPENGARUHI ARUS KAS			ACTIVITIES NOT AFFECTING CASH FLOW
Cadangan pembayaran berbasis saham	54,387	52,952	Share-based payment reserves
Pembelian aset tetap yang masih terutang	(7,649)	(4,117)	Acquisition of fixed assets
Kas dan setara kas akhir tahun terdiri dari:			Cash and cash equivalents at end of year consist of:
Kas	1,268,260	1,256,517	Cash
Giro pada Bank Indonesia	4,734,359	4,349,579	Current accounts with Bank Indonesia
Giro pada bank lain	486,207	857,892	Current accounts with other banks
Efek-efek ^{*)}	99,858	299,235	Marketable securities ^{*)}
Penempatan pada Bank Indonesia dan bank lain ^{*)}	<u>7,404,591</u>	<u>5,731,085</u>	Placements with Bank Indonesia and other banks ^{*)}
	<u>13,993,275</u>	<u>12,494,308</u>	

^{*)} Efek-efek dan penempatan pada Bank Indonesia dan bank lain dalam jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan diklasifikasikan sebagai kas dan setara kas (Catatan 2a).

Marketable securities and placement with Bank Indonesia and other banks with maturity of three months or less from acquisition date are classified as cash and cash equivalents (Note 2a)



financial data of
parent company

Consolidated financial statements**(1) Consolidated balance sheets**

	Millions of yen	
	March 31, 2017	December 31, 2017
Assets:		
Cash and due from banks	¥ 46,865,538	¥ 51,736,588
Call loans and bills bought	1,872,144	1,723,354
Receivables under resale agreements	899,897	1,211,295
Receivables under securities borrowing transactions	8,760,390	8,608,776
Monetary claims bought	4,420,377	5,000,117
Trading assets	6,755,428	5,634,449
Money held in trust	3,439	2,019
Securities	24,631,792	25,824,067
Loans and bills discounted	80,237,322	81,898,006
Foreign exchanges	1,723,867	2,506,916
Lease receivables and investment assets	2,395,597	2,371,697
Other assets	7,355,845	8,388,281
Tangible fixed assets	3,101,642	3,555,169
Intangible fixed assets	946,506	915,449
Net defined benefit asset	314,922	334,674
Deferred tax assets	63,001	50,109
Customers' liabilities for acceptances and guarantees	8,090,111	8,974,395
Reserve for possible loan losses	(646,215)	(588,296)
Total assets	¥ 197,791,611	¥ 208,147,072
Liabilities:		
Deposits	¥ 117,830,210	¥ 123,191,265
Negotiable certificates of deposit	11,880,937	12,355,670
Call money and bills sold	2,088,019	1,906,331
Payables under repurchase agreements	2,715,752	4,044,271
Payables under securities lending transactions	7,444,655	7,749,857
Commercial paper	2,311,542	2,355,287
Trading liabilities	4,704,931	4,300,486
Borrowed money	10,786,713	10,724,416
Foreign exchanges	683,252	845,706
Short-term bonds	1,125,600	1,163,600
Bonds	8,129,232	9,092,211
Due to trust account	1,180,976	1,275,052
Other liabilities	6,880,273	7,232,149
Reserve for employee bonuses	77,375	44,700
Reserve for executive bonuses	3,045	—
Net defined benefit liability	59,110	46,499
Reserve for executive retirement benefits	2,347	1,971
Reserve for point service program	21,744	22,543
Reserve for reimbursement of deposits	15,464	6,413
Reserve for losses on interest repayment	156,775	104,890
Reserves under the special laws	1,745	2,186
Deferred tax liabilities	335,908	549,384
Deferred tax liabilities for land revaluation	31,596	31,136
Acceptances and guarantees	8,090,111	8,974,395
Total liabilities	186,557,325	196,020,430
Net assets:		
Capital stock	2,337,895	2,338,743
Capital surplus	757,346	758,207
Retained earnings	5,036,756	5,466,542
Treasury stock	(12,913)	(12,518)
Total stockholders' equity	8,119,085	8,550,974
Net unrealized gains (losses) on other securities	1,542,308	1,946,748
Net deferred gains (losses) on hedges	(42,077)	(53,732)
Land revaluation excess	38,109	37,554
Foreign currency translation adjustments	65,078	57,774
Accumulated remeasurements of defined benefit plans	9,034	19,752
Total accumulated other comprehensive income	1,612,453	2,008,096
Stock acquisition rights	3,482	3,200
Non-controlling interests	1,499,264	1,564,370
Total net assets	11,234,286	12,126,642
Total liabilities and net assets	¥ 197,791,611	¥ 208,147,072

