



PT BANK UOB INDONESIA
Annual Report 2015



Room
Isabelle Soh Min Hui

About This Report

At PT Bank UOB Indonesia (UOB Indonesia), we recognise that transparency is key to stakeholder engagement and the reporting of both financial and non-financial performance allows us to communicate how we create value for all of our stakeholders.

This report and more information on UOB Indonesia are available on www.UOB.co.id.

Contents

03	PT Bank UOB Indonesia at a Glance
04	PT Bank UOB Indonesia Financial and Operational Highlights
08	Shareholders Structure
09	About United Overseas Bank Limited
10	United Overseas Bank Limited Financial Highlights
11	Highlights in 2015
14	Awards
15	Milestones
16	Message from the President Commissioner
17	Message from the Board of Directors
20	Management Discussion and Analysis
47	Good Corporate Governance
132	Financial Statements
284	Corporate Information



Room

by Isabelle Soh Min Hui
Oil and acrylic
76.0 x 102.0 cm

Ms Isabelle Soh Min Hui's *Room* is the design inspiration for the cover of this year's Annual Report. The painting received the Gold Award for the Emerging Artist Category in the 2015 UOB Painting of the Year (Singapore) Competition. It is inspired by Ms Soh's philosophy that "a room is not a room until you make it one".

The artist creates a surreal world that defies the physical confines of a room. It compels the viewer to leave the predictable behind and to push beyond the boundaries of one's imagination. In not allowing the mind to be boxed in, we leave the door open for new possibilities.

The UOB Painting of the Year Competition, now in its 34th year in Singapore, promotes awareness and appreciation of art, and challenges artists to produce works that inspire audiences across Southeast Asia.



PT Bank UOB Indonesia at a Glance

PT Bank UOB Indonesia (UOB Indonesia) was founded on the 31st of August 1956 under the name PT Bank Buana Indonesia. In May 2011, the Bank changed its name to PT Bank UOB Indonesia. UOB Indonesia's service network comprises 41 branch offices, 147 sub-branch offices and 180 ATMs across 30 cities in 17 provinces in Indonesia. UOB Indonesia's banking services are also accessible through its regional ATM network, the ATM Prima and ATM Bersama networks, and the Visa network. UOB Indonesia is rated AAA (idn) by the independent rating agency Fitch Ratings. The Bank has also won the Platinum Award for Exceptional Financial Performance from *Infobank Magazine* for 10 consecutive years. UOB Indonesia is well known for our focus on small and medium enterprises and strong retail customer base. The Bank has successfully built both a consumer as well as a wholesale banking business, which offers treasury and cash management products and services. With our extensive network of services,

information technology systems, sound capital structure and highly qualified employees, UOB Indonesia aims to create sustainable long-term value for its stakeholders. Our focus remains on transforming UOB Indonesia into a market leader through disciplined growth and stability. UOB Indonesia understands the importance of corporate social responsibility and is committed to supporting art, children and education. For the past five years, we have organised the prestigious UOB Painting of the Year Competition and Exhibition. UOB Indonesia also encourages active participation from all of its employees in its corporate social responsibility programmes through regular volunteer activities. This includes the annual UOB Heartbeat Run/Walk which is held simultaneously in Indonesia, Singapore, Malaysia, Thailand and China.

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

Vision

To be a trusted bank in Indonesia, committed to providing quality products and excellent customer service to our valued customers.

Mission

To provide a superior banking service, to meet the needs of the wholesale and retail market, deliver professionalism in human resources, and increase added value for all stakeholders in a sustainable manner.

Our Values

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

PT Bank UOB Indonesia

Financial and Operational Highlights

Statement of Financial Position

(in IDR billion)

Description	31 st December				
	2015	2014*	2013*	2012	2011
Assets					
Cash	516	591	662	418	377
Current accounts with Bank Indonesia	5,454	5,327	4,760	4,047	3,553
Current accounts with other banks	704	1,243	1,161	897	666
Placements with Bank Indonesia and other banks	2,856	5,238	3,120	2,750	3,090
Trading securities and financial investment - Net	11,936	7,028	6,224	3,964	4,688
Securities sold under a repurchased agreement	-	-	-	-	1,164
Derivative receivables	142	239	350	113	83
Loans - Net	60,573	55,833	51,871	44,476	38,866
Acceptances receivable - Net	2,613	3,133	1,843	1,407	1,457
Deferred tax assets - Net	-	-	-	-	13
Fixed assets – Net booked value	1,135	989	984	882	817
Other assets – Net	718	429	407	419	474
Total Assets	86,647	80,050	71,382	59,373	55,248
Liabilities and Equity					
Current liabilities	62	68	68	218	89
Demand deposits	6,887	7,247	5,336	4,987	4,841
Savings deposits	12,624	9,835	9,289	8,165	7,805
Time deposits	44,946	46,154	42,653	33,387	30,257
Deposits from other banks	5,507	1,000	1,598	1,682	1,317
Taxes payable	211	120	131	85	70
Derivatives payable	143	256	354	116	82
Obligation on securities sold under repurchase	-	-	-	-	1,190
Interest payable	243	218	196	151	174
Acceptances liabilities	2,644	3,136	1,845	1,390	1,472
Fund borrowing	-	328	-	-	-
Deferred tax liabilities - Net	26	102	23	40	-
Liabilities for employee's benefits	186	207	147	70	52
Other liabilities	412	401	525	500	440
Debt securities issued – Net	2,488	993	-	-	-
Total Liabilities	76,379	70,065	62,165	50,791	47,780
Total Equity	10,268	9,985	9,217	8,582	7,468
Total Liability and Equity	86,647	80,050	71,382	59,373	55,248

* upon restatement adjustment on the adoption of SFAS No. 24 (revised in 2013)

Statements of Comprehensive Income

(in IDR billion)

Description	31 st December				
	2015	2014*	2013*	2012	2011
Interest income	7,193	6,835	5,430	4,866	4,113
Interest expense	(4,116)	(3,819)	(2,584)	(2,061)	(1,775)
Interest Income – Net	3,076	3,016	2,846	2,805	2,338
Other operating income - Net	681	542	558	474	273
Provision for impairment losses on financial assets and estimated losses on commitments and contingencies	(657)	(474)	73	(69)	(209)
Provision for decline in value of foreclosed assets	1	5	9	(6)	20
Other operating expenses	(2,471)	(2,182)	(1,996)	(1,788)	(1,568)
Income from Operations	631	907	1,490	1,416	1,054
Non operating income – Net	8	26	49	73	21
Income Before Tax Expense	638	933	1,539	1,489	1,075
Tax expense	(175)	(249)	(393)	(377)	(282)
Income including pre-merger Net income of ex PT Bank UOB Indonesia	463	684	1,146	1,112	793
Other Comprehensive Income (loss) for the year	(43)	83	(213)	32	16
Total Comprehensive Income for the year	420	767	933	1,144	809
Net profit attributable to:					
Owner entity	463	684	1,146	1,112	793
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the year attributable to:					
Owner entity	420	767	933	1,144	809
Non-controlling interests	-	-	-	-	-
Net income per share	48	72	120	116	83

* upon restatement adjustment on the adoption of SFAS No. 24 (revised in 2013)

Financial Ratios

(in IDR million unless otherwise stated)

Description	31 st December				
	2015	2014	2013	2012	2011
Financial Ratios					
Capital					
Capital Adequacy Ratio (CAR)	16.20%	15.72%	14.94%	16.77%	17.61%
CAR Tier I	13.92%	13.24%	13.90%	15.72%	16.56%
CAR Tier II	2.28%	2.47%	1.04%	1.05%	1.05%
Gross Fixed Assets to Capital	16.43%	15.92%	18.66%	18.28%	18.99%
Gross Fixed Assets	1,942,628	1,676,469	1,638,634	1,480,451	1,404,238
Capital	11,816,778	10,528,440	8,780,556	8,100,744	7,394,259
Capital Adequacy Ratio (CAR) for Credit Risk*	18.03%	17.31%	16.48%	18.61%	19.62%
Capital Adequacy Ratio (CAR) for Credit Risk and Market Risk*	17.78%	17.25%	16.42%	18.59%	19.55%
Capital Adequacy Ratio (CAR) for Credit Risk, Market Risk and Operational Risk*	16.20%	15.72%	14.94%	16.77%	17.61%
Assets Quality					
Non-Performing Earning Assets	2.13%	3.10%	1.34%	1.56%	1.24%
Non-Performing Earning Assets and Non Earning Assets to Total Earning Assets	1.49%	2.17%	1.02%	1.41%	1.19%
Allowance for Impairment Losses for Financial Assets to Earning Assets	1.06%	0.97%	0.55%	0.97%	1.05%
Non-Performing Loans	2.68%	3.72%	1.63%	1.81%	1.53%
Non-Performing Loans - Net	1,334	1,608	1,598	1,682	1,317

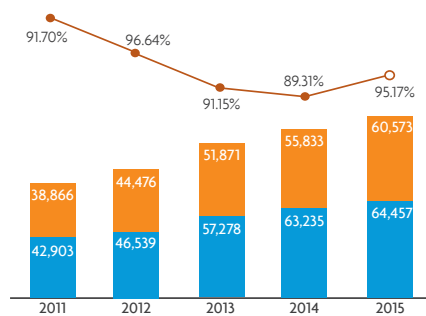
* Calculated in accordance with Bank Indonesia Regulations

PT Bank UOB Indonesia

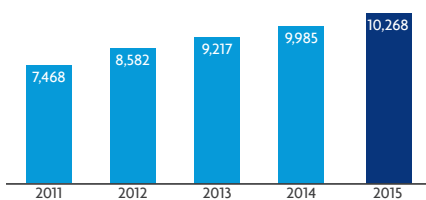
Financial and Operational Highlights

Description	31 st December				
	2015	2014*	2013	2012	2011
Earnings					
Return on Assets (ROA)	0.77%	1.24%	2.38%	2.60%	2.30%
Return on Equity (ROE)	4.82%	7.57%	14.29%	14.97%	11.43%
Net interest Margin (NIM)	3.97%	4.21%	4.55%	5.07%	5.14%
Operating Expense to Operating Income (BOPO)	96.46%	90.53%	77.70%	74.61%	77.55%
Liquidity					
Loans to Deposit Ratio (LDR)	95.17%	89.31%	91.15%	96.64%	91.70%
Low Cost Fund (CASA) Ratio	30.27%	27.01%	25.53%	28.26%	29.48%
Compliance					
Violation of Legal Lending Limit	-	-	-	-	-
Lending in excess of the Legal Lending Limit	-	-	-	-	-
Statutory Reserves - IDR					
Primary	7.59%	8.10%	8.12%	8.10%	8.10%
Secondary	15.45%	9.62%	9.06%	7.75%	13.74%
Statutory Reserves - Foreign Currency	8.10%	8.10%	8.22%	8.10%	8.31%
Net Open Position	0.63%	1.79%	1.75%	0.26%	0.58%
Growth Ratios					
Net Interest Income	2.01%	5.97%	1.45%	19.95%	14.44%
Operating Income	-30.47%	-39.51%	5.23%	34.30%	-10.07%
Net Income	-32.28%	-40.71%	3.14%	40.09%	-8.21%
Total Assets	8.24%	12.14%	20.23%	7.47%	44.24%
Total Liabilities	9.01%	12.66%	22.29%	6.30%	52.18%
Total Equity	2.85%	8.70%	8.00%	14.91%	8.14%
Others					
Debt to Equity	743.85%	701.7%	674.46%	591.86%	639.81%
Debt to Assets	88.15%	87.52%	87.02%	85.55%	86.48%
Total Fully Paid and Paid-Up Shares Capital	9,553,885,804	9,553,885,804	9,553,885,804	9,553,885,804	9,553,885,804

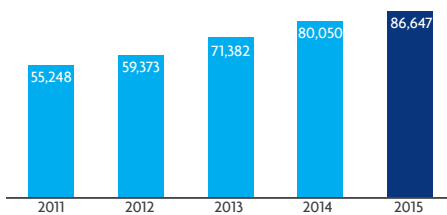
* Upon restatement adjustment on the adoption of SFAS No.24 (Revised 2013)



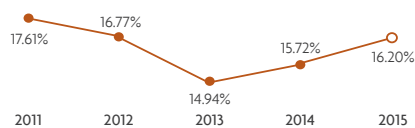
Loans - Net	IDR60,573 billion	▲	8.49%
Deposits	IDR64,457 billion	▲	1.93%
LDR	95.17%	▲	6.56%



Total Equity	IDR10,268 billion	▲	2.85%
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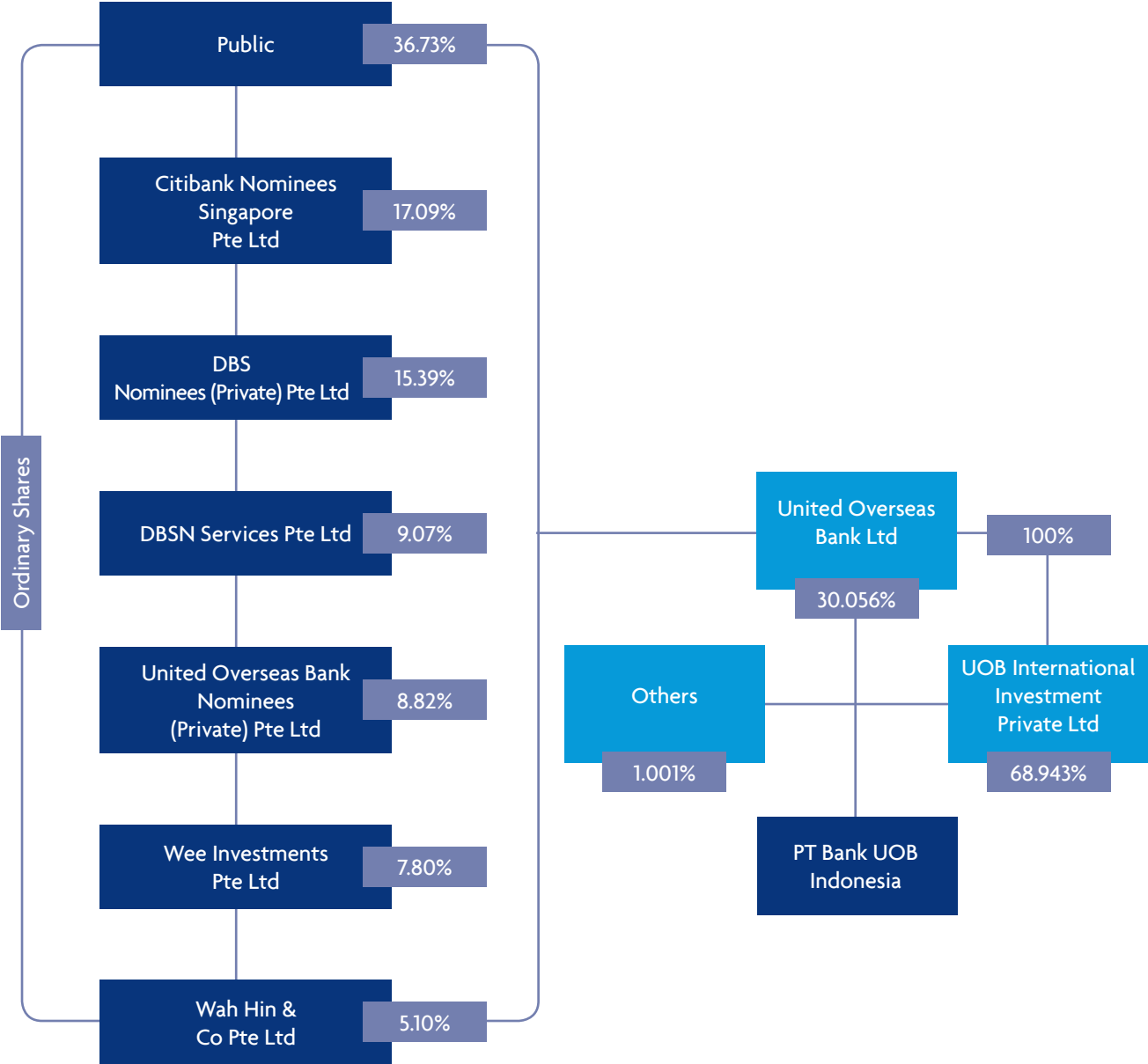


Total Assets	IDR86,647 billion	▲	8.24%
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Capital Adequacy Ratio (CAR)	16.20%	▲	3.05%
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Shareholders Structure



About United Overseas Bank Limited

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

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

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

Generations of UOB employees for the past 80 years have carried through the entrepreneurial spirit, focus on long-term value creation and an unwavering commitment to do what is right for its customers and its colleagues.

UOB believes in being a responsible financial services provider and it is committed to making a difference in the lives of all its stakeholders and in the communities in which it operate.

Just as it is dedicated to helping its customers manage their finances wisely and grow their businesses, UOB is steadfast in its support of social development, particularly in the areas of art, children and education.

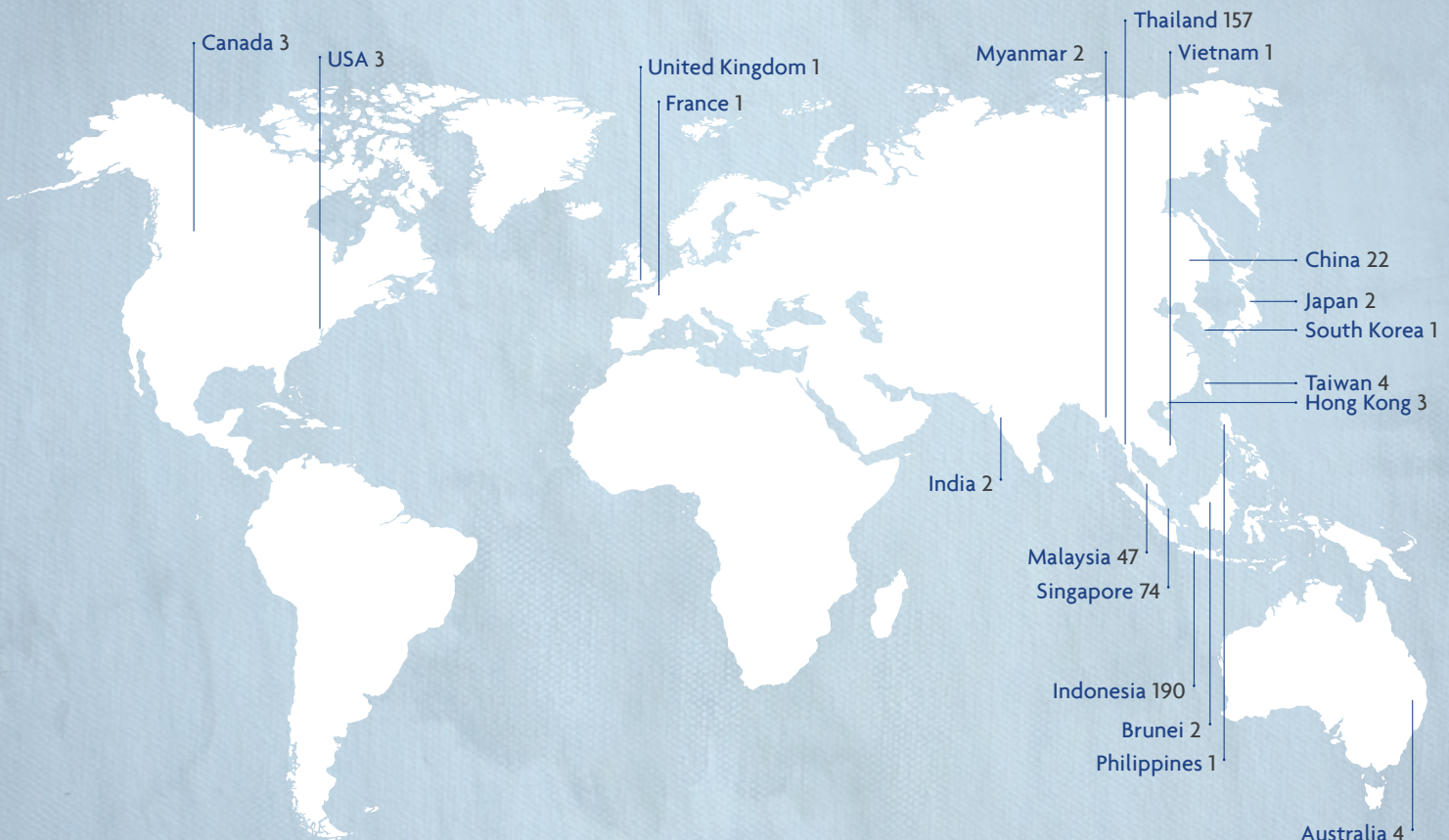
UOB's Operating Segments

UOB provides a wide range of financial services globally through its three operating segments – Group Retail, Group Wholesale Banking, and Global Markets and Investment Management. Its offering includes personal financial services, private banking, business banking, commercial and corporate banking, transaction banking, investment banking, corporate finance, capital market activities, treasury services, brokerage and clearing services, asset management, venture capital management and insurance.

UOB's Network

>500 branches and offices

Asia Pacific, Europe and North America



United Overseas Bank Limited

Financial Highlights

Five-Year Group Financial Summary

	2015	2014	2013	2012	2011
Selected Income Statement Items (SGD million)					
Total income	8,048	7,457	6,720	6,495	5,699
Total expenses	3,597	3,146	2,898	2,747	2,450
Operating profit	4,451	4,311	3,822	3,748	3,248
Net profit after tax ¹	3,209	3,249	3,008	2,803	2,327
Selected Balance Sheet Items (SGD million)					
Net customer loans	203,611	195,903	178,857	152,930	141,191
Customer deposits ²	240,524	233,750	214,548	182,029	169,460
Total assets	316,011	306,736	284,229	252,900	236,958
Shareholders' equity ¹	30,768	29,569	26,388	25,080	22,967
Financial Indicators (%)					
Expense/Income ratio	44.7	42.2	43.1	42.3	43.0
Non-performing loans ratio	1.4	1.2	1.1	1.5	1.4
Return on average total assets	1.03	1.10	1.12	1.18	1.06
Return on average ordinary shareholders' equity	11.0	12.3	12.3	12.4	11.1
Capital adequacy ratios ³					
Common Equity Tier 1 / Tier 1	13.0	13.9	13.2	14.7	13.5
Total	15.6	16.9	16.6	19.1	16.7
Per ordinary share					
Basic earnings (\$)	1.94	1.98	1.84	1.72	1.43
Net asset value (\$)	17.84	17.09	15.36	14.56	13.23
Net dividend (cents) ⁴	90	75	75	70	60
Dividend cover (times) ⁴	2.23	2.70	2.54	2.54	2.47

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

² From 2013, customer deposits include deposits from financial institutions relating to fund management and operating accounts. Previously, these deposits were classified as "Deposits and balances of banks".

³ With effect from January 2013, the Group adopted the Basel III framework for its capital adequacy ratio computation in accordance with the revised MAS Notice 637 and Common Equity Tier 1 is mandated under MAS Notice 637.

⁴ Included special dividend of 10 cents in 2012 and 5 cents in 2013 and 2012 respectively. 2015 included UOB's 80th Anniversary dividend of 20 cents.

Highlights in 2015



14 January

UOB FDI ASEAN Series seminar in Singapore in collaboration with BKPM



26 January

Indonesia Banking IT Infrastructure seminar



06 February

Alleira Fashion Show to welcome the Lunar New Year for UOB Lady's Card customers



23 February

Lunar New Year celebration at UOB Plaza



23 February

Lunar New Year celebration with Privilege Banking customers



24 February

Due Diligence Meeting & Public Expose to issue Senior Bond I of 2015



12 March

UOB Premier Talk with Transaction Banking customers



31 March

Media luncheon for UOB Treat credit card campaign



11 April

UOB Playday with UOB Lady's Card 200 customers and their children

Highlights in 2015



21 April

Foreign Direct Investment seminar - Riding a New Wave of ASEAN



22 April

UOB Recognition Award (Performance 2014)



28 April

Annual general meeting of Shareholders at UOB Plaza



21 May

Blood Donation activity with Indonesia Red Cross at UOB Plaza



07 June

UOB Heartbeat Run/Walk in Bandung to raise funds for less fortunate children through Kick Andy foundation and Wyata Guna foundation



30 June

Kids at Work, among street children from the Sahabat Anak Foundation to raise awareness about financial management



10 August

UOB Indonesia signed a Memorandum of Understanding with the Indonesian Information Technology Industry Association



05 September

Art for Kids, art classes for children in partnership with POY alumni



14 September

"Indonesia Economic: 1H 2015 Review and Walk Forward" seminar



29 September

Donation to the Kick Andy Foundation to help improve children's education in Banyuwangi



07 October

Celebrating UOB 80th's Anniversary with UOB Indonesia management



15 October

Blood donation activity with Indonesia Red Cross at UOB Plaza



26 October

UOB Painting of the Year Award Ceremony in Jakarta



02 November

Extraordinary General Meeting of Shareholders at UOB Plaza



14-15 December

UOB Indonesia 2016 Annual Strategic Workshop

Awards



09 April

Contact Center Service Excellence Awards 2015 in Regular Credit Card, Regular Banking, and ATM Contact Point with “Excellence” Service Performance



30 April

Best SME Trade Finance Solution from *The Asset Triple A, Treasury, Trade and Risk Management Awards 2015*



28 July

10 Years Loyalty Award from PT Rintis (ATM Prima)



19 August

The Progressive Mid Bank in Home Loan award in Property Services category from *Properti Indonesia Magazine*



10 September

Indonesia WOW Brand 2015 Bronze Champion award in Saving Account BUKU III category from PT. Markplus Indonesia

Milestones

1950



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

1970



- 1972 Acquired PT Bank Pembinaan Nasional, Bandung.
- 1974 Acquired PT Bank Kesejahteraan Masyarakat, Semarang.
- 1975 Acquired PT Bank Aman Makmur, Jakarta
- 1976 Became a Foreign-Exchange Bank.

1990



1998 Received a predicate category “A” from Bank Indonesia.

2000



- 2000 Initial Public Offering and listing on both the Jakarta Stock Exchange and the Surabaya Stock Exchange.
- 2003 International Finance Corporation (IFC), a subsidiary of the World Bank, became the first foreign shareholder of the Bank through a Limited Public Offering II.
- 2004
 - UOB International Investment Private Limited (UOB Indonesia) became the second largest shareholder after PT Sari Dasa Karsa.
 - Issued Self-Registration Bond I.
- 2005
 - IFC divested its stake in the Bank.
 - UOB Indonesia increased its ownership to 61.11 per cent and became the majority shareholder.
- 2007
 - The Bank officially changed its name from PT Bank Buana Indonesia Tbk to PT Bank UOB Buana Tbk.
 - United Overseas Bank Limited (UOB), through UOB Indonesia, became the majority shareholder.
- 2008
 - Extraordinary General Meeting of Shareholders approved the Bank’s privatisation plan.
 - UOB Indonesia increased its share ownership to 98.997 per cent through a tender offer.
 - The Bank delisted its shares from the Indonesian Stock Exchange.
- 2009 Early redemption (call option) of Self-Registration Bond I.
- 2010 Ex PT Bank UOB Indonesia merged with PT Bank UOB Buana.
- 2011 The Bank changed its name to PT Bank UOB Indonesia.
- 2012 The Bank, together with the UOB Group, launched a new regional uniform for front liners, which represented professionalism and confidence.
- 2013 The Bank implemented the Core Banking Standardisation Project to enhance its infrastructure system and to improve its service.
- 2014 Issued Bank UOB Indonesia Self-Registration Bond I of 2014.

2015



2015 Issued Bank UOB Indonesia Senior Bond of 2015.

Message from the President Commissioner



Despite the challenging global and local environment, the Indonesian economy remained relatively stable and grew at a positive rate.

Dear Shareholders,

The Indonesian economy grew at 4.8 per cent in 2015, its slowest pace since the Global Financial Crisis as its export sector was greatly affected by the prolonged slump in commodities. For the past year, the economy was supported somewhat by private consumption demand and fixed investments.

While 2016 looks set to be another difficult year, there are opportunities for banks who take a long term view of Indonesia. Infrastructure development spending is likely to be brought forward to offset the weakness in the export sector. The acceleration in the development plan is expected to help strengthen growth.

Against this challenging landscape, UOB Indonesia's prudent and disciplined management approach ensured that the Bank's key indicators were maintained above the regulatory requirements. By focusing on our balance sheet, we reduced non-performing loans ratio to 2.68 per cent. Funding remained healthy with the loan-to-deposit ratio at 95.17 per cent and the capital adequacy ratio standing at 16.20 per cent, as at 31 December 2015.

In the long term, we believe the Indonesia economy presents tremendous growth potential from its rising middle-income and infrastructure needs. UOB Indonesia is pleased to be in a position to assist in that growth by drawing on our parent's 80 years of banking experience and deep Asian expertise.

Our long-term view extends to our investment in our people and our infrastructure to provide quality products and excellent service to our customers. During the past year, we reminded ourselves to demonstrate each day the values that define us - honourable, enterprising, united and committed.

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



Wee Cho Yew
President Commissioner

March 2016

Message from the Board of Directors



UOB Indonesia achieved resilient regulatory indicators results due to prudent banking measures, synergies within businesses and collaboration across the Bank.

The global economy experienced slower growth in 2015 which hindered the economic recovery of many countries. The prolonged downturn generally affected the Indonesian economy and its banking industry throughout the first half of the year with a gradual improvement towards the last quarter.

Despite the headwinds, UOB Indonesia's key Indonesia's banking regulatory indicators remained resilient as a result of prudent measure taken and increased synergies within business units and across the Bank.

2015 Key Highlights

In 2015, UOB Indonesia met key financial commitment and closed the year with a stronger balance sheet.

Our net interest income grew by 2.0 per cent to IDR3.08 trillion against the backdrop of an economic slowdown and margin compressions from loans.

Non-interest income rose 13.0 per cent compared with the previous year, driven by an increase in income from credit cards, proprietary trading and wealth management products. This increase is in line with the Bank's strategy to boost fee-based income in anticipation of margin compression from loans.

Total expenses increased by 13.26 per cent mainly driven by an increase in staff and IT-related expenses as the Bank continued to invest in people and technology.

As the banking sector faced pressures, the industry was confronted with the risk of deteriorating credit quality. The Bank took measures to strengthen its loan impairment provisions, resulting in a decrease of net profit before tax of 30.0 per cent.

Loans grew by 9.0 per cent over the previous year, a rate that was on par with the industry average. The increase in loans was mainly driven by the credit card business which grew by 14.0 per cent, outperforming the industry's single digit growth average. Loan disbursements in the consumer goods and trading sectors also grew strongly by 15.0 per cent due to continued growth in consumer spending and demand for trade supplies. While the loans portfolio in the Corporate and Commercial segments represents 60 per cent of the Bank's total business, we continue to see opportunities to grow our retail business significantly, through selective lending to boost the current double digit growth.

The growth of third party funds was sustainable, with current accounts and savings accounts (CASA) increasing by 14 per cent, outperforming the growth in fixed deposits. Retail Banking's contribution to the volume of deposits in 2015 grew to 57 per cent compared with 50 per cent the previous year. This reflects the Bank's focus on the Retail segment as an important source of third party funds.

Through prudent risk management, our non-performing loans ratio decreased to 2.68 per cent as at 31 December 2015, down from 3.72 per cent the previous year. In addition, the Bank consistently applied a disciplined approach of '*funding before lending*' to ensure that the Bank's liquidity is always taken into consideration prior to making lending decisions. As at the end of the year, the loan-to-deposit ratio stood at 95.17 per cent.

As at 31 December 2015, the Capital Adequacy Ratio stood at 16.20 per cent, well above the regulatory requirement of 9.0 per cent.

Message from the Board of Directors

Delivering our Commitment

We continued to strengthen our core businesses in light of the challenges ahead and to remain competitive in the market. We realigned our branch network to ensure we are located where our customers live, work and play, as well as streamlined branch processes to make banking more convenient for our customers.

We also continued to invest in our capabilities to make banking more efficient for our business customers. For example, we introduced an internet banking service, Business Internet Banking Plus, which helps customers streamline the origination, approval and control processes for their transactions. We also launched Business Savers, a savings product which offers convenience to customers in conducting their business related transactions.

Maintaining Prudent Banking Practices

As steward of the organisation, we are committed to ensuring sustainable growth for the Bank and to being aligned with the long-term interests of our stakeholders. It does so while remaining accountable for, and fair in, its activities and practices. These principles have been fundamental to our approach and will continue to maintaining the strong corporate governance culture of UOB.

In 2015, we play active roles in monitoring and engaging employees through forums and training as well as regular dissemination of information through various internal communications channels.

Awards and Recognition

Our efforts in carrying out enhancements and improvements to our business have earned us industry recognition. In 2015, UOB Indonesia received several distinguished awards, including:

1. Contact Service Excellence Award in the categories of ATM Contact Point, Contact Center Regular Banking and Contact Center Regular Credit Card
2. *Best SME Trade Finance Solution* for the fourth time in a row from *The Asset* Asian Awards 2015
3. *The Progressive Mid-Bank in Home Loans* from *Properti* magazine in the property services category
4. *WOW Brand bronze champion* from PT Markplus Indonesia in the Savings Account BUKU III category

Strengthening Our Culture

Our goal is to develop a team of knowledgeable people who consistently maintain the highest professional and moral standards in dealing with our customers and with each other. In 2015, we aligned our recruitment and training efforts around the UOB values. UOB Indonesia also introduced key performance indicators that encourage stronger collaboration across businesses and functions and to improve productivity and efficiency.

Giving Back to the Community

UOB Indonesia is committed to providing meaningful support to the community in the areas of art, education and children. We have been championing art through the UOB Painting of the Year Competition, one of the longest running art contests in the region. Since the competition was introduced in 2011 in Indonesia, we have attracted more than 4,000 established and emerging artists and more than 6,000 painting contributions locally. The high quality of the artworks has contributed to Indonesian artists winning the competition at the regional level - the UOB Southeast Asian Painting of the Year award - thrice.

The Bank has also been actively engaged in other community development programmes such as financial literacy campaigns to educate young people, women and entrepreneurs. We encourage employees to volunteer their time for such causes. The 2015 UOB Heartbeat Run/Walk programme conducted in Bandung is one example where 250 employees and their families interacted directly with underprivileged children in the surrounding communities. The Bank successfully raised IDR350 million which was donated to Bandung City Council, Kick Andy Foundation and Wyata Guna Foundation to support education for children with visual impairment in Bandung, West Java.

Composition and Changes in the Board of Directors

At the Extraordinary General Meeting of Shareholders (EGMS) held on 2 November 2015, it was announced that Mr. Armand B. Arief and Mr. Ajeep Rassidi bin Othman had resigned from the Board of Directors effective 1 January 2016. Subsequently, the EGMS appointed Mr. Lam Sai Yoke as the new President Director and Mr. Pardi Kendy as Director effective 1 January 2016. The appointments are subject to the approval of the Financial Services Authority.

Message from the Board of Directors

Committees under the Board of Directors

During 2015, the 12 committees who were responsible to the Board of Directors have carried out their duties and responsibilities effectively by providing valuable inputs and recommendations to the Board of Directors. The committees have collaborated together with the goal of providing support towards the achievement of business performance, while also taking into consideration all the risks inherent within the respective businesses and ensuring that they are addressed. The committees which oversaw the Bank's businesses were: The Executive Committee, Assets & Liabilities, Risk Management, Credit Policy, Human Resources, Business Continuity Management, Credit, Information & Technology, Anti-Money Laundering, Ethics, Operational Risk Management and Service Quality.

2016 outlook

In the long term, we believe that the Indonesian economy will offer numerous opportunities for growth. UOB Indonesia remains committed to maintaining the Bank's growth momentum through our disciplined and prudent approach. We will continue to strengthen our focus on the Retail segment through an improved funding mix and increasing loan portfolio contributions. We will also continue to grow the commercial and corporate businesses selectively. We will remain vigilant in managing risk.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our valuable customers, shareholders and employees for their continuous support, trust and commitment.



Tan Chin Poh

Deputy President Director UOB Indonesia

March 2016



PT Bank UOB Indonesia

31 December 2015

Management Discussion and Analysis

21	2015 Macroeconomic Overview
21	2015 Banking Performance Overview
21	Business Prospects and Development Strategy
22	Marketing Aspects
22	Operational Review
28	Distribution Channels
28	Service Quality
29	Human Capital
37	Financial Review
46	Information Technology and Infrastructure

Management Discussion and Analysis

2015 Macroeconomic Overview

The global economic situation in 2015 highlighted the financial imbalance between developed and emerging countries which affected both the global and domestic markets. Global economic growth was 3.10 per cent, lower than the previous year's 3.40 per cent. This slowdown was attributed to the decline in the price of commodities and the muted economic growth in major countries. China's economic growth slowed from 7.30 per cent to 6.90 per cent, while the US maintained a growth rate of around 2.40 per cent similar to 2014. The UK's economic growth moderated from 2.90 per cent to 2.20 per cent. Foreign investors added to the pressure as they moved their capital from developing countries to less riskier markets.

The Indonesian economy got off to a slow start in 2015. A delay in private sector spending, a decline in export volume and the postponing of government spending contributed to the weaker growth. Businesses took a cautious stance by reducing production and keeping inventory at minimum levels. Some businesses had to lay off employees, which added to the drop in private sector spending.

Prices of major commodities, such as oil, crude palm oil and coal, also continued their downward trend during the year. As these are commodities on which Indonesia's economy is dependent, the volume of the country's exports was significantly affected in 2015. The value of exports dropped sharply by 15 per cent, compared with the four per cent decline experienced in 2014. This slowdown was present in almost all major Indonesian export sectors, with the worst drop affecting the oil and gas, and mining sectors.