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

Nine months ended December 31	Millions of yen	
	2016	2017
Ordinary income	¥ 3,757,570	¥ 4,263,194
Interest income	1,422,450	1,630,752
Interest on loans and discounts	1,039,171	1,118,367
Interest and dividends on securities	193,171	262,245
Trust fees	2,639	2,875
Fees and commissions	861,518	920,809
Trading income	170,373	189,951
Other operating income	1,171,155	1,342,725
Other income	129,433	176,077
Ordinary expenses	2,944,261	3,303,659
Interest expenses	402,875	579,960
Interest on deposits	134,586	211,728
Fees and commissions payments	128,569	142,416
Trading losses	—	2,270
Other operating expenses	922,935	1,120,407
General and administrative expenses	1,345,186	1,351,754
Other expenses	144,694	106,850
Ordinary profit	813,309	959,534
Extraordinary gains	29,556	628
Extraordinary losses	5,653	11,047
Income before income taxes	837,213	949,115
Income taxes	214,042	221,282
Profit	623,170	727,832
Profit attributable to non-controlling interests	78,491	79,707
Profit attributable to owners of parent	¥ 544,679	¥ 648,125

(Consolidated statements of comprehensive income)

Nine months ended December 31	Millions of yen	
	2016	2017
Profit	¥ 623,170	¥ 727,832
Other comprehensive income	(11,358)	418,577
Net unrealized gains (losses) on other securities	149,146	420,110
Net deferred gains (losses) on hedges	(62,847)	(11,933)
Land revaluation excess	(6)	(0)
Foreign currency translation adjustments	(71,632)	2,767
Remeasurements of defined benefit plans	29,320	10,984
Share of other comprehensive income of affiliates	(55,338)	(3,351)
Total comprehensive income	611,811	1,146,410
Comprehensive income attributable to owners of parent	528,507	1,044,324
Comprehensive income attributable to non-controlling interests	83,304	102,086

(3) Note on going concern

Not applicable.

(4) Material changes in stockholders' equity

Not applicable.

financial services authority (OJK)

cross reference

Description	Page
ANNUAL REPORT FORMAT	
1. The Annual Report is presented in the form of a printed document as well as an electronic copy.	√
2. The Annual Report presented in printed document form is printed on brightly colored and good quality paper, A4 in size, bound and to be well-reproduceable.	√
3. The Annual Report presented in electronic copy form is a converted file of the Annual Report in PDF format.	√
ANNUAL REPORT CONTENT	
1. General Requirements	
a. The Annual Report must contain information regarding:	√
1) Significant Financial Highlights	
2) Share Information (if any)	
3) Board of Directors Report	
4) Board of Commissioners Report	
5) Company Profile	
6) Management Discussion and Analysis	
7) Corporate Governance	
8) Corporate Social and Environment Responsibility of Public Company	
9) Audited Financial Statements	
10) Statement from the Board of Directors and Board of Commissioners on the responsibility for the accuracy of the Annual Report's content.	
b. The Annual Report may present information in the form of images, graphics, tables and/or diagrams by annotating clear title and description for easy read and understanding.	√
2. Elaboration of the Annual Report Contents	
a. Significant Financial Highlights	14-19
Significant Financial Highlights contains information on Company's financial results of in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years, and at least must contain:	
a. Revenue/Sales	
b. Gross profit	
c. Income (loss)	
d. Total Income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling	
e. Total comprehensive income (loss)	
f. Total comprehensive income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling	
g. Earnings per share	
h. Total assets	
i. Total liabilities	
j. Total equity	
k. Return on assets	
l. Return on equity	
m. Net profit (loss) margin	
n. Current ratio	
o. Liabilities to equity ratio	
p. Liabilities to assets ratio	
q. Other information or financial ratios relevant to the company and the industry	