In addition, the outflow of capital by foreign investors resulted in a depreciation of 10.20 per cent in the Rupiah and the weak performance of the Indonesian Stock Exchange. Foreign investors sold off a net IDR23.8 trillion on the stock market. The Jakarta Composite Index (JCI) fell by 12.61 per cent and closed at 4,593.008 by year-end.

However, the Indonesian economy gathered some momentum in the second half of 2015, triggered partly by higher government spending on infrastructure and an improvement in the balance of trade. Although full-year growth was recorded at 4.79 per cent, weaker than the previous year's performance of 5.02 per cent, the fourth quarter recorded a growth of 5.01 per cent, similar to the same quarter of the previous year. This was fuelled mainly by domestic consumption. The inflation rate for December 2015 was 3.35 per cent, the lowest rate in the past six years. These were evidence that the Indonesian economy had started to pick up towards the end of 2015, and set the tone for greater growth in 2016.

2015 Banking Performance Overview

Despite the subdued economic environment, Bank Indonesia maintained its benchmark interest rate at 7.50 per cent throughout the year, after cutting the rate by 0.25 per cent in February 2015. However, to provide a conducive banking environment, Bank Indonesia reduced the minimum reserve rate to 7.50 per cent in December.

The distribution of loans in Indonesia's banking sector grew 10.50 per cent in 2015, lower than the previous year's 12 per cent. The industry's Capital Adequacy Ratio (CAR) strengthened from 19.60 per cent in 2014 to 21.20 per cent, which is higher than the regulatory minimum ratio of 8 per cent. By December 2015, the ratio of Non-Performing Loans (NPL) rose to 2.70 per cent, above last year's 2.16 per cent. This reflected the deterioration in credit quality due to economic pressures. Many banks in Indonesia also recorded increases in loan impairments, which impacted their profitability negatively.

The performance of third party fund accumulation by national banks also weakened, affecting the industry's Loan-to-Deposit Ratio (LDR), which rose to 90.50 per cent compared with 89.40 per cent in the previous year. This illustrated the insufficient liquidity in the Indonesian banking industry to fund the expansion of the lending sector. Nevertheless, the banking industry still had room to expand to the maximum threshold of 92 per cent.

Business Prospects and Development Strategy Business Prospects in 2016

The continued economic decline in developing countries is likely to affect the recovery of developed nations. According to the International Monetary Fund (IMF), global economic growth in 2016 is projected to be 3.20 per cent. Although this is lower than IMF's January forecast of 3.40 per cent, but it is better than the 3.10 per cent growth for 2015.

The forecast for Indonesia's 2016 economic growth rate is in the range of 5.2 to 5.6 per cent. Bank Indonesia will continue to monitor global developments, especially the progress of the Chinese economy. Other factors to note are the price of oil and the probability of an interest rate hike by the US Federal Reserve.

The positive growth momentum achieved in the fourth quarter of 2015 is expected to be sustained in 2016 by the pick-up in infrastructure spending in Indonesia. Continued growth will also bode well for the banking sector.

The outlook for 2016, as forecast by the Financial Services Authority (FSA), includes credit growth reaching 14.10 per cent and third party funds increasing by 12.70 per cent. Bank Indonesia is supportive of economic expansion and has cut the benchmark interest rate by 75 basis points in the first quarter of 2016.

Management Discussion and Analysis

However, the unstable external environment may pose challenges on domestic economic growth, which in turn will affect Indonesia's financial sector. The Rupiah exchange rate could still come under pressure as a result of global uncertainties, thereby increasing non-payment risks for the banking sector.

UOB Indonesia remains vigilant of the economic challenges and is committed to our continued contribution to the development of the Indonesian economy and to the banking industry.

Business Development Strategy

To support business growth, UOB Indonesia has in place the following strategies:

- To focus on strengthening liquidity and the accumulation of third party funds, especially cheap funds from Current and Savings Accounts to achieve an optimum funding structure;
- To carry out selective loan disbursements to Commercial Banking and Business Banking clients to maintain a healthy loan quality level;
- To create and increase fee-based income by maximising the sales of wealth management products to achieve an efficient funding structure;
- To capitalise on the Bank's extensive regional network and to apply suitable business models for Personal Financial Services, Commercial Banking, Business Banking which are applicable to the respective regions within the country;
- To invest in enablers, such as our Business Internet Banking Plus and Personal Internet Banking services, and to achieve cost-efficiencies for our businesses;
- To continue to develop our people so that they maintain the highest professional and ethical standards, and have the necessary skillsets to provide our customers with the most appropriate solutions and services; and
- To manage our NPL portfolio in accordance with regulatory requirements and to ensure that our portfolio quality is maintained at a controlled level.

Marketing Aspects

The marketing activities performed by the Bank in 2015 were targeted at both individual customers and corporate clients. Such activities were carried out in the form of printed and electronic advertising, exhibitions and forums. Through our marketing campaigns, we increased our visibility in the domestic market and promoted our products and services, and in turn expanded our customer base and grew our revenue.

The major marketing activities in 2015 are listed below:

- Tabungan Biz88 – a savings marketing programme for corporate clients;
- Shape Your Future in Asia – a Group-wide advertising campaign;
- UOB Treat – a credit card promotion with food and beverage privileges;
- I Love Bazaar Jakarta – a joint exhibition by UOB Credit Cards and All Access Jakarta held at Senayan City to promote the UOB Lady's Card and UOB Treat;
- Lady's Card Programme – where new merchants and exclusive benefits for Wednesday shopping were added to the privileges under UOB Lady's Card;
- Take Over Plus – an initiative by the Mortgage Secured Loans (MSL) division for the financing of mortgage takeovers with a minimum amount of IDR1 billion;
- Fixed Interest up to 11 years – a property ownership programme with fixed installments for up to 11 years;
- U-Save – a savings programme with competitive interest rates;
- *Nabung Langsung Untung* – a savings programme with rewards for deposits during a specific period of time; and
- UOB Medical Coverage – a medical services programme for Privilege Banking clients in collaboration with Parkway Hospitals Singapore.

Operational Review

Business Segments

UOB Indonesia provides a wide range of products and services through five different segments, categorised by the type and characteristics of the customers each segment serves. These segments are Personal Financial Services, Business Banking, Commercial Banking, Corporate Banking, Transaction Banking, Global Markets and Financial Institutions.

Personal Financial Services (PFS)

PFS provides banking products and services to individual customers. Such products and services include deposits, investments and insurance (DII), Privilege Banking, home property ownership and credit cards.

In 2015, we adopted a focused approach to strengthen our PFS business, in particular, in the areas of wealth management, loans and credit cards. Our objectives included to grow our deposit base and client funds managed by the bank to increase

fee-based income and the generation of cheap funds, to widen our distribution of home ownership loans to target first-time buyers as well as cross-sell, to develop UOB Treat Program to enhance UOB Credit Card and generate higher active card rate.

In 2015, the Bank also recruited new sales officers to acquire new customers from the middle segment (personal banking), reactivated dormant customers, enhanced our deposit products and attractive product promotion products and improved our cross-selling on savings, investment and insurance products.

In addition, the Bank also conducted regular product training for sales officers and performed mystery shopping to ensure that we provide our customers with quality advice and appropriate recommendations, and that our products and services met the needs of our customers. The various training programmes also enabled us to increase the productivity of our sales officers.

During the year, PFS successfully recorded an income of IDR1.18 trillion, comprised of a 42 per cent contribution of the third party funds, in addition to a 13 per cent contribution to the Bank's total lending portfolio.

The review of the performance of sub-segments under PFS is as follows:

Deposit Investment Insurance (DII)

DII's team of dedicated personal bankers and relationship managers provide financial advisory as well as an array of banking solutions comprising deposits and wealth management. The wealth management products include mutual funds, retail bonds, foreign exchange and structured products.

In 2015, PFS achieved a total of IDR26.92 trillion in accumulated third party funds, 13.06 per cent higher than the previous year. The largest fund volume was from Deposits which contributed 70.58 per cent. The sales efforts in increasing the Bank's PFS customer base resulted in a gain of 11,744 new customers, a six per cent increase from last year, and who were mainly holders of UOB Indonesia's savings accounts. Cross-selling efforts to increase fee-based income and our savings portfolio were conducted by combining Deposit products with investment instruments, insurance and treasury products. The combination of these products enabled the Bank to diversify product offerings which provided better solutions to customers and in turn, grow the Bank's business

The *Simpanan Pelajar* product was launched in end-2015 in support of the Indonesian government's initiative to increase financial literacy among students. Apart from being an

educational product, we hope to help such students save regularly and build stable deposits until they reach adulthood.

During 2015, partnership on investments and insurance products were maintained with trusted and prominent fund houses which has local presence and knowledge. With 7 partners and more than 35 products, the Bank sought to offer diversified investment and insurance products for the customers' ranging asset class suitability.

The Bank also has a partnership with the government for the distribution of government bonds. In the first quarter of 2015, the Bank marketed the *Sukuk Negara Ritel* SR007 series as a Sub-Agent Seller. In September and October, the Bank was entrusted again to participate as a Sub-Agent Seller to distribute the *Obligasi Negara Ritel* ORI012 series.

Going forward, to provide better financial solutions to customers, the Bank will offer combined savings and wealth management products for different investment horizons.

Privilege Banking

This segment serves individual customers with total funds managed by UOB Indonesia of at least IDR1 billion. The main products offered comprise investment products that provide optimal returns for clients, assistance in managing financial health and maintaining lifestyle. In 2015, Privilege Banking successfully increased the number of accounts by 12.27 per cent to 11,199 clients. On the funding side, the amount of deposits accumulated increased to IDR15.13 trillion by year-end, an increase of 22.06 per cent compared with 2014.

Funds were accumulated through the offering of investment products and insurance products that were packaged with the UOB Wealth Management Advisory service. This bundling offered clients an attractive rate of investment with the assistance of advisers who provided the latest market updates. For clients who wish to establish a plan for retirement and pension, the Bank provides a user-friendly Wealth Planning Calculator application to assist in their financial planning.

In 2016, the Banks aims to leverage product, knowledge and wealth-advisory tools to identify, tap or deepen potential Privilege customers. This objective will be achieved through launching of three new Sharia offshore and two conventional mutual funds products, promoting existing treasury products as alternative investment tools, regular market and investment-related refresher sessions for the Bank's frontliners as well as utilising tools to provide wealth management advisory service.

Management Discussion and Analysis

Mortgage Secured Loan (MSL)

The Bank provides mortgage facilities to customers for the purchase of residential homes, shop houses, office houses, and apartments. Other products include house renovation/construction loans, take-over loans, top-up facilities and assets-backed financing. These mortgage facilities are complemented by competitive interest rates, flexible installment payment plans and loan tenures of up to 20 years.

In 2015, the value of MSL's loan portfolio reached IDR6.73 trillion, 7.50 per cent higher than 2014. Specifically for mortgages, the Bank distributed up to IDR6.5 trillion in loans, an increase of four per cent compared with the year before.

This growth in loans was contributed by our stronger cooperation with a network of developers and property brokers, the optimisation of the branches' role as a sales channel and more effective sales management, such as the Home Smart Home Mortgage initiative.

The Bank also launched a retention and loyalty programme for existing clients who have loan facilities and/or other UOB Indonesia products. This helped to increase the sales of loan products. Cross-selling collaboration between MSL and partners from Commercial Banking and Corporate Banking (to support end-financing), and with relationship managers from Privilege Banking, also helped to boost MSL's sales performance. By optimising the relationship with vendors, the Bank managed to increase loans for building under construction to 20 per cent. Product innovation was achieved through bundling, such as ladder installments and deposit-linked mortgages. The Bank also targets younger-aged clients through loan products with tenors up to 30 years. In 2016, the Bank will continue to launch more attractive mortgage programmes and to expand partnerships with developers and property brokers. Target clients for loans also include employees where products will be packaged specifically for UOB employees.

Credit Cards

In 2015, the total number of credit cards issued reached 342,000, a growth of 10.75 per cent since end-2014. The transaction volume of credit cards also increased during the year, reaching a value of IDR6.4 trillion, a 13.70 per cent increase from the previous year.

Throughout the year 2015, the credit card unit has prepared several strategies for the purpose of increasing the performance of the business. The UOB Treat program is one of the programs that not only increases the utilisation volume of cards, but also serves as an image-boosting instrument for the Bank. To tap clients with the largest spending potential, the Bank launched

an enhanced program for Platinum Card holders. The Bank has a Telesales as well as In-house Direct Sales who support the acquisition of new clients. This approach aided in increasing productivity and reduce acquisition costs. The electronic delivery of e-Statements also helped reduce costs as well as improving delivery time. As the Bank has no tolerance for security flaws, as such, in a move to increase security, the Bank applied a 3D feature to accommodate online transactions.

For 2016, the Bank has lined up several initiatives that will support the development of the credit card business. These include sales and acquisition of new clients and vendors, increasing of card utilisation and expansion of online businesses. Training of the sales force is an important factor in supporting the increase in business and will be rolled out throughout the year. Investment in product development and enhancements, including the building of a regional platform to capture offshore opportunities, is one of the strategies to increase high card utilisation rates and to expand customer base.

Business Banking

The Bank offers a loan facility with a ceiling up to IDR18 billion through the Business Banking segment. Other than loans, the segment provides deposit products for loan customers, including both individual and corporate customers, except customer candidates who are classified under Corporate Banking segment.

Business Banking commercial loan financing is currently conducted through several existing programs, namely:

1. Business Property Loan, a program that includes product financing of commercial property in the form of long-term investment financing.
2. Business Solutions and Business Express, are financing products that cater for short-term working capital needs, medium-term and long-term investments, as well as trade financing and foreign currency hedging.
3. Other products, such as foreign currency transactions and bancassurance are also offered supplementary to the above programs.

In 2015, Business Banking registered a net profit before tax of IDR218 billion, an increase of 18 per cent compared with 2014 achievement. Third party deposits grew by 58.3 per cent from the previous year, contributing IDR11 trillion or 17 per cent to the Bank's total third party deposits. Outstanding loans also increased by 10 per cent with a portfolio of IDR15 trillion. Nevertheless, as several Business Banking customers were impacted from the sluggish economy in 2015, the NPL rate increased from 3.0 per cent in 2014 to 3.88 per cent in 2015.

Business Banking's performance in 2015 was driven mainly by the effective execution of strategy and action plan to maximize productivity in gather third party deposit and disbursing loans facility. We maintained close cooperation with Channels and specialised sales team to provide our new customers with loan and deposit services and cross selling to existing customers as well as through referral program.

Our sales team also improved their understanding of market conditions and increased their proficiency of the products offered through continuous training, to gain better positioning in the competitive market environment. Business Banking has launched SME Bankers Executive Certification program with Institut Teknologi Bandung (ITB) to transform our sales team to become SME consultant.

In 2016, the Bank will continue our efforts to optimise blending of term deposits, current accounts and savings with a mix of cross-selling for operational customer accounts. To boost growth, we will also seek to acquire new customers for current accounts and savings products, and to enhance our competitiveness in lending by improving the turnaround time of credit processes.

Third party deposits are projected to grow by 34 per cent, while loans are targeted to grow in the range of 14 per cent.

As part of our efforts to be one of the key banks for the small- and medium-sized enterprises in Indonesia, we will encourage the growth of the best startups in the field of Financial Technology (FinTech). The Bank will tap on programmes organised by The Finlab, a joint venture company in Singapore set up by UOB and Infocomm Investment Pte Ltd, to bridge the financial needs of business enterprises with the Bank's suite of products and services.

Commercial Banking

The Commercial Banking segment offers banking products and services in 3 (three) sub-segments; Enterprise Banking, Industry Group and Commercial Wealth Management. Enterprise Banking serves medium-scale commercial customers with a loan value of IDR18 billion to IDR60 billion. In the Industry Group, the Bank serves major commercial customers with a loan value beyond IDR50 billion and not categorised as Corporate Banking customers. Other than loans for the industrial sector, the Bank also offers a non-bank deposit facility under the Commercial Wealth Management sub-segment focusing on supporting credit growth.

Commercial Banking is spread out across cities in Indonesia to capture the trade flows and value chain. Commercial Banking aims to be a prominent player in Tier 1 cities, namely Jakarta and Surabaya and become a key provider of trade finance in Indonesia. The delivery of products and programs in

Commercial Banking is packaged to meet the specific financing requirements and transaction value. To better serve the needs of this sector, the Bank has divided the types of financing into several programs, namely, Invoice Financing, Heavy Equipment Financing, Commercial Vehicle Financing, Construction Financing and Commercial Property Financing.

Invoice Financing is a short-term working capital aimed at financing the accounts receivables of a company.

Heavy Equipment Financing is an investment facility to finance the purchase of heavy equipment falling under the category of capital/investment goods. Repayment of such a facility is made by regular installments for a specific duration.

Commercial Vehicle Financing to companies who wish to purchase new commercial vehicles such as trucks or buses. The loan repayment is done through regular installments for a specific duration.

Construction Financing is an investment facility that finances the construction of a new commercial property, rehabilitation, modernisation, expansion and business relocation. The loan is provided based on mutually agreed disbursement and repayment schedules.

Finally, Commercial Property Financing is provided for the purchase of readily available commercial property, solely used for commercial purposes. The Loan drawdowns and repayments follow the mutually agreed schedules.

In 2015 the Bank maintained a tight selection and prudent processes to avoid high risk credit exposures. While being vigilant on lending, the Bank balanced the business by focusing on gaining third party funds. The income from Net Profit Before Taxes (NPBT) for Commercial Banking dominated the income contribution of the Bank's NPBT, at 71 per cent. Meanwhile the loan portfolio accounted for 40 per cent of the total loan portfolio of the Bank. The Bank's cautious lending approach affected the loan portfolio, dropping slightly to IDR24.5 trillion, or down 5.35 per cent compared to 2015. However, NPLs also improved, by 3.10 per cent, a reduction of 1.78 per cent from 4.88 per cent in 2014.

To maximise the potential of regions, the Bank implemented a refocused strategy by grouping regions/cities into three tiers. This resulted in an optimised and focused approach towards regions within the same tiers. This approach is believed to be more effective in capturing opportunities for funding and loan disbursement. The accumulation of third party funds is focused on CASA products that are linked with cash management to support the liquidity for Commercial Banking and increase interest income. We continue to create synergies with product partners and successfully cross-sell products.

Management Discussion and Analysis

Trade finance is one of the main drivers for this segment as it can cover the various financing needs of the client, starting from the purchase of raw materials to supporting receivables due from finished goods. Trade finance can increase fee-based income and can be packaged with cash management and treasury products.

In 2016, Commercial Banking has outlined strategies and plans to grow the business including:

1. Focusing on penetrating clients for the delivery of cash management, treasury and loan products.
2. Client acquisition for BIB Plus.
3. Collaboration with the Investment Board in East Java to attract foreign investors.
4. Penetrating the Chinese business community through customer events and leveraging the Tier 1 UOB network and brand

Corporate Banking

Corporate Banking provides solutions to large-scale corporate customers in optimizing operational activities and cash flow, managing business risks, and supporting customers' plans to expand and/or enter new markets.

Corporate Banking customers comprise of corporate clients with large-scale businesses from the private sector, publicly-listed companies and state-owned enterprises. They are divided into four large industry groups:

1. Diversified: Technology, Media, Telcommunication and Infrastructure
2. Food & Beverage, Agribusiness and Fast Moving Consumer Goods
3. Resources: Oil & Gas, Mining and Chemicals
4. Property, Logistics and Transportation

The funding products that are offered cover demand deposits and time deposit accounts, and various cash management products including cash solutions tailored to meet the specific requirements of each customer. On the financing side, the Bank provides conventional lending products as well as specially structured products for bilateral loans, club deals and syndicated loans. Bundled services include products from Transaction Banking and Treasury.

In 2015, the Corporate Banking segment achieved a revenue of IDR258 billion, triggered by the growth in the lending portfolio IDR13.59 trillion, a 41 per cent increase over the previous year that recorded revenue of IDR9.29 trillion. The increase in this portfolio was driven, amongst other things, by the relatively high utilisation of loans, which 22 per cent of the Bank's total loans. Meanwhile, the total accumulation of third party funds for Corporate Banking was recorded at IDR8.87 trillion, a decrease of 18 per cent compared to the previous year. One of the reasons for the decline was efficiency strategies applied by

corporate customers in reducing non-productive funds and/or the repayment of loans bearing high interest rates. Third party funds from this segment contributed 14 per cent of the Bank's total third party funds.

Corporate Banking achievements are recognized by the industry in the form of awards. In 2015, the Bank received an award from The Asset Triple A for the *Best Trade Finance Solution* category for an innovative solution applied to one of its customers, PT Sukses Mantap Sejahtera. This was the fourth consecutive award received by the Bank.

In 2016, the development in the Corporate Banking segment will still focus on continuing various activities in the funding and lending sectors. Careful selection and prudence will be the main principles used in extending loans, including the selection of specific industries with low levels of risk, application of hedging for clients with mismatched exposures to foreign currencies and interest rates, increased tight monitoring and ensuring disciplined execution of account plans. In an effort to increase funding, the Bank will focus on implementing an end-to-end approach on client funds and servicing each of the requirements within the customer's operational cash cycle. Clients will be directed towards utilising the BIB Plus platform to generate higher transaction and CASA volumes.

Financial Institution

Financial Institution plays an important role in developing the Bank's business, through partnership with other financial institutions. In line with this role and to support the Bank's business strategy, Financial Institution provides a broad spectrum of specialised banking services to financial institutions, including non-banks, both from domestic and international origins, performed on a reciprocal basis. Financial Institution focuses on developing business through funding, financing, as well as markets and transactional solutions, in cooperation with the Global Markets and Transaction Banking product partners.

In 2015, the Bank conducted a reclassification of client segments to enhance reciprocal-based solutions to meet the needs of the respective sectors. This was performed with the interest to provide focused and reciprocal solutions which meet the required characteristics of each sector, that covers Banking, Diversified Financials, Insurance companies, Fund Management companies and Public sector companies.

In 2015, the Financial Institution segment recorded a growth in income of 93 per cent compared to the previous year. Net Profit before Tax reached IDR87.9 billion, contributing 13.8 per cent of the Bank's total income. This achievement was mainly due to the 44 per cent increase in client transaction volume for Global Markets products with income achieved in 2015 recorded at IDR5.76 billion, up by 29.80 per cent compared to last year.

Through a collaborative approach with our Global Markets product partner, the Financial Institution segment helped achieve the Bank's first cross currency swap hedging transaction for a client, with tenors of one to three years. Meanwhile, income from Transaction Banking products grew 91.70 per cent to IDR106.6 billion from IDR55.6 billion in 2014. This was the result of an increase in interest income of IDR53 billion, representing 82.97 per cent of the total Transaction Banking income for 2015.

The accomplishment of the Financial Institution segment is the result of a customer-centric approach. The bank invested time and effort in gaining a deeper understanding of client needs and provided solutions that yielded optimum results for both client and the Bank. Synergies between the Financial Institution segment and its product partners benefited clients with tailor-made solutions, resulting in customer satisfaction and subsequently customer loyalty.

As the Bank faces challenges in 2016, the Bank will continue to focus on the five priority sectors, namely Banking, Diversified Financials, Insurance companies, Fund Management companies and Public sector companies. This is done to improve the delivery of products and services with the support of the UOB Group network. In addition, the Financial Institution segment is also focused to support the Bank's activities by seeking to stabilise the Bank's funding structure, increase the Bank's funding, cautiously extend credit facilities, and emphasize growth of non-interest income through solid collaboration between product partners in the Bank.

Transaction Banking

As part of the UOB Group, the Bank has an adequate capacity as a banking service provider with expertise in giving total and integrated solutions on accounts receivable, accounts payable, cross-border trade transactions and the liquidity management to fulfill the customers' diverse needs.

The Transaction Banking Group is developed according to UOB Indonesia's focus on the large-scale corporate segment to expand the entire transactional services. Transaction Services are offered in 2 (two) primary products, Trade Finance and Services and Cash Management, as detailed below:

Cash Management

Cash Management services offers product solutions that support corporate clients in managing operational cash flow, such as settlement or payments, receipt or collection, and managing cash liquidity. These products and services aim to make daily transactions easier with the goal of achieving efficiencies in time and cost.

Trade Finance & Services

Trade Finance & Services cover clients' transactional activities related to international and domestic trade. The Bank is equipped with a product specialist team which has extensive experience and capabilities backed by personnel with international credentials. The team specialises in recommending solutions that will facilitate trade transactions.

In 2015, Transaction Banking revenue recorded a growth of 24 per cent, contributing 29 per cent of the Bank's total revenue. On the funding side, total third party funds reached IDR37.5 trillion by year-end, with CASA balance growth of 10 per cent compared to the previous year. Financing from Trade Finance & Services grew by 31 per cent from last year's levels. Financing activities cover all trade assets, including trade bills. The achievements of 2015 earned the Bank The Asset Asian Award in the Best Trade Finance Solution category for the fourth time since 2012. This recognition reflects the Bank's commitment in providing the best solutions for clients, particularly in the trade finance area.

In 2016, the Bank will continue to develop quality products and services that provide value-added benefits, and leverage on advanced technology to offer safe and simple processes. Such developments include:

- Enhancement of Business Internet Banking product, or BIB Plus, with additional competitive features.
- Development of the Liquidity Management System to provide clients with regional access.
- Upgrading the host-to-host capability solution to accommodate direct instructions from clients' accounting systems.

Additionally, the Bank will develop Trade Credit Insurance on trade finance through a partnership with credit insurance to manage clients' sales exposure portfolio. This product will protect the Bank's lending portfolio in the event of non-payment by the counterparty.

Global Markets

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

The Global Markets unit focuses on providing service and product solutions for customers requiring activities related to foreign currency and interest rates, such as foreign currency exchange, derivatives, structured products, market securities investment and money market transactions.

Management Discussion and Analysis

Throughout 2015, Global Markets successfully booked nearly 100 per cent of the budgeted target income, closing at IDR222 billion, and contributing 22.50 per cent of the Bank's Net Profit Before Tax (NPBT), or IDR143.5 billion. This achievement was possible due to the partnership between Global Markets and business segments in increasing the client base for executing transactions using foreign currency products, marketable securities, and derivatives. In 2015, the flow of volume for client transactions increased significantly, as a result of effective collaboration between Global Markets and the respective business segments, as well as increased productivity from the sales team who were committed and focused on providing competitive pricing. Another achievement in 2015 was the launch of Supremus Deposit, a new product designed as an investment alternative targeting individual clients.

Moving towards 2016, the Bank will establish a Rupiah Centre of Excellence. Global Markets will also focus on raising the flow of stable income by growing the revenue from warehousing activities and increasing transaction flow from clients, leveraging the cross-border network and increasing trust-based relationship between market makers as well as the sales team to gain incremental transaction volume through price transparency. Meanwhile, the Bank will take initiative in providing product solutions to better serve client's needs as well as enhance collaboration and synergy across business segments.

Distribution Channels

Marketing and Network

The Bank continues to offer access to transactions through its branch office network and ATMs that are located throughout the major cities of Indonesia. The Bank's physical presence also reflects the Bank's brand image, increasing brand awareness and allowing the Bank to be visible within its surrounding environments.

In 2015, the Bank continued to optimise its distribution channels to maintain and develop its market share through customer needs analysis and the anticipated requirement for services and related Human Resources. The Bank focused on developing its franchise, increasing branding, and maintaining the quality of Human Resources in the business, operational and risk management fields. As at the end of 2015, the Bank's network was supported by 188 operational offices in 30 cities throughout Indonesia.

To ensure ease of access in executing transactions, the Bank has built partnerships and marketing campaigns with ATM networks operating in Indonesia and worldwide. The Bank currently is a member of *ATM Bersama*, *ATM Prima*, and *VISA*. In 2015, the Bank operated a total of 180 ATMs spread out over 30 cities.

For 2016, the Bank will continue to develop services to improve the service quality of transactions and to promote the government's program to move towards a cashless society by increasing cashless transactions. This will require the Bank to increase electronic distribution channels through Internet Banking for retail customers which will be launched in 2016. In addition, the Bank will also extend its network to additional strategic locations which have business potential, and will maximise the contribution from all of the Bank's network offices. The physical upgrade of branch offices will be performed in stages so customers can still transact with the same service standards, and employees can work in a safe environment. Weekend Banking will also be launched in 2016.

Service Quality

UOB Indonesia aims to target a Customer Service Index (CSI) level of 85 per cent by the year of 2018, a journey requiring sustainable efforts to bring us to the next level. Throughout 2015, a series of customer service programmes have been conducted to embed the Service Culture Mindset including the implementation of Branch Service Quality Assurance at the branch and frontliners level. Process improvement driven projects continued to be implemented to ensure that our work flow procedures are responsive and meet the customers' expectation.

A regional programme under the Customer Commitment Award was rolled out across all countries to identify the best individual role models and teamwork servicing our customers at its best. The announcement of the winner will be announced at the Regional Award in Singapore.

In year 2016, we expect to continue enhancing the quality of our customer service frontliners and keep improving our internal processes in order to meet customer satisfaction.

Human Capital

Human Resources (HR) plays an important role in keeping the bank on course for long-term business growth. In an effort to cope with a challenging situation, the Bank optimises HR potential by improving its integrity and competency and focusing on recruiting qualified and reliable people. Having some of the best talent available has supported the Bank in becoming one of the leaders in the industry. HR competency was improved in 2015 with the Bank implementing a new initiative to use a Key Performance Index (KPI), where employees were encouraged to play active roles in collaborating with other business lines and work functions to enhance communications and internal processes. Furthermore, HR competency development was carried out by focusing on the capability and talent of employees, along with good performance management implementation, clear career path establishment and providing industry competitive allowances.

HR Development Strategy

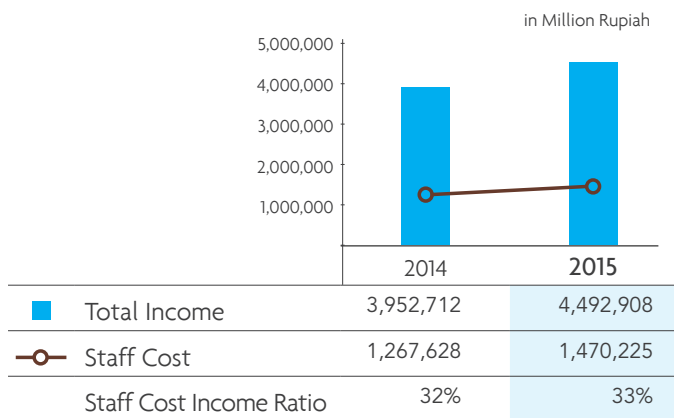
The Bank's HR work function focuses on HR development that supports the activities of the Bank by paying attention to continuous optimal productivity levels while adhering to Good Corporate Governance (GCG) principles.

The development of HR is implemented through the following analytical framework:

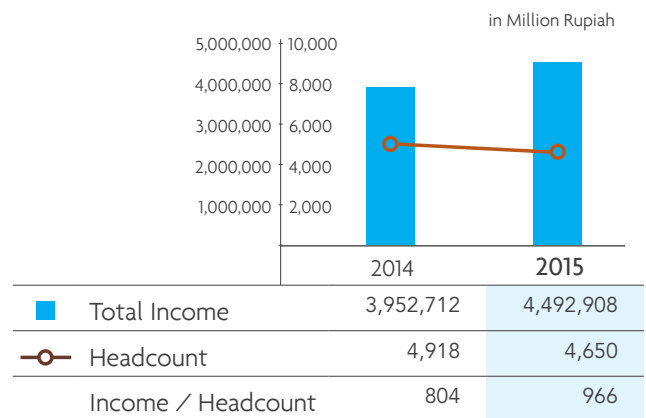
- **Span of Control and Capacity Analysis**
Analysing each work unit of the Bank in an effort to optimally utilise human resources through span of control and hierarchical levels. Such analysis ensures that each work unit operates efficiently, not overlapping with other work units and able to work productively.
- **Productivity Analysis**
Productivity analysis enables the Bank to measure the effectiveness of work units. Parameters used include the staff cost to income ratio, sales to non sales ratio and income per head count. These productivity ratios are expected to be maintained in line with business growth.

HR development will be carried out continuously in line with the Bank's growth and needs both at head office and branch offices. Organisational alignment will be conducted and evaluated periodically to achieve a better synergy between segments, functions and units.

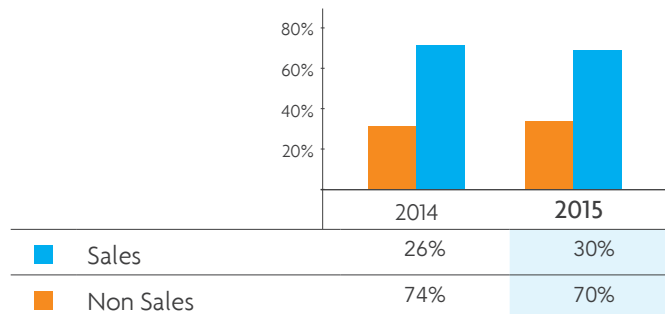
Staff cost to income ratio



Income per headcount



Sales to non sales ratio



Management Discussion and Analysis

Recruitment Policy

To meet the Bank's goals, highly qualified people are required to support productivity and growth. Accordingly, an objective recruitment mechanism based on "the right recruit" principle has been implemented, enabling the Bank to recruit qualified candidate employees with professional qualifications.

During 2015, the Bank increased the number of new graduate level employees to 248, up from 216 in 2014.

HR Competency Improvement

The Bank is committed to continuously developing the quality of its Human Resources by holding progressive and structured training that prioritizes the development of employees' competency. In 2015, as many as 4,674 employees participated in compulsory and other technical skills training programs. The total mandays in 2015 reached 23,856 days.

HR competency development programs in 2015:

Program Title	Cost (in Million Rupiah)	Number of Participants
Living our Values	1,466	1,809
Thunderbolt	3,599	2,101
Global Electronic Banking (GEB)	1,011	364
Management Associate Program (MAP)	1,784	12
Pipeline Program		
• Personal Banking Associate Program	2,477	14
• Funding Relationship Manager Management Program	512	57
Leadership programs:		
• Leadership Academy (level 1–3)	1,075	10
• SEED Foundation Program	1,497	77
AAJI & WAPERD	653	194
SMR	1,576	231



Living Our Values

To attain the Bank's vision, the Bank implemented a Living Our Values program in an effort to internalise understanding and implementation of the Bank's values; Hounourable, Enterprising, United and Committed.

Living Our Values program consisted of several training sessions, with the first training intended for the Senior Management, namely Board of Directors and Heads of Functions and the team leaders under them. The training consisted of 27 batches and involving 575 employees. The second training was followed by a weekly trust huddle program, a 14-week meeting session between leaders and their teams to discuss achievements and commitments in values implementation. The next training was conducted through townhall session which was attended by 1,234 employees. To support the overall penetration of value implementation the Bank also introduced technology-based

infrastructure, such as mobile application and microsite that are accessible by all employees and can be used as reference for behaviour in line with the Bank's Values.

Thunderbolt

Thunderbolt program is a risk management program related to anti money laundering and terrorist financing. One of the training sessions conducted was the socialisation related to the role and the implementation of steps of customer due diligence and enhanced due diligence. The program participants involved included representatives of anti money laundering from each working unit, from tellers and customer service to back office staff at branch offices. The training was conducted in 48 batches and covered 2,101 workers.

Global Electronic Banking (GEB)

In 2015, the Bank upgraded its infrastructure system by launching Global Electronic Banking (GEB) and iBranch to improve customer service quality. In line with the new system implementation, the Bank trained employees for the system usage. The target audience for GEB training was Relationship Managers from Commercial Banking, Corporate Banking and Business Banking segments and other related functions such as Call Center and IT. The training was conducted in 12 batches and attended by 364 employees. The target audience for iBranch training was tellers, customer service and sub-branch managers, conducted in 13 batches for 857 employees.

Management Associate Program (MAP)

Management Associate Program (MAP) is one of the development programs in form of in-class training for fresh graduates which covers general banking knowledge, non-technical skills and direct involvement in the Bank's projects, both locally and abroad. Total number of participants in 2015 was six.

One of the programs in MAP in 2015 included financial literacy development program, where MAP participants from UOB Singapore and UOB Indonesia collaborated to present materials course such as investment, insurance and financial budgets to students at high schools in Jakarta.

Pipeline program

To improve sales processes and to accelerate business growth, the Bank continued to prepare cadres of future leaders through development programs, namely:

- Funding Relationship Manager Management Program (FRMP) which was intended for funding RMs in the SME segment
- Personal Banking Associate Program (PBAP) which was intended for those in Personal Banking in the retail segment

Leadership program

The structure of the Program was improved through a broader range of learning methods, such as face to face sessions, e-learning, simulation, projects and coaching which was intended for employees at senior, middle and junior levels.

- Leadership Academy, a collaboration program between UOB and Singapore Management University, is a development program for employees with outstanding performance. The program aims to provide working experience through project collaboration with employees from other UOB networks, where projects are based on real life issues at UOB.
- SEED (Strategize-Engage-Execute-Develop) Foundation Program is intended for all employees, divided into three (3) levels; senior, middle, and junior employees. This program uses competency-based Strategize, Engage, Execute and Develop (SEED) which covers behavior that employees must exhibit consistently in order to achieve optimum performance and develop the managerial capabilities of participants.

Looking ahead, the Bank will continue to provide employee development programs which focus on various leadership, values and competency issues and continue to groom young talent through Regional MAP and *Karya Bakti* Programs. These programs are intended to develop quality employees to be the future leaders of UOB. Additionally, the Bank will continue to provide other programs, such as SMR, WAPERD AAJI, Know Your Employee, IT security, and New Employee Orientation Program (NEOP).



Management Discussion and Analysis

Performance Management

The Performance Panel is responsible for the process of calibrating and ranking employee performance as a way to compare employee performance between the same work function and job title. The objective is to obtain a consistent quality of performance assessment for similar functions across the Bank.

Panel implementation is conducted from Division level up to Work Function level, accompanied by HR from the respective Business unit.