Description	Page
b. Share Information	
Share information (if any) must contain at least:	
1) shares that have been issued for every quarter (if any) presented in a comparative format for the past two years, at least including the following:	20-21
a. Total number of shares outstanding	
b. Market capitalization	
c. Highest, lowest, and closing prices	
d. Trading volume	
2) In the event that any corporate action takes place, such as stock split, reverse stock, issuance of dividend shares, issuance of bonus shares, and reduction in the par value of the shares, the share price information as mentioned in no. 1 above must include information on, among others, the following:	65
a. Date of corporate action	
b. Stock split ratio, reverse stock ratio, dividend shares, bonus shares, and changes in the shares' par value	
c. Total number of shares outstanding before and after the corporate action	
d. Share price before and after the corporate action	
3) In the event that the company's shares have been suspended at any point within the financial year, the annual report must contain an explanation as to the reason for the suspension.	-
4) In the event that the company's shares are presently suspended as mentioned in no. 3 as at the end of the annual reporting period, the company must provide the actions that have been taken to address the issue.	-
Report of the Board of Directors	34-40
The report of the board of directors must contain at least the following:	
1) Description on the company's performance, consisting at least:	
a. The Company's of strategic policy	
b. Comparison between the results achieved and the targets	
c. The challenges faced by the company	
2) Overview of the company's business prospect	
3) Implementation of corporate governance	
4) Changes in the composition of the board of directors and the reason for such changes (if any).	
Report of the Board of Commissioners	28-33
The report of the board of commissioners must contain at least the following:	
1) Assessment of the directors' performance in managing the company	
2) Supervision on the implementation of the company's strategy	
3) View on the company's business prospect as prepared by the board of directors	
4) View on the company's governance implementation	
5) Changes in the composition of the board of commissioners and the reason for such changes (if any)	
6) Frequency and mechanism for advising the members of the board of directors	

Description	Page
Company Profile	1
The company profile section must contain at least the following:	1
1) The company's name including whether there have been changes to the name and reason for such changes and the effective date for the name change occurring in the reporting year.	45
2) Access to the company including branch offices or representative offices from which the public may obtain information regarding the company, among others: address, phone number, facsimile number, email, and website.	45
3) The company's brief history.	44
4) The company's vision and mission.	43
5) The company's business activities as per the most recent Articles of Association, as well as the type of products and/or services provided.	45
6) the company's organization structure in the form of a chart, detailing at least one level under the board of directors, complete with the names and positions.	48-49
7) Profiles of the members of the board of directors, including at least:	
a) Name and brief description on the duties and functions of each	54-57
b) Latest photograph	54-57
c) Age	54-57
d) Nationality	54-57
e) Education history	54-57
f) Employment history, including:	54-57
i. Legal basis of initial appointment in the company	
ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)	
iii. Work experience in and outside of the company	
g) Training programs taken to improve competence throughout the reporting year (if any)	179
h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any).	184
8) Profiles of the members of the board of commissioners, including at least:	
a. Name	50-52
b. Latest photograph	50-52
c. Age	50-52
d. Nationality	50-52
e. Education history	50-52
f. Employment history, including:	50-52
i. Legal basis of appointment in the company as member of the board of commissioners, which is not as independent commissioner at the company	
ii. Legal basis of initial appointment in the company as member of the board of commissioner, which is as independent commissioner at the company	
iii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)	
iv. Work experience in and outside of the company	
g. Training programs taken to improve competence throughout the reporting year (if any)	179
h. Disclosure on the affiliation with other members of the board of directors and the shareholders (if any).	184
i. Statement of independence of the independent commissioners, in the event that any of the independent commissioners have held the position for more than two periods (if any)	-

Description	Page
9) In the event that there have been changes to the composition of the board of directors and/or the board of commissioners occurring after the end of the reporting year up to the deadline for submission of the annual report, the composition that must be presented is the latest composition as well as the preceding one.	166-167
10) Number of employees and description on their level of education and age group within the reporting year.	90-93
11) Names of shareholders and the percentage of ownership of the company's shares as at the end of the reporting year, including information on: <ul style="list-style-type: none"> a. Shareholders with ownership of more than 5% or more in the company b. commissioners and directors that own the company's shares c. Public shareholders (less than 5%) 	62-63
12) Number of shareholders and percentage of ownership of the company's shares based on: <ul style="list-style-type: none"> a. Ownership by local institutions b. Ownership by foreign institutions c. Ownership by local individuals d. Ownership by foreign individuals 	66
13) Information on the ultimate and controlling shareholders of the company, both directly and indirectly, up to the individual shareholders, presented in the form of a chart or diagram.	63
14) Names of subsidiaries, associated companies, joint ventures in which the company retains a joint controlling power, as well as the percentage of shares held, the businesses, total assets, and operational status of such entities (if any), and for subsidiaries, their addresses must be provided.	63-64
15) Chronology of share listing, number of shares outstanding, nominal value, and offering price from the time of the listing to the end of the reporting year as well as the name of the stock exchange on which the company's shares are listed (if any).	65,68
16) Chronology of listing of other securities, containing among others the name of the securities, year of issuance, maturity date, offering value, and the securities' ratings (if any).	65
17) Names and addresses of capital market supporting institutions and professions.	68
18) In the event that there are institutions and professions that periodically render services to the company, the information on the services rendered, the fees for such services, and the assignment period of the services, must be provided.	
19) Awards and/or certifications obtained by the company, both on the national and international level within the reporting year (if any), containing: <ul style="list-style-type: none"> a. Name of the award/certification b. Name of the awarding/certifying institution c. Validity period of the award and/or certification (if any) 	24
Management Discussion and Analysis	
The management discussion and analysis section analyzes and discusses the financial statements of the company as well as other material information with emphasis on material changes occurring during the reporting period, including at least:	
1) Operational review for each segment of operations in line with the company's business, containing, among others: <ul style="list-style-type: none"> a. Production, including process, capacity, and expansion b. Sales/revenue c. Profitability 	73-78

Description	Page
2) A comprehensive analysis on the financial statements that includes the comparison between the financial performance in the last 2 (two) fiscal years, and the explanation for the causes of the changes as well as the impact of such changes, including among others:	
a. Current assets, noncurrent assets, and total assets	80
b. Current liabilities, noncurrent liabilities, and total liabilities	80,82
c. Equity	83
d. Revenue/sales, expenses, profit (loss), other comprehensive income, and total comprehensive income, and	83
e. Cash flows	83
3) The company's solvency and liquidity to service its debts by providing the relevant ratios.	84
4) The company's collectibility by providing the relevant ratios.	80-81
5) The company's capital structure and the management's policy for the capital structure and the basis for such policy.	85
6) Description on material commitments for capital goods, along with the explanation on the purpose of such commitments, including:	86
a. Purpose of such commitments	
b. Source of funding to fulfill such commitments	
c. Currencies in which the commitments are denominated	
d. Measures taken by the company to mitigate its risks arising from its foreign exchange position related to such commitments	
7. Description on the investments on capital goods realized within the last reporting year, at least including:	86
a. Type of capital goods investment	
b. Purpose of capital goods investment	
c. Amount disbursed for the capital goods investment	
8. Material facts and information after the date of the audit of financial statements.	86
9. The company's business prospect related to the conditions in the industry, general economy, and international markets, which may be supported with quantitative data from reputable and reliable sources.	88
10. Comparison between the targets/forecasts at the beginning of the financial year and the results achieved, pertaining to:	86
a. Revenue/sales	
b. Income (loss)	
c. Capital structure	
d. Other aspects considered material for the company	
11. Targets/projections for the next year, pertaining to:	88
a. Revenue/sales	
b. Income (loss)	
c. Capital structure	
d. Dividend policy	
e. Other aspects considered material for the company	

	Description	Page
12.	Aspect of marketing of the company's products and services, among others marketing strategy and market share.	88
13.	Description on dividends for the last 2 fiscal years (if any), including at least: a. Dividend policy b. Date and amount of cash dividend payout and/or date of non-dividend distribution c. Amount of dividend per share (cash and/or non-cash) d. Total dividend distributed per year	87
14.	Realization of the utilization of public offering proceeds, under the following requirements: a. In the event that during the reporting year the company had the obligation to report its realization of utilization of proceeds, the cumulative realized amount of utilization of public offering proceeds up to the end of reporting financial year must be provided b. In the event that there is a change to the proceeds utilization plan, as stipulated in POJK on LRPD, the company must provide an explanation on such change	66,87
15.	Material information (if any), among others as regards investment, expansion, divestment, merger/acquisition, debt/capital restructuring, transactions with related parties, transactions with conflict of interest, which occurred in the reporting year, with the descriptions on: a. Date, value, and object of the transaction b. Names of the parties involved in the transaction c. Nature of the affiliation (if any) d. Fairness of the transaction e. Adherence to pertinent regulations	87
16.	Changes in the laws and regulations that significantly affect the company and the impacts on its financial statements (if any).	87
17.	Changes in the accounting policy, reasons for such changes, and the impacts on the financial statements (if any).	87