Talent Management

As a form of commitment to developing high performing and high achieving employees, the Bank periodically reviews talented employees through Organization & People Review (OPR). OPR aims at providing a mechanism to discuss main issues relating to the organization including:

- Talent and leadership.
- Identifying employees who excel and have the potential to be developed into cadre of future leaders.
- Forming a talent pool for the bank to improve leadership capabilities of the organization.
- Planning the regeneration of leaders for key positions to maintain continuity of the Bank.
- Implementing a more intensive and focused development program in line with the Bank's overall human resources plan for better-performing employees.

The Bank also evaluates the talent pool periodically using assessment methods that are continuously being developed. The Bank currently uses performance and potential criteria as parameters in evaluating the talent pool which can be viewed from the potential indicator score based on the employee learning agility assessment results.

Talent Acquisition Process through Creative Media

In addition to conventional media, the recruitment process is carried out using creative media such as website or social media promotions to attract qualified candidates. The talent management process starts from the recruitment process in which the Bank selects the qualified candidates, pro hires or fresh graduates. The recruitment process involves on-boarding and induction processes to embed the Bank's values and assign a buddy (companion) to the new employee.

Employee Rewards and Remuneration

An assessment of total employee compensation is conducted continuously with periodic reviews with regard to the principles of 3P, Position (pay for position), Performance (pay for performance), Competency (pay for person). In line with the Bank's strategy, a performance-based remuneration strategy becomes the prevailing policy. Employees who have contributed and performed well are eligible to receive variable compensation in form of sales incentives or bonuses in line with the Bank's performance and capacity to pay. None of the Bank's employees receives salary below the Minimum Wage as set by the Government

To boost the motivation of all employees to achieve outstanding performance, the Bank provides a scholarship to employees who are able to demonstrate an outstanding contribution and performance as well as scholarships to employees' children who excel.

For employees with outstanding performance in the previous year, the Bank has the UOB Recognition Award Program for 'Best Individual Award' and 'Best Function' to improve motivation, retention and build a performance-led culture.

Throughout 2015, employees in the High Performer category who resigned was just 6.6 per cent, down from 12.6 per cent in 2014. This figure is still lower than the threshold set by Risk Management which is 15 per cent per year.

To reduce the number of employee resignations, the Bank has taken the following steps:

- Retaining employees, by adjusting salaries according to the market using a benchmarking process against similar businesses to ensure compensation is within the normal range.
- Improving knowledge and skills of employees through various training and development programs.
- Carrying out career management planning to provide guidance to employees about career opportunities along with future competency requirements to enable employees to plan and manage the progress of their careers.
- Maintaining a close relationship with employees through an action planning program to achieve a balance between work routine, personal lives and teamwork, so to ensure employees remain committed to their work.
- Providing forums for sports and arts communities and holding a variety of activities on national days to boost a sense of nationalism.





Welfare Improvement

The Bank always attend to the welfare of employees through a wide range of HR such as enrolling all employees in Workers Social Security Agency (BPJS Ketenagakerjaan) and Healthcare Social Security Agency (BPJS Kesehatan). In an effort to improve employee's motivation and engagement, the Bank introduced its "Wellness Program" which, among other things, provides employees and their families with more flexible medical facilities according to their needs, health screening, and health talks. To support employee's worklife balance the Bank implemented Flexi Working Hours.

Human Resources Information System

The Bank continues to improve its HR Management System processes and to facilitate employees with Employee Self Service and Manager Self Service. Developments in the HR Management System included BPJS Kesehatan membership data processing.

In an effort to support the development of competency programs, talent management and regional-based career succession planning, the Bank plans to implement a new HR Management system sponsored by UOB Group. This system uses System Application and Product (SAP) application in data processing where Employee Self Service and Manager Self Service are able to view foreign talent profiles in preparation for the Asean Economic Community. This project will be implemented in 2016.



Industrial Relation Management

The Bank recognises the importance of building strong communications and industrial relations in line with its work culture. The future growth of the Bank relies on good and harmonious working relationships between management, employees and labor unions. Mutual agreement between management and labor unions are secured in the form of the Collective Labor Agreement (CLA) 2015-2017 which reflects the employees' participation in the Bank's development.

The year 2015 was full of challenges. The Bank, therefore, continued to implement initiatives to remain productive. These initiatives included; spurring growth in all business segments, improving operational cost efficiency as well as improving HR management. One of the efficiency initiatives the Bank has taken was to review and evaluate under-performing branch offices as the result of optimising and centralising various business units. These initiatives were approved by the Regulator and implemented in collaboration with the Labor Union and employees as stakeholders in a transparent and conducive manner.



Management Discussion and Analysis

Policy on the Use of Expatriate and Outsourced Workers

In line with its regional development concept, the Bank also educates the employees to become professionals with regional insights. Accordingly, from time to time the Bank hires expatriate workers to help build infrastructure and ensure sound business development. In addition, employee exchange between countries is made to occupy temporary positions or work on special projects.

Outsource Workers are utilised by the Bank in areas that are permitted by the Minister of Manpower and Transmigration of the Republic of Indonesia No. 19/2012 and the Circular Letter (SE) of the Minister of Manpower and Transmigration No. SE.04 / MEN / VIII / 2013.

HR Profile

UOB Indonesia is supported by a board of management and employees at head office, branch offices and sub-branch offices. The total number of employees as at the end of 2015 reached 4,650 with the majority of employees being between the ages of 25 and 45.

The following are details of all employees based on job rank, education, age, years of service, work function and gender:

Table of Employee Composition Based on Rank

Description	2015	2014
Senior Management	113	99
Middle Management	262	230
Junior Management	1,747	1,768
Staff	2,332	2,592
Non Staff	196	229
Total	4,650	4,918

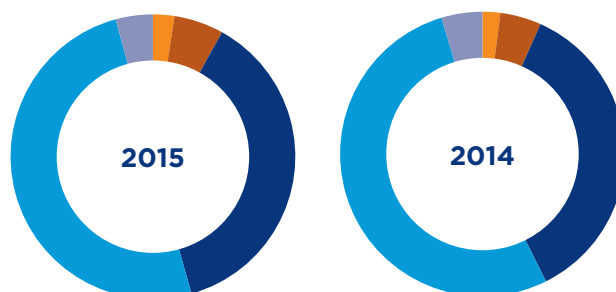


Table of Employee Composition Based on Educational Background

Description	2015	2014
Others	766	867
Diploma	519	556
Under Graduate	3,117	3,279
Master & Post Grad	248	216
Total	4,650	4,918

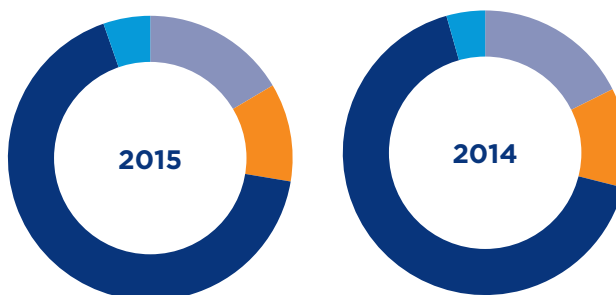


Table of Employee Composition Based on Age

Description	2015	2014
< 25	184	184
25 – 29	735	735
30 – 34	1,102	1,102
35 – 39	1,007	1,007
40 – 44	699	699
> 45	923	923
Total	4,650	4,918

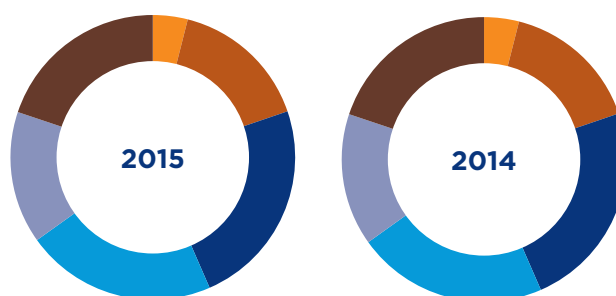


Table of Employee Composition Based on Years of Service

Description	2015	2014
■ < 1 years	391	758
■ 1 - 4 years	1,740	1,710
■ 5 - 9 years	917	598
■ 10 - 14 years	494	337
■ 15 - 19 years	395	745
■ >20 years	713	923
Total	4,650	4,918

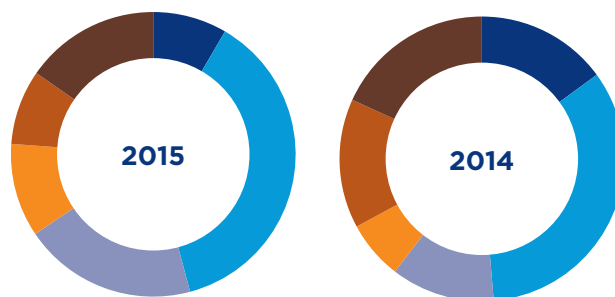


Table of Employee Composition Based on Work Function

Description	2015	2014
■ Channels	1,697	2,051
■ Corporate Support	365	381
■ Global Market	55	57
■ Retail segment	1,639	1,446
■ Technology And Operations	592	679
■ Wholesale Segment	302	304
Total	4,650	4,918

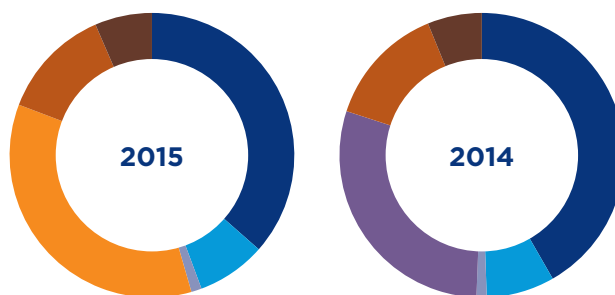
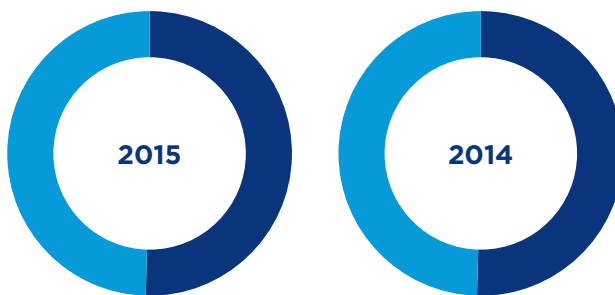


Table of Employee Composition Based on Gender

Description	2015	2014
■ Female	2,345	2,474
■ Male	2,305	2,444
Total	4,650	4,918



Management Discussion and Analysis

HR Development Plan for 2016

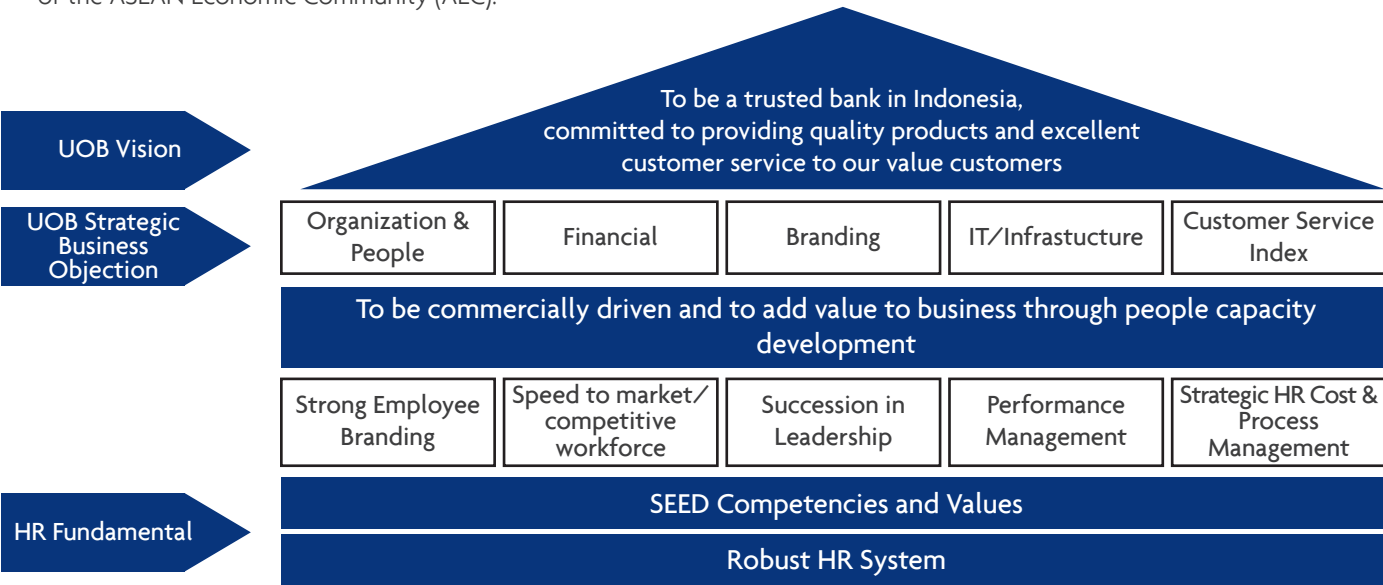
The role of HR has been transformed from being administrative and employee monitoring function to being a partner supporting the business units of the Bank.

The strategy implemented to ensure that the HR function adds value to the Bank, includes:

- Building a strong image as a trusted bank by creating an encouraging and motivating working environment in accordance with the Bank’s performance-driven and upholding the values of the Bank so as to attract qualified workers.
- To build a competent and dynamic workforce that is quick to respond to changes in the industry or banking environment, remaining efficient, effective and providing optimal results particularly when facing the challenges and opportunities of the ASEAN Economic Community (AEC).

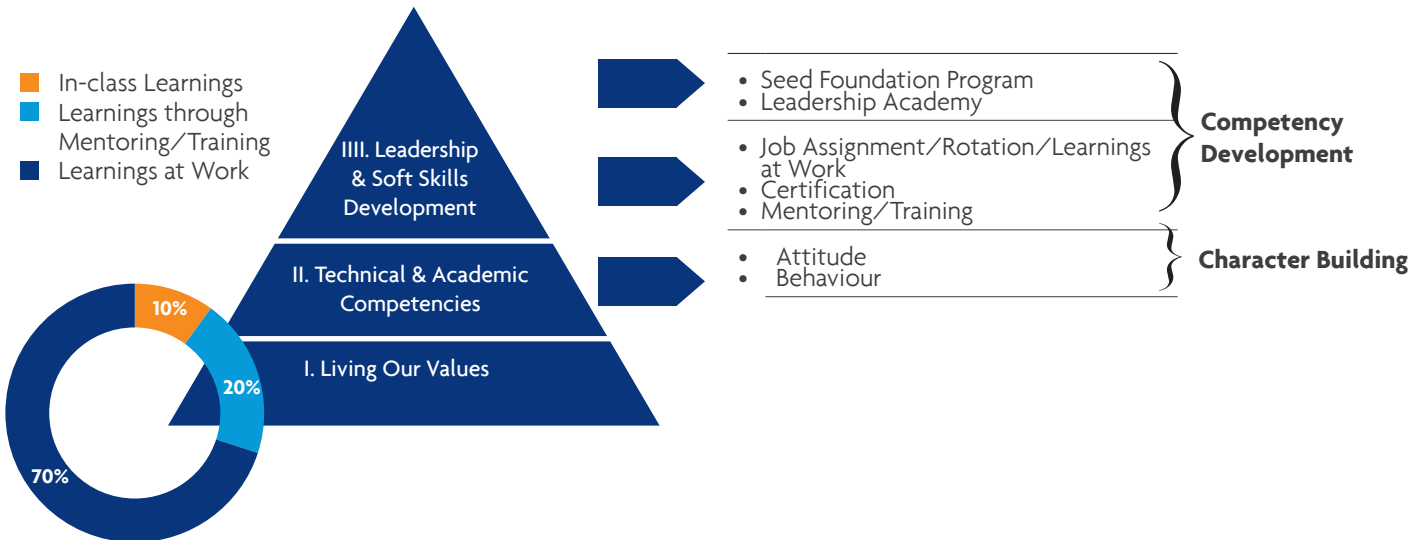
- To prepare a leadership cadre in the senior and middle level management to ensure the Bank’s business continuity by implementing structured career development supported by a working climate which fosters continuous learning.
- To drive performance and achievement aligned with its performance management strategy fitting the Bank’s strategic objectives where the results and achievements will be appreciated and evaluated in a transparent and objective manner.

The Bank continues to carry out enhancements and performance improvements in line with its strategic framework



The Training Program Plan refers to a development framework which consists of 70 per cent workplace learning, 20 per cent

of learning through coaching/training sessions and 10 per cent in form of in-class training.



Financial Review

Comprehensive Analysis of Financial Performance

This financial performance review is prepared based on the Financial Statements of PT Bank UOB Indonesia compiled and presented according to the Indonesian Financial Accounting Standards. The entire information in the financial statements have been presented completely and accurately.

Financial statements of PT Bank UOB Indonesia have been audited by the independent auditor of Public Accounting Firm Purwanto, Sungkoro & Surja (member of Ernst & Young Global Limited), and was given unqualified opinion in all material aspects, financial position of PT Bank UOB Indonesia as of 31 December 2015 and 2014, financial performance and cash flow for years ended on the respective dates, according to the Indonesian Financial Accounting Standards.

Statement of Comprehensive Income (in IDR Million)

Statement of Comprehensive Income (in IDR million)	2015	2014*)	Growth (%)
Interest income	7,192,872	6,834,553	5%
Less : Interest expense	4,116,397	3,818,842	8%
Interest income – net	3,076,475	3,015,711	2%
Other operating income	681,315	542,101	26%
Less : Operating expenses	3,127,241	2,650,567	18%
Operating income	630,549	907,245	-30%
Non-operating income – net	7,823	26,047	-70%
Income before tax expense	638,372	933,292	-32%
Less : Tax Expense	175,296	249,180	-30%
Income for the year	463,076	684,112	-32%
Other comprehensive (expense)/income for the year - net of tax	(43,001)	82,795	-152%
Comprehensive income for the year	420,075	766,907	-45%

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

Interest Income

Interest income generated from loans, financial investment, placements of funds and giro with Bank Indonesia and other banks.

Interest Income (in IDR million)	2015	2014	Growth (%)
Loans	6,581,647	6,327,504	4%
Financial investments and placements with Bank Indonesia	528,154	382,873	38%
Current accounts with Bank Indonesia and other Banks	47,930	55,644	-14%
Placements with other banks	35,141	68,532	-49%
Total	7,192,872	6,834,553	5%

The Bank decreased an interest income of IDR7,192 billion in 2015, up 5 per cent from IDR6,835 billion in 2014. Interest income from loans was the major contributor, accounted for 91.50 per cent of the total interest income, up 4 per cent from the previous year, supported by a 9 per cent growth in the loan portfolio to IDR61,355 billion in 2015 from IDR56,486 billion in 2014.

In 2015, the average contractual annual interest rates for Rupiah loans decreased to 12.14 per cent from 12.27 per cent in 2014. However, the average contractual annual interest rates for foreign currency loans increased from 5.09 per cent in 2014 to 5.23 per cent in 2015.

Management Discussion and Analysis

Interest Expenses

The Bank incurred interest expenses from term deposits, debt securities, savings, current accounts, government guarantee premiums, placements with other banks and others.

Interest Expenses (in IDR million)	2015	2014	Growth (%)
Time deposits	3,326,065	3,276,487	2%
Debt securities issued	224,237	68,731	226%
Saving deposits	197,449	143,721	37%
Demand deposits	197,326	143,598	37%
Premium on Government guarantee	134,918	116,762	16%
Deposits from other banks	36,222	69,543	-48%
Others	180	-	100%
Total	4,116,397	3,818,842	8%

Interest expenses stood at IDR4,116 billion in 2015, up IDR297 billion or 8 per cent compared to 2014, mainly due to an increase in interest expenses from debt securities and third-party funds.

Interest expense on third party funds increased by 4 per cent was in-line with increase in third party funds which mainly contributed by increase in saving deposits.

Interest expenses from debt securities increased by IDR155 billion, which was used to pay for the interest of Bank UOB Indonesia Bond I, worth IDR1.5 trillion, issued in April 2015.

Other Operating Revenues

Other Operating Revenues (in IDR million)	2015	2014	Growth (%)
Administration fees and commissions - net	205,600	228,926	-10%
Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net	96,679	50,238	92%
Gain from foreign currency transactions	226,485	128,253	77%
Others - net	152,551	134,684	13%
Total Other Operating Revenues - Net	681,315	542,101	26%

Operating revenues in 2015 stood at IDR681 billion, up 26 per cent from IDR542 billion in 2014, contributed mostly by rising profit from foreign currency transactions, which surged by 77 per cent in 2015 to IDR226 billion from IDR128 billion in 2014. Operating revenues from profit realized and from traded stocks unrealized and normal change of value of traded stock surged by 92 per cent to IDR97 billion in 2015 from IDR50 billion in 2014. Other operating revenues also increased by 13 per cent to IDR152 billion in 2015 from IDR135 billion in 2014.

On the other hand, other operating revenues from commissions and administrative services decreased 10 per cent to IDR206 billion in 2015 from IDR229 billion in 2014.

Operating Expenses

Operating costs incurred from allowance for losses resulting from impairment of financial asset value, salaries expenses and employee benefits, general and administrative expenses.

Operating Expenses (in IDR million)	2015	2014	Growth (%)
(Provision for) reversal of impairment losses:			
Financial assets	(656,892)	(474,359)	38%
Foreclosed assets	513	5,388	-90%

Operating Expenses (in IDR million)	2015	2014	Growth (%)
Total Provision for Impairment Losses	(656,379)	(468,971)	40%
Other Operating Expenses			
Salaries and employees' benefits	(1,470,225)	(1,267,628)	16%
General and administrative expenses	(1,000,637)	(913,968)	9%
Total Operating Expenses	(3,127,241)	(2,650,567)	18%

Other operating cost in 2015 stood at IDR3,127 billion, up 18 per cent compared to the previous year due to a higher provision for financial asset value impairment of IDR656 billion in 2015 from IDR469 billion in 2014 in accordance with the application of the Bank's prudent principle to anticipate and to mitigate the risks of failed payments on credit portfolios.

Employee salaries and benefits increased by 16 per cent to IDR1,470 billion in 2015 from IDR1,267 in 2014. General and administrative expenses increased by 9.5 per cent to IDR1,001 billion in 2015 from IDR914 billion in the previous year.

The higher salaries and employee benefits expenses were mainly caused by a 45 per cent increase in social security benefits, from IDR27 billion in 2014 to IDR40 billion in 2015, in line with a government regulation requiring every company to enroll its employees in the workers' social security program (BPJS Ketenagakerjaan), as well as annual salary and wage increases.

The rise in general and administrative expenses was mainly driven by the increase in the depreciation of fixed assets related

to the addition of fixed assets, increase in regulatory fees and the increment in outsourcing services.

Profit Before Tax

The Bank recorded a profit before tax of IDR638 billion in 2015, decreased by 31.6 per cent from IDR933 billion in 2014, as the Bank increased in the allowance set aside for impairment of financial asset value in line with the implementation of the prudent principle by the Bank to anticipate and to mitigate risks of failed payments in loan portfolios.

Comprehensive Income for the Year

Net profit was recorded at IDR463 billion, lower from the previous year's IDR684 billion due to the development of loss reserves for the decline of financial assets. The Bank's current year comprehensive income stood at IDR420 billion, lower by 45 per cent compared to IDR767 billion recorded in the previous year, resulting in an unrealised loss on marketable securities amounting IDR68 billion (net amount after taxes) and allocated actuarial profits from benefits program for the amount of IDR25 billion (net amount after taxes).

Statement of Financial Position

Assets

Assets (in IDR million)	2015	2014	Growth (%)
Cash	516,244	591,145	-13%
Current accounts with Bank Indonesia	5,454,283	5,327,965	2%
Current accounts with other banks	703,809	1,242,511	-43%
Placements with Bank Indonesia and Other Banks	2,855,655	5,237,600	-45%
Trading securities	1,556,498	400,563	289%
Financial investments – neto	10,379,216	6,627,183	57%
Derivatives receivable	141,727	238,965	-41%
Loans – neto	60,573,523	55,832,869	8%
Acceptances receivable – neto	2,613,112	3,133,200	-17%
Fixed assets – neto	1,135,316	988,875	15%
Other assets – neto	717,942	428,729	67%
Total Aset	86,647,325	80,049,605	8%

In 2015, the Bank's total asset reached IDR86,647 billion, increased by 8 per cent from IDR80,050 billion in 2014. The growth in asset was due to 57 per cent increase in financial investment to IDR10,379 billion and contribution due to growth in credit of 8 per cent to IDR60,574 billion compared to IDR55,833 billion in the previous year.

Current Assets

Current assets include cash, current accounts placed with Bank Indonesia and other banks, placements with Bank Indonesia, other banks and financial institutions, traded stock and financial investment, derivative receivables, loans and acceptance claims. The Bank's current assets stood at IDR84,794 billion in 2015, up 8 per cent from IDR78,632 billion in the previous year, mostly attributed to an increase in traded stock by as much as 289 per cent to IDR1,556 billion in 2015 from IDR401 billion in 2014. Financial investments also increased by 57 per cent to IDR10,380 billion in 2015 from IDR6,627 billion in 2014. Investments in traded stock and financial investments to channel the Bank's excess liquidity were temporary.

Non-Current Assets

Long-term assets consist of fixed assets and other assets. The long-term assets value stood at IDR1,853 billion in 2015, up by 31 per cent from IDR1,418 billion in 2014 resulting from an increase in other assets by 67 per cent and in fixed assets by 15 per cent.

Loans

Loans increased by 8.6 per cent to IDR61,355 billion in 2015 from IDR56,487 billion in 2014. The loan portfolio was a major contributor to Bank's interest income and accounted for 70 per cent of the Bank's total assets. The main contributor to loan growth were capital loans, which increased by 46 per cent in 2015 to IDR30,446 billion from IDR20,882 billion in the previous year, followed by multi-purpose loans and credit cards, which grew 25 per cent and 14 per cent, respectively.

Loans (in IDR million)	2015	2014	Growth (%)
Working Capital	30,446,637	20,882,866	46%
Investment	14,100,998	19,690,869	-28%
Housing	4,588,261	4,823,532	-5%
Credit Card	1,400,782	1,227,011	14%
Multi-purpose	1,822,771	1,457,133	25%
Motor Vehicles	25,601	28,726	-11%
Others	8,970,501	8,376,567	7%
Total	61,355,551	56,486,704	9%

Loans by segment (in IDR million)	2015	2014	Growth (%)
Commercial Banking	24,445,447	25,849,098	-5%
Corporate Banking	13,399,550	9,238,715	45%
Financial Institution	553,971	337,982	64%
PFS	8,012,080	7,491,202	7%
Business Banking	14,945,477	13,569,708	10%
Total	61,355,551	56,486,704	9%

In terms of segments, loan growth was mainly driven the 45 per cent increase in Corporate Banking loan portfolios to IDR13,399 billion in 2015 from IDR9,239 billion in 2014. Business Banking

also grew 10 per cent to IDR14,945 billion in 2015 from IDR13,570 billion in 2014. Meanwhile, Commercial Banking declined by 5 per cent.

Management Discussion and Analysis

contractual credit interest rate	Average interest rate	
	2015	2014
Rupiah	12,14%	12,27%
Foreign currencies	5,23%	5,09%

The average interest rate for Rupiah denominated loans in 2015 was recorded at 12.14 per cent down from 12.27 percent in 2014. The Bank strived to maintain the level of interest rates competitive with reasonable margins.

Liabilities

Liabilities (in IDR million)	2015	2014	Growth (%)
Current liabilities	61,920	67,710	-9%
Deposits	64,457,293	63,235,389	2%
Deposits from other banks	5,506,520	999,560	451%
Interest payable	243,086	218,173	11%
Taxes payable	211,401	120,418	76%
Derivatives payable	143,218	255,593	-44%
Acceptance liabilities	2,643,573	3,136,138	-16%
Borrowings	-	328,413	-100%
Tax liabilities - neto	26,219	101,879	-74%
Liabilities for employee benefit	186,262	207,743	-10%
Other liabilities	411,668	400,941	3%
Debt securities issued – neto	2,487,873	993,479	150%
Total Liabilitas	76,379,033	70,065,436	9%

Total liabilities increased 9 per cent to IDR76,379 billion in 2015 from IDR70,065 billion in 2014, driven mainly by a 451 per cent surge in savings in other banks, at IDR5,506 billion in 2015 compared with IDR999 billion in 2014. Debt securities soared by 105 per cent to IDR2,487 billion in 2015 from IDR993 billion in 2014.

Deposits from Customers

Deposits from Customers increased by 2 per cent to IDR64,457 billion in 2015 from IDR63,235 billion in 2014, driven mainly by savings, which grew 28 per cent to IDR12,623 billion in 2015 compared to IDR9,834 billion in 2014. Current accounts slightly

decreased to IDR6,887 billion in 2015 from IDR7,247 billion in 2014. Time deposits recorded at IDR44,946 billion.

Low-Cost Fund ratio of the Bank increased from 27.01 per cent in 2014 to 30.27 per cent in 2015 as a result of savings growth.

Savings growth was contributed by Uniplus, which rose by 573.87 per cent from IDR171 billion in 2014 to IDR1,152 billion in 2015. A new product, Biz88 also increased by IDR310 billion in 2015. This is in line with corporate strategy which targeted a more stable and affordable growth of Low-Cost Fund.

Customer Deposits	Average interest rate			
	2015		2014	
	Rupiah	Valas	Rupiah	Valas
Demand deposit	3,27%	0,11%	2,63%	0,04%
Saving deposit	3,37%	0,62%	2,62%	0,64%
Time deposit	8,84%	0,75%	9,41%	2,67%

In 2015 interest rates for Rupiah time deposits decreased to 8.84 percent compared to 9.41 percent in 2014, while interest rates for savings and current accounts increased. Interest rates on foreign currency deposits in 2015 for time deposits and savings deposits decreased compared to 2014, while demand deposits increased.

Debt Securities (Bond Issuance)

In March 2015 the Bank issued Bank UOB Indonesia Bonds I Year 2015 amounting to IDR1.5 trillion which consist of Bonds Series A, Series B and Series C with fix interest rate of 8.60 per cent, 9.40 per cent, and 9.60 per cent, respectively and tenor of 370 days, 3 years, and 5 years since issuance date, respectively.

Debt securities issued in 2015 recorded a balance of IDR2,487 billion, IDR1,493 billion from Bank UOB Indonesia's Bond I/2015 and IDR994 billion from Bank Indonesia's Subordinated Bond I/2014.

Equity

Total equity in 2015 stood at IDR10,268 billion, up 3 per cent from IDR9,984 billion in 2014. There was no capital addition in 2015 but equity increased by IDR327 billion through retained profits.

Equity (in IDR million)	2015	2014	Growth (%)
Share capital	2,388,471	2,388,471	0%
Additional paid-in capital - net	2,102,242	2,102,242	0%
Other comprehensive income	(193,030)	(150,029)	29%
Retained earnings			
- Appropriated	102,000	95,000	7%
- Unappropriated	5,868,609	5,548,485	6%
Total	10,268,609	9,984,169	3%

Cash flow

Cash flow statements were classified based on operating activity, investment and funding.

Cash Flows (in IDR million)	2015	2014	Growth (%)
Net cash provided by operating activities	14,941	2,355,007	-99%
Net cash used in investing activities	(3,879,044)	(987,407)	-293%
Net cash provided by financing activities	1,029,015	1,321,893	-22%
Net (Decrease)/Increased in Cash and Cash Equivalent	(2,835,088)	2,689,493	-205%

Net Cash Provided by Operating Activity

Net cash provided operating activities declined by 99 per cent to IDR15 billion in 2015 from IDR2,355 billion in 2014 due mainly to fund placements in time deposits and loans.

Net Cash Provided by Financing Activities

Net cash provided by financing activities declined by 22 per cent to IDR1,029 billion in 2015 from IDR1,321 billion in 2014 due to loan and dividend payment.

Net Cash Used in Investment Activities

Net cash used in investment activities rose by 293 per cent to IDR3,879 billion in 2015 from IDR987 billion in 2014 due to growing financial investment purchases.

Financial Ratios (in %)	2015	2014	Growth (%)
Capital Adequacy Ratio (CAR)	16.20	15.72	3.05%
Non-Performing Loan Ratio - Gross	2.68	3.72	-27.96%
Non-Performing Loan Ratio - Net	2.17	2.85	-23.86%
Loan to Deposits Ratio	95.17	89.31	6.56%
Net interest income to average total earning assets	3.97	4.21	-5.70%
Operational expenses to operating income	96.46	90.59	6.40%
Return on Assets	0.77	1.23	-37.40%
Return on Equity	4.82	7.53	-35.99%

Solvency & Collectability

Capital Adequacy Ratio

Capital Adequacy Ratio (CAR)/Minimum Capital Requirement increased to 16.20 per cent in 2015 from 15.72 per cent in 2014. This was a result of calculated profit of the previous year as well as lower margin between total required allowance for possible losses on assets and the total allowance for impairment on financial assets to earning assets on productive stock. Thus, the Bank's capital adequacy ratio was in a better position so that the capital structure was adequate to protect Bank's portfolios from market, loan and operating risks.

Non-Performing Loan (NPL) Ratio

Gross NPL saw an improvement, at 2.68 per cent in 2015 compared to 3.72 per cent in the previous year. Net NPL also improved from 2.85 per cent in 2014 to 2.17 per cent in 2015. The NPL ratio showed a better performance, not only because it stayed below the maximum level of 5 per cent set by Bank Indonesia, but also because it reflects the Bank's commitment to loan risk management through the implementation of prudent banking principles.

Rentability (Profitability)

The Bank recorded a Return on Asset (ROA) ratio of 0.77 per cent and a Return on Equity (ROE) ratio of 4.82 per cent in 2015, down from 1.23 per cent and 7.53 per cent in the previous year, as assets grew 10.27 per cent and equity grew 6.42 per cent in 2015. Meanwhile, net profit was lower by 31 per cent than to the previous year.

Net Interest Margin (NIM)

The Bank recorded a net interest income margin (NIM) of 4.21 per cent in 2014 and 3.97 per cent in 2015. The decline was mainly caused by debt securities and the lower average loan interest rates in 2015 compared to 2014.

Operating Cost Operating Income (BOPO) Ratio

BOPO ratio increased to 96.46 per cent in 2015 from 90.59 per cent in the previous year, triggered by a 98.11 per cent surge in operating expenses, which were higher than the 86.05 per cent increase in operating income in 2015. The higher operating expenses were due to an increase in impairment of financial asset value – with loans accounting for 68.23 per cent compared to the previous year.

Liquidity

Loan to deposit ratio increased from 89.31 per cent in 2014 to 95.17 per cent in 2015, contributed by an 8.62 per cent loan growth compared to third-party fund growth of 1.93 per cent. The Bank managed to maintain a balance between liquidity position and loan growth.

Material Bond and Investment in Capital Goods

Capital expenditure jumped by 146 per cent in 2015 to IDR287.06 billion from IDR117 billion in 2014, triggered by a 98 per cent increase in office appliances and additional assets under construction worth IDR106 billion.

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

Capital Expenditure (in IDR million)	2015	2014
Buildings	-	3,374
Infrastructure	8,103	25,159
Office Equipment	173,185	87,433
Vehicles	-	874
Construction in Progress Land	105,770	-
Total Capital Expenditure	287,058	116,840

Management Discussion and Analysis

Capital Structure and Management Policy on Capital Structure

The Bank's policy to maintain an adequate capital structure to anticipate all of the main risks that may arise in the Bank's business management. The main risks include credit risk, market risk and operational risk and other risks.

The Bank constantly analyse capital adequacy by using the required capital ratio determined by the Regulator. At the end of 2015, capital ratio was recorded at 16.20 per cent, or at above the minimum CAR standard based on the risk profile set by Bank Indonesia by 9 percentage <10 per cent. The core capital (Tier I) of the Bank increased to IDR10.15 trillion from IDR8.9 trillion in 2014, while the supplementary capital (Tier 2) is stable.

Bank manages its capital structure and performs adjustments in accordance with the changing economy. To maintain and adjust the capital structure, the Bank may adjust the dividend payment to the shareholders, issue new shares or seek financing through loans. There have been no changes to the objectives, policies and processes as of 31 December 2015 and 2014.

Targets Achieved in 2015

Comparison between the target and its realisation in 2015 is as follows

- Net interest income in 2015 was recorded at IDR3,076 billion, reaching 112.61 per cent of the target set at IDR2,732 billion.
- Realization of operational expense in 2015 was recorded at IDR2,471 billion or 114.44 per cent of the target set at IDR2,159 billion.
- As of 31 December 2015, total realisation of credit provision by the Bank reached 105.10 per cent of the set target, while the realisation of the fund raising reached 92.32 per cent of the set target.
- CAR Ratio of the Bank as of 31 December 2015 was recorded at 16.20 per cent compared to the CAR target set at 16.09 per cent.

2016 Financial Outlook (Projections)

Along with Indonesia's economy and banking development, the Bank has been assessing the performance achievement as well as the projection in the preparation of the budget and mid-term business plan.

In 2016, the Bank expects to achieve a credit growth target of 12 per cent and deposit growth target of 10 per cent, as well as to strengthen the capital to support business growth.

The Bank will strive to improve profitability through increased interest income and fee-based income contribution.

In addition, the Bank will also review the dividend policy in 2016 to maintain the capital requirements needed in order to sustain business growth.

Dividend Policy

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

Subject to the Annual General Meeting of Shareholders held on 28 April 2015, the shareholders approved the determination of net income of 2014 to be distributed in the form of a dividend in the amount of IDR135.95 billion or IDR14.23 per share, which was distributed on 30 April 2015. The dividend payout ratio at the level of 20 per cent of 2014 net profit were paid in cash to the shareholders.

As approved by the Annual General Meeting of Shareholders 2014, the Bank did not distribute dividends, and the profit obtained was recorded as retained earnings to finance the business activities of the Bank.

Information on the Use of Proceeds from the Public Offering

Bank UOB Indonesia issued Bonds I Bank UOB Indonesia in 2015 with a fixed interest rate on 1 April 2016 amounting to IDR1.5 trillion with three series as follows:

- a. Serie A for a period of 370 days in the amount of IDR400 billion with interest rate of 8.60 per cent per year and maturity date on 11 April 2016;
- b. Serie B for a period of 3 years in the amount of IDR600 billion with interest rate of 9.40 per cent per year and maturity date on 1 April 2016;
- c. Series C for a period of 5 years in the amount of IDR500 billion with interest rate of 9.60 per cent per year and maturity date on 1 April 2020.

The funds obtained from the issuance of Bonds I Bank UOB Indonesia in 2015, after deducted with issuance costs have been utilised to increase the productive assets, especially in provision of credit.

In 2015 there had been no change to the utilisation plan of public offering fund performed by the Bank.

Material Information on Investment, Expansion, Divestment and Acquisition

In 2015, Bank did not perform transactions or material activity related to investment, expansion, divestment, or acquisition.

Financial Statements of Extraordinary Events

The Bank did not experience extraordinary events in 2015 and 2014 that had material impact on its financial performance.

Information and Material Facts after Date of Report

- Based on the resolution of Extraordinary General Meeting of Shareholders on 2 November 2015 one of the agenda of which was appointing Mr. Lam Sai Yoke as President Director of the Bank and Mr. Pardi Kendy as Director of the Bank, effective as of 1 January 2016. The Bank has submitted letters to the Financial Services Authority (OJK), respectively No. 15/DIR/006 dated 5 January 2016 and No.15/DIR/008 dated 5 January 2016 regarding Fit and Proper Test of Candidate Director of the Bank and Request for Fit and Proper Test of Candidate President Director of the Bank.

In response to the request, the Bank received a letter from OJK No. SR – 56/D.03/2016 dated 21 March 2016 regarding Decision on Fit and Proper Test of the Appointment of President Director of PT Bank UOB Indonesia, stating that OJK has approved the appointment of Mr. Lam Sai Yoke as President Director and Mr. Pardi Kendy as Director of PT Bank UOB Indonesia.

- Bank has repaid the principal of Bonds I Bank UOB Indonesia 2015 Serie A with a nominal value of IDR400 billion and a period of 370 days maturing on 11 April 2016.
- In reference to the Financial Services Authority Regulation (POJK) No. 45 / POJK.03 / 2015 issued on 23 December 2015 on Application of Governance In Granting of Remuneration for Commercial Banks, the Bank will perform adjustments to remuneration policies with reference to the POJK no later than one (1) year after the POJK came into effect.

In relation to the adjustment of the remuneration policy with reference to the POJK, the Bank is currently conducting studies and discussions to pass the regulations regarding officials belonging to the Material Risk Taking (MRT) category and the postponement of variable-nature remuneration to MRT parties in accordance with the criteria and mechanisms set forth in said regulation.

Material Information on Transactions that Gave Rise to Conflict of Interest and/or Material Transactions with Related Parties

In 2015, the Bank did not perform transactions that could be categorised as transactions that could give rise to conflict of interest.

In 2015, in running its business, the Bank performed several transactions with related parties, including loan disbursements and customer savings. The details of the amount and type of transaction as well as the nature of the relationship with related parties are contained in Note No. 34, Notes on the Audited Financial Statements.

Impact of Regulatory Changes on Bank Performance

Regulatory changes did not have a significant impact on the Bank.

Impact of Benchmark Interest Rate Changes on Bank Performance

Bank Indonesia and The Fed's rates are the benchmark rates for Indonesia's banking industry, directly or indirectly influencing the movement of Bank's loan and deposit interest rates.

Throughout 2015 Bank Indonesia kept the benchmark interest rate stable at 7.75 per cent.

To mitigate risks, the Bank set a limit based on its risk appetite. The Bank also applies the Wall Street System and risk monitoring system to monitor market risk that arises from interest rate and exchange rate risks. The Bank has also formed a management unit and market risk monitoring system to closely monitor adherence to the limit and applied the "four eyes principles".

Accounting Standards Approved but not yet Effective

Accounting standards approved but not yet effective and relevant for Bank:

- Amendment to SFAS No. 1: Presentation of Financial Statements of Disclosure Initiative.
- Amendment to SFAS No. 16: Fixed Assets on Clarification of Acceptable Methods of Depreciation and Amortization.
- Amendment to SFAS No. 46 (2014): Remuneration on Remuneration and Benefits: Workers' dues.
- SFAS No. 5 (2015 adjustment): Operational Segment. The adjustment clarifies the following:
 - Entity discloses management's considerations in setting the criteria for the aggregation of SFAS No. 5, paragraph 12, including a brief explanation for integrated operating segments and economic characteristics.
 - Disclosure of reconciliation of segment assets with total assets in the event that the reconciliation is reported to the party (person) authorised to make operating decisions. The same applies to disclosure of segment liability.
- SFAS No. 16 (2015 adjustment): Fixed assets.
- SFAS No. 25 (2015 adjustment): Policies on Accounting, Changes in Accounting Estimates and Errors.
- SFAS No. 68 (2015 adjustment): Fair Value Measurement. The Bank is still reviewing the impact of the Standardisation and Interpretation on financial statements.

Implementation of SFAS No. 24 (2013 revision)

Starting 1 January 2015, the Bank applies SFAS No. 24 (2013 revision), "Remuneration", which stipulates accounting treatment and remuneration disclosure.

Information Technology and Infrastructure

The Bank recognises technology as a key strategic differentiator and has continued to make investments in its technology and people as part of its strategic Information Technology (IT) Roadmap, supporting the growth of its business and the ongoing promise of excellent customer service.

This commitment is reflected in its ongoing investments to build a robust platform and automate more business processes to serve the continuously growing customer base and develop products and services using the latest and reliable technology which prioritises features that can bring benefits to the customers.

In 2015, Information Technology Strategic Plan focused on the following main activities:

1. To Build a Competent Team

In line with technology advancement and tighter business competition, it is crucial to upgrade the skills and competencies of all staff to ensure safe, smooth and efficient banking operation and minimise service interruption level. Human resources development is an integral part of IT governance and is carried out continuously to improve competencies of human resources both for IT personnel and users. Through competency development plan in form of internal, external and on-the-job trainings.

2. To Provide a Reliable Application System that Meets User's Requirements

In order to achieve the Bank's business targets and to ensure regulatory compliance, the Bank has implemented the following applications and systems:

iBranch

This system replaces the previous Teller system and was implemented to improve Teller's productivity and accelerate services, hence boost the Bank's business growth. This system was carried out to anticipate the increase in number of transactions at branch offices and provide convenience to the customers when making transactions.

Rating Master

Rating Master was implemented in 2015 to support credit rating approval, loan origination process and to support the Bank to compile accurate data related to implementing Basel reporting. This system was implemented in non-retail businesses as a replacement to the previous rating master system.

Information Technology Management

IT Management involves committee as regulated in Directorate Decree No. 15/SKDIR/0042 dated 18 November 2015 on PT Bank UOB Indonesia Information Technology Committee. Duties of this committee are, among others, to determine and monitor the Bank's investment in IT, discuss and assess the IT development plan and set and review policy with reference to the use of IT, covering software, hardware and professional service required

The committee is also responsible in directing, monitoring and managing IT security risk according to technology security policy.

The committee has a vested interest in assuring that the development of UOB Indonesia IT products and services complies with provisions set by the Regulator. The development also takes into consideration the security aspect of each transaction so that customers feel secure and protected from unwanted risks.

UOB Indonesia develops IT projects based on project life cycle which covers the process of initiation based on customer's needs, planning, development, testing and implementation to provide quality products and services.

Going forward, the Bank will continue to invest in IT, transforming the system and infrastructure to strengthen collaboration initiative between units and provide the best products and services to customers.

Good Corporate Governance

- 47 Good Corporate Governance
- 48 Good Corporate Governance Structure
- 57 Completeness and Implementation of Committees' Duties
- 73 Corporate Secretary
- 75 The Implementation of Compliance, Internal Audit, and External Audit Functions
- 79 Related Party Funding and Large Exposure
- 80 Bank's Strategic Plan
- 80 Transparency of Bank's Financial and Non Financial Condition Not Yet Disclosed in Other Reports
- 80 Shares Ownership of Board of Commissioners and Board of Directors
- 81 Financial and Family Relationships of Members of the Board of Commissioners and Directors with other Members of the Board of Commissioners, Directors and/or the Controlling Shareholders of the Bank
- 82 Remuneration Package/Policy and Other Benefits for Board of Commissioners and Board of Directors
- 83 Number of Internal Fraud Cases and Bank's Effort to Settle the Cases
- 83 Number of Legal Cases and Bank's Effort to Settle the Cases
- 83 Transactions Involving Conflict of Interest
- 83 Bank's Share and Bond Buybacks
- 83 Donation for Social and Political Activities During the Period of 2015
- 85 Code of Conduct, Corporate Culture, Whistleblowing and Internal Communications
- 87 Risk Management
- 126 Corporate Social Responsibility
- 128 General Conclusion of The Result of Self Assessment of the Implementation of Good Corporate Governance at PT Bank UOB Indonesia

Good Corporate Governance

To increase Bank's performance, protect stakeholders' interests and increase compliance with prevailing laws and ethical values in the banking industry, PT Bank UOB Indonesia ("Bank") believes that extensive and comprehensive implementation of Good Corporate Governance (GCG) will contribute to the profitability for the stakeholders and long-term business sustainability. Therefore, the Bank strives to uphold the Bank's transparency principle as well as to monitor the execution of GCG practices according to prevailing rules and regulations.

The implementation of Good Corporate Governance is based on five basic principles: Transparency, Accountability, Responsibility, Independence and Fairness.

Good Corporate Governance Structure

A. General Meeting of Shareholders

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

The Annual General Meeting of Shareholders

Throughout 2015, the Bank convened 1 (one) Annual General Meeting of Shareholders, which was held in UOB Plaza, at Jl. M.H. Thamrin No. 10, Central Jakarta 10230.

The AGMS held on 28 April 2015 was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.99 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

The AGMS approved in principle the following matters:

Resolution on the First Agenda

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

Resolution on the Second Agenda

Approved the appropriation of net profits for fiscal year ending 31 December 2014 to the amount of IDR679,833,773,751 (six hundred and seventy nine billion eight hundred and thirty three million seven hundred and seventy three thousand seven hundred and fifty one Rupiah) as follows:

1. A total of IDR7,000,000,000.- (seven billion Rupiah) booked as reserves in order to meet the requirements of Article 70 of the Company Law and Article 20 of the Articles of Association of the Company.
2. A total of IDR135,951,794,991 (one hundred and thirty five billion nine hundred and fifty one million seven hundred and ninety four thousand nine hundred and ninety one Rupiah) or 20 per cent of net profit for fiscal year 2014 as cash dividend for fiscal year 2014 which will be shared with the shareholders on 28 April 2015 at 4 pm Western Indonesia Time and the payments will be transferred no later than 30 April 2015.
3. Remaining profit at the amount of IDR536,881,978,760.- (five hundred and thirty six billion eight hundred and eighty one million nine hundred and seventy eight thousand seven hundred and sixty Rupiah) is kept as retained earnings.

Resolution on the Third Agenda

Approved the re-appointment of Public Accounting Firm Purwanto, Suherman & Surja which will audit the Financial Statements of the Company for fiscal year the 2015 and authorised the Board of Directors of the Company to sign employment agreements as well as determining the honorarium and other requirements pertaining to such appointments.

Resolution on the Fourth Agenda

Approved the re-appointment of Wee Cho Yaw, Wee Ee Cheong, Lee Chin Yong Francis, Rusdy Daryono, Wayan Alit Antara and Aswin Wirjadi as members of the Board of Commissioners and approved the appointment of Muljono Tjandra as Director replacing Safrullah Hadi Saleh, thereby altering the composition of the Company's Board of Commissioners and Board of Directors to the followings:

Board of Commissioners

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

Board of Directors

President Director	: Armand Bachtiar Arief
Deputy President Director	: Iwan Satawidinata
Deputy President Director	: Tan Chin Poh
Director	: Muljono Tjandra
Director	: Ajeep Rassidi bin Othman
Compliance Director	: Soehadie Tansol

Resolution on the Fifth Agenda

1. Approved the action of UOB International Investment Private Limited ("UOBII") as majority shareholder by virtue of the authority granted in the AGMS convened on 13 June 2014 to determine the amount of salaries and other allowances for 2014 of all members of the Board of Commissioners of the Company.
2. Granted the authority to the majority shareholders of the Company, namely UOBII to determine the amount of salaries and other allowances for 2015 of all members of the Board of Commissioners of the Company.
3. Granted authority to the Board of Commissioners to determine the amount of salaries, remuneration and other allowances for 2015 of all members of Board of Directors of the Company.

Resolution on the Sixth Agenda

Within the sixth agenda, the Company submitted to the report on the realisation of appropriated proceeds of Subordinate Bonds I Bank UOB Indonesia for 2014 to the AGMS.

The Extraordinary General Meeting of Shareholders

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

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

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

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

*) Effective upon approval from the Regulator.

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

B. Board of Commissioners

1. Duties and Responsibilities of the Board of Commissioners

Pursuant to the Articles of Association, the Board of Commissioners must perform supervision of management policies, general conduct of the management, both concerning the Company as well as the Company's businesses, and advise the Board of Directors. In performing their duties and responsibilities, every member of the Board of Commissioners cannot act on his/her own, only by virtue of a decree of the Board of Commissioners.

Generally, the Board of Commissioners assumes the following responsibilities pursuant to the Board of Commissioners' Work Guidelines and Rules of Procedure:

- a. Supervise the implementation of duties, responsibilities and policies conducted by the Board of Directors as well as advising the Board of Directors.
- b. Direct, supervise and evaluate the implementation of the Bank's strategic policies conducted by the Board of Directors. However, with no involvement in any decision making of the Bank's operational activities, unless determined by the applicable regulations.
- c. Examine and approve the Bank's business plan.
- d. Provide directions to the Board of Directors with regard to Corporate Governance and ensure that Corporate Governance has been implemented in all of the Bank's business activities of the Bank at all levels of the organization.
- e. Provide directions and recommendations for the Bank's strategic development plan as well as evaluate the implementation of the Bank's strategic policies.
- f. Ensure that the Board of Directors has followed-up audit findings and recommendations provided by internal audit, external auditor, and results of supervision by the Regulator and other authorised institution.
- g. Analyse and approve the Bank's risk management framework.
- h. Inform the Regulator no later than 7 (seven) work days following any finding of:
 - Violation of any laws in the financial and banking industry; and
 - Situation or presumed situation which may jeopardise the business continuity of the Bank.
- i. The Board of Commissioners must establish at least
 - The Audit Committee
 - The Risk Monitoring Committee

Good Corporate Governance

- The Remuneration and Nomination Committee and ensure that the established Committees perform their duties effectively.
- j. Convene Meetings of the Board of Commissioners on a regular basis, at least 4 (four) times a year, at which all members of the Board of Commissioners must be physically present at least 2 times (twice) a year.

Execution of Duties and Responsibilities of the Board of Commissioners

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

Moreover, as a part of their duties and responsibilities, the Board of Commissioners oversees the performance of the Board of Directors and gives input to the Board of Directors.

Throughout 2015, the Board of Commissioners gave various recommendations and/or inputs to the Board of Directors, among other things:

- a. Recommendations related to Internal Policy:
 - Approved Liquidity Risk Management Policy version 2014.1;
 - Approved Banking Book Interest Rate Risk Management Policy version 2014.1;
 - Approved Balance Sheet Risk Management Framework version 2014.1;
 - Approved Risk Management Policy version 5.0;
 - Approved Balance Sheet Risk Management Framework 2015;
 - Approved Consumer Credit Policy version 4.0
 - Approved Policy on Management of Legal Risk;
 - Approved General Credit Policy for Corporate, Commercial, Bank (Including Non-Bank Financial Institutions) and Sovereign version 4.0.
- b. Recommendations related to nomination of:
 - members of the Remuneration and Nomination Committee for the period of 2015-2017;
 - members of the Audit Committee for the period of 2015-2017;
 - members of the Risk Monitoring Committee for the period of 2015-2017.

- c. Recommendations related to amendment to Internal provision:
 - Approved amendment to the Audit Committee Charter of PT Bank UOB Indonesia;
 - Analysed, provided input and together with the President Director approved the Integrated Corporate Governance Policy;
 - Approved amendment to Appendix of Compliance Charter Version 3.0;
 - Approved the Work Guidelines and Rules of Procedure of the Remuneration and Nomination Committee of PT Bank UOB Indonesia;
 - Approved the Work Guidelines and Rules of Procedure of the Integrated Corporate Governance Committee.
- d. Recommendations related to business
 - Approved Supervisory Report of Business Plan for 2nd Semester of 2014;
 - Approved Supervisory Report of Business Plan for 1st Semester of 2015.
- e. Miscellaneous
 - Approved the proposal of the Board of Directors for the schedule and agenda for the AGMS in 2015.

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

- a. Appointment of Public Accountant Firm Purwantono, Suherman & Surja as the Bank's independent auditor for fiscal year 2015, by virtue of authority granted by Annual General Meeting of Shareholders.
- b. Remuneration and other allowances for members of the Board of Directors, honorarium for members of committees under the Board of Commissioners as well as honorarium and other allowances for members of the Board of Commissioners for fiscal year ending 31 December 2014 based on recommendation from the Remuneration and Nomination Committee.

2. Composition, Criteria and Independency of the Board of Commissioners

Following are members of the Board of Commissioners of the Bank as of 31 December 2015:

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

The composition of the Bank's Board of Commissioners and Independent Commissioners as outlined in the table above complies with the provision of Bank Indonesia Regulation ("PBI") No.8/4/PBI/2006 dated 30 January 2006 as amended in Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006 on the Implementation of Good Corporate Governance for Commercial Banks.

In accordance with those provisions, 50% (fifty per cent) of members of the Bank's Board of Commissioners are Independent Commissioners who are both Indonesian citizens and residents.

Independency of the Board of Commissioners

As governed in Article 2 paragraph (10) of the Work Guidelines and Rules of Procedure of the Board of Commissioners that "Majority members of the Board of Commissioners are prohibited from having second-degree family relationship with fellow members of the Board of Commissioners and/or the Board of Directors", the majority of members of the Board of Commissioners do not have second-degree family relationship with fellow members of the Board of Commissioners and/or the Board of Directors. The only members of the Board of Commissioners of the Bank who have family relationship are Wee Cho Yaw, Chairman of the Board of Commissioners, and Wee Ee Cheong, Deputy Chairman of the Board of Commissioners.

None of the Independent Commissioner's of the Bank have financial, management, shareholding, and/or second-degree family relationship with fellow members of the Board of Commissioners, the Board of Directors and/or Ultimate Shareholders that may affect his ability to act independently.

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

This excludes concurrent positions held when a non-independent member of the Board of Commissioners performs his/her functional duties assigned by the Bank's shareholders for a legal entity in its business group and/or the relevant member of the Board of Commissioners assumes a position in a non-profit organization or institution, so long as the person concerned does not neglect his/her duties and responsibilities as a member of the Board of Commissioners of the Bank.

Hence, all members of the Board of Commissioners have fulfilled the regulation as mentioned above.

3. Fit and Proper Test Information Disclosure

Members of the Board of Commissioners were all appointed by the General Meeting of Shareholders as outlined in the table above by considering the main criteria, i.e. integrity, competency, professionalism, and financial reputation, according to the "fit & proper" test requirements prescribed by Regulator.

Good Corporate Governance

4. Frequency of the Board of Commissioners Meetings

Pursuant to Bank Indonesia regulation on the implementation of Good Corporate Governance for Commercial Banks and Articles of Association of the Bank, the following guidelines for the Board of Commissioners meeting procedures and executions have been developed with reference the Work Guidelines and Rules of Procedure of the Board of Commissioners:

- a. Meetings are held at least 4 (four) times a year or when deemed necessary by a member of the Board of Commissioners or upon written request from the Board of Directors or upon the request of 1 (one) or more shareholders holding 1/10 (one tenth) of the total number of shares issued by the Company with valid voting rights.
- b. The meeting of the Board of Commissioners is chaired by the President Commissioner. In the event that the President Commissioner is absent or unavailable, for which no third-party is required, the meeting of the Board of Commissioners is chaired by the Deputy President Commissioner and if he is unavailable, the meeting will be chaired by a member of the Board of Commissioners elected by members of the Board of Commissioners who are present.
- c. The meeting of the Board of Commissioners is only valid and may adopt binding decisions if more than ½ (half) of the total number of the Board of Commissioners are present or represented in the meeting.
- d. The decisions of the Board of Commissioners meetings must be adopted by way of deliberations

to reach a consensus. In the event that no consensus is reached, decisions are adopted when the number of affirmative votes is more than half of the total votes validly cast at such meetings.

- e. In the event of an equality of votes, the Chairman of the Board of Commissioners Meeting shall cast a deciding vote.
- f. The results of the Board of Commissioners Meetings must be recorded in the minutes of meetings and properly documented.

During 2015, the Board of Commissioners convened a routine meeting once every 3 (three) months, during which the Board of Commissioners sought explanation from the Directors regarding his/her duties and responsibilities in the previous 3 (three) months, as well as discussed the Bank's performance in general.

During 2015, the Board of Commissioners held 4 (four) meetings, 2 (two) of which were physically attended by all members of Board of Commissioners.

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

Based on things mentioned above, the Bank has fulfilled the prevailing regulations on the execution of the Board of Commissioners Meetings.

The following are the recapitulation of the Board of Commissioners Meetings:

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

C. Board of Directors

1. Duties and Responsibilities of the Directors

The Board of Directors as an the organ of the Company has the authority and is fully responsible for carrying out his/her duties in the interests of the Banking achieving its intent and purpose and to represent the Bank both inside and outside of court. Each member of the Board of Directors shall carry out his/her duties in good faith and responsibly in accordance with prevailing laws and regulations and Articles of Association of the Bank.

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

- a. Manage the Bank pursuant to his/her authority and responsibilities as stated in the Articles of Association and prevailing laws and regulations;
- b. Take full responsibility of the Bank's management;
- c. Represent the Bank legally and directly both inside and outside of court according to the following provisions:

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

Furthermore, in carrying out their duties and responsibilities, each member of the Board of Directors shall refer to the distribution of work, responsibility and authority which is based on the Board of Directors Decree No. 14/SKDIR/0010 on the Duties and Responsibilities of members of the Board of Directors, with the following details:

President Director

- Justified and authorised to act on behalf of the Board of Directors and to represent the Bank;
- Coordinate the Bank's management;
- Determine the Bank's strategy;
- Ensure the implementation of the compliance

function, and the implementation of the principles of good corporate governance as well as prudent banking practices;

- The scope of responsibility includes supervision of Human Resources, Wholesale Credit & Special Asset Management, Retail Credit, Compliance, Channels, Risk Management, Legal, Internal Audit, Customer Advocacy & Service Quality, Brand Performance & Corporate Communication, and indirect supervision through Deputy President, Director of Administration & Operations of Finance & Corporate Services and Technology & Operations functions, and Deputy President, Director of Business of the Bank's business functions.

Deputy President Director of Administration & Operations

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

Deputy President Director of Business

- Assists the President Director in directing the Bank's policies and strategies, in accordance with the scope of coordinated area;
- Provides direction and guidance for the Bank's business development;
- The scope of responsibility includes supervision on business units, namely Corporate Banking, Commercial Banking, Business Banking, Personal Financial Services, Global Markets and Investment Management, Transaction Banking, Financial Institution, Bancassurance Business, Portfolio and Regulatory Management, Demand Management and Wholesale Portfolio Management.

Finance and Corporate Services Director

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

Good Corporate Governance

Wholesale Credit and Special Asset Management Director

- Responsible for ensuring that the process of credit review runs independently, particularly credit for Corporate Banking, Commercial Banking and Financial Institution segments;
- Leads and coordinates efforts of ameliorating non-performing loans through restructuring and recovery measures;
- Responsible for managing portfolios of Foreclosed Assets by the Bank;
- The scope of responsibility includes supervision of Divisions of Middle Market Credit, Corporate Credit and Special Asset Management.

Compliance Director

- Formulates strategies in order to build a culture of compliance in the Bank;
- Proposes compliance policies or principles for approval by the Board of Directors;
- Implements compliance system and procedures to be used to prepare internal provisions and guidelines of the Bank;

- Ensures that all policies, guidelines, system, and procedure as well as business activities conducted by the Bank comply with the requirements of the Regulator and applicable provisions of laws and regulations;
- Minimises the compliance risk of the Bank.
- Takes preventive measures in order to ensure that the policies and decisions taken by the Board of Directors of the Bank are in line with the requirements of the Regulator and prevailing laws and regulations;
- Submits reports to the Financial Services Authority on the implementation of their duties;
- Performs other duties related to the compliance function, such as monitoring and ensuring Bank's compliance to commitments made by the Bank to Regulator.

2. Composition, Criteria and Independence of the Board of Directors

Members of the Board of Directors of the Bank as of 31 December 2015 are:

Name	Position	Effective As Members		Re-Appointment	Expiry of Tenure
		Regulator Approval	GMS		
Armand B. Arief*)	President Director	7 September 2007	22 June 2007	26 April 2013	2017
Tan Chin Poh	Deputy President Director	24 July 2013	26 April 2013	-	2017
Iwan Satawidinata	Deputy President Director	10 June 2010	15 April 2010	26 April 2013	2017
Muljono Tjandra	Director	12 May 2015	28 April 2015	-	2017
Ajeep Rasidi Bin Othman*)	Director	6 May 2010	19 February 2010	26 April 2013	2017
Soehadie Tansol	Compliance Director	31 December 2002	25 November 2002	26 April 2013	2017

Note : *) Resigned from his position as of 1 January 2016

Upon the resignation of Mr. Armand Bachtiar Arief and Mr. Ajeep Rassidi Bin Othman, effective on 1 January 2016, with reference to the results of the Extraordinary

General Meeting of Shareholders on 2 November 2015, following is the current composition of Bank's Board of Directors:

Name	Position
Lam Sai Yoke*)	President Director
Tan Chin Poh	Deputy President Director
Iwan Satawidinata	Deputy President Director

Name	Position
Muljono Tjandra	Director
Pardi Kendy*)	Director
Soehadie Tansol	Compliance Director

*) Effective upon approval by Regulator

Independency of the Board of Directors

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

3. Fit and Proper Test Information Disclosure

The appointment of members of the Board of Directors by the General Meeting of Shareholders as outlined in the table above was approved by the Board of Commissioners based on the main criteria i.e integrity, competence, professionalism and financial reputation, in accordance with the requirements of the "fit & proper" test prescribed by the Financial Services Authority.

4. Frequency of Board of Directors Meetings

Pursuant to the provision of the Articles of Association and Work Guidelines and Rules of Procedure of the Board of Directors, the following guidelines for the Board of Directors meetings have been formulated:

- The meeting is to be held at least once a month, and when deemed necessary by one of the members of the Board of Directors, or upon written request from one or more members of the Board of Commissioners, or upon written request from one or more of the shareholders representing 1/10 (one tenth) of the total shares allocated by the Company with valid voting rights.
- The meeting of the Board of Directors is valid and authorised to make binding decisions if more than ½ (half) of the total number of members of the Board of Directors are present or represented in the meeting.
- The decisions at the Board of Directors meetings should be based on deliberation to reach agreements. If a decision could not be reached through deliberation, the decision will be made through voting based on supporting votes of more than ½ (half) of the total valid votes of members of the Board of Directors present at the meeting.
- In the event of equality of votes, the Chairman of the Board of Directors meeting has a deciding vote.
- The results of the Board of Directors meeting should be recorded in minutes of meeting and properly documented.

During 2015, the Board of Directors held 12 (twelve) meetings. The results of the meetings including dissenting opinions (if any) were well documented in minutes of meeting which were properly administered by the Corporate Secretary. Based on the things mentioned above, the Bank has met the prevailing regulations on the execution of the Board of Directors meetings.

The following are the recapitulation of Board of Directors meetings:

Name	Position	Frequency of Attendance
Armand B. Arief	President Director	10
Tan Chin Poh	Deputy President Director	11
Iwan Satawidinata	Deputy President Director	11

Good Corporate Governance

Name	Position	Frequency of Attendance
Safrullah Hadi Saleh*)	Director	1
Muljono Tjandra**)	Director	7
Ajeep Rasidi Bin Othman	Director	11
Soehadie Tansol	Compliance Director	12

*) Resigned from his position as of 30 March 2015

**) effective as director on 12 May 2015

Workshop/Training/Socialization Attended by the Board of Directors

Name	Workshop/Training/Socialization	Location
Armand B. Arief	Regional 5 Strategic Communication 2015	Samarinda
	Regional 3 Strategic Communication 2015	Bandung
	Regional 4 Strategic Communication 2015	Malang
	Regional 2 Strategic Communication 2015	Medan
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta
Tan Chin Poh	Regional 4 Strategic Communication 2015	Malang
	Technology Operations Strategic Communication 2015	Bogor
	Result To Action	Jakarta
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta
Iwan Satawidinata	Business Banking Budget Kick Off Workshop	Jakarta
	Commercial Banking Strategic Communication 2015	Jakarta
	Result To Action	Jakarta
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta
Muljono Tjandra	Preparation Training SMR Level 5	Jakarta
	Training APU/PPT Batch 19	Jakarta
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta
Ajeep Rassidi bin Othman	Commercial Banking Strategic Communication 2015	Jakarta
	Strengthen Management of NPL Foreclosed Asset	Jakarta
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta
Soehadie Tansol	Result To Action	Jakarta
	Penerapan Tata Kelola Dan Manajemen Risiko Terintegrasi Bagi Konglomerasi Keuangan	Jakarta
	Training Coaching Mentoring	Jakarta
	Living with UOB new Vision & Values (Lead by Example)	Jakarta

D. Recommendations of the Board of Commissioners for Funding and Authority to Incur Expenditure on Goods and Services

- a. Approved the Temporary Changes in Approval Limit for Signing/Approval of Purchase and Requisition;
- b. Approved the Budget for Business Banking Credit Application System (bCAS) Project;
- c. Approved the Proposal to Engage Tax Adviser Services during Tax Audit for Financial Year 2011-2012;
- d. Approved the Request on Approval of Procurement License from Microsoft;
- e. Approved the Proposal for Sale of NPL;
- f. Approved the Oracle Software Maintenance with Oracle Indonesia for 3 years maintenance period;
- g. Approved the Approval Limit for Signing/ Approval of Purchase and Requisition;
- h. Approved Implementation Auto Dialer & Call Recording System for Retail Credit Management-Credit Card Collection Project;

- i. Approved the New Delegation of Authority (DOA) on Operating Expenses for Bank's Executive Officers under L1;
- j. Approved the New Delegation of Authority (DOA) on Operating Expenses under L1 Authorities in Business Banking; Approved New Delegation of Authority (DOA) on Operating Expenses under L1 Authorities in Business Banking;
- k. Approved the New Delegation of Authority (DOA) Regarding Operational Expenses under L1 Authorities in Wholesale Operation.

Completeness and Implementation of Committees' Duties

A. Board of Commissioners Committees

1. Remuneration and Nomination Committee

Based on Directors' Decree No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee, following is the composition of the three-member Remuneration and Nomination Committee:

Remuneration and Nomination Committee Members as of 31 December 2015

Chairman (Independent Commissioner)	Rusdy Daryono
Member (Commissioner)	Lee Chin Yong Francis
Member (Executive Officer responsible for HR)	Roy Fahrizal Permana

All members of the Remuneration and Nomination Committee have high integrity, good moral character as the requirements for Remuneration and Nomination Committee members as stipulated in Directors' Decree No.14/SKDIR/0057 on Policies and Procedures for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, the Board of Management, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by Bank Indonesia and/or the Financial Services Authority in terms of independency, expertise and integrity.

Remuneration and Nomination Committee performs the duties, responsibilities and authorities based on the Work Guidelines and Rules of Procedure of the Remuneration and Nomination Committee including:

a. On Remuneration Policy:

- Perform evaluation of remuneration policy; and
- Provide recommendations to the Board of Commissioners for:

- i. Remuneration policy for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders.
- ii. Remuneration policy applied to Executive Officers and employees as a whole to be submitted to the Board of Directors.

b. On Nomination Policy

- Formulate and provide recommendation for the system and procedure for selection and/or replacement of the Board of Commissioners and Directors to the Board of Commissioners for submission to the General Meeting of Shareholders.
- Recommend candidates for appointment to the Board of Commissioners and/or Directors to the Board of Commissioners for submission to the General Meeting of Shareholders.
- Recommend Independent Parties to be appointed members of the Audit Committee and Risk Monitoring Committee to the Board of Commissioners.

Good Corporate Governance

The Meetings of the Remuneration and Nomination Committee were held based on according the needs of the Bank. During 2015, the Remuneration and Nomination Committee held 8 (eight) meetings, including via teleconference, and were attended by more than 51 per cent of the members including one Independent Commissioner and Executive Officer.

The decisions in the meetings were made through deliberations to reach consensus or by simple majority of votes in case of dissenting opinions. All decisions of

the meetings, including dissenting opinions (if any), were recorded in minutes of meeting signed by all members of the Committee present and properly documented.

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

The Work Program of the Remuneration and Nomination Committee and its realisation in 2015 including but not limited to:

No.	Work Program	Realization
1.	Nomination of and Recommendation for candidates of members of the Board of Management, the Board of Directors, and re-appointment of members of the Board of Commissioners.	A meeting was held on 3 February 2015 to discuss and recommend nomination of members of Board of Management, Board of Directors and re-appointment of members of the Board of Commissioners.
2.	Nomination of and Recommendation for members of the Committees under the the Board of Commissioners	A meeting was held on 24 June 2015 to discuss and recommend the appointment of members of Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee.
3.	Nomination of and Recommendation for candidates for members of the Board of Directors.	A meeting was held on 27 October 2015 to discuss and recommend nomination of candidates for member of Board of Directors.
4.	Revision of the Work Guidelines and Rules of Procedure and discussion of 2016 work programme.	The meeting was held on 27 November 2015, with the following decisions: <ul style="list-style-type: none"> • Gave recommendations to the Board of Commissioners for the revision of Policies and Procedure and/or Dismissal of members of the Board of Commissioners, Board of Management, and Committees reporting to the Board of Commissioners; • Gave recommendations to the Board of Commissioners for Remuneration and Nomination Committee; • Gave recommendations to the Board of Commissioners for revision of the Work Guidelines and Rules of Procedure of the Board of Commissioners; • Determined the 2016 work plan of the Remuneration and Nomination Committee; • Gave recommendations to the Board of Commissioners for the appointment of members of the Integrated Corporate Governance Committee.

2. Audit Committee

As stated in Directors' Decree No.15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the

Audit Committee, the Audit Committee is composed of 3 (three) members, namely:

Audit Committee Members as of 31 December 2015

Chairman (Independent Commissioner)	Wayan Alit Antara
Member (Independent Party)	Winni Widya
Member (Independent Party)	Thomas Abdon

All members of the Audit Committee have high integrity and good moral character, in keeping with the requirements of Audit Committee members as stated in Directors' Decree No.14/SKDIR/0057 on the Policies and Procedure for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Management, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by Bank Indonesia and/or the Financial Service Authority in terms of independency, expertise and integrity.

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

- a. Analysing the financial information to be issued by the Bank to the public and/or other authorities, financial statements, financial projections and other reports related to the financial information of the Bank;
- b. Analysing compliance with laws and regulations which concern the Bank's activities;
- c. Providing independent opinion in case of disagreement between Management and the Public Accountant on the services they render;
- d. Providing recommendations to the Board of Commissioners for the appointment of Public Accountant based on independency, scope of assignment and fee;
- e. Performing monitoring, analysis and evaluation of audit planning and implementation as well as following up on internal audit results in order to assess the adequacy of internal control, including the financial reporting process;
- f. Providing recommendations for the appointment, resignation or dismissal of Internal Audit Head and

- g. providing input on annual assessment of his/her performance and remuneration;
- g. Preparing annual work programme and conducting annual review of the scope of functions of the Audit Committee and its effectiveness as well as providing recommendations for any necessary amendments to the Board of Commissioners;
- h. Analysing complaints received by the Audit Committee related to the accounting process and financial reports of the Bank, and follow up such complaints;
- i. Analysing and providing suggestions to the Board of Commissioners related to potential conflicts of interest of the Bank;
- j. Maintaining the confidentiality of documents, data and information of the Bank.

The meetings of the Audit Committee were based on the needs of the Bank. In 2015, the Audit Committee held 25 (twenty five) meetings, all of which were attended by more than 51 per cent of all members of the Audit Committee.

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

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

Audit Committee's work programme and realisations in fiscal year 2015 included but were not limited to:

No.	Work Program	Realization
1.	Monitoring and evaluation of planning and implementation of audit as well as monitoring the follow-up to audit findings in order to assess the adequacy of internal control.	The meeting was attended by Internal Audit as invitee.
2.	Evaluation of the implementation of the duties of Internal Audit.	<ul style="list-style-type: none"> The meeting was attended by Internal Audit as invitee. The meeting was held to discuss the results of case investigations carried out by Internal Audit. The meeting was held to discuss Quality Assurance Review (QAR) with the Independent Auditor (Provit).