Corporate Governance

The corporate governance section must include brief description on at least the following:

1)	Board of directors, including among others:	
	a. Description on the duties and responsibilities of each member of the board of directors	172-173
	b. Statement that the board of directors has a board of directors guideline or charter	173
	c. Procedures of determination, basis for determination, structure, and amount of remuneration for each member of the board of directors and the relationship between remuneration and the company's performance	179-183
	d. The company's policy and its implementation regarding the meetings of the board of directors, including joint meetings with the board of commissioners and the attendance of members of the board of directors in these meetings	1774-175
	e. Information on the resolutions of the previous year's general meeting of shareholders (GMS), including:	162-166
	i. The realization thereof in the reporting year	
	ii. Reasons should there be any resolutions that have not yet been realized	
	f. Information on the resolutions of the GMS of the reporting year, including:	159-161
	i. The realization thereof in the reporting year	
	ii. Reasons should there be any resolutions that have not yet been realized	
	g. Performance assessment of the committees that support the execution of duties of the board of directors.	179

	Description	Page
2)	Board of commissioners, including among others:	
a.	Duties and responsibilities of the board of commissioners	168
b.	Statement that the board of commissioners has a board of commissioners guideline or charter	168-169
c.	Procedures of determination, basis for determination, structure, and amount of remuneration for each member of the board of commissioners	179-183
d.	The company's policy and its implementation regarding the meetings of the board of commissioners, including joint meetings with the board of directors and the attendance of members of the board of commissioners in these meetings	171
e.	The company's policy on the board of directors' and the board of commissioners' performance assessment and the implementation thereof, at least including:	172
i.	Procedures for assessing performance	
ii.	Criteria used for assessing performance	
iii.	Party assigned to assess performance	
f.	Performance assessment of the committees that support the execution of duties of the board of commissioners.	172
g.	In the event that the board of commissioners has not establish a Nomination and Remuneration Committee, the following information must at least be presented:	-
i.	Reason for not establishing said committee	
ii.	Nomination and remuneration procedures taking place in the reporting year	
3)	Sharia supervisory board, if the company conducts its business based on the principles of sharia as stipulated in the Articles of Association, at least containing information on:	-
a.	Names	
b.	Duties and responsibilities of the sharia supervisory board	
c.	Frequency and mechanism for providing advice and recommendations as well as supervision of the company's fulfillment of the sharia principles in the capital market	
4)	Audit committee, including among others:	
a.	Names and positions in the committee	51-53
b.	Age	51-53
c.	Nationality	51-53
d.	Education history	51-53
e.	Employment history, including:	203-205
i.	Legal basis of appointment in the company as member of the committee	
ii.	Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)	
iii.	Work experience in and outside of the company	
f.	Term of office and the period as member of the audit committee	204
g.	Statement of independence of the audit committee	203
h.	Disclosure on the company's policy and its implementation regarding the meetings of the audit committee and the attendance of members of the audit committee in these meetings	204
i.	Education and/or training participated in within the reporting year (if any)	179
j.	Audit committee's activities in the reporting year as stipulated in the audit committee charter	204-204