Good Corporate Governance

No.	Work Program	Realization
3.	Evaluation of appropriateness of financial report compared to prevailing accounting standards.	<ul style="list-style-type: none"> The meeting was held to review the draft audit report with the Finance Division and External Auditor of the Bank as invitees. The meeting was held to discuss the monthly and quarterly publications of financial report with the Finance Division as invitee.
4.	Monitoring the implementation of audit plan by external auditor.	The meeting was held to discuss interim audit progress by External Auditor with the Finance Division and External Auditor of the Bank as invitees.
5.	Evaluation on follow-up by the Board of Directors on findings of Internal Audit, external auditor and supervision result from Financial Services Authority (FSA).	The meeting was held to discuss report on the implementation of Bank's Compliance Function with Compliance Division as invitee.
6.	Revision of Audit Committee Charter.	The meeting was held with Corporate Services Division as invitee to discuss the revision of the Audit Committee Charter and the charter itself was enacted by Board of Commissioners Decree No.14/COM/0013 dated 27 November 2015.
7.	Monitoring and evaluation on audit plan and implementation as well as monitoring on follow up of audit findings in order to assess the adequacy of internal control.	<ul style="list-style-type: none"> The meeting was held with Internal Audit Division as invitee. The meeting was held to discuss revision of Internal Audit Charter.
8.	Recommendation on appointment of Public Accountant and Public Accountant Firm pursuant to prevailing provisions.	<p>The meeting was held with the Finance Division to discuss the appointment of Public Accountant Firm to perform audit for fiscal year ending 2015 by taking into consideration:</p> <ul style="list-style-type: none"> Public Accountant Firm's independency in performing audit; Scope of work; and Audit fee proposed by Public Accountant Firm.
9.	Evaluation on audit implementation conducted by Public Accountant Firm in accordance with prevailing audit standard.	The meeting was held to discuss interim audit and general audit progress with the Finance Division and External Auditor as invitees.

3. Risk Monitoring Committee

Pursuant to Directors' Decree No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk

Monitoring Committee, the Risk Monitoring Committee is composed of 3 (three) persons, namely:

Risk Monitoring Committee Members as of 31 December 2015

Chairman (Independent Commissioner)	Aswin Wirjadi
Member (Independent Party)	Hendry Patria Rosa
Member (Independent Party)	Thomas Abdon

All members of the Risk Monitoring Committee have high integrity and good moral character in keeping with the requirements for Risk Monitoring Committee member as stipulated in Directors' Decree No.14/SKDIR/0057 on the Policies and Procedure for the Nomination, Replacement and/or Dismissal of Members of the

Board of Commissioners, Board of Management, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by Bank Indonesia and/or the Financial Services Authority in terms of independency, expertise and integrity.

The Risk Monitoring Committee performs its duties, responsibilities and authorities based on the Work Guideline and Rules of Procedures of the Risk Monitoring Committee, which covers:

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

The meetings of the Risk Monitoring Committee were held based on the needs of the Bank and were attended

by all members of the Committee and Risk Management Work Unit as invitees (if necessary). During 2015, the Risk Monitoring Committee held 12 (twelve) meetings, which were attended by more than 51 per cent of members of the Risk Monitoring Committee.

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

The Work Programme of the Risk Monitoring Committee and its realisation in 2015 included but was not limited to:

No.	Work Program	Realization
1.	Evaluate the Bank's risk profile.	Meeting was held to discuss the Bank's risk profile for period of Quarter IV of 2014 until Quarter III of 2015.
2.	Evaluate the Bank's Business Plan in 2015.	Meeting was held to evaluate the Bank's business plan and strategic plan in 2015.
3.	Evaluate the policies and implementation of risk management.	The meeting was held with Risk Management as invitee to evaluate the latest risk management policy.

B. Board of Directors Committees

1. Executive Committee (EXCO)

Pursuant to Directors' Decree No. 14/SKDIR/0037 dated 25 June 2014 regarding Executive Committee (EXCO),

the composition of members as well as the duties and responsibilities of the EXCO are as follows:

Executive Committee Members as of 31 December 2015

Chairman and acting as Permanent Member	President Director
Permanent member	<ul style="list-style-type: none"> Deputy President Director – Business Deputy President Director – Admin & Operations Wholesale Credit & Special Asset Management Director as permanent member for credit issues Finance & Corporate Services Director as permanent member for all non-credit issues

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

Decisions made at EXCO meetings were deliberated upon to achieve a consensus. In the event that a consensus cannot be reached, the Chairman of the

Committee or Interim Chairman has the final casting vote. EXCO decisions may also be made by circulation, provided that EXCO members have been notified in writing of the proposal submitted. Decisions made in such manner shall have the same force as decisions validly made in any EXCO meeting.

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

Good Corporate Governance

Duties and Responsibilities of EXCO Committee covers:

- a. Formulate and discuss policy issues by considering the entire planning and implementation of strategies to achieve medium and long-term objectives of the Bank;
- b. Review and decide upon proposals or submissions on the purchase or sale of the Bank's fixed assets, the Bank's inventories, and procurement of other goods and services, according to prevailing regulations;

- c. Stipulate relevant policies and guidelines for all related dealers, officials and committees who are involved in the treasury and investment activities of the Bank.

Work Program of EXCO and its realization in 2015 includes but not limited to:

No.	Work Program	Realization
1.	Formulate and review the issue on policies by taking into consideration of the whole planning and implementation of strategy to achieve the Bank's medium and long term goal.	Evaluated and granted approval the following policies: New Delegation of Authority (DOA) on Operational Expenses for Bank's Executive Officers under L1, New Delegation of Authority (DOA) Regarding Operational Expenses under L1 Authorities in Business Banking, New Delegation of Authority (DOA) Regarding Operational Expenses under L1 Authorities in Wholesale Operation.
2.	Analyse and make decisions for proposals or requests on the purchase or sales of the Bank's fixed asset, Bank's inventories, goods and services procurement, to be in line with the prevailing regulation.	Evaluate and granted approval for several strategic projects of the Bank, such as Proposal to Engage Tax Advisor Services during Tax Audit for Financial Year 2011-2012, Budget for Business Banking Credit Application System (bCAS) Project, Request on Approval of Procurement License from Microsoft, Proposal for Sale of NPL; Oracle Software Maintenance with Oracle Indonesia for 3 years Maintenance Period; Implementation Auto Dialer & Call Recording System for Retail Credit Management-Credit Card Collection Project.
3.	Evaluate the approval limit and authority for operational cost expenditures.	<ul style="list-style-type: none"> A review and discussion has been conducted on the changes of approval limit and authority for operational cost expenditures. A review and discussion has been conducted on temporary changes of approval limit and authority for operational cost expenditures related to the vacuum of President Director position.

2. Assets and Liabilities Committee (ALCO)

Based on Directors' Decree No. 15/SKDIR/0041 dated 18 November 2015, the composition of Asset & Liability Management Committee is as follows:

Assets and Liabilities Committee Members as of 31 December 2015

Chairman	Deputy President Director – Business
Deputy Chairman 1	Finance & Corporate Services Director
Deputy Chairman 2	Head of Risk Management
Secretary	Market Risk & Balance Sheet Risk Management Head
Permanent Member	<ul style="list-style-type: none"> President Director Wholesale Credit and Special Asset Management Director Head of Global Markets & Investment Management Head of Personal Financial Services Head of Business Banking Head of Commercial Banking 1 Head of Corporate Banking Head of Transaction Banking Head of Retail Credit Head of Financial Institutions
Invitee	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting

The ALCO meeting is conducted according to necessity, at least once a month.

Duties and responsibilities of the ALCO are as follows:

- a. Grant approval for the following:
 - Asset & Liability Management Policy, Market Risk Management Policy, Interest Rate Risk Management Policy, and Liquidity Risk Management Policy as well as related methodologies and assumptions used in the asset and liabilities management;
 - Delegation of risk appetite limit and risk control limit for market risk, banking book interest rate risk and liquidity risk;
 - Ratification of limit excesses by businesses;
 - Granting of temporary limits based on businesses;
 - Limits review at least once a year;
 - Pricing, FTP, and Prime Lending Rate;
 - Funding strategies (Target Balance Sheet Mix).
- b. Provide endorsement for the following:
 - Framework related to Market & Balance Sheet Risk;
 - Review and recommend Internal Model related initiatives (when ready) used in regulatory reporting.
- c. Monitoring and Reporting:
 - Monitor and highlight limit excesses from risk appetite limits, risk control limits and other risk limits related to market risk, banking book interest rate risk and liquidity risk, for escalation to Risk Management Committee, and Board of Directors;
 - Monitor, assess and review critical market, profile and exposure of banking book interest rate and liquidity risk, vulnerabilities, profit/loss, material issues and major transactions;
 - Monitor earnings spread, asset/liability distributions and maturity, liquidity and market risk, and capital allocations for market risk;
 - Provide forum for discussion and decisions related to all aspects of market, banking book interest rate and liquidity risk;
 - Ensure compliance with regulatory requirements relevant with market and liquidity risk management;
 - Review the current and possible liquidity positions and monitor alternative funding sources;
 - Monitor and ensure a sufficient liquidity is available for unanticipated contingencies.

Work Program of ALCO and its realization in 2015 includes but not limited to:

Work Program	Realization
To conduct ALCO meeting at least 12 (twelve) times a year (once a month), or as necessary due to changes in national economic conditions, or the Bank's condition and risk profile, particularly market and liquidity risk.	During 2015, ALCO held 12 (twelve) meetings and has approved 10 (ten) proposals through circulation.

3. Risk Management Committee

Based on Directors' Decree No. 14/SKDIR/0030 dated 11 June 2014, the composition of Risk Management Committee (RMC) is as follows:

Risk Management Committee Members as of 31 December 2015

Chairman	President Director
Deputy Chairman	<ul style="list-style-type: none"> • Deputy President Director – Admin & Operations • Deputy President Director – Business
Secretary	Head of Risk Management
Permanent Member	<ul style="list-style-type: none"> • Compliance Director • Finance & Corporate Services Director • Head of Risk Management
Invitee	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

Good Corporate Governance

The RMC meetings are conducted at least 4 (four) times a year or more, as necessary.

The duties and responsibilities of the RMC are as follows:

- a. Recommend and support risk management strategies, methodologies, policies, frameworks and guidelines to be applied comprehensively across the Bank, which is subject to approval from the Board of Commissioners.
- b. Endorse/approve improvement and development plans of Bank's risk management.
- c. Evaluate the Bank's capability towards changes in external and internal conditions which impact to the adequacy of Bank's capital.
- d. Assess and evaluate the Bank's internal capital adequacy to ensure the Bank has an adequate capital based on its risk profile.
- e. Justify matters related to business decisions outside of normal procedures (irregularities).
- f. Ensure the Bank's risk portfolio can be managed within the prescribed Risk Appetite.
- g. Ensure the adequate balance between risks taken and returns generated through a rigorous measurement process.
- h. Ensure an effective risk management implementation through proper risk measurement methodologies and risk based performance evaluation.

The Work Program of RMC and its realisation in 2015 includes but not limited to:

No.	Work Program	Realization
1.	Conduct RMC meeting 4 (four) times in a year	During 2015, RMC meetings were conducted 4 (four) times.
2.	Review of the Bank's Risk Profile	Review of the Bank risk profile was conducted in the quarterly RMC meetings.

4. Credit Policy Committee

Based on Directors' Decree No. 15/SKDIR/0058 dated 17 December 2015 the composition of Credit Policy Committee (CPC) is as follows:

Credit Policy Committee Members as of 31 December 2015

Chairman	Head of Risk Management
Deputy Chairman	Head of Retail Credit
Secretary	Credit Risk Management Head
Permanent Member	<ul style="list-style-type: none"> Head of Related Credit Approval (according to CPC topic) Function Head of related business (according to CPC topic)
Invitee	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

CPC meetings are held based on the Bank's needs.

Duties and responsibilities of the Credit Policy Committee are:

- Duties
 - a. Provide recommendation and initial approval of Credit Policy that will be approved by Board of Directors and/or Board of Commissioners.
 - b. Oversee so that the Bank's Credit Policy can be applied and executed properly.
 - c. Formulate solutions for barrier/obstacle in the implementation of Credit Policy.
 - d. Conduct regular review of Bank's Credit Policy and provide suggestion to Board of Directors if adjustments and improvements are needed.
 - e. Monitor and evaluate compliance with prevailing Credit Policy, regulations and other rules in the implementation of lending.
 - f. Monitor and evaluate the overall development and quality of credit portfolio (including rating grade distribution, migration and exposure reports).
 - g. Monitor and evaluate effectiveness of credit risk management structure.

- h. Monitor and evaluate appropriateness of credit discretionary limit implementation.
- i. Provide recommendation to Board of Directors in determining a credit discretionary limit for Bank's officials.
- j. Monitor and evaluate appropriateness of process, development, and quality of lending to the Bank's related parties and certain large debtors.
- k. Monitor and evaluate appropriateness of implementation of Legal Lending Limit (LLL) regulation.
- l. Monitor and evaluate solutions to non-performing loans in accordance with Credit Policy.
- m. Monitor and evaluate Bank's efforts to fulfill the adequacy of General Provision.
- n. Monitor and evaluate the adequacy of the Bank's credit infrastructure.

- o. Approve, monitor and evaluate the implementation and execution of Internal Rating Based (IRB) Credit Risk parameters, models and scorecard.

- Responsibilities
 - a. Submit written report on a regular basis to the Board of Directors with a copy to the Board of Commissioners, concerning:
 - supervision report of Credit Policy implementation and execution;
 - result of monitoring and evaluation on items stated in Duties of Credit Policy Committee.
 - b. Provide recommendation to the Board of Directors on corrective actions with a copy to the Board of Commissioners related to items on part (a).

Work Program of CPC and its realisation in 2015 includes but not limited to:

No.	Work Program	Realization
1.	Monitoring and evaluation on credit portfolio quality and other significant issues related to credit business.	Periodically, the Credit Risk Management Division submits a report in the form of Credit Risk Highlights to the Board of Directors (as permanent member of committee), and with a copy to the Board of Commissioners. The Credit Risk Management Division also submits several reports on matters related to credit risk to the Board of Directors as a permanent member of the Committee, such as proposed stress test report and Credit policy revision.
2.	Review and provide recommendations on the revised credit policy.	During 2015, CPC has held 10 (ten) meetings.

5. Human Resources Committee

Based on Directors' Decree No. 15/SKDIR/0051 dated 3 Desember 2015 concerning Human Resources

Committee for Head Office, the composition of Human Resources Committee (HR Committee) as follows:

Human Resources Committee Members as of 31 December 2015

Chairman	President Director
Members	<ul style="list-style-type: none"> • Deputy President Director - Business • Deputy President Director – Admin and Operations • Head of Human Resources
Secretary	Learning Development & Business HR Head
Invitee	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

Good Corporate Governance

HR Committee meetings are conducted at least twice a year or adjusted as the Bank deems fit.

The duties and authorities of HR Committee are:

a. Duties

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

b. Authorities

- Discuss and decide any material policies related to HR;

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

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

Work Program of HR Committee and its realisation in 2015 includes but is not limited to:

No.	Work Program	Realisation
1.	Conduct meetings at least twice a year.	During 2015, Human Resources Committee has conducted 10 (ten) meetings.
2.	Improve leadership capability in UOB Indonesia	<ul style="list-style-type: none"> • Competency assessment for Senior Leader to identify their strength and area for improvement. • Identification of development needs for Senior Leader based on assessment result so they can have more suitable development program.
3.	Ensure cascading process and implementation of Vision and Values are done properly.	<ul style="list-style-type: none"> • Define communication framework for Corporate Vision and Values to employees. • Implementation of UOB 80 Program. • Integrating Corporate Values into employee's performance appraisal system.
4.	Organisation and People Review (OPR)	<ul style="list-style-type: none"> • Update OPR Mechanism in 2015 • Identification of Talent and Succession Chart for the Bank • Determine Individual Development Plan for each Talent

No.	Work Program	Realisation
5.	Employee Performance Management and build high performance culture.	<ul style="list-style-type: none"> Evaluate performance rating Stipulation of guidelines and mechanism for promotion Highest Panel discussion for employees Performance Appraisal Review of promotion recommendation Conduct evaluation on UOB Recognition Award Decide the winner of each category in UOB Recognition Award
6.	Increase Organisation Productivity	Determine Organisational Effectiveness (OE) Review mechanism and implementation

6. Business Continuity Management (BCM) Committee

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

Business Continuity Management Committee Members as of 31 December 2015

Chairman (Recovery Director)	Head of Technology & Operations
Vice Chairman (Alternate Recovery Director)	Head of Risk Management
Secretary	Operational Risk Management Head
Permanent Members	<ul style="list-style-type: none"> Head of Human Resources Head of Global Markets & Investment Management Head of Channels Operational Risk Management Head
Invitee	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

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

The duties and responsibilities of BCM Committee are:

- Drive BCM implementation within the Bank.
- Ensure effectiveness of BCM capability within the bank.
- Support the policy, guidelines and strategy of BCM.
- Approve list of critical functions.

e. Manage BCM particularly that related to risk management matters.

f. Review regular reports related to BCM program status within the Bank.

g. Review annual BCM Attestation within the Bank.

Work Program of BCM Committee and its realisation in 2015 includes but is not limited to:

Work Program	Realisation
Business Continuity Management Committee Meetings are held as necessary. All decisions are taken in the meetings or in writing by circulation.	During 2015, BCM Committee meeting was conducted 3 (three) times.

7. Credit Committee

Based on Directors' Decree No. 15/SKDIR/0059 dated 17 December 2015 concerning Credit Committee and Joint

Signing Authority (JSA), the composition of the Credit Committee (CC) is as follows:

Credit Committee Members as of 31 December 2015

<ol style="list-style-type: none"> Credit Committee (CC) Wholesale Credit <ol style="list-style-type: none"> Deputy President Director – Admin & Operations Deputy President Director – Business Head of Related Credit Approval Wholesale Credit & SAM Director 	
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Good Corporate Governance

Credit Committee Members as of 31 December 2015

- II. Credit Committee (CC) Retail Credit/Komite Kredit (CC) Retail Credit
 - a. Deputy President Director – Admin & Operations
 - b. Deputy President Director – Business
 - c. Head of Retail Credit
- III. Joint Signing Authority (“JSA”) Wholesale Credit
This authority is dispensed temporarily until further notice
- IV. Joint Signing Authority (“JSA”) Retail Credit
This authority is dispensed temporarily until further notice
- V. Invitee
CC may invite other Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting

CC meetings are held according to the Bank's need.

Authority of CC is to approve a credit decision in accordance with its credit discretionary limit. In 2015, 327 credit proposals were submitted to the Credit Committee, consists of 126 proposals from Corporate Banking segment, 196 proposals from the Commercial Banking segment, and 5 proposals from the Retail Credit segment.

8. Information Technology Committee

Based on Directors' Decree No.15/SKDIR/0042 dated 18 November 2015 concerning PT Bank UOB Indonesia Information Technology Committee, the composition of Information Technology Committee (IT Committee) is as follows:

Information Technology Committee Members as of 31 December 2015

Chairman	President Director
Deputy Chairman	Deputy President Director – Admin & Operations
Secretary 1	Business Technology Services Head
Secretary 2	Shared Infrastructure Services Head
Member	<ul style="list-style-type: none"> Finance & Corporate Services Director Head of Technology & Operations Head of Risk Management
Invitee	The IT Committee may invite other Directors, Function Heads, and/or other parties that have relevance to the subject of the meeting

IT Committee meetings are held according to the Bank's need.

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

- a. Duties and Responsibilities
 - Assist the Bank in deciding and supervising the Bank's investment in the field of IT and is also responsible for developing infrastructure and strategic plans for information technology, while ensuring that everything is in line with the business strategy of the Bank;
 - Discuss specifically about plans on information technology development, either currently applied by the Bank or new technology;
 - Discuss a policy format in relation to the utilisation of information technology that is fundamental such as utilisation of software, hardware, and professional service to be engaged;
 - Assist the Bank in directing, overseeing and managing information technology security risk in accordance with technology security policies;
 - Review the progress of IT key activities periodically.

b. Authorities

- Approve information technology development plans, either currently applied by the Bank or new technology;
- Approve policies in relation to strategy or utilisation of information technology such as utilisation of software, hardware, and professional service to be engaged;

- Set priority for IT developments which are strategic, compliance, business or customer service in nature;
- Approve any high-risk deviation from standard policy in utilisation of technology as a result of security risk assessment report.

Work Program of IT Committee and its realisation in 2015 includes but is not limited to:

Work Program	Realisation
Conduct routine meetings to review and approve IT investment (for purchase of equipment and IT projects implementation), monitoring of IT strategic projects, and approve strategic IT policy.	<p>IT Committee has conducted 5 (five) meetings in 2015, with details of schedule & agenda of discussion as follows:</p> <ol style="list-style-type: none"> • Update on cost reduction Branch Teller System Project Implementation; • Request for approval To Implement Auto Dialer and Call Recording System; • Request For Approval To Implement Credit Card eStatement; • Request For Approval To Implement UOBI Virtual Account; • Request For Approval To Implement Business Banking Credit Application System (bCAS) • Request For Approval To Implement UOBI PIB Project. • Request for approval – Implementation of BB & PFS AIRB. • Request for approval – Implementation of Limits & Exposure System (LES) and Grouping system (GRP) • Request for endorsement for IT Committee Governance Update • Request for endorsement for Revision of IT Security Policy • Request for endorsement for Information Security Risk Assessment (ISRA) with Risk Rating Medium/ High • Update on Information Security Event

9. Anti Money Laundering Committee

Based on Directors' Decree No. No.15/SKDIR/0047 dated 18 November 2015 concerning Anti Money

Laundering Committee, the composition of Anti Money Laundering Committee (AMLC) is as follows:

Anti Money Laundering Committee Members as of 31 December 2015

Chairman (also act as member)	Compliance Director
Deputy Chairman	Head of Personal Financial Services
Member	<ul style="list-style-type: none"> • Head of Technology & Operations • Head of Risk Management • Head of Business Banking • Head of Commercial Banking 1 • Head of Corporate Banking • Financial Institution Head • AML/CFT & Sanction Division Head
Secretary	AML/CFT Policy & System Department Head
Invitee	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting to provide input

Good Corporate Governance

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

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

Duties, authorities and responsibilities of AMLC are to:

- Review and endorse changes to core tenets of, and deviations from, the Bank's Policy on the Anti Money Laundering and Countering of Terrorism Financing and Sanctions (AML-CFT & Sanctions);
- Review and endorse Sanctions Directives, in line with the applicable AML/CFT/Sanctions framework;
- Approve the on-boarding of prospective or the continuation of an existing relationship with specific customers deemed to pose higher reputation and ethical risks to the Bank;
- Manage, arbitrate and decide on conflicts arising from differing views between Business Work Function and Compliance Function on customer acceptance of specific new customers, and the retention of existing customer;

- Approve account closure arising from the associated AML-CFT & Sanctions compliance risk exposure associated with specific existing customers;
- Approve any significant AML-CFT & Sanctions related matters that increase the money laundering or terrorist financing risk exposure to the Bank;
- Approve any AML-CFT & Sanctions controls implementation that pose high AML-CFT risks and approve the compensating AML-CFT controls for implementation;
- Provide a forum for the Board of Directors discussion and decision on any reputational and regulatory compliance issues relating to money laundering, terrorist financing and sanctions;
- Review and provide guidance on significant weakness in process and inspection/audit issues noted in the Bank.

During 2015, AMLC held 4 (four) meetings and grant approved via circulation for 8 (eight) times, and there are no AML/Sanctions cases escalated to AMLC.

10. Service Quality Committee

Based on Directors' Decree No. 15/SKDIR/0044 dated 18 November 2015 concerning Service Quality Committee (SQC), the composition of the Service Quality Committee is as follows:

Service Quality Committee Members as of 31 December 2015

Chairman	Head of Personal Financial Services (PFS)
Deputy Chairman	Head of Channels
Secretary	Customer Advocacy and Service Quality Head
Permanent Member	<ul style="list-style-type: none"> Head of Technology and Operations Head of Commercial Banking 1 Head of Commercial Banking 2 Head of Business Banking Strategic Communication and Customer Advocacy Head
Invitee	<ul style="list-style-type: none"> Members of Board of Management Function Heads, and/or Other parties which have relevance to the subject of the meeting

SQC Meetings are held as necessary, and at least 2 (two) times a year.

Duties and Responsibilities of the SQC are as follows:

- Evaluate and ensure the achievement of Bank's Service Blue Print.

- Evaluate and ensure the achievement of Customer Satisfaction and Service Index.
- Make a final decision on proposal and unresolved matters in Regional and Head Office Work Function regarding the improvement of Service Quality.

Work Program of Service Quality Committee and its realisation in 2015 includes but is not limited to:

Work Program	Realisation
Service Quality Committee Meeting are held as necessary, and at least 2 (two) times a year.	During 2015, Service Quality Committee meeting has conducted 3 (three) meetings to discuss Service Quality Strategic Plan 2015, Service Framework Development and Productivity Analysis, Mortgage Application Turnaround Time, Complaint Handling Update, and Service Strategy 2016-2018.

11. Ethic Committee

Based on Directors' Decree No. 14/SKDIR/0044 dated 12 August 2014 concerning Ethic Committee, the composition of Ethic Committee is as follows:

Ethics Committee Members as of 31 December 2015

Chairman	Head of Human Resources
Deputy Chairman	Compliance Director
Permanent Members	<ul style="list-style-type: none"> • President Director • Deputy President Director – Admin & Operations • Deputy President Director – Business • Head of Risk Management • Legal Head
Invitee*	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting
Informant/ Expert Team	<ul style="list-style-type: none"> • Internal Audit Head or Internal Audit Function • Function/individual appointed based on cases to be discussed

*Note: In case the invitees are absent, Chairman and Deputy Chairman of Ethic Committee may assign representative to replace

Ethics Committee Panel is held according to the Bank's need and the progress of audit results from Internal Audit Function.

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

- Ethics Committee is responsible directly to Board of Directors.
- Generally, the duties and authorities of Members are to conduct Ethics Committee Panel in order to

- assess, discuss, and review the reports of assessment result from Internal Audit Function in a case of fraud.
- Based on the discussion result conducted in the Ethics Committee Panel, committee may decide action plan and/or recommendation (including sanctions) for related functions.

Work Program of Ethic Panel Committee and its realisation in 2015 includes but is not limited to:

Work Program	Realisation
Resolve ethical breaches, which include fraud and breaches of integrity.	Meetings have been conducted based on audit/assessment results performed by Internal Audit Function within the limit of regulation/ procedure violation cases with indication of fraud. During 2015, the Ethic Committee has conducted 5 (five) meetings.

Good Corporate Governance

12. Operational Risk Management Committee

Based on Directors' Decree No. 15/SKDIR/0043 dated 11 November 2015 concerning Operational Risk Management Committee, the composition of the

Operational Risk Management Committee (ORMC) is as follows:

Operational Risk Management Committee Members as of 31 December 2015

Chairman	Head of Risk Management
Deputy Chairman	Head of Technology & Operations
Secretary	Operational Risk Management Head
Members	<ul style="list-style-type: none"> • Compliance Director • Finance & Corporate Services Director • Head of Channels • Head of Human Resources • Operational Risk Management Head
Invitee	Directors, Function Heads, and/or Other parties which have relevance to the subject of the meeting

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

Duties and responsibilities of ORMC are to:

- Approve and periodically review the Bank Operational Risk Management Framework, ensure the implementation of operational risk management through the determination of risk tolerance, policies, procedures and guidelines and limits, including risk management strategies to prevent financial loss.
- Make a decision on method to be applied in identification, measurement/assessment, monitoring and controlling/mitigating operational risk management at the Bank.
- Conduct periodic meetings to discuss significant operational risk issues.
- Provide recommendations or decisions to resolve operational risk issues.

- Develop organisational culture that is aware of the Operational Risk and foster commitment in managing operational risk.
- Ensure that the remuneration policy of the Bank is in accordance with the Bank's risk management strategy.
- Create a culture of objective operational risk disclosures in all elements of the organisation so that operational risk can be identified quickly and appropriately mitigated.
- Establish an effective policy of reward and punishment integrated in the performance appraisal system.
- Ensure that the Bank has a code of ethics that apply to all employees at every level of the organisation.
- Consistently apply sanctions to employees who are convicted to commit breaches and violations.

Work Program of ORMC and its realisation in 2015 includes but is not limited to:

Work Program	Realization
ORMC Meetings will be held as necessary, and at least twice a year.	During 2015, Operational Risk Management Committee held 4 (four) meetings to discuss significant operational risk issues and provide recommendations or decisions to resolve operational risk issues.

Corporate Secretary

The Corporate Secretary is the officer responsible to the Board of Directors, who acts as the liaison between the Company and the Bank's internal parties, authorised institutions affiliated with the Bank, the Bank's External parties and Investors. The Bank appointed the Corporate Secretary to assist the Board of Commissioners and Board of Directors in carrying out their respective duties and responsibilities related to the implementation of GCG and to manage communications to the stakeholders, both internally and externally.

Appointment of Corporate Secretary

Corporate Secretary is appointed pursuant to the decree of the Board of Directors. Currently the Corporate Secretary position is held by Susilowati, who has been in office as of 25 June 2015 by virtue of Decree of the Board of Directors No. 15/DIR/0021. In the Company's organizational structure, the Corporate Secretary is responsible directly to the Director of Finance & Corporate Services.

Duties and Responsibilities of Corporate Secretary

Corporate Secretary at the minimum have the functions as referred to in the Regulation of Financial Services Authority No. 35/POJK.04/2014 on Corporate Secretary of Issuing Company or Public Company. The functions of the corporate are as follows:

- a. Following the development of Capital Markets, especially the legislation in force in the Capital Market;
- b. Provide input to the Board of Directors and Board of Commissioners of Issuing Company or Public Company to comply with the provisions of the Capital Market laws and regulations;
- c. Assist the Board of Directors and the Board of Commissioners in the implementation of corporate governance which include the following:
 - i. Disclosure of information to the public, including the availability of information on the website of Issuing Company or Public Company;
 - ii. Timely submission of reports to the Financial Services Authority;
 - iii. Organising and documenting the General Meeting of Shareholders;
 - iv. Organising and documenting the meetings of the Board of Directors and/or Board of Commissioners; and
 - v. Execution of the company's orientation program for the Board of Directors and/or Board of Commissioners.

- d. Acts as a liaison between the Issuing Company or Public Company with the shareholders of the Issuing Company or a Public Company, the Financial Services Authority, and other stakeholders.

Realisation of Duties and Responsibilities of Corporate Secretary In 2015

Activities organised by the Corporate Secretary during 2015 related to its duties and responsibilities, namely as follows:

1. Prepare the drafting and publishing the Annual Report for financial year 2014 which contains information about the Company's performance.
2. Organise the General Meeting of Shareholders held on 28 April 2015.
3. Organise the Extraordinary General Meeting of Shareholders held on 2 November 2015.
4. Presentation of the Annual Report for the fiscal year 2014 and Financial Statements of fiscal year 2014 to the relevant stakeholders.
5. Attend and prepare the minutes of the meeting of the Board of Commissioners, Board of Directors Meeting and the Meetings of the Committees responsible to the Board of Commissioners.
6. Update the Internal Regulations related to the Board of Commissioners and Board of Directors and the Committees responsible to the Board of Commissioners to conform with the prevailing regulations.
7. Assist the Board of Directors and the Board of Commissioners in the implementation of corporate governance among others by ensuring smooth communication between the company and the stakeholders, ensuring the availability of information accessible by stakeholders in accordance with the reasonable needs of the stakeholders and by delivering information related to corporate action to the regulator concerned.
8. Coordinate with the Compliance Division in preparing the data associated with the Self-Assessment Good Corporate Governance for the Board of Directors, the Board of Commissioners and the Committees responsible to the Board of Commissioners.
9. Carry out the issuance of Senior Bonds of Bank UOB Indonesia in 2015.

Press Release

In 2015, the Bank regularly published press releases covering both national and regional scope to the press. The press releases cover information of the Bank's performance, marketing program, socialization programs, signing of cooperation with other parties and corporate social responsibility (CSR) activity.

Good Corporate Governance

Press Release 2015

No	Date	Press Release	Media
1	14 January 2015	UOB hosts Indonesia investment seminar in Singapore with more than 100 potential investors	<ul style="list-style-type: none"> • Bisnis Indonesia • Infobank • Kontan • The Jakarta Post • Koran Sindo • Kontan • Republika • Antara News • Kompas • SWA Magazine • Bloomberg Businessweek
2	6 February 2015	UOB: Women with deeper pockets spend more on fashion, more frequently	<ul style="list-style-type: none"> • Investor Daily • Infobank • Bisnis Indonesia • Majalah Dewi
3	25 February 2015	UOB survey finds companies from Singapore, Thailand and China keen to expand into Indonesia	<ul style="list-style-type: none"> • Jawa Pos • Kontan • Republika • Antara News • The Jakarta Post • Harian Analisa • Infobank • Republika • CNN Indonesia.com
4	23 March 2015	Myanmar's economic transformation attracting one in four Asian enterprises to invest in the country.	<ul style="list-style-type: none"> • Jawa Pos • Bisnis Indonesia • Infobank • Republika
5	31 March 2015	UOB's customers in for a treat	<ul style="list-style-type: none"> • Kompas • Bisnis Indonesia • Koran Sindo • Infobank • Republika • Kontan • Antara News
6	11 April 2015	UOB data reveals Indonesian women spent more on educating and entertaining their children in 2014.	<ul style="list-style-type: none"> • Tribun News • Republika • Kontan • Media Indonesia • Bisnis Indonesia • Metro TV News.Com • CNN Indonesia.Com
7	7 Juny 2015	UOB employees and customers from across Asia raise more than S\$1.3 million for children's charities at annual UOB Heartbeat Run/Walk.	<ul style="list-style-type: none"> • Bisnis Indonesia • Media Indonesia • Tribun News • Kontan • Radar Bandung • Bandung Express • Harian Pelita

No	Date	Press Release	Media
8	23 June 2015	UOB Indonesia invites emerging and established artists to share their talent at the 5th UOB Painting of the Year competition	<ul style="list-style-type: none"> • Kompas • Investor Daily • Kontan • Republika • Detik.Com • Antara • Sarasvati
9	26 October 2015	“Exploitation of Fish” wins top honours at the 2015 UOB Painting of the Year Competition.	<ul style="list-style-type: none"> • Kompas • The Jakarta Post • Investor Daily • Bisnis Indonesia • Koran Sindo • Detik.Com • Antara News • Sarasvati
10	5 November 2015	Indonesian Artist’s Innovative Technique Wins the 34th UOB Southeast Asian Painting of the Year Award	<ul style="list-style-type: none"> • Harian Analisa • Detik.Com • Fimela.Com
11	4 December 2015	UOB and Indonesia’s Investment Coordinating Board sign MOU to boost trade between Indonesia and Asia	<ul style="list-style-type: none"> • Kompas • The Jakarta Post • Investor Daily • Kontan • Republika • Tribun News • Warta Ekonomi • Gatra • Detik.Com • CNN Indonesia.Com • Liputan 6.Com

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

A. Compliance Function

1. The Role of Compliance Function

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

Following are the roles and responsibilities of the Compliance Function:

- Create steps in order to support the creation of a culture of compliance in the Bank’s business activities at every organisational level;
- Conduct identification, measurement, monitoring, and control of compliance risk with reference to the regulation on the Implementation of Risk Management for Commercial Banks;
- Assess and evaluate in a strict manner and in collaboration with the Business/Support Sectors

- the effectiveness, adequacy, and conformity of policies, provisions, systems and procedures of the Bank with prevailing regulations;
- Conduct reviews and/or recommend update and refinement of policies, regulations, systems and procedures of the Bank to ensure compliance with the regulations issued by Regulator and prevailing legislation;
- Make efforts to ensure that the policies, provisions, systems and procedures, as well as the Bank’s business activities are in compliance with the regulations issued by Regulator and prevailing legislation;
- Fulfill the anti-money laundering function by ensuring the system for customer transaction monitoring is in line with prevailing guidelines, policies and procedures to support a smooth implementation of the AML&CFT Programs and to protect the Bank against sanctions;

Good Corporate Governance

- g. Identify assess and document the compliance risks associated with the business activities of the Bank including new products, services, business practices and material changes to existing business and customer relationships, etc;
- h. Provide regulatory advice to all Business and Support Units including Senior Management on all prevailing regulations issued by Regulator and other regulations, and keep them informed of developments in these areas;
- i. Together with Business Work Function develop compliance manuals and guidelines related to the applicable regulations issued by Regulator, other regulations and key business conduct for use by Senior Management, Line Managers and staff of the Bank;
- j. Identify and maintain an inventory of all prevailing regulations issued by Regulator and other regulations with the support of internal/ external legal counsel where needed;
- k. Assist the Board of Management in educating relevant staff on compliance issues;
- l. Provide advice, guidance and continuous training for staff on the appropriate implementation of the compliance framework which includes policies, guidelines and procedures such as those contained in the Bank's compliance manuals, internal code of conduct and practical guidelines;
- m. Advise various units/divisions of the Bank and/ or Senior Management on Compliance Laws, Rules & Standards (CLRS), the implications of regulatory changes, and provide guidance regarding the proper and prompt implementation of procedures to comply with regulatory requirements;
- n. Review and monitor compliance towards Compliance Framework and internal policies or procedures as well as reporting to Board of Management and if required, to Regulator. However, the responsibility for ensuring day-to-day compliance remains within each respective work function;
- o. Make enquiries into compliance incidents and complaints, and carryout further investigations as deemed appropriate, as well as give recommendations for improvement;
- p. Act as the key liaison person with relevant internal and external parties, including Regulator, regarding the Bank's compliance issues;
- q. Perform its duties and responsibilities according to compliance plans and procedures developed in accordance with its compliance framework including conducting compliance reviews using a risk-based approach.