	Description	Page
5)	Other committees in the company that have been established to assist the board of directors and/or the board of commissioners, such as the nomination and remuneration committee, at least containing information on: <ul style="list-style-type: none"> a. Names and positions in the committee b. Age c. Nationality d. Education history e. Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment in the company as member of the committee ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any) iii. Work experience in and outside of the company f. Term of office and the period as member of the audit committee g. Description of duties and responsibilities h. Statement that the committee charter is present i. Statement of independence of the committee j. Disclosure on the company's policy and its implementation regarding the meetings of the audit committee and the attendance of members of the audit committee in these meetings k. Education and/or training participated in within the reporting year (if any) l. The committee's activities in the reporting year 	205-208
6)	Corporate secretary, including among others: <ul style="list-style-type: none"> a. Name b. Domicile c. Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment as corporate secretary ii. Work experience and the respective period of work within and outside of the company d. Education history e. Education and/or training participated in within the reporting year (if any) f. Brief description of the corporate secretary's activities in the reporting year 	56, 194-197
7)	Internal audit unit, including among others: <ul style="list-style-type: none"> a. Name of the head of internal audit b. Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment as head of internal audit ii. Work experience and the respective period of work within and outside of the company c. Qualifications and certifications related to the internal audit profession (if any) d. Education and/or training participated in within the reporting year (if any) e. structure and position of the internal audit unit f. Duties and responsibilities of the internal g. Statement that the internal audit charter is present h. Brief description on the execution of duties of the internal audit within the reporting year 	198-200

	Description	Page
8)	Description on internal control system implemented in the company, including at least the following: a. Operational and financial control, and compliance with pertinent regulations b. Review on the effectiveness of the internal control system	97,191
9)	Risk management system implemented in the company, including at least the following: a. Overview of the company's risk management system b. Risk categories and risk mitigation measures c. Review on the effectiveness of the company's risk management system	96-152
10)	Litigations involving the company, its subsidiaries, and the current members of the board of directors and the board of commissioners, including among others: a. Case material b. Case status c. Impact on the company's condition	191
11)	Information on administrative sanctions received by the company, members of the board of commissioners and the board of directors, from capital market or other authorities within the reporting year	190
12)	Information on the company's code of conduct, including: a. Components of the code of conduct b. Form of dissemination of the code of conduct and means to enforce the code of conduct c. Statement that the code of conduct applies to the board of directors, the board of commissioners, and the employees of the company	190
13)	Information on the company's corporate culture or values (if any).	43
14)	Description on employee/management share ownership program conducted by the company, containing, among others: a. Amount of shares and/or options b. Program term c. Employee/management requirements for eligibility d. Exercise price	184-187
15)	Description on the company's whistleblowing system, including, among others: a. Whistleblowing mechanism b. Protection for whistleblowers c. Handling of reports d. Party handling the reports e. Results of the handling of reports, at least concerning: i. The number of reports received and processed in the reporting year ii. Follow up of the reports	188-190

Description	Page
16) Implementation of the corporate governance guidelines should the company issue equity-based securities, including:	156-157
a. Statement on the recommendations that have been implemented and/or	
b. Explanation regarding the recommendations that have not been implemented, along with the reasons and alternative measures (if any)	
17) Corporate Social and Environmental Responsibility	
Description on corporate social responsibility, including the policy, programs, and expenditures, for among others the following aspects:	
a. Environment, such as:	219-220
i. The use of environmentally-friendly and renewable/recyclable materials and energy	
ii. The company's waste management system	
iii. Mechanisms for submitting complaints on environmental issues	
iv. Environmental certifications	
b. Practices related to labor and occupational health and safety, such as:	220-222
i. Gender equality and equal opportunity for work	
ii. Work facilities and work opportunity	
iii. Employee turnover rate	
iv. Occupational incident rate	
v. Employee training and/or development	
vi. Remuneration	
vii. Mechanisms for submitting complaints on labor-related issues	
c. Social and community development, such as:	
i. Utilization of local workforce	91-93,220
ii. Community empowerment in the company's operational areas, among others through the use of raw materials produced by local society or the provision of education	216-217
iii. Development of social facilities and infrastructure	216-217
iv. Other donations and	191
v. Communications on the policies and procedures on anti-corruption, and training on anti-corruption	188-190
d. Product and/or service responsibility, such as:	
i. Consumer health and safety	223
ii. Product/service information	232-233
iii. Facility, number of customer complaints and the resolution thereof	223
18) Audited Financial Statements	237-437
The audited financial statements incorporated into the Annual Report must be prepared in accordance with the Financial Accounting Standards in Indonesia as audited by the accounting firm. The financial statements must include a statement on the responsibility on the financial statements as stipulated in POJK on the Board of Directors' Responsibility for the Financial Statements or in POJK on Periodic Reports of Securities Companies.	
19) Statement from Members of the Board of Directors and Board of Commissioners on their responsibility for the Annual Report	224-225

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2017 annual report

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