2. Actions to Prevent Breaches of Prevailing Regulations

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

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

- a. Support the creation of a compliance culture in all Bank business activities at all levels of organisation through the establishment of:
 - Compliance Charter;
 - Compliance Organisational Structure;
 - Compliance Guidance;
 - Compliance Standard Operational Procedure; and
 - Compliance Culture Campaign Posters.
- b. Identify, measure and monitor Compliance Risk and implement control processes through:
 - Compliance Review Procedure;
 - Supervision of sanctions imposed by Regulator.
- c. Establish the Compliance Review & Testing Division to manage compliance risk through the Compliance Review Programme, so that Bank can ensure conformity and adequacy of policy, guidelines, systems and procedures of the Bank with prevailing legislation through:
 - Report of Compliance Review Results;
 - Regulatory Risk Assessment Report.
- d. Provide Opinion on Compliance.
- e. Monitor and report Follow-Up to Regulator's Audit Inspection Results.
- f. Socialise regulatory provisions and provide information on compliance related matters, either through face-to-face socialisation activities or through Compliance News.
- g. Evaluate the Marketing Material and Checklist.
- h. Monitor the follow up of RBBR- GCG improvement by RBBR-GCG (Risk Based Bank Rating-Good Corporate Governance) Working Group.
- i. Act as liaison officer for compliance related issues between the Bank and Regulator or internal Bank units.

3. The Implementation of Good Corporate Governance

The provisions related to the Implementation of Good Corporate Governance for Commercial Banks refer to Bank Indonesia Regulation No.8/4/

PBI/2006 dated 30 January 2006 and No.8/14/PBI/2006 dated 5 October 2006 as well as Bank Indonesia Circular Letter No.15/15/DPNP dated 29 April 2013.

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

The three governance aspects are:

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

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

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

The Compliance Unit has also reviewed and revised the previous Compliance Guidance in order to provide guidance for all stakeholders to improve the effectivity of the Compliance Function

implementation, as stipulated in Directors' Decree No. 15/SKDIR/0060 dated 22 December 2015 on Compliance Guidance of PT Bank UOB Indonesia.

Moreover, in line with the Financial Services Authority (FSA) regulation on the implementation of Integrated Corporate Governance for Financial Conglomerations as stipulated in FSA Regulation No.18/POJK.03/2014 and FSA Circular No. 15/SEOJK.03/2015, the Compliance Work Unit has issued the Integrated Compliance Charter for Entities in the Financial Conglomeration of UOB in Indonesia as the umbrella policy for the implementation of the integrated compliance function, as stipulated in Directors' Decree No. 15/SKDIR/0062 dated 30 December 2015 on Integrated Compliance Charter for the Financial Conglomeration of UOB.

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

B. The Implementation of Internal Audit Function

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

Internal audit is led by a head of the Internal Audit who is appointed and dismissed by the President Director upon approval of the Board of Commissioners. At present, the head of Internal Audit is Ridwan Moezwir, who took office in 2008 based on the Board of Directors appointment letter no. 08/SKDIR/1326, dated August 12, 2008. Ridwan Moezwir has over 28 years experience as an auditor in the financial services field.

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

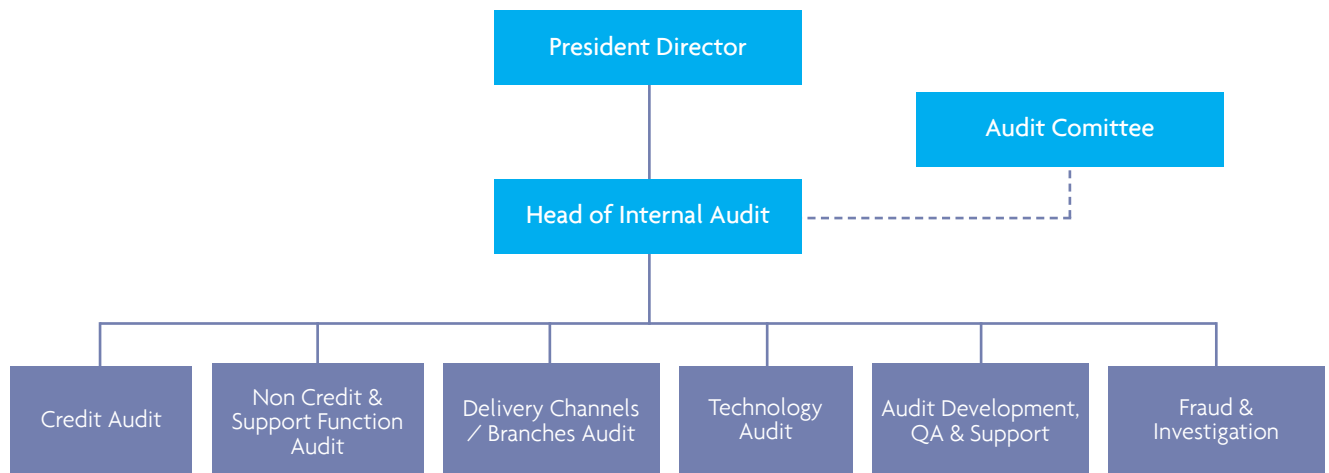
Good Corporate Governance

Internal Audit Professional Qualification/Certification

The Internal Auditor of the Bank holds internal audit professional qualification and certification, including:

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

Internal Audit Organisation Chart



Tasks and Responsibilities of Internal Audit

Internal Audit is part of internal control. The implementation of the audit function is carried out using the risk based approach as a basis for the auditor in conducting the analysis, examining and assessing items related to audit tasks.

Internal Audit evaluate quality of the internal audit activities, which consists of the Ongoing Performance Monitoring Reviews, Internal Quality Assessment and External Quality Assessment.

As stated in the Internal Audit Charter, the task and responsibility of Internal Audit is to assist the Board of Directors and Board of Commissioners in:

- a. Ensuring the existing risk management, control internal and governance is adequate, reliable and effective to achieve the Bank's objectives, maintain the Bank's asset, recognize the significant issues impacting the bank as well as follow-up timely.
- b. Determining whether the employees activity comply with the policies, standards, procedures, legal and regulations and whether the management has taken the appropriate measures to address weaknesses in the control.
- c. Recommending improvement in the existing procedures and system to enhance control and to prevent the Bank from loss.
- d. Assessing the alignment of the Bank's programs and work plans n achieving goals.
- e. Ensuring that the follow-up and obstacles faced when following up on the findings impact the process and performance of the Bank and are reported to the Board of Directors and Board Commissioners through the Audit Committee.
- f. Ensuring the implementation of the Bank's i strategies, policies and mechanisms for anti-fraud are adequate in covering prevention, detection, investigation, reporting, penalties, sanctions, monitoring, evaluation and follow up.
- g. Reassessing the Integrated Risk Management framework which includes the policies, organisation structures, resource allocation, Integrated Risk Management process design, Risk information system and reporting of Financial conglomeration.
- h. Conducting review on the implementation of the integrated risk management in Financial conglomeration, as well as review on monitoring.

Based on the above, the scope of work of Internal audit includes examination, assessment and provide independent opinion, objective, reliable, useful and timely which add value to the Bank's operational activities. Internal Audit supports the Bank to achieve

its goal in systematic, focused approach in assessing the adequacy of internal controls, financial, operational.

Disclosure of Internal Audit (IA) Practice in 2015

During 2015, 92 per cent of findings have been rectified, 7 per cent of findings are still in the process of rectification and 1 per cent of findings overdue and are currently in the process of submission of a new target date to the Management.

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

Internal Audit 2016 Key Initiatives

The Key Initiatives of the Internal Audit in 2016 are prepared to increase value added, by always striving to meet the expectations and increased needs of the stakeholders, by focusing on activities such as:

1. Development of human resources in forms of Executives Maturity and Subject Matter Expertise (SME).
2. Sharpening focus on strategic matters & forward looking.
3. Development of Computer Assisted Audit Techniques (CAAT).

C. The Implementation of External Audit Function

Based on the approval of the AGMS and on the recommendation from the Audit Committee through the Board of Commissioners, the Bank has appointed a Public Accountant Firm registered with Bank Indonesia, namely Purwantono, Suherman & Surja.

However pursuant to FSA Letter No.S-709/PM.223./2015 dated 2 September 2015, Public Accountant Firm Purwantono, Suherman & Surja has changed its name to Public Accountant Firm Purwantono, Sungkoro & Surja. Hence, the audit on Bank's Financial Report for the position of 31 December 2015 were conducted by Public Accountant Firm Purwantono, Sungkoro & Surja.

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

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

Related Party Funding and Large Exposure

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

The following are loans to related parties and large exposures as of 31 December 2015:

No	Funding	Total	
		Debtor	Nominal
1	To Related Party	187	969,627
2	To Core Debtor	25	14,686,116
	a) Individual	1	321,527
	b) Group	24	14,364,589

Notes:

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

Good Corporate Governance

Bank's Strategic Plan

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

Following is the Bank's short-term business plan:

- The Bank is planning to strengthen capital by increasing core capital or supplementary capital to support business growth.
- To issue financial instruments such as Senior Sustainable Bonds or Negotiable Certificate of Deposit (NCD) to diversify Bank's financing resources and to improve Bank's financing structure with a consideration to the economic condition, particularly related to interest rate movement in order to achieve maximum results of Bank's financial performance.
- To achieve earnings before tax of IDR713 billion in 2016.
- To increase lending growth by 11.6 per cent in 2016
- To increase Third Party Fund by 9.8 per cent in 2016.
- To achieve a return on equity (ROE) of a minimum by 5.3 per cent.
- To maintain gross NPL ratio under 3.25 per cent.
- To maintain short-term liquidity by keeping an LCR of over 80 per cent in 2016.
- To maintain capital adequacy ratio of 14.3 per cent.
- To implement Business Internet Banking/GEB and Personal Internet Banking/PIB to enhance Bank's competitiveness and customer service quality.
- To conduct a systems analysis in order to comply with Government Regulation No. 82 of 2012 on the Implementation of Electronic System and Transaction and for specific systems the Bank will publish replacement plan back to Indonesia.

Following are Bank's medium-term business activities:

- To achieve earnings before tax of IDR1.3 trillion at the end of 2018.
- To achieve an average third-party fund growth of 12.2 per cent so that at the end of 2018 the fund generated will reach IDR93.5 trillion.
- To achieve an average loan growth of 11.9 per cent so that at the end of 2018 loan disbursement would reach IDR85.9 trillion.
- To achieve a return on equity ratio of 8.2 per cent and a return on assets ratio of 1.1 per cent.
- To achieve a Customer Satisfaction Index of 85 per cent in 2018.

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

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

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

Shares Ownership of Board of Commissioners and Board of Directors

No.	Name	Position in PT Bank UOB Indonesia	Company Name (domestic & overseas)	Ownership Percentage per 31 Dec 2015 (%)
Commissioner				
1	Wee Cho Yaw	President Commissioner	C Y Wee & Company Pte Ltd	30.00
2	Wee Ee Cheong	Deputy President Commissioner	Kheng Leong Company Pte Ltd	23.67
			Eastern Century Limited	10.40
			KIP Industrial Holdings Ltd	13.00
			Phoebus Singapore Holdings Pte Ltd	26.67
			Portfolio Nominees Ltd	26.01
			Supreme Island Corporation	26.00
			UIP Holdings Ltd	10.00
			Wee Investments (Pte) Ltd	26.01

No.	Name	Position in PT Bank UOB Indonesia	Company Name (domestic & overseas)	Ownership Percentage per 31 Dec 2015 (%)
			Wee Venture (Overseas) Ltd	26.01
			E.C. Wee Pte Ltd	98.00
			C Y Wee & Company Pte Ltd	30.00
3	Francis Lee Chin Yong	Commissioner	Kemaris Development Sdn Bhd	50.00
			Kemaris Holdings Sdn Bhd	50.00
			Kemaris Industrial Sdn Bhd	50.00
			Kemaris Residences Sdn Bhd	50.00
			Kemaris Construction Sdn Bhd	50.00
4	Rusdy Daryono	Independent Commissioner		NIL
5	Wayan Alit Antara	Independent Commissioner	PT Citra Indah Prayasa Lestari	5.00
6	Aswin Wirjadi	Independent Commissioner		NIL
Director				
1	Armand B. Arief	President Director		NIL
2	Iwan Satawidinata	Deputy President Director		NIL
3	Tan Chin Poh	Deputy President Director		NIL
4	Muljono Tjandra	Director		NIL
5	Ajeep Rassidi Bin Othman	Director		NIL
6	Soehadie Tansol	Compliance Director		NIL

Financial and Family Relationships of Members of the Board of Commissioners and Directors with other Members of the Board of Commissioners, Directors and/or the Controlling Shareholders of the Bank

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

Good Corporate Governance

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

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

(in million Rupiah)

Type of Remuneration and Other Benefits	Total Received in 1 (one) Year			
	Board of Commissioners		Board of Directors	
	Person	Total	Person	Total
Remuneration (salary, bonus, routine allowance, tantiem, and other facilities in the form of cash)	6	2.634	6	45.485
Other benefits in kind (housing, transportation, health insurance, etc.)	-	-	-	-
a. can be owned	-	-	-	-
b. cannot be owned	-	-	6	2.086

*) Counted in equivalent Rupiah

B. Description of Remuneration Package for Receiver Group

Total Remuneration Per Person In 1 (One) Year*	Board of Commissioners	Board of Directors
Above IDR2 Billion	-	6
Above IDR1 Billion up to IDR2 Billion	-	-
Above IDR500 million up to IDR1 Billion	3	-
Under IDR500 million	3	-

C. Highest and Lowest Salary Ratio

Description	Ratio
Ratio of the highest & lowest salary of the employees	1 : 90.3
Ratio of the highest & lowest salary of the Board of Directors	1 : 4.2
Ratio of the highest & lowest salary of the Board of Commissioners	1 : 8.3
Ratio of the highest salary of the Board of Directors & highest salary of the employee	1 : 1.9

D. Shares Option

During 2015, PT Bank UOB Indonesia did not grant Share Options to Commissioners, Directors or Employees.

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

The number of fraud cases in 2015 is shown in the table below:

Internal Fraud in 1 (One) Year	Total Cases Conducted By					
	Management		Permanent Employee		Non Permanent Employee	
	Previous year (2014)	Current year (2015)	Previous year (2014)	Current year (2015)	Previous year (2014)	Current year (2015)
Total number of fraud incidents	0	0	7	3	0	0
In process of being settled internally	0	0	7	3	0	0
Settlement process in Bank's internal	0	0	0	0	0	0
No attempt to settle case	0	0	0	0	0	0
Settled through legal process	0	0	0	0	0	0

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

As of 31 December 2015, the Bank still has some legal cases detailed in the table below:

Legal Cases	Number of cases		
	Civil Law		Criminal Law
	Bank UOB Indonesia as plaintiff	Bank UOB Indonesia as defendant	
Settled (has permanent legal power)	1	0	0
In settlement process	1	25	0
Total	2	25	0

Administrative Sanction

Throughout 2014, there were no significant administrative sanctions. Most administration sanctions charged to the Bank were related with transactional issues or delays in reporting submissions. The Bank followed-up report correction and risk mitigation namely by conducting training, system improvement and control enhancement.

Transactions Involving Conflict of Interest

In 2015 there was no conflict of interest that could potentially harm or reduce the Bank's profits

Bank's Share and Bond Buybacks

During 2015, the Bank did not perform any share or bond buyback.

Donation for Social and Political Activities During the Period of 2015

Bank UOB Indonesia believes in its ability to actively develop a better environment by participating in various activities to develop the community. Below are the Bank's activities in 2015:

Good Corporate Governance

Category	Type of Activity	Description	Total Fund (in million IDR)
Social	Humanitarian Acts	Through collaboration with the Indonesian Red Cross (PMI), 384 employees in Jakarta participated in a blood drive.	5
	Donation for Events	Rejuvenation of Taman Rivai Bandung through UOB Heartbeat activity in cooperation with Bandung Municipal Government.	200
	Financial Education through Management Associate Program	Financial education, library renovation and books donation for SMA 7 and SMA 35 in Jakarta related to Financial Management Activities conducted by Management Associate Program (Indonesia & Singapore) engaging with Division of HR (Human Resources), SCCA (Strategic Communications & Customer Advocacy) and Channels.	121
Community	Community Donations	Gave financial aid through Kick Andy Foundation and provided financial literacy education by introducing the savings concept and banks and their the role in community through the UOB Smart Kick Andy on Location programme.	150
		Donation of books and library supplies to Sahabat Anak Foundation through UOB Heartbeat activity.	8
		Introduced the savings concept and banks and their role in the community as part of a financial literacy program held for children of Sahabat Anak Foundation and employees' children through UOB Kids at Work.	30
		Introduced the savings concept and banks and their role in community as part of a financial literacy programme for children of Sahabat Anak Foundation and employees children through UOB Art for Kids.	25
		UOB Heartbeat visited Wyata Guna Humanitarian Aid Foundation to give donation and to introduce the savings concept and banks and their role in community as part of a financial literacy programme.	50
		Introduced basic financial planning concepts for families bundled with public speaking for career development through "Let's Speak Up with Prita Laura" sharing session show.	25
Religious	Sacrificial Livestock Event	To celebrate Islamic Day of Sacrifice 1436 H, we made an offering of 9 (nine) cows for 1800 people (staff and neighbours).	206
	Giving Staple Food Package	To celebrate Idul Fitri 1436 H, UOB Indonesia gave staple food packages to 1,804 UOB non staff members, in the form of shopping vouchers.	361
Education	Scholarship for Employees' Children	Education financial aid for 140 employees' children with outstanding achievements.	104
	Internship	Provided an opportunity for final year university students to gain knowledge of the workenvironment.	44
	Scholarship for Employees	Education financial aid for three employees with outstanding achievements to obtain higher education.	59
Art	Painting competition for students and non-professional painters	Organised the 5th UOB Painting of the Year competition in 2015 for aspiring painters, students and non-professional painters in Indonesia. The purpose of the event is to find new indonesian talents in painting.	1,064
Total Expense			2,453

Code of Conduct, Corporate Culture, Whistleblowing and Internal Communications

Code of Conduct

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

The Bank regularly reviews the code of conduct and ethics and disseminates it to all employees and management to ensure that they understand its requirements and puts them into practice. The code of conduct is set out in six components:

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

Corporate Culture

UOB Indonesia Corporate Culture believes in the importance of fundamentals in doing business. To that end, the Bank utilises its experience and expertise to support customers wherever they are. The Bank strives to provide the right solutions for customers to grow their assets,

manage their business and capture opportunities across the region. The Bank believes the importance of nurturing deep relationships and remain committed as the economy and the communities in which they operate progress, creating value for all stakeholders, now and in the future.

The Bank's corporate values are as follows:

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

Whistleblowing

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

Whistleblowing Procedure

Whistleblowing has to be carried out with assurance that the report is based on fact. Any report submitted without stating the name of the Whistleblower will be responded to in accordance with the Auditor's consideration. The Whistleblower must provide clear information and evidence which can be investigated and followed-up accordingly and has to be submitted either verbally or in writing to a direct supervisor/manager. However, the process relies on the severity or sensitivity of the issues involved related and the party suspected of having to have committed the offence. If the Whistleblower feels uncomfortable on said reporting the issue this way or is suspicious towards his or her the management staff (including his or her to a direct supervisor) and the Board of Directors, therefore the report must be submitted directly to Head of Internal Audit and Chairman of Audit Committee.

Protection for Whistleblower and the Reported Party

A whistleblower who submits a truthful report according to this policy and with good will, will be protected from the risk of unfair dismissal or retaliatory action. The protection is not valid for a whistleblower who intentionally submits a false reports or reports made with malicious intent. The Bank will protect the whistleblower's identity and will not disclose his/her identity without his/her permission. If there are any particular circumstances where the Bank fails to settle the issue without disclosing the whistleblower's

Good Corporate Governance

identity (namely due to the evidence being required by the Court), the Bank will discuss with the whistleblower how to handle this issue. The Bank gives its assurances that every report submitted to the Bank's officers will be handled with under a high level of confidentiality. The Bank will also optimally strive to protect the confidentiality of whistleblowers or a reported party, and for anyone who provides information during the investigation process based on the prevailing Law. Officers in the Internal Audit Unit who are in charge of the Whistleblowing Hotline will respond to every report submitted as well as ongoing current issues through the following mechanism:

- Investigation by appropriate Unit/Division.
- Referred to the Police Department through Whistleblowing Panel/Committee.
- Recommendation to the Audit Committee.

In certain circumstances, the report will be settled with consensus without needing to complete an investigation. If it is considered that any action considered needs to be carried out, this will be conducted before other investigations are completed. The implementation of this policy is not limited to the severity of the complaint, the credibility of the complaints and or the extent to which reporting can be verified by the available resources.

Result of Whistleblowing

In 2015, there were 5 (five) cases reported through the whistleblowing hotline, which currently have been completely settled.

Internal Communications

The Bank uses various internal communications channels to educate employees about the Banking industry and to inform them about related business activities, and the policies and plans of the Bank. The internal communications network consists of:

- **UOB Intranet Portal**
UOB Intranet Portal contains important information to support the Banking services and daily operations.
- **CEO Message**
CEO Message contains information about the Bank's strategic plans, achievements, and felicitations on religious or cultural celebrations and activities presented by the President Director.
- **E-Learning**
E-learning is conducted as a refreshment of a new and innovative way of implementing on of the company's information policy in which must be participated by all

UOB staff participate. The iPolicy information provided includes policies, such as Know Your Customer, Anti Money Laundering, IT Security Awareness and other policies related to banking operations.

- **Daily News**
Daily News is sent daily to all staff and which contains news summaries related to financial institutions and coverage of UOB Indonesia coverage in various printed and online media.
- **Hello UOB**
Hello UOB is general information presented by the Strategic Communications work unit about internal and external activities of UOB Indonesia.
- **HR News**
HR News is sent to all staff which contains information on policies related to human resources in UOB Indonesia.
- **PFS News**
PFS News is information related to promotional activities carried out by the Personal Financial Services on privilege banking, savings, time deposit, credit cards, housing loans and other internal events.
- **TSB News**
TSB News contains information about activities conducted by the Transactional Banking work unit.
- **CASQ News**
CASQ News is periodic publication which contains information about customer services.
- **IT News**
IT News contains information related to policies that have been implemented on the use of the Information and Technology system at UOB Indonesia.
- **UOB One**
UOB One is an internal electronic magazine which is sent through email to all UOB Indonesia staff.
- **Risk Management**
Risk Management contains information about risk implementation policy at UOB Indonesia.
- **Poster**
UOB Indonesia creates posters which contains information about the policies of UOB Indonesia and are placed at the offices of UOB Indonesia staff, both in head office and branch offices.
- **Screen Saver**
UOB Indonesia takes advantage of the screen savers on the staff's computers to provide the latest information about programs related to employees' personal development.

Risk Management

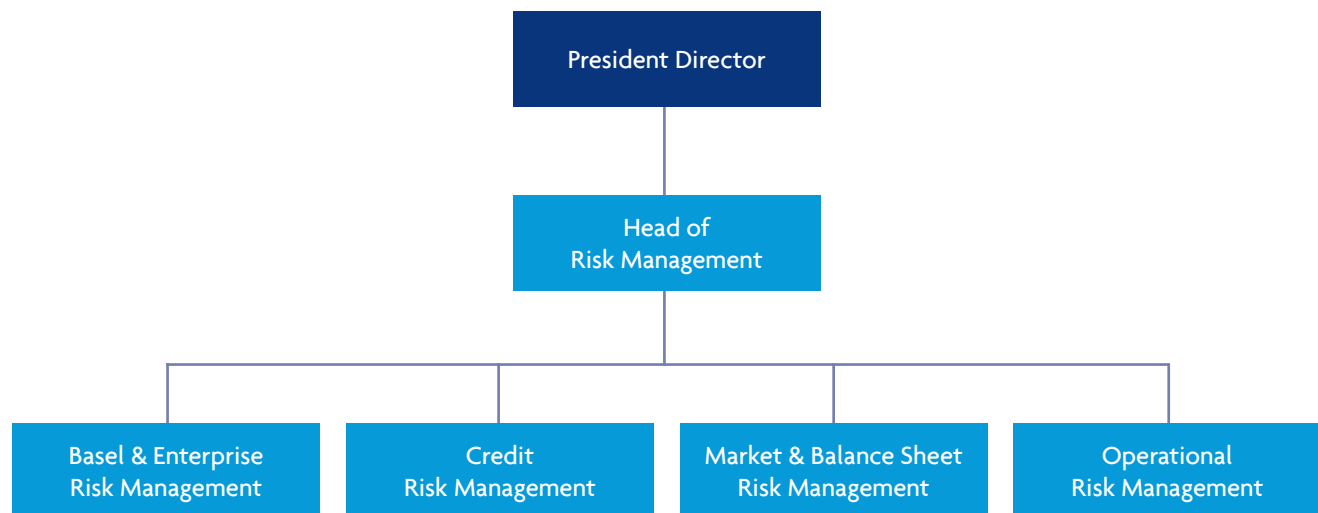
Risk Management in UOB Indonesia ("Bank") is implemented thoroughly in order to support the sustainability and business growth of Bank. This process is accordance with the Risk Management Vision *"To have risk management an embedded culture (risk aware) in supporting a sustainable, trustworthy and sound business growth"*, because variety of risks arising from business activities of the Bank shall be consistently identified, managed, monitored, supported with internal control, and followed up with several risk mitigation measures, therefore the impact of risk events can be minimised. The impact of failure in mitigating risks on a timely basis may be very significant, meanwhile if risks are identified and mitigated effectively and timely, it may result opportunities for the business development. Therefore, Bank consistently develops and implements risk management of all the risks.

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

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

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

In managing risks, Bank is supported by Risk Management Function as governed in the Bank Indonesia (BI) Regulation regarding the Risk Management Implementation for Commercial Banks, as follows:



Good Corporate Governance

Risk Management function, as an independent working unit, actively reviews the overall risk appetite and risk limits for each type of risk, develops risk management policies and procedures in accordance with the business strategy of Bank, and emphasises that the risk management process should also involve all parties in the business lines. Hence, Bank seeks to build a strong culture of risk management through the implementation of a risk awareness campaign coordinated by Risk Management Function.

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

A. General Risk Management Implementation

Bank implements Risk Management Framework which covered the implementation of four pillars of Risk Management in accordance with BI Regulation No.11/25/PBI/2009 regarding Risk Management Implementation for Commercial Banks which consists of:

1. Active supervision by the Board of Commissioners and Board of Directors.
 2. Adequacy of policies, procedures, and limits.
 3. Risk management processes and risk management information system.
 4. Internal control system.
- with a brief explanation as follows:

A.1 Active Supervision by Board of Commissioners & Board Director

Board of Commissioners and Directors are responsible to ensure the adequacy of Risk Management implementation tailored with the characteristic, complexity, and risk profile of the Bank, and to have a good understanding on type and level of risks inherent in the business activities of the Bank.

Bank has several committees at Board of Commissioners level which consists of Risk Monitoring Committee, Remuneration and Nomination Committee and Audit Committee. In the process of supervision, the Risk Monitoring Committee regularly conducts meeting with Risk Management function to oversee the implementation of risk management in Bank.

Meanwhile at Board of Directors level, Bank has various committees such as Risk Management Committee (RMC), Asset and Liability Committee (ALCO), Credit Policy Committee (CPC), Operational Risk Management Committee (ORMC), etc, which these committess have performed their duties and responsibilities in reviewing the adequacy of

risk management methodologies, policies, procedures and authorisation of limits. These duties and responsibilities are documented in the Terms of Reference of each committee.

To support the risk management implementation, Board of Directors also determines a clear qualification for human resources, ensures competency of human resources at all level of position related to risk management implementation, and also ensures the adequacy of quantity and quality of human resources including the understanding of their roles and responsibilities.

A.2 Adequacy of Policy, Procedure, and Limit

The Bank has established a comprehensive Risk Management Framework and Policy to identify, measure, monitor and control risks. Risk Management Function continues to update and enhance its policies & procedures to align with the changes in the Bank's business activities and updated regulatory requirement. Risk limits have been in place for various risk types and in line with the Bank's risk appetite.

On a regular basis, Risk Management Function reports the risk management implementation in Bank to senior management and regulator through various risk reports. All excess limits and any significant changes are escalated to the related Directors and officers for further action plans.

A.3 Risk Management Process and Risk Management Information System

The Bank implements risk management through four stages; which consists of:

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

Risk Management Information System

To support overall risk management process, Bank implements and develops an adequate risk management information system in the process of identifying, measuring, monitoring, and controlling risks. Any enhancements on

the automation process is expected able in identifying and detecting any changes in the risk profile timely and accurately, therefore Bank can perform effective and efficient mitigation measures. The Bank invests to build and develop Information Technology based automation systems to ensure the accuracy of risk profile monitoring process result.

A.4 Internal Control System

An effective internal control system is performed toward the implementation of business and operational activities at all organisation levels to support the process of risk management implementation based on the established policies and procedures, including through:

- a) Conduct segregation of duties between operational units with risk control units.
- b) Assign Risk Management Function, as an independent unit, which responsible to develop risk management policies and limits, develop risk measurement methodologies, and perform data/model validation.
- c) Conduct review and monitor every transaction and functional activities that have risk exposures as necessary, which is performed by each unit.

The Bank also implements 3 (three) Lines of Defence, as follows:

1. First line of defence - Risk Taking Unit
Consist of business and supporting units that responsible to manage risks from their business activities, including managing risks in accordance with the established risk policies, limits, and appetite.
2. Second line of defence - Risk Oversight
Consist of Risk Management Function and Compliance Function which responsible to develop risk management policies and frameworks, risk appetite, and limits. The risk oversight is also responsible to conduct independent review and oversight of Bank's risk profile, including reporting any material risks to the respective Management.
3. Third line of defence - Independent Audit
Consist of Internal Audit Function and External Audit which are responsible to conduct risk based audits which covering all organisation aspects in purpose to ensure the effectiveness of risk management implementation.

B. Risk Management Implementation for Each Type of Risk

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

B.1 Credit Risk

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

Credit Risk Management Governance Structure

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

Credit Risk Policies and Procedures

The Bank puts in place the following policies to manage Credit Risk:

- a. The General Credit Policy that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages Credit Risk. This policy also includes the Credit Classification rule that governs the assessment of credit quality based on five credit grades of Pass, Special Mention, Substandard, Doubtful and Loss.
- b. The Consumer Credit Policy that governs the principles of credit extension, the credit principles and standards by which the Bank undertakes and manages Credit Risk for the consumer segment.
- c. The Credit Concentration Risk Management Policy that manages Credit Concentration Risk.
- d. The Credit Restructuring Guidelines provide guidance on restructuring credit facilities to borrowers who are facing difficulties in meeting their financial obligation to the Bank.
- e. Green Banking Guidelines, as a form of Bank's role to support the Government's programme to preserve the environment.
- f. Watchlist Accounts Guidelines provide the criteria of watchlist accounts and guidance on the management of watchlist accounts. These watchlist accounts require close monitoring due to the potential deterioration of borrower's repayment capability.

Good Corporate Governance

- g. The Asset Classification Policy lays down the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.
- h. The Credit Risk Mitigation Policy specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.
- i. Credit Risk Scorecard & Override Rating Policy, contains the Bank's override policies and guidelines for adjusting the rating output.
- j. The Workflow for Basel II ECAI (External Credit Assessment Institutions) Process lays down the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation.
- k. Credit Risk Management Framework that governs the management of Credit Risk in the Bank.

Furthermore, the Bank has independent credit review process, independent credit approval and processing function, to ensure that accounts are properly graded and classified according to internal policies and Bank Indonesia regulations.

Credit Risk Management Framework

I. Board & Senior Management Oversight

Board & Senior Management are responsible for the Bank's governance activities as follow:

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

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

II. Segregation of Duties

a. Credit Assessment & Approval

Approval of credit facilities and exposures to borrowers and/or other counterparties according to the credit discretionary limits approved by Executive Committee.

To maintain the independence and integrity of the credit approval process, the Credit Approval function has been segregated from the business unit. The Credit Approval function is responsible for conducting independent and comprehensive analysis, evaluation

and approval of all credits without undue reliance on external credit assessments. Officers in the Credit Approval function are guided by credit policies, product programme and credit originating guidelines.

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

b. Credit Risk Management Function

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

III. Credit Management and Special Asset Management

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

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

Credit Management and Special Asset Management respectively monitor weak credits and manages non performing assets. These units are separate from the loan origination function to ensure independence and objectivity in managing bad credits.

IV. Credit Risk Mitigation

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

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

Impairment

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

- the principal and / or interest are in past due more than 90 days;
- the outstanding amount, including interest of a revolving credit facility is in excess for more than 90 days;
- the credit facility exhibits weaknesses that render a classification appropriate, although the amount past due or in excess is less than 91 days.

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

Credit exposures under Basel II

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

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

- Sovereign
- Non Central Government Public Sector Entities
- Multilateral Development Bank
- Banks
- Corporate
- Employee / Retiree
- Claim Secured by Residential Property
- Claim Secured by Commercial Real Estate
- Overdue Claims
- Other Assets
- Claims on Micro Business, Small Business, and Retail Portfolio

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

B.2 Market Risk

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

Market Risk Management Governance Structure

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

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

Market Risk Policies

The Bank has established Market Risk Management policies as guidance of Market Risk Management implementation. Market Risk Management Policy is reviewed at least annually to conform with business changes, management directives, and regulatory requirements, approved by the Asset and Liability Committee (ALCO).

Market Risk Management Framework

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

The main responsibility of Market Risk Management & Control function is responsible to identify, measure, monitor and mitigate of Market Risk, as well as escalate the exceed the limit transactions. Business function is responsible for managing the risks. All Market Risk appetite and limits control are reviewed at least once a year to be aligned with the business strategy and capital adequacy of Bank.

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

- 1) Measure the sensitivity and exposures to Market Risk under normal and stress conditions.
- 2) Provide the outstanding and potential profit and loss on a daily basis.
- 3) Perform mark to market valuations.
- 4) Accommodate increase in volume of activities, changes of valuation techniques, changes in methodology and new products.

Good Corporate Governance

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

Interest Rate Risk in the Banking Book

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

Interest Rate Risk Management Governance

ALCO is delegated by the Board to supervise the effectiveness of interest rate risk management governance. Market and Balance Sheet Risk Management division supports the ALCO in monitoring the interest rate risk profile of the banking book. At the tactical level, the Global Markets (GM) - PLM (GM-PLM) function and Central Treasury Unit (CTU) are responsible for the effectiveness of risk management in the banking book interest rate adjusted for interest rate risk management policy that has been set.

Interest Rate Risk Management Framework

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

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

Both the earnings (or net interest income or NII) and Economic Value of Equity (EVE) approaches are applied to assess interest rate risk from interest rates changes in different interest rate scenarios such as changes in the shape of yield curve, including high and low scenarios.

Stress testing is also performed regularly to determine the Bank's capital adequacy in meeting the impact of extreme interest rate movements on the balance sheet both on and off balance sheet. Such tests are also performed in order to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

B.3 Liquidity Risk

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

Liquidity Risk Management Structure

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

Liquidity Risk Management Policies

The Liquidity Risk Management Policy provides details on how liquidity risk is effectively managed by the Bank. The policy is formulated by Balance Sheet Risk Management with aims to address the liquidity risks that might arise primarily from the Bank's businesses of extending loans, making investments, accepting deposits and other funding requirements on trading activities. The policy is reviewed at least annually to incorporate significant business changes, management objectives and regulatory requirements approved by the Assets and Liabilities Committee (ALCO).

Liquidity Risk Management Framework

Liquidity Risk arises because of discrepancy between the period of funding and disbursement of funds on Bank's business activities. In addition, Liquidity Risk also closely related to other risks and very sensitive to the negative trend of financial condition. To mitigate the Liquidity Risk, the Bank has set the Liquidity Risk management policy, including the establishment of strategies and limits which appropriate with the risk level taken by the Bank.

The key measures used by the Bank for managing liquidity risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, also by monitoring the liquidity ratios as early warning indicator i.e. percentage decreased in non-bank deposits, LDR, Top 50 and 20 non-bank depositors ratios, swap funding ratio,

undrawn facility ratio, Interbank Funding Mix ratio, and Top 20 bank depositor. Cash flow projection is using behavioral modelling to ensure the cash flow reflect the business-as-usual behavior. Besides, the Bank also monitors the stability of its 'core deposits' on regular basis which consist of stable non-bank deposits such as current account, savings account, and fixed deposit by analysing their volatility overtime. Balance Sheet Risk Management function have a responsibility to enhance, implement, maintain, review, develop and communicate the assumptions, methodology, data sources, delegation of authority, stress testing and procedurs that used to measure the liquidity risk.

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

The cash flow analysis of net funding requirement involves the preparation of cash flow mismatch based on actual contractual maturity. Contractual cash flow profiles the asset allocation, liabilities, and off balance sheet items into time band by remaining maturity. Besides, the Bank also produces the cash flow mismatch report based on behavior assumption. The cash flow related to behavior analysis of asset, liabilities, off balance sheet and projecting the potential cash flow based on assumptions which derived from the behavior patterns. Potential cash flow are specifically associated with product characteristic, such as whether the product is renewed, early redemption for fixed deposit or the historical trend of fixed deposit's rolled over. From the behavior cash flow analysis, the Bank obtained the expected Net Cumulative Outflow (NCO) gap that will be encountered.

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

There are several requirements and initiatives by the Bank on developing and implementing liquidity risk management in 2015. One is related to preparation of Basel III implementation, especially concerning liquidity risk. On December 2015, Financial Services Authority (OJK) issued the regulation regarding Obligation of Liquidity Adequacy Ratio (Liquidity Coverage Ratio) for Commercial Banks, which aims to create a sound banking system and able to grow and compete by improving the adequacy of bank's liquidity through an increase in the quantity of high-quality financial assets to anticipate net cash outflow as per international standards.

The Bank has monitored LCR on daily basis since October 2014 and Net Stable Funding ratio (NSFR) on monthly basis since Q2-2013 and also reported to ALCO meeting. Going forward to support the risk management implementation especially related to Basel III, Bank will continue to develop and enhance the process and database in order to perform effective monitoring.

Contingency Funding Plan

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. Although the Bank monitors liquidity and funding requirements on an ongoing basis, it is important to recognise that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause a liquidity crisis. The CFP outlines the actions that are to be taken by the Bank in the event of a liquidity crisis and would be activated in the event of a liquidity stress situation. It serves to identify and recognise a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick and effective decision-making. The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organisational structure of the Bank identifying the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a Liquidity Working Group Team (LWG) which is responsible to evaluate the liquidity position and decides the actions to be taken when crisis occurs.

B.4 Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The purpose of grouping risk types is to align the perception and understanding throughout the organisation and set the basis for operational risk identification, measurement, evaluation, mitigation, monitoring and reporting.

Good Corporate Governance

The Bank has established an Operational Risk Management Framework to ensure the ongoing process of a robust operational risk management that comprises risk identification, assessment, mitigation and monitoring in a structured and consistent manner. Operational risk management process is applied based on existing market best practice. In general, the operational risk control strategy is carried out by the various functions, namely through the principal and methodology of the 3 Lines of Defence and which includes *Business Continuity Management*, *Fraud Risk Management*, *Insurance Management* and *Outsourcing Management*.

Operational Risk Management Governance Structure

In order to implement adequate operational risk management, the Bank has Operational Risk Management policies and procedures. On top of that, the Bank has established the Operational Risk Management Committee (ORMC), which convened 4 times during the year 2015. The Bank also has Business Continuity Management, Crisis Management Plan and Disaster Recovery Plan.

The main focus of the Bank's operational risk management programme in 2015 was to extend the existing programmes and strengthen the operational risk infrastructure and operational risk governance. The Bank has established Operational Risk Management framework that includes the (1) identification, (2) measurement, (3) monitoring and (4) controlling of risks as follows:

1. Operational risk identification is done by reviewing new products and activities, the implementation of General Operating and Control Environment questionnaire (GOCEQ), the implementation of Key Operational Risk Indicators (KORI), the implementation of Key Risk & Control Self Assessment (KRCSA), and an assessment of outsourcing risk.
2. Operational risk measurement is done by using a matrix of impact and likelihood.
3. Operational risk monitoring is conducted by analysing a wide range of reports such as Operational Risk Highlight, Incident Reporting Form (IRF), KORI, KRCSA, GOCEQ, outsourcing activities, and new products and activities.
4. Operational Risk is controlled by carrying out the action plans for the various operational risk events that have been identified through a variety of operational risk tools and methodologies, including the determination of limit transactions and risk transfer through insurance and outsourcing as well as the establishment of a Business Continuity Plan (BCP).

Initiatives and Programmes for Operational Risk Management

Operational risk management is the responsibility of all employees in the Bank. All BU/SUs form the 1st Line of Defence in managing risks, while the functions of Risk Management and Internal Audit form the 2nd and 3rd Lines of Defence respectively.

Based on this approach, the empowerment of all BU/SUs towards operational risk management is absolutely critical. Various operational risk management initiatives and programmes that have been implemented include:

1. To ensure that the Bank's operations are aligned with the level of risk tolerance, the Bank has appointed the Line Risk & Control Manager (LRCM) as the person in charge (PIC) for the implementation of operational risk management in each BU/SUs as the 1st Line of Defence. To upskill the LRCMs and in collaboration with the Human Resources Training department, the ORM Division, held regular training and socialisation sessions on operational risk management for the LRCMs.
2. Designation and optimisation of the BCM Unit Coordinator as the Bank has conducted various BCM workshops to all BU/SUs at Headquarters and Branch Offices, Crisis Management Team (CMT) training, a simulation of the Business Continuity Plan (BCP) and IT Disaster Recovery Exercise training at least once every year.
3. Conducting regular reviews of the programmes implementation in the form of Operational Risk Incident Reporting, Key Risk and Control Self Assessment (KRCSA), Key Operational Risk Indicator (KORI), Business Continuity Management, Outsourcing Management and Insurance Management.
4. The Bank continues to raise operational risk management awareness in all BU/SUs through socialisation and training (such as an email blast, workshops & training and e-learning, etc.).
5. Calculate the bank's minimum capital adequacy for operational risk factors based on the Basic Indicator Approach in accordance with the Regulation of Bank Indonesia. The Bank has also made preparations for implementing the higher standards of calculation based on the Standardised Approach.
6. Strengthening the implementation of the Business Continuity Management (BCM) Policy, through the development of the Regional and Local Command Center, creating Regional Command Center Procedures, establishing the Emergency Response and Recovery Team, and conducting simulation, training and testing to ensure readiness.

Three Lines of Defence Determination

In general, the Bank applies the principle of 3 Lines of Defence, in which the BU/SUs form the 1st Line of Defence, the Operational Risk Management Unit and Compliance form the 2nd Line of Defence, and independent parties would form the 3rd Line of Defence to periodically conduct a review of the risk mitigation measures supported by operational risk management policies, procedures and tools that are tailored to the Bank's business activities. The Bank's operational risk management policies, procedures and guidelines are reviewed at least once a year to ensure alignment with the Bank's business environment and operating conditions; with a follow-up report of the Internal/External Audit findings.

Implementation of the review was also carried out by Internal Audit as the 3rd Line of Defence on a regular basis, in terms of methodology, frequency, and reporting to the Board of Commissioners and Board of Directors. The results of the Audit reviews are submitted to the Audit Committee, and other relevant Directors in order to improve the framework and risk management processes. Improvements made by the BU/SUs on the internal audit findings are monitored by Internal Audit, as well as reported to the Board of Directors for any follow-up actions, if necessary.

Business Continuity Management

The Bank has updated the Business Continuity Management ("BCM") Policy and Guideline that cover Business Impact Analysis (BIA), Operational Risk assessment, recovery strategy performed by the Bank for each type of disruption, documentation of disaster recovery and contingency plan, and the evaluation of BCM programme effectiveness.

The Bank will continue to increase its capability to minimise the likelihood and impact of identified disaster. In 2012, the Bank initiated a strategy to manage a wide-area disruption, especially for the Jakarta area. In order to support and improve the Bank's BCM readiness, several BCP exercises were conducted. The exercises included BCP Exercise, Disaster Recovery Exercise for IT system and Management Call Tree Exercise.

Quality Assurance

The Bank will continue to enhance the roles of Quality Assurance to support the Branches in managing operational risk. Workshop and socialisation on Fraud Risk Awareness and Branch Assurance Programme for Quality Assurance were held in 2015 to ensure that they continue to be effective and capable in their roles. The Quality Assurance Control Checklist was developed and periodically reviewed to help the Quality Assurance team assess the adequacy and implementation of controls in the Branches.

B.5 Compliance Risk

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

Compliance Risk Management Governance Structure

Compliance Director and Compliance Function are an independent structure from any business, operational, and/or other support functions. The implementation of compliance function in the Bank is the responsibility

of all stakeholders. Stakeholders involved in managing compliance risk are as follows:

- Board of Commissioners evaluates the implementation of Bank's compliance function at least twice a year.
- Board of Directors approve the Compliance Charter and ensure the implementation of Compliance Culture at all levels of organisation and Bank's business activities.
- Board of Management is responsible to foster and ensure the implementation of Compliance Culture at all level of Bank's organisation and business activities, as well as ensuring the implementation of Bank's Compliance Function.
- Executive Officer is responsible to ensure implementation of Compliance Culture in all activities in function and/or branch and/or related unit.
- Compliance Director is responsible to formulate strategy to encourage the creation of Bank's Compliance Culture, establish compliance systems and procedures that will be used to formulate Bank's internal provisions and guidelines.
- Compliance Advisory and Monitoring Division monitors the effectiveness of the implementation strategy of the Compliance function in accordance with the policies, systems and procedures, and manage the Bank's compliance with the Bank's commitment to the regulator, and make steps in order to support the creation of a compliance culture in all activities Bank's business.
- Compliance Review and Testing Division identifies, measures, monitors, and manages compliance risk with reference to the Regulators' regulations concerning the risk management implementation for commercial banks. This is performed by coordinating with the business/support function to ensure that the Bank's policies, provisions, systems, and procedures, as well as business activities are in accordance with the regulations from Regulators and other applicable regulations.
- AML/CFT and Sanctions Division ensures the implementation of Anti Money Laundering and Countering the Financing of Terrorism Programme in order to minimise Bank's risk in being used as means or targets of crime, directly or indirectly, by the criminals.
- Risk Management function is responsible to manage the overall risks of the Bank.
- Internal Audit function independently assesses the adequacy and the effectiveness of the Compliance Function.
- Legal Function is responsible to provide advice from the legal viewpoint on the applicable Laws and Regulations, and also for the development and maintenance of policies, procedures and guidelines for the management of legal risks on a Bank-wide basis.
- Line Managers and Member of Staffs are accountable for compliance risk and are responsible to ensure compliance with Bank Indonesia regulations and other regulations.

Good Corporate Governance

Compliance Risk Management Policies and Procedures

One of the strategies for compliance risk management is the establishment of Compliance Charter and Compliance Guidance as two main policies and procedures in managing compliance risk. Both the policies set out:

- Compliance Framework
- Compliance Code of Conduct
- Compliance Review and Testing Procedure
- Procedure of Financial Benchmark Surveillance Mechanism
- Procedure on Monitoring of Bank's Commitment Monitoring and Follow-Up on Request from Related Regulator
- Procedure for Escalation and Reporting of Compliance Risk Incident
- Provisions related to Compliance Function

Compliance Charter and Compliance Guidance are reviewed to be updated annually to ensure adequate and timely compliance function implementation in all level of the organisation and thus better help the Bank harmonise between the Bank's commercial interest and compliance towards prevailing regulations. For such policy and procedure to be implemented effectively, the most fundamental aspect that must be in place is Compliance Culture, which is the value, behavior and action that supports Bank's compliance towards the prevailing laws and regulations.

Compliance Risk Management Framework

In order to strengthen the Bank's internal control system framework, especially in the Compliance Function which functions as the 2nd line of Defence, the Bank has developed the organisational structure under Compliance Function into three divisions namely Compliance Review and Testing Division, Compliance Advisory and Monitoring Division, and AML/CFT and Sanctions Division. Strategies to implement the Bank's compliance function are through aspects of compliance function governance, compliance risk management, as well as the implementation of compliance culture.

The Bank's compliance function framework in compliance governance aspects is reflected in the Compliance organisational structure that is independent from the business units and other support units, where the Compliance Director is directly responsible to the President Director. Thus, in carrying out the Bank's compliance function, Compliance function is prevented from conflict of interest.

In the aspect of compliance risk management, aside from conducted through compliance review and testing, is also conducted through the monitoring of the fulfillment of the

Bank's commitment to the Regulator, either based on the results of regulatory inspection or through correspondence between the Bank and the Regulator. Monitoring of the imposition of sanctions also become the focus of implemented compliance risk management, using several parameters such as the type, materiality and frequency of violations of applicable regulations.

Moreover, in the aspect of compliance culture implementation, it is performed through education to employees on Compliance Code of Conduct and its application in employees' daily activities.

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

B.6 Strategic Risk

Strategic risk is defined as risk due to improper setting and/or implementation of a strategic decision and failure to anticipate any changes in business environment.

Strategic Risk Management Governance Structure

Related parties involved in managing strategic risk are as follows:

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

Strategic Risk Management Policies and Procedures

An effective implementation of Strategic Risk Management is supported with adequate policies and procedures, and also risk limits which are aligned with the Bank's vision, mission, and business strategy. The development of these policies and procedures are tailored with the type, complexity, business activity, risk profile, risk limit and complies with the prevailing regulations and/or sound banking practices. The implementation of these policies and procedures are

supported with the adequacy of capital and quality of human resources.

Strategic Risk Management Framework

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

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

B.7 Legal Risk

Legal Risk is defined as the risk due to the weaknesses of juridical aspects which may arise from lawsuits, absence of supported legislations or weakness of legal engagement i.e unfulfillment of contracts requirements and inadequate collateral binding.

Legal Risk Management Governance Structure

Related parties involved in managing legal risk are as follows:

- The Board of Commissioners and Board of Directors (through committee) are ultimately responsible for the oversight and managing legal risks arising from the Bank's business activities.
- The Risk Management Committee supports the Board of Directors in monitoring legal risk management in the Bank, providing information related to material risk exposure, issues, and action plans. The Business/Support functions are responsible for monitoring and managing legal risk and its impact in their respective areas.
- Subject matter specialists are responsible for providing consultation related to their respective areas of expertise which comprises Compliance, Legal, Human Resources, Technology & Operations, Property & General Services, and Corporate Secretary functions.

Legal Risk Management Policies and Procedures

The Bank has in place a Legal Risk Management Policy that governs the Legal Risk Management Governance Structure, internal control system, etc.

Legal Risk Management Framework

Risk measurement for legal risk is conducted by using indicators such as potential losses due to litigation,

cancellation of contracts due to unenforceability of engagement, and changes of regulations.

The legal function reviews all standard contracts/agreements, standard loan agreements and standard Letters of offers; between the Bank and other parties on an annual basis. Every legal risk incident and its potential loss must be documented.

B.8 Reputation Risk

Reputation Risk is the adverse impact on the Bank's income, liquidity, or capital arising from negative stakeholder perception or opinion of the Bank's business practices, activities, and financial condition.

Reputation Risk Management Governance Structure

Related parties involved in managing reputation risk are as follows:

- Board of Directors is responsible for managing Bank's reputation risk.
- Risk Management Committee assists the Board of Directors in the oversight of the management of reputational risk in the Bank, keeping them apprised of the material risk exposures, issues and resolution plans.
- Reputation Risk Management Panel is a sub-committee of the Risk Management Committee which is responsible to confirm the impact of high reputational risk events, determine the appropriate action plan, appoint relevant task force, and approve the closure of the case.
- All BU/SUs are responsible for monitoring and managing the various types of risks they assume and paying close attention to those with potential reputation risk impact.
- Risk Management function is responsible for developing and maintaining risk management policies and procedures; training and advising the BU/SUs in managing market, credit, and operational risks.
- Subject matter specialists, from the various functions of Brand, Strategic Communications and Customer Advocacy, Compliance, Legal, Human Resources, Information Technology, and Corporate Secretariat, are responsible for providing technical guidance and advice in their respective areas of expertise.

Reputation Risk Management Policies and Procedures

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

Good Corporate Governance

Reputation Risk Management Framework

Risk identification and measurement for reputation risk is conducted using information from various sources such as the mass media, customer complaints (e.g. through call centre), and customer satisfaction survey.

Risk monitoring for reputation risk is conducted on a regular basis in accordance with the Bank's risk policies, procedures and guidelines.

Risk controlling for reputation risk is conducted through:

- Regular communication sessions with the various stakeholders in order to create a positive reputational image.
- A series of company-wide activities and events in support of Corporate Social Responsibility.
- Restoration of the Bank's reputation after a reputational risk event and the measures in place to minimise any negative impact to the reputation of the Bank.

Any incident relating to Reputation Risk, including the amount of potential loss resulting from those incidents, shall be noted and tracked, for closure.

Where the reputation risk event affects the Bank's ability to continue its business activities and/or to obtain funding, the Bank will activate the Crisis Management Plan (CMP), BCP, Disaster Recovery Plan (DRP) and/or Contingency Funding Plan (as relevant).

C. Risk Based Bank Rating (RBBR)

In regular basis, the Bank conducts assessment on the Risk Based Bank Rating according to BI Regulation No.13/1/PBI/2011 and BI Circular Letter No.13/24/DPNP regarding the Assessment of Bank's Soundness Rating for Commercial Banks. The assessment of RBBR is conducted toward 4 (four) factors namely Risk Profile, Good Corporate Governance, Earnings, and Capital.

The self assessment result of RBBR for semester II – 2015 was as follows:

No	Assessment Factor	Rating
1	Risk Profile	2
2	Good Corporate Governance	2
3	Earnings	2
4	Capital	1
RBBR Rating		2

Based on the self assessment, the Bank's RBBR in the 2nd semester of 2015 was rated "2" (Good), implying that the Bank is able to counter significant negative effect and changes in business aspect and other external factors reflected in assessment factors.

D. Basel Implementation

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

In 2016–2017, the Bank will continue to prepare a foundation to establish Basel II and Basel III implementation supported with sufficient information system.

For Internal purposes, in order to measure and maintain the strength of short-term and long-term liquidity, Bank has done the simulations of Liquidity Coverage Ratio (LCR) with reference to the Basel III Regulation and Regulator. The Bank also continues to improve the implementation of Pillar 2 "Internal Capital Adequacy Assessment Process" (ICAAP) to assess the capital adequacy associated with risk profile to maintain the level of Bank's capital. In ongoing basis the Bank improves implementation of Pillar 3 "Market Discipline" to ensure the transparency of Bank's financial and non-financial information.

Table 1.a Quantitative Disclosures of Capital Structures Commercial Bank

		(in IDRmillion)	
CAPITAL COMPONENT		31 December 2015	31 December 2014
(1)	(2)	Bank	Bank
(1)	(2)	(3)	(3)
I	CAPITAL COMPONENT		
A	Core Capital	10,152,969	8,872,391
1	Paid-in capital	2,388,471	2,388,471
2	Additional capital	7,764,498	6,483,920
3	Innovative capital	-	-
4	Core capital deduction	-	-
5	Non-controlling interest	-	-
B	Supplementary Capital	1,662,809	1,656,049
1	Upper tier 2	668,316	662,570
2	Lower tier 2 maximum 2 per cent Core Capital	994,493	993,479
3	Supplementary Capital Deduction	-	-
C	Core Capital and Supplementary Capital Deduction		-
	Exposures of Securitisation	-	-
D	Other supplementary capital requirement (tier 3)	-	-
E	Other supplementary capital allocated to anticipate market risk	-	-
II	TOTAL CORE CAPITAL AND SUPPLEMENTARY CAPITAL (A+B+C)	11,815,778	10,528,440
III	TOTAL CORE CAPITAL, SUPPLEMENTARY CAPITAL, AND OTHER SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A+B+C+E)	11,815,778	10,528,440
IV	CREDIT RISK WEIGHTED ASSETS	65,545,033	60,827,829
V	OPERATIONAL RISK WEIGHTED ASSETS	6,470,348	5,950,055
VI	MARKET RISK WIEGHTED ASSETS	915,975	214,863
A	Standard Method	-	-
B	Internal Method	-	-
VII	CAPITAL ADEQUACY RATIO FOR CREDIT RISK AND OPERATIONAL RISK [II:(IV +V)]	16.41%	15.77%
VIII	CAPITAL ADEQUACY RATIO FOR CREDIT RISK, OPERATIONAL RISK AND MARKET RISK [III: (IV + V + VII)]	16.20%	15.72%

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

No.	Portfolio Category	31 December 2015													
		Net Receivable Based on Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	1,010	-	-	2,995	-	-	-	752	-	-
5	Claims Secured by Residential Property	403,725	36,289	44,911	101,763	17,218	16,364	11,404	10,551	1,465	10,161	224	724	9,083	6,214
6	Claims Secured by Commercial Real Estate	2,889,622	100,887	150,545	276,053	396,517	143,297	90,157	330,025	7,634	24,599	6,559	5,701	110,031	12,661
7	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	2,342,854	123,068	114,018	219,090	95,130	44,211	57,110	36,706	22,410	44,265	25,365	23,255	60,010	50,179
9	Claims on Corporates	28,553,831	4,136,482	3,935,341	2,184,955	2,390,905	724,170	795,054	1,743,585	162,376	192,036	61,927	251,607	717,683	270,011
10	Claims on Past Due Exposures	521,396	49,513	64,428	85,221	55,132	6,478	31,367	21,152	-	11,089	10,466	2,065	9,979	15,301
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		34,711,428	4,446,239	4,309,242	2,867,081	2,955,912	934,519	985,093	2,145,015	193,885	282,151	104,541	284,104	906,785	354,366

(in IDRmillion)

31 December 2015

Net Receivable Based on Region

Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	3-965	-	-	849	-	-	9,572
1,536	1,501	1,363	10,869	7,133	11,509	258	4,643	7,215	2,444	5,615	4,373	1,461	1,523	675	1,259	733,472
43,771	45,733	35,134	6,721	37,305	94,845	4,280	166,711	51,307	43,537	192,319	2,507	10,766	133,127	4,822	661	5,417,835
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31,466	8,467	7,451	77,996	38,963	36,426	17,091	30,521	33,557	12,685	45,145	14,097	7,740	20,391	21,695	6,399	3,667,760
204,580	222,957	281,686	337,386	295,799	487,399	134,811	409,461	340,709	498,470	410,059	127,852	80,569	179,413	84,313	130,615	50,346,045
2,173	51,686	987	7,719	7,946	62,506	3,039	15,030	103,135	2,322	1,767	15,118	5,389	12,372	3,187	2,904	1,180,866
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
283,527	330,344	326,622	440,693	387,146	692,685	159,478	626,366	535,923	559,459	658,870	163,947	105,925	347,675	114,692	141,838	61,355,551

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

No.	Portfolio Category	31 December 2014													
		Net Receivable Based on Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	51,641	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	1,501	-	-	3,885	-	-	-	318	-	-
5	Claims Secured by Residential Property	2,729,628	210,019	230,907	367,659	86,822	139,114	52,988	41,009	16,088	42,192	6,680	1,783	41,458	47,738
6	Claims Secured by Commercial Real Estate	3,093,303	120,133	167,457	292,737	291,523	103,750	107,565	224,552	12,492	27,416	10,544	17,491	130,823	18,923
7	Claims on Pension Loans	258,518	10,642	14,309	8,476	12,508	5,243	3,284	6,561	2,152	3,601	1,124	1,661	2,909	3,360
8	Claims on Micro, Small and Retail Portfolio	1,526,696	83,460	70,968	114,069	57,606	22,077	42,905	32,038	18,058	32,930	22,914	25,918	50,572	44,069
9	Claims on Corporates	21,696,019	3,911,898	3,443,796	2,453,825	2,367,616	621,550	814,821	1,079,467	153,831	144,447	72,351	203,876	616,285	244,713
10	Claims on Past Due Exposures	804,595	40,191	40,002	46,761	38,116	100,853	19,476	55,112	-	17,558	8,783	3,596	1,297	15,193
11	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		30,160,401	4,376,345	3,967,439	3,283,527	2,855,692	992,587	1,041,040	1,442,625	202,622	268,143	122,396	254,643	843,343	373,996

(in IDRmillion)

31 December 2014

Net Receivable Based on Region

Serang	Bandar Lampung	Magelang	Pekanbaru	Balikipapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,641
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	2,000	-	-	847	-	-	8,552
13,853	8,734	7,819	106,448	33,082	65,673	1,228	38,145	29,782	13,044	28,604	16,658	10,578	6,740	9,657	1,434	4,405,565
54,819	60,791	122,852	24,071	57,512	48,310	4,702	177,723	45,752	53,412	222,489	2,860	9,734	148,893	6,125	22,254	5,681,009
1,593	1,266	1,221	1,520	3,698	1,403	513	1,689	2,810	1,897	4,857	2,438	1,058	1,267	628	1,167	363,375
26,483	13,345	8,610	32,631	35,605	29,910	18,580	18,347	19,466	7,379	13,692	18,208	6,584	18,982	10,151	5,438	2,427,688
187,459	183,218	179,092	460,212	291,545	576,602	136,577	408,262	344,200	520,855	398,828	118,676	63,384	117,363	89,108	124,208	42,024,083
3,885	58,184	122	9,388	49,160	40,983	4,076	5,447	57,616	1,067	1,943	6,959	6,849	3,917	3,159	80,504	1,524,792
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
288,092	325,539	319,716	634,270	470,602	762,881	165,677	649,612	499,625	597,654	672,413	165,799	98,187	298,009	118,827	235,005	56,486,704

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

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

(in IDRmillion)

31 December 2015

31 December 2014

Net Receivable Based on Term to Contractual Maturity					Net Receivable Based on Term to Contractual Maturity				
< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	677	-	50,965	-	51,641
-	-	-	-	-	-	-	-	-	-
9,572	-	-	-	9,572	8,552	-	-	-	8,552
16,693	90,941	99,778	526,061	733,472	110,784	445,674	983,645	2,865,462	4,405,565
470,196	1,055,371	1,619,507	2,272,761	5,417,835	75,277	981,828	2,639,610	1,984,294	5,681,009
-	-	-	-	-	3,649	55,975	46,109	257,642	363,375
766,178	959,612	851,263	1,090,706	3,667,760	1,949,977	151,398	143,917	182,396	2,427,688
31,946,059	4,686,900	5,117,782	8,595,304	50,346,045	26,712,242	4,399,179	7,124,946	3,787,716	42,024,083
688,797	127,234	176,071	188,764	1,180,866	724,461	185,071	408,237	207,022	1,524,792
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
33,897,496	6,920,058	7,864,401	12,673,597	61,355,551	29,585,618	6,219,126	11,397,428	9,284,532	56,486,704

Table 2.3.a. Disclosure of Market Risk - Net Receivables Based on Economic Sector - Bank Individually

No.	Economic Sector*)	31 December 2015											
		Claims on Government/ Sovereign	Claims on Public Sector Entities	Claims on Multilateral development Banks and International Entities	Claims on Banks	Claims Secured by Residential Property	Claims Secured by Commercial Real Estate	Claims on Pension Loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Agriculture, hunting and forestry	-	-	-	-	-	1,857	-	3,810	891,360	414	-	-
2	Fisheries	-	-	-	-	-	2,529	-	3,334	47,431	4,108	-	-
3	Mining and Quarrying	-	-	-	-	-	30,308	-	3,627	426,478	77,571	-	-
4	Processing industry	-	-	-	-	-	964,067	-	103,141	18,136,054	116,895	-	-
5	Electricity, gas and water	-	-	-	-	-	60,942	-	746	284,034	-	-	-
6	Construction	-	-	-	-	-	373,537	-	22,125	3,300,332	58,411	-	-
7	Big and retail trade	-	-	-	-	-	910,298	-	500,914	13,711,233	475,995	-	-
8	Provision of accomodation and food supply drinking	-	-	-	-	-	1,726,168	-	14,631	2,388,101	30,674	-	-
9	Transportation, warehousing and communications	-	-	-	-	-	240,337	-	26,888	2,482,266	158,749	-	-
10	Transitional Finance	-	-	-	9,572	-	-	-	993	583,630	-	-	-
11	Real estate, Rental business and services company	-	-	-	-	-	1,018,341	-	14,654	3,765,369	37,443	-	-
12	Government administration, the defense and compulsory social security	-	-	-	-	-	-	-	136	-	-	-	-
13	Education services	-	-	-	-	-	13,127	-	1,311	30,480	-	-	-
14	Health and social services	-	-	-	-	-	45,983	-	3,071	49,435	5,098	-	-
15	Community, sociocultural, Entertainment and Other Individual Services	-	-	-	-	-	29,816	-	10,834	182,552	40,229	-	-
16	Individual services which serve households	-	-	-	-	-	525	-	2,043	8,265	-	-	-
17	International agency and other extra agencies	-	-	-	-	-	-	-	-	-	-	-	-
18	Business Activities which are not clearly defined	-	-	-	-	-	-	-	-	-	-	-	-
19	Credit Recipients Non-Industrial Origin	-	-	-	-	733,472	-	-	2,955,501	4,059,026	175,279	-	-
20	Others (additional i.e. for SBI, SUN)	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	9,572	733,472	5,417,835	-	3,667,760	50,346,045	1,180,866	-	-

(in IDRmillion)

31 December 2014

Claims on Government/ Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Entities	Claims on Banks	Claims Secured by Residential Property	Claims Secured by Comercial Real Estate	Claims on Pension Loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets	Sharia Exposures (if any)
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-	1,400	-	7,677	742,339	55	-	-
-	-	-	-	-	3,273	-	3,387	48,915	-	-	-
-	-	-	-	-	62,710	-	3,895	778,468	59,702	-	-
-	-	-	-	-	908,982	-	128,238	14,497,178	357,861	-	-
-	-	-	-	-	56,521	-	1,004	273,159	7,618	-	-
-	-	-	-	-	427,204	-	27,862	3,028,908	28,150	-	-
-	-	-	-	4,763	1,344,838	-	633,200	12,000,832	494,984	-	-
-	-	-	-	-	1,497,713	-	12,574	1,830,774	110,901	-	-
-	-	-	-	-	383,939	-	36,005	3,723,060	41,961	-	-
-	-	-	8,552	-	-	-	847	360,473	-	-	-
-	50,965	-	-	-	915,726	-	14,931	3,325,513	281,431	-	-
-	-	-	-	-	-	-	377	-	-	-	-
-	-	-	-	-	8,411	-	1,433	22,701	-	-	-
-	-	-	-	-	51,499	-	3,840	42,758	5,098	-	-
-	677	-	-	-	18,058	-	17,771	214,838	26,775	-	-
-	-	-	-	-	737	-	2,087	7,445	431	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	11,445	-	-	-
-	-	-	-	4,400,802	-	363,375	1,532,560	1,115,275	109,824	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	51,641	-	8,552	4,405,565	5,681,009	363,375	2,427,688	42,024,083	1,524,792	-	-

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

No,	Description	31 December 2015													
		Region													
		Balikpapan	Bandar Lampung	Bandung	Banjarmasin	Banyuwangi	Batam	Bengkulu	Bogor	Cirebon	Denpasar	Jakarta	Jambi	Jember	Jogjakarta
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired receivables														
	a. Non-Past Due	6,071	5,151	39,139	2,322	-	1,542	7,894	51,738	2,499	8,193	561,334	-	1,290	14,492
	b. Past Due	4,004	46,538	64,314	-	3,039	225	2,572	51,946	8,590	8,899	319,945	3,187	775	1,012
2	Allowance for Impairment Losses - Individual	7,044	32,813	8,431	1,859	588	1,632	401	5,138	1,004	2,987	331,381	197	346	2,056
3	Allowance for Impairment Losses - Collective	328	12,077	17,682	102	3	10	2,986	10,888	159	31	171,302	2,083	591	835
4	Claims written off	7,734	-	24,888	-	-	-	7,302	354	24	-	142,452	-	-	-
	Total	25,181	96,578	154,454	4,284	3,630	3,409	21,155	120,063	12,276	20,109	1,526,415	5,468	3,002	18,396

No.	Description	31 December 2014													
		Region													
		Jakarta	Medan	Surabaya	Bandung	Semarang	Makassar	Palembang	Solo	Pontianak	Cirebon	Bengkulu	Jember	Denpasar	Tasikmalaya
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Impaired receivables														
	a. Non-Past Due	4,813	2,355	2,829	656	782	802	1,132	815	-	595	-	118	-	-
	b. Past Due	1,311,561	42,417	40,412	58,071	41,984	101,194	20,956	55,112	-	17,558	8,794	3,596	1,297	15,943
2	Allowance for Impairment Losses - Individual	297,383	4,331	5,146	3,047	14,120	81,675	3,610	5,130	-	1,325	7,452	588	126	1,384
3	Allowance for Impairment Losses - Collective	102,370	5,644	11,790	12,833	5,119	1,036	1,570	1,604	236	465	371	197	667	375
4	Claims written off	111,811	105	3,528	2,318	4,636	4	501	-	-	-	32,764	2,104	-	-
	Total	1,827,938	54,852	63,705	76,925	66,461	184,710	27,769	62,662	236	19,944	49,380	6,603	2,090	17,702

(in IDRmillion)

31 December 2015

Region																
Jombang	Magelang	Makassar	Malang	Medan	Palembang	Pekanbaru	Pontianak	Purwokerto	Samarinda	Semarang	Serang	Solo	Surabaya	Tasikmalaya	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
7,439	987	6,467	-	18,983	10,702	3,090	-	17,472	79,638	35,893	394	13,507	35,829	7,981	1,887	941,931
8,438	-	988	5,389	33,028	25,584	6,098	-	2,098	32,408	22,914	1,780	8,645	31,029	7,420	1,017	701,880
1,029	612	2,928	154	18,272	2,284	890	461	1,498	27,979	44,646	685	6,658	37,447	902	3,692	546,015
5,464	-	859	3,001	5,592	3,309	1,228	-	361	9,785	11,582	241	2,872	10,886	1,195	25	275,479
-	-	42,988	-	-	622	257	-	-	340	1,221	-	341	1,344	1,921	-	231,788
22,370	1,599	54,230	8,544	75,875	42,501	11,563	461	21,429	150,149	116,225	3,100	32,022	116,535	19,419	6,621	2,697,092

(in IDRmillion)

31 December 2014

Region																
Serang	Bandar Lampung	Magelang	Pekanbaru	Balikpapan	Samarinda	Banyuwangi	Jogjakarta	Bogor	Banjarmasin	Batam	Jombang	Malang	Purwokerto	Jambi	Tegal	Total
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
-	-	-	-	-	4,499	-	-	424	-	-	399	-	734	-	-	20,952
3,885	58,664	122	10,209	50,298	64,251	4,076	7,269	59,588	1,068	1,943	6,959	6,849	3,917	3,159	80,671	2,081,821
105	12,004	-	944	7,838	17,183	61	28	11,677	93	5	3,653	3,247	453	2,080	9,123	493,814
271	290	280	1,369	461	2,742	280	612	5,463	1,163	720	629	55	450	86	874	160,021
-	1,557	-	13,832	-	3,925	-	-	-	-	-	-	2,856	466	5,358	971	186,738
4,261	72,515	402	26,354	58,597	92,601	4,417	7,909	77,152	2,324	2,668	11,641	13,007	6,020	10,683	91,640	2,943,346

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

No.	Economic Sector*)	31 December 2015					
		Receivable **)	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Claims Written Off
			Non Past Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture, hunting and forestry	897,441	358	56	6,297	-	-
2	Fisheries	57,401	-	4,108	65	651	-
3	Mining and Quarrying	537,985	4,452	73,120	7,434	19,078	44,456
4	Processing industry	19,320,158	78,166	128,440	138,269	49,063	39,134
5	Electricity, gas and water	345,722	-	-	796	-	6,641
6	Construction	3,754,406	19,164	41,009	51,929	6,001	-
7	Big and retail trade	15,598,440	345,054	341,600	98,376	146,977	-
8	Provision of accommodation and food supply drinking	4,159,574	36,899	4,039	15,125	918	457
9	Transportation, warehousing and communications	2,908,240	134,510	27,391	97,427	26,942	1,921
10	Transitional Finance	594,195	-	-	2,853	-	-
11	Real estate, Rental business and services company	4,835,808	49,604	42,503	15,152	4,147	8,300
12	Government administration, the defense and compulsory social security	136	-	-	-	-	-
13	Education services	44,918	-	-	504	-	-
14	Health and social services	103,586	5,098	-	139	1,833	-
15	Community, sociocultural, Entertainment and Other Individual Services	263,432	7,214	33,015	1,529	2,980	130,878
16	Individual services which serve households	10,833	-	-	153	-	-
17	International agency and other extra agencies	-	-	-	-	-	-
18	Business Activities which are not clearly defined	-	-	-	-	-	-
19	Credit Recipients Non-Industrial Origin	7,923,277	261,413	6,601	109,968	16,889	-
20	Others (additional i.e, for SBI, SUN)	-	-	-	-	-	-
Total		61,355,551	941,931	701,880	546,015	275,479	231,788

*) The sectors disclosed were sectors with material nominal value/outstanding balance.

**) Receivables - gross (before allowance for impairment loss on assets).

(in IDRmillion)

31 December 2014

Receivable **)	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Claims Written Off
	Non Past Due	Past Due			
(3)	(4)	(5)	(6)	(7)	(8)
751,472	-	55	-	1,218	5,180
55,574	-	-	-	41	-
904,775	-	64,988	57,179	891	21,139
15,892,258	2,186	570,333	82,017	19,077	1,557
338,301	-	7,618	7,618	516	-
3,512,124	2,640	45,370	7,599	3,928	-
14,478,617	9,895	755,825	237,499	25,780	-
3,451,961	-	110,946	11,291	3,486	7,485
4,184,966	782	53,872	7,306	32,711	5,577
369,872	-	-	-	305	-
4,588,566	399	290,038	9,475	10,688	6,392
377	-	-	-	-	-
32,545	-	-	-	29	-
103,195	-	5,098	1,988	76	-
278,119	-	26,775	24,076	345	139,409
10,702	-	431	-	7	-
-	-	-	-	-	-
11,445	-	-	-	7	-
7,521,835	5,051	150,471	47,767	60,917	-
-	-	-	-	-	-
56,486,704	20,952	2,081,821	493,814	160,021	186,738

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

(in IDRmillion)

No.	Descriptions	December 2015		December 2014	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
(1)	(2)	(3)	(4)	(4)	(5)
1	Beginning Balance - Allowance for Impairment Losses	465,582	192,607	229,142	119,389
2	Allowance/reversal for impairment losses during the year (Net)	104,421	350,460	233,060	72,628
	2,a Additional allowance for Impairment Losses during the year	104,421	350,460	233,060	72,628
	2,b Reversal for impairment losses during the year	-	-	-	-
3	Allowance for impairment losses used to claims written off during the year	299,756	-	-	-
4	Other allowance/reversal during the year	5,232	2,948	3,380	590
Ending Balance CKPN		275,479	546,015	465,582	192,607

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

(in IDRmillion)

No.	Descriptions	31 December 2015	31 December 2014
		Net Receivables	Net Receivables
		Unrated	Unrated
(1)	(2)	(3)	(3)
1	Claims on Government/Sovereign	16,025,917	15,392,273
2	Claims on Public Sector Entities	415,188	124,531
3	Claims on Multilateral Development Banks and International Entities	-	-
4	Claims on Banks	3,553,950	3,132,919
5	Claims Secured by Residential Property	754,716	1,375,852
6	Claims Secured by Commercial Real Estate	5,466,061	5,746,225
7	Claims on Pension Loans	-	-
8	Claims on Micro, Small and Retail Portfolio	3,626,511	2,343,618
9	Claims on Corporates	55,567,789	52,827,018
10	Claims on Past Due Exposures	1,019,636	1,211,342
11	Other Assets	2,054,672	1,747,831
12	Sharia Exposures (if any)	-	-
Total		88,484,440	83,901,609

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

(in IDRmillion)

		31 December 2015							
No.	Underlying Variables	National Amount			Derivatives Receivables	Derivatives Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivable After Credit Risk Mitigation
		< 1 year	> 1- 5 years	> 5 years					
BANK INDIVIDUALLY									
1	Interest Rate	1,265,369	4,525,819	1,258,985	-	-	-	-	-
2	Foreign Exchange	4,714,964	3,036,531	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-	-
	Total	5,980,333	7,562,350	1,258,985	143,045	143,677	255,635	-	255,635

		31 December 2014							
No.	Underlying Variables	National Amount			Derivatives Receivables	Derivatives Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivable After Credit Risk Mitigation
		< 1 year	> 1- 5 years	> 5 years					
BANK INDIVIDUALLY									
1	Interest Rate	1,466,318	1,595,363	1,127,035	-	-	-	-	-
2	Foreign Exchange	4,942,074	577,950	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-	-
	TOTAL	6,408,392	2,173,313	1,127,035	245,701	258,456	198,507	-	198,507

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

		31 December 2015												
No.	Portfolio Category	Net Receivabe After Credit Risk Mitigation										ATMR	Capital Charge	
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
A. Balance Sheet Exposures														
1	Claims on Government./Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	-	-	-	-	1,113,513	1,113,513	89,081	
5	Claims Secured by Residential Property	-	-	256,204	9,074	-	-	-	-	-	-	265,278	21,222	
6	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	5,417,469	-	-	5,417,469	433,398	
7	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	2,656,273	-	-	-	2,656,273	212,502	
9	Claims on Corporates	-	-	-	-	-	-	-	-	-	50,691,753	50,691,753	4,055,340	
10	Claims on Past Due Exposures	-	-	-	-	-	-	-	35,111	1,476,649	-	1,511,760	120,941	
11	Other Assets	-	-	-	-	-	-	-	1,489,401	73,541	-	1,562,942	125,035	
12	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Balance Sheet Exposures		-	-	256,204	9,074	-	-	2,656,273	6,941,981	1,550,190	51,805,266	63,218,988	5,057,519	
B. Commitment and Contingencies Liabilities Exposures on Off-Balance Sheet														
1	Claims on Government./Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	207,594	207,594	16,608	
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	-	-	-	-	150,490	150,490	12,039	
5	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	46,510	-	-	46,510	3,721	
7	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	4,215	-	-	-	4,215	337	
9	Claims on Corporates	-	-	-	-	-	-	-	-	-	1,661,602	1,661,602	132,928	
10	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total TRA Exposures		-	-	-	-	-	-	4,215	46,510	-	2,019,686	2,070,411	165,633	
C. Counterparty credit risk														
1	Claims on Government./Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Claims on Banks	-	-	-	-	-	-	-	-	-	99,277	99,277	7,942	
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-	15	-	-	-	15	1	
6	Claims on Corporates	-	-	-	-	-	-	-	-	-	156,344	156,344	12,508	
7	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Counterparty Credit Risk Exposures		-	-	-	-	-	-	15	-	-	255,621	255,636	20,451	

(in IDRmillion)

31 December 2014											ATMR	Capital Charge
Net Receivabe After Credit Risk Mitigation												
0%	20%	35%	40%	45%	50%	75%	100%	150%	Others			
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	25,861	25,861	2,069	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	800,019	800,019	64,002	
-	-	457,513	27,455	-	-	-	-	-	-	484,968	38,797	
-	-	-	-	-	-	-	5,664,747	-	-	5,664,747	453,180	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,677,333	-	-	-	1,677,333	134,187	
-	-	-	-	-	-	-	-	-	46,754,607	46,754,607	3,740,369	
-	-	-	-	-	-	-	34,348	1,726,299	-	1,760,647	140,852	
-	-	-	-	-	-	-	1,105,223	77,194	-	1,182,417	94,593	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	457,513	27,455	-	-	1,677,333	6,804,318	1,803,493	47,580,487	58,350,599	4,668,048	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	36,405	36,405	2,912	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	163,487	163,487	13,079	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	77,230	-	-	77,230	6,178	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,059	-	-	-	7,059	565	
-	-	-	-	-	-	-	-	-	1,994,544	1,994,544	159,564	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,059	77,230	-	2,194,436	2,278,725	182,298	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	121,190	121,190	9,695	
-	-	-	-	-	-	37	-	-	-	37	3	
-	-	-	-	-	-	-	-	-	77,280	77,280	6,182	
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	37	-	-	198,470	198,507	15,881	

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

No.	Portfolio Category
(1)	(2)
A.	Balance Sheet Exposures
1	Claims on Government/Sovereign
2	Claims on Public Sector Entities
3	Claims on Multilateral Development Banks and International Entities
4	Claims on Banks
5	Claims Secured by Residential Property
6	Claims Secured by Commercial Real Estate
7	Claims on Pension Loans
8	Claims on Micro, Small and Retail Portfolio
9	Claims on Corporates
10	Claims on Past Due Exposures
11	Other Assets
12	Sharia Exposures (if any)
	Total Balance Sheet Exposures
B.	Commitment and Contingencies Liabilities Exposures on Administrative Account
13	Claims on Government/Sovereign
14	Claims on Public Sector Entities
15	Claims on Multilateral Development Banks and International Entities
16	Claims on Banks
17	Claims Secured by Residential Property
18	Claims Secured by Commercial Real Estate
19	Claims on Pension Loans
20	Claims on Micro, Small and Retail Portfolio
21	Claims on Corporates
22	Claims on Past Due Exposures
23	Sharia Exposures (if any)
	Total Exposures on Administrative Account
C.	Counterparty Credit Risk
24	Claims on Government/Sovereign
25	Claims on Public Sector Entities
26	Claims on Multilateral Development Banks and International Entities
27	Claims on Banks
28	Claims on Micro, Small and Retail Portfolio
29	Claims on Corporates
30	Sharia Exposures (if any)
	Total Exposure Counterparty Credit Risk
	Total (A+B+C)

(in IDRmillion)

31 December 2015					31 December 2014				
Net Receivable	Secured Portion			Unsecured Portion	Net Receivable	Secured Portion			Unsecured Portion
	Collateral	Guarantee	Credit Portion Insurance			Collateral	Guarantee	Credit Portion Insurance	
(3)	(4)	(5)	(6)	(7)=(3)-[(4)+(5)+(6)]	(3)	(4)	(5)	(6)	(7)=(3)-[(4)+(5)+(6)]
16,025,917	-	-	-	16,025,917	15,389,176	-	-	-	15,389,176
-	-	-	-	-	51,721	-	-	-	51,721
-	-	-	-	-	-	-	-	-	-
3,025,700	6,258	-	-	3,019,442	2,537,470	3,941	-	-	2,533,529
754,716	20	-	-	754,696	1,375,852	35	-	-	1,375,817
5,419,551	2,082	-	-	5,417,469	5,668,995	4,248	-	-	5,664,747
-	-	-	-	-	-	-	-	-	-
3,618,433	76,736	-	-	3,541,697	2,327,585	91,142	-	-	2,236,443
53,535,325	2,843,572	-	-	50,691,753	49,257,531	2,502,924	-	-	46,754,607
1,019,635	92	-	-	1,019,543	1,211,342	26,129	-	-	1,185,213
2,054,671	-	-	-	2,054,671	1,747,831	-	-	-	1,747,831
-	-	-	-	-	-	-	-	-	-
85,453,948	2,928,760	-	-	82,525,188	79,567,503	2,628,419	-	-	76,939,084
-	-	-	-	-	-	-	-	-	-
415,188	-	-	-	415,188	72,810	-	-	-	72,810
-	-	-	-	-	-	-	-	-	-
301,079	-	-	-	301,079	326,974	-	-	-	326,974
-	-	-	-	-	-	-	-	-	-
46,510	-	-	-	46,510	77,230	-	-	-	77,230
-	-	-	-	-	-	-	-	-	-
8,059	2,439	-	-	5,620	15,984	6,571	-	-	9,413
1,876,120	214,518	-	-	1,661,602	3,492,208	1,497,664	-	-	1,994,544
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,646,956	216,957	-	-	2,429,999	3,985,206	1,504,235	-	-	2,480,971
-	-	-	-	-	3,096	-	-	-	3,096
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
227,172	-	-	-	227,172	268,476	-	-	-	268,476
20	-	-	-	20	49	-	-	-	49
156,344	-	-	-	156,344	77,280	-	-	-	77,280
-	-	-	-	-	-	-	-	-	-
383,536	-	-	-	383,536	348,901	-	-	-	348,901
88,484,440	3,145,717	-	-	85,338,723	83,901,610	4,132,654	-	-	79,768,956

Calculation of Risk Waited Asset - Bank Individualy

Table 6.1.1 Asset Exposure in Balance Sheet

(in IDRmillion)

No.	Type of Transaction	31 December 2015			31 December 2014		
		Net Receivables	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	Net Receivables	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	16,025,917	-	-	15,389,176	-	-
2	Claims on Public Sector Entities	-	-	-	51,721	25,861	25,861
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	3,025,700	1,116,566	1,113,513	2,537,470	801,990	800,019
5	Claims Secured by Residential Property	754,716	265,285	265,278	1,375,851	484,980	484,968
6	Claims Secured by Commercial Real Estate	5,419,551	5,419,551	5,417,469	5,668,995	5,668,995	5,664,747
7	Claims on Pension Loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	3,618,433	2,713,825	2,656,273	2,327,585	1,745,689	1,677,333
9	Claims on Corporates	53,535,325	53,535,325	50,691,753	49,257,530	49,257,530	46,754,607
10	Claims on Past Due Exposures	1,019,635	1,511,897	1,511,759	1,211,342	1,799,839	1,760,646
11	Other Assets	2,054,671	-	1,562,941	1,747,830	-	1,182,417
Total		85,453,948	64,562,449	63,218,986	79,567,502	59,784,884	58,350,598

Table 6.1.2 Exposure of Liability Commitment/Contingency on Off-Balance Sheet

(in IDRmillion)

No.	Jenis Transaksi	31 December 2015			31 December 2014		
		Net Receivables	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	Net Receivables	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entities	415,188	207,594	207,594	72,810	36,405	36,405
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	301,079	150,490	150,490	326,974	163,487	163,487
5	Claims Secured by Residential Property	-	-	-	-	-	-
6	Claims Secured by Commercial Real Estate	46,510	46,510	46,510	77,230	77,230	77,230
7	Claims on Pension Loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	8,059	6,044	4,215	15,984	11,988	7,059
9	Claims on Corporates	1,876,120	1,876,120	1,661,602	3,492,208	3,492,208	1,994,543
10	Claims on Past Due Exposures	-	-	-	-	-	-
Total		2,646,956	2,286,758	2,070,411	3,985,206	3,781,318	2,278,724

Table 6.1.3 Disclosure of Exposure with Counterparty Credit Risk

(in IDRmillion)

No.	Type of Transaction	31 December 2015			31 December 2014		
		Net Receivables	RWA Before Credit Risk Mitigation	Net Receivables	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation	ATMR Setelah MRK
(1)	(2)	(3)	(4)	(6)	(3)	(4)	(6)
1	Claims on Government/Sovereign	-	-	-	3,096	-	-
2	Claims on Public Sector Entities	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4	Claims on Banks	227,172	99,277	99,277	268,475	121,190	121,190
5	Claims on Micro, Small and Retail Portfolio	20	15	15	49	37	37
6	Claims on Corporates	156,344	156,344	156,344	77,280	77,280	77,280
Total		383,536	255,636	255,636	348,900	198,507	198,507

Table 6.1.7 Total Measurement of Credit Risk

(in IDRmillion)

No.	Type of Transaction	31 December 2015	31 December 2014
1	Total Risk Weighted Assets Credit Risk	65,545,033	60,827,829
Total Capital Deduction Factor		-	-

Table 7.1 Market Risk Disclosure using Standardized Approach

(in IDRmillion)

No.	Risk Type	31 December 2015				31 December 2014			
		Bank		Consolidated		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(3)	(4)	(5)	(6)
1	Interest								
	a, Specific Risk	4,117	51,463	-	-	-	-	-	-
	b, General Risk	63,245	790,563	-	-	2,145	26,813	-	-
2	Foreign Exchange Risk	5,916	73,950	-	-	15,044	188,050	-	-
3	Equity Risk *)	-	-	-	-	-	-	-	-
4	Commodity Risk *)	-	-	-	-	-	-	-	-
5	Option Risk	-	-	-	-	-	-	-	-
Total		73,278	915,975	-	-	17,189	214,863	-	-

* For banks having subsidiaries with above risk exposure,

Table 7.2 Value at Risk (VaR)

(in IDRmillion)

No.	Risk Type	31 December 2015				31 December 2014			
		VaR Average	VaR Maximum	VaR Minimum	VaR Period end	VaR Average	VaR Maximum	VaR Minimum	VaR Period end
Bank Individually									
1	Interest rate and foreign exchange risks	6,939	9,818	1,200	3,884	1,285	14,139	703	4,491
2	Option Risk	-	-	-	-	-	-	-	-
Total		6,939	9,818	1,200	3,884	1,285	14,139	703	4,491

Table 8.1.a Quantitative Disclosure on Operational Risk - Bank Individually

(in IDRmillion)

No.	Approach Used	31 December 2015			31 December 2014		
		Average Gross Income in the past 3 years*	Capital Charge	RWA	Average Gross Income in the past 3 years*	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(3)	(4)	(5)
1	Basic Indicator Approach	3,450,852	517,628	6,470,348	3,173,363	476,004	5,950,055
Total		3,450,852	517,628	6,470,348	3,173,363	476,004	5,950,055

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

Table 9.1.a Rupiah Maturity Profile - Bank Individual

31 December 2015

No.	Posts	Balance	Report Date Maturity*				
			< 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	BALANCE SHEET						
	A. Assets						
1.	Cash	426,001	426,001	-	-	-	-
2.	Placement with Bank Indonesia	7,665,668	4,302,009	494,818	1,261,385	1,607,456	-
3.	Placement with Other Banks	1,112,185	50,608	424,086	354,054	283,437	-
4.	Securities	4,733,647	250,160	565,231	602,244	1,369,371	1,946,641
5.	Loans	49,732,628	2,556,440	6,269,548	7,197,840	10,235,932	23,472,868
6.	Other Receivables	739,621	198,885	435,469	59,845	16	45,406
7.	Others	645,311	637,441	-	-	7,870	-
	Total Assets	65,055,061	8,421,544	8,189,152	9,475,368	13,504,082	25,464,915
	B. Liabilities						
1.	Deposit	51,154,931	31,778,928	14,393,888	3,879,910	964,183	138,022
2.	Deposit with Bank Indonesia	-	-	-	-	-	-
3.	Deposit with Other Banks	354,432	348,426	1,006	-	5,000	-
4.	Securities issued	2,500,000	-	-	400,000	-	2,100,000
5.	Borrowings	-	-	-	-	-	-
6.	Other liabilities	694,247	198,885	435,469	59,842	-	51
7.	Others	1,045,123	841,919	-	-	27,792	175,412
	Total Liabilities	55,748,733	33,168,158	14,830,363	4,339,752	996,975	2,413,485
	Difference of Assets and Liabilities	9,306,328	(24,746,614)	(6,641,211)	5,135,616	12,507,107	23,051,430
II	ADMINISTRATIVE ACCOUNT						
	A. Administrative Account Receivable						
1.	Commitment	-	-	-	-	-	-
2.	Contingency	-	-	-	-	-	-
	Total Administrative Account Receivable		-	-	-	-	-
	B. Administrative Account Payable						
1.	Commitment	15,917,438	1,342,549	2,829,343	3,360,356	4,282,410	4,102,780
2.	Contingency	735,598	315,954	82,284	202,858	105,410	29,092
	Total Administrative Account Payable	16,653,036	1,658,503	2,911,627	3,563,214	4,387,820	4,131,872
	Difference of Administrative Account Receivable and Payable	(16,653,036)	(1,658,503)	(2,911,627)	(3,563,214)	(4,387,820)	(4,131,872)
	Difference [(IA-IB)+(IIA-IIB)]	(7,346,708)	(26,405,117)	(9,552,838)	1,572,402	8,119,287	18,919,558
	Cummulative Difference	-	(26,405,117)	(35,957,955)	(34,385,553)	(26,266,266)	(7,346,708)

*) Complies with prevailing law and regulation

31 December 2014

Balance	Report Date Maturity*				
	> 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 12 months
(3)	(4)	(5)	(6)	(7)	(8)
456,353	456,353	-	-	-	-
9,862,874	7,019,238	912,780	688,303	1,242,553	-
4,862	4,862	-	-	-	-
1,477,966	15,639	660,635	4,415	344,615	452,662
45,176,957	1,215,568	3,627,071	7,340,531	9,649,411	23,344,376
638,083	188,541	331,177	104,826	502	13,037
139,127	71,997	51,740	-	15,390	-
57,756,222	8,972,198	5,583,403	8,138,075	11,252,471	23,810,075
45,311,197	21,590,988	10,696,255	1,900,431	1,327,309	9,796,214
-	-	-	-	-	-
114,318	96,127	9,941	5,250	3,000	-
1,000,000	-	-	-	-	1,000,000
33,711	8,051	20,797	4,863	-	-
732,088	185,928	335,571	92,505	116,879	1,205
912,218	590,351	122,043	-	-	199,824
48,103,532	22,471,445	11,184,607	2,003,049	1,447,188	10,997,243
9,652,690	(13,499,247)	(5,601,204)	6,135,026	9,805,283	12,812,832
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,427,868	957,446	2,136,962	2,904,011	4,765,168	4,664,281
661,260	67,731	192,379	177,016	132,319	91,815
16,089,128	1,025,177	2,329,341	3,081,027	4,897,487	4,756,096
(16,089,128)	(1,025,177)	(2,329,341)	(3,081,027)	(4,897,487)	(4,756,096)
(5,568,301)	(13,669,045)	(7,924,308)	3,053,999	4,907,796	8,063,257
-	(13,669,045)	(21,593,353)	(18,539,354)	(13,631,558)	(5,568,301)

Table 9.2.a Profile foreign exchange maturity - Bank Individually

31 December 2015

No.	Post	Balance	Report Date Maturity*				
			> 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A Assets							
1.	Cash	90,243	90,243	-	-	-	-
2.	Placement with Bank Indonesia	3,630,445	3,630,445	-	-	-	-
3.	Placement with Other Banks	1,025,989	1,025,989	-	-	-	-
4.	Securities	2,790,532	471,764	498,800	495,433	116,033	1,208,502
5.	Loans	11,622,923	520,190	3,204,967	2,668,465	1,188,238	4,041,062
6.	Other Receivables	2,046,996	546,103	908,354	407,991	122,437	62,111
7.	Others	71,313	64,340	-	-	6,973	-
Total Assets		21,278,441	6,349,074	4,612,121	3,571,889	1,433,681	5,311,675
B. Liabilities							
1.	Deposit	13,302,362	11,210,815	1,167,242	454,988	469,317	-
2.	Deposit with Bank Indonesia	-	-	-	-	-	-
3.	Deposit with Other Banks	5,152,087	3,139,478	2,012,610	-	-	-
4.	Securities issued	-	-	-	-	-	-
5.	Borrowings	-	-	-	-	-	-
6.	Other liabilities	2,093,003	531,848	903,861	407,821	122,049	127,424
7.	Others	82,848	54,910	-	-	27,938	-
Total Liabilities		20,630,300	14,937,051	4,083,713	862,809	619,304	127,424
Difference of Assets and Liabilities		648,141	(8,587,977)	528,408	2,709,080	814,377	5,184,251
II ADMINISTRATIVE ACCOUNT							
A. Administrative Account Receivable							
1.	Commitment	8,283,138	1,055,166	179,095	4,563	7,044,314	-
2.	Contingency	-	-	-	-	-	-
Total Administrative Account Receivable		8,283,138	1,055,166	179,095	4,563	7,044,314	-
B. Administrative Account Payable							
1.	Commitment	18,458,832	2,301,089	4,204,301	4,593,582	1,192,428	6,167,432
2.	Contingency	1,869,535	179,260	126,629	295,647	203,218	1,064,781
Total Administrative Account Payable		20,328,367	2,480,349	4,330,930	4,889,229	1,395,646	7,232,213
Difference of Administrative Account Receivable and Payable		(12,045,229)	(1,425,183)	(4,151,835)	(4,884,666)	5,648,668	(7,232,213)
Difference [(IA-IB)+(IIA-IIB)]		(11,397,088)	(10,013,160)	(3,623,427)	(2,175,586)	6,463,045	(2,047,962)
Cummulative Difference		-	(10,013,160)	(13,636,587)	(15,812,173)	(9,349,127)	(11,397,089)

*) Complies with prevailing law and regulation

31 December 2014

Balance	Report Date Maturity*				
	> 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 12 months
(3)	(4)	(5)	(6)	(7)	(8)
134,786	134,786	-	-	-	-
3,795,965	3,795,965	-	-	-	-
1,237,645	1,237,645	-	-	-	-
2,457,865	364,354	423,270	583,098	-	1,087,143
11,309,746	469,639	2,163,164	3,593,359	672,146	4,411,438
2,743,756	520,938	1,096,266	832,879	210,173	83,500
282,934	276,655	-	-	-	6,279
21,962,697	6,799,982	3,682,700	5,009,336	882,319	5,588,360
17,924,191	9,811,669	1,747,375	1,103,776	1,225,124	4,036,247
-	-	-	-	-	-
885,243	204,068	681,175	-	-	-
-	-	-	-	-	-
294,701	123,429	28,411	142,861	-	-
2,662,502	520,938	1,096,803	844,954	93,457	106,350
104,390	55,853	41,056	-	-	7,481
21,871,027	10,715,957	3,594,820	2,091,591	1,318,581	4,150,078
91,670	(3,915,975)	87,880	2,917,745	(436,262)	1,438,282
5,560,283	2,244,249	147,159	16,348	3,152,527	-
-	-	-	-	-	-
5,560,283	2,244,249	147,159	16,348	3,152,527	-
13,757,083	2,271,409	3,144,599	3,143,413	2,970,599	2,227,063
2,261,364	240,182	241,198	1,244,928	176,102	358,954
16,018,447	2,511,591	3,385,797	4,388,341	3,146,701	2,586,017
(10,458,164)	(267,342)	(3,238,638)	(4,371,993)	5,826	(2,586,017)
(10,601,089)	(4,417,941)	(3,150,729)	(1,454,248)	(430,436)	(1,147,735)
	(4,417,941)	(7,568,670)	(9,022,918)	(9,453,354)	(10,601,089)

Good Corporate Governance

Corporate Social Responsibility

Just as UOB Indonesia is dedicated to helping our customers manage their personal and business finances, and growing the Bank's business, we are committed to the development of the community in which we operate. The Bank takes on an active role in the community through our Corporate Social Responsibility (CSR) programme.

Customer Protection

UOB Indonesia conducts our business responsibly. We provide quality service to our customers and ensure that we meet their banking needs. Our Customer Service and Call Centre colleagues offer support to customers as they bank with us.

To ensure that customer complaints and concerns are addressed appropriately, the Bank implemented a policy to manage customer complaints and to resolve customer disputes. The Bank's procedures on accepting customer complaints at our branches and business units and on dispute settlement are executed in line with Bank Indonesia's and

other regulations through Circular Letter No. 14/CSQ/0005 on Revised Guidelines for the Acceptance and Settlement of Customer Complaints. Customers who wish to provide their feedback on the Bank's service can fill out a form available from our Customer Service Officers at our branches. The Bank also provides customers with information on bank mediation through posters displayed at our branches.

The Bank's Call Centre is equipped with an interactive voice response machine and a 24-hour call agent service. The Call Centre manages customer queries pertaining to credit cards, savings accounts and loan accounts. To continuously enhance the level of our service, the Bank conducts regularly a customised development programme for call agents to improve their knowledge and to ensure delivery of accurate information to customers.

The following table provides an overview of the customer complaints received by the Bank in 2015:

Customer Complaints 2015

Period	According to Service Level Agreement		Service Level Agreement	Remarks			Completion Ratio
	< 5 Days	5 - 20 Days	> 20 Days	Completed	In Progress	Total	
1st Quarter	736	816	86	1638	356	1994	82.15%
2nd Quarter	1297	457	78	1832	292	2124	86.25%
3rd Quarter	912	405	69	1386	238	1624	85.34%
4th Quarter	951	335	27	1313	257	1570	83.63%
Total	3896	2013	260	6169	1143	7312	84.37%

2015 CSR Activities at a Glance

- A blood donation drive was held at UOB Plaza in Jakarta arranged in cooperation with the Indonesian Red Cross (Palang Merah Indonesia).
- Funds were raised through the UOB Heartbeat Run/Walk to support the needs of underprivileged children through Yayasan Kick Andy and Yayasan Wyata Guna.
- "Kids at Work" was held to engage the street children of Yayasan Sahabat Anak so that they could learn about financial management.
- Initiatives to increase children literacy in Banyuwangi were arranged in cooperation with Yayasan Kick Andy
- An Art for Kids workshop was held for children to enable them to learn more about art.

Giving back to the community

The UOB Blood Donor Action is one of the Bank's annual community initiatives. This annual activity is organised in collaboration with the Indonesian Red Cross. In 2015, 384 UOB Indonesia employees participated in the blood donation event. To-date, the Bank's employees have contributed more than 2.000 blood bags to the Indonesian Red Cross.

In 2015, UOB Indonesia employees and their families came together for the UOB Heartbeat Run/Walk in Bandung to run or to walk to raise funds for those in need. We raised successfully IDR350 million which was donated to the Bandung City Board, Yayasan Kick Andy and Yayasan Wyata Guna to support the education for the blind children in Bandung.

Through the 2015 UOB Heartbeat Run/Walk, we also raised public awareness of UOB Indonesia's commitment to sustainable business in Indonesia.

Recognising and nurturing Southeast Asia's artists

The UOB Painting of the Year Competition, which began in 1982 in Singapore, is a regional competition open to artists from across Southeast Asia, including Indonesia, and provides them the opportunity to exhibit their artwork to the wider community. The competition was held in Indonesia for the fifth year in 2015 and it attracted the submission of 1,000 paintings from more than 600 emerging and established artists. The regional award, the UOB Southeast Asian Painting of the Year, was received by Indonesia for the third time in 2015.

Improving the future through education

The Bank believes that financial management knowledge is key to economic development of a community. As such, the Bank conducts various financial literacy programmes annually,

including activities customised for children, youth, women, and small and medium scale enterprises. In 2015, the Bank's financial literacy activities included UOB Kids at Work, UOB Art for Kids, UOB Cerdas Kick Andy on Location and UOB Cerdas Let's Speak Up with Prita Laura. UOB Indonesia's employees also actively volunteered at these events to extend their support to the community.

Managing resources wisely

The Bank, including our management and employees, is committed to ensuring the environmentally-friendliness of our operational and business activities. In 2015, we held a UOB Green Office campaign to encourage all employees to reduce the consumption of paper, and to conserve water and electricity.

Good Corporate Governance

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

UOB Indonesia conducted a self assessment of its implementation of Good Corporate Governance principles as of December 2015.

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

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

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

Based on the GCG Self Assessment in the 2nd Semester of 2015, the Bank scored a composite rating of 2, which means that the Bank has achieved generally 'Good' GCG implementation. This is reflected by the adequate fulfilment of GCG principles.

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

The Bank has conducted a self assessment of the implementation of Good Corporate Governance principles for the period of January to December 2015. In general, the Good Corporate Governance principles have been applied to satisfy all eleven assessment factors and has included aspects of governance structure, governance process and governance outcome adequately.

Based on the assessment of the Governance Structure aspect, the Bank's organisational structure is made up of a Board of Commissioners, a Board of Directors and Committees, as well as work functions according to the Bank's needs and has complied with regulatory requirements. Its organisational structure is supported by completeness of policies and procedures, and management information system, as well as the provision of main duties and functions.

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

Moreover, in terms of strategic plan achievements, the Bank has succeeded in increasing the loan to deposit ratio and profitability by reducing expensive fund, which was shown

in the composition of Third-Party Fund, which accounted for 59.05 per cent of Retail Banking, compared to 40.95 per cent of Wholesale Banking.

In the assessment of Governance Outcome aspect, the Bank has consistently met the expectation of stakeholders, namely:

- adequacy of report transparency;
- compliance with laws and regulations;
- customer protection;
- objectivity in performing assessment/audit;
- Bank's performance (earnings, efficiency, capital); and
- improvement of compliance with prevailing provisions.

Based on the results of the assessments of the governance aspects, a few areas for enhancement have been identified, which are less significant and can be addressed in the normal course of business by the Bank's management.

- 1) There were administrative sanctions imposed by Regulator due to error reporting, which was generally due to human factor and lack of control from the supervisor. The Bank has conducted training for the officer in charge to increase awareness and the monitoring function by supervisors, particularly in the preparation process, and submission of reports to Regulator. Besides the training, the Bank has also taken preventive actions to increase awareness of the significant consequences of any breach of Regulator's provisions through the publication of regulations that draw connecting lines between breaches of regulations and other compliance risk indicators and staff performance assessment (KPI RBBR).
- 2) There is a shortage of Internal Audit Function's staff compared to business development and complexity of the Bank. To address the issue, Internal Audit Work Function has continuously improved offsite audit (desk audit) activities to ensure that audit activities could still run well.
- 3) Improvements are still required in the Banks internal control system.
- 4) There is a lack of Bank's policy on the procedure for preparation of monthly, quarterly and annual publications. The Bank will formulate the aforementioned internal policy and procedure as soon as possible.
- 5) Bank still attracted customer complaints due to a lack of information received by customers, although Bank has addressed all of the complaints according to prevailing regulations. Bank will continue to provide training to improve awareness on the importance of the application of the principle of transparency in all Bank's activities.
- 6) Several targets had not been achieved by end of 2015 due to macro economic condition. However, Bank exceeded profit before tax target by 0.66 per cent. In addition, the Bank recorded a Capital Adequacy Ratio of 16.16 per cent per December 2015 which means the Bank still met the minimum requirement, even surpassed the minimum requirement.

Statement of the Members of Board of Commissioners and Board of Directors Regarding Responsibility for 2015 Annual Report of PT Bank UOB Indonesia

We, the undersigned, hereby declare that all information in the 2015 Annual Report of PT Bank UOB Indonesia has been completely presented, and we are fully responsible for the accuracy of the content of this Annual Report.

This statement is hereby made truthfully.

Board of Commissioners



Wee Cho Yaw
President Commissioner



Wee Ee Cheong
Vice President Commissioner



Lee Chin Yong Francis
Commissioner



Rusdy Daryono
Independent Commissioner

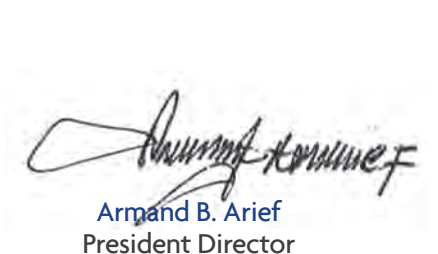


Wayan Alit Antara
Independent Commissioner

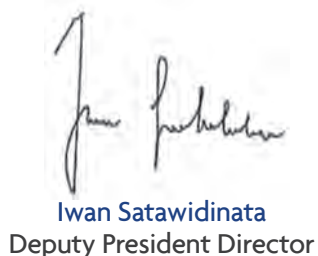


Aswin Wirjadi
Independent Commissioner

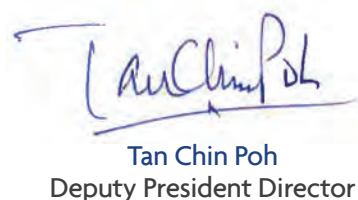
Board of Directors



Armand B. Arief
President Director



Iwan Satawidinata
Deputy President Director



Tan Chin Poh
Deputy President Director



Muljono Tjandra
Director



Ajeep Rassidi bin Othman
Director



Soehadie Tansol
Compliance Director

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**SURAT PERNYATAAN DIREKSI TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN TANGGAL 31 DESEMBER 2015
DAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
PT BANK UOB INDONESIA**

**DIRECTORS' STATEMENT LETTER RELATING TO
THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015
AND FOR THE YEAR THEN ENDED
PT BANK UOB INDONESIA**

Kami yang bertandatangan dibawah ini / *We, the undersigned:*

- | | |
|-------------------------------------|--|
| 1. Nama/Name | TAN CHIN POH |
| Alamat Kantor/Office Address | Gedung UOB Plaza Jl. M.H. Thamrin No. 10
Jakarta Pusat 10230 |
| Alamat Domisili/Address of Domicile | Shangri-La Residence, Jl. Jend. Sudirman Kav.1
Jakarta |
| Nomor Telepon/Phone Number | (62-21) 23506000 |
| Jabatan/Position | Wakil Direktur Utama / <i>Deputy President Director</i> |
| 2. Nama/Name | MULJONO TJANDRA |
| Alamat Kantor/Office Address | Gedung UOB Plaza Jl. M.H. Thamrin No. 10
Jakarta Pusat 10230 |
| Alamat Domisili/Address of Domicile | Jl. Pulau Matahari Blok B.5 No.8, Taman Permata Buana RT 017/009
Kembangan Utara – Kembangan, Jakarta Barat |
| Nomor Telepon/Phone Number | (62-21) 23506000 |
| Jabatan/Position | Direktur Keuangan dan Pelayanan Korporasi / <i>Finance and Corporate
Service Director</i> |

Menyatakan bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan;
2. Laporan Keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia
3. a. Semua informasi dalam Laporan Keuangan dimuat secara lengkap dan benar;
b. Laporan Keuangan tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal Bank.

Demikian pernyataan ini dibuat dengan sebenarnya.

State that :

1. *We are responsible for the preparation and presentation of the Financial Statements;*
2. *The Financial Statements have been prepared and presented in accordance with Indonesian Financial Accounting Standard;*
3. a. *All information contained in the Financial Statements is complete and correct.*
b. *The Financial statements do not contain misleading material information or facts, do not omit material information and facts;*
4. *We are responsible for the Bank's internal control system.*

This statement letter is made truthfully.

Jakarta, 28 Januari 2016 / 28 January 2016



TAN CHIN POH
Wakil Direktur Utama /
Deputy President Director

MULJONO TJANDRA
Direktur Keuangan dan Pelayanan Korporasi /
Finance and Corporate Service Director



PT Bank UOB Indonesia

31 December 2015

Financial Statements

133 Independent Auditor's Report

PT Bank UOB Indonesia

Laporan keuangan tanggal 31 Desember 2015
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
*Financial statements as of 31 December 2015
and for the year then ended with independent auditors' report*

The original financial statements included herein are in the Indonesian language.

**PT BANK UOB INDONESIA
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2015 DAN UNTUK
TAHUN YANG BERKAHIR PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK UOB INDONESIA
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2015 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

Table of Contents

	Halaman/ Pages	
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan.....	1-4	<i>Statement of Financial Position</i>
Laporan Laba-Rugi dan Penghasilan Komprehensif Lain.....	5-6	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas	7	<i>Statement of Changes in Equity</i>
Laporan Arus Kas	8-9	<i>Statement of Cash Flows</i>
Catatan atas Laporan Keuangan	10-147	<i>Notes to the Financial Statements</i>

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-244/PSS/2016

Pemegang Saham, Dewan Komisaris dan Direksi
PT Bank UOB Indonesia

Kami telah mengaudit laporan keuangan PT Bank UOB Indonesia ("Bank"), yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2015, serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-244/PSS/2016

*The Shareholders and The Boards of Commissioners
and Directors
PT Bank UOB Indonesia*

We have audited the accompanying financial statements of PT Bank UOB Indonesia (the "Bank"), which comprise the statement of financial position as of December 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-244/PSS/2016 (lanjutan)

Independent Auditors' Report (continued)

Report No. RPC-244/PSS/2016 (continued)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank UOB Indonesia tanggal 31 Desember 2015, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja



Danil Setiadi Handaja, CPA

Registrasi Akuntan Publik No. AP.1008/Public Accountant Registration No. AP.1008

28 Januari 2016/January 28, 2016

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
As of 31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ Notes	31 Desember/ 31 December 2015	31 Desember/ 31 December 2014*)	1 Januari/ 1 January 2014/ 31 Desember/ 31 December 2013*)	
ASET					ASSETS
Kas	3,37,39	516.244	591.145	662.074	Cash
Giro pada Bank Indonesia	4,37,39	5.454.283	5.327.965	4.760.162	Current accounts with Bank Indonesia
Giro pada bank lain	5,37,39	442.388	867.184	766.559	Current accounts with other banks
Pihak ketiga		261.421	375.327	394.341	Third parties
Pihak berelasi	34				Related parties
		703.809	1.242.511	1.160.900	
Penempatan pada Bank Indonesia dan Bank Lain	6,37,39	2.686.277	5.237.600	2.873.010	Placements with Bank Indonesia and Other Banks
Pihak ketiga		169.378	-	246.966	Third parties
Pihak berelasi	34				Related parties
		2.855.655	5.237.600	3.119.976	
Efek-efek yang diperdagangkan	7,37,39	1.556.498	400.563	578.308	Trading securities
Investasi keuangan	8,37,39	8.526.276	5.225.231	4.974.650	Financial investments
Tersedia untuk dijual		1.861.945	1.403.305	672.002	Available-for-sale
Dimiliki hingga jatuh tempo					Held-to-maturity
		10.388.221	6.628.536	5.646.652	
Cadangan kerugian penurunan nilai		(9.005)	(1.353)	(710)	Allowance for impairment losses
Neto		10.379.216	6.627.183	5.645.942	Net
Tagihan derivatif	9,37,39	135.166	230.118	349.294	Derivatives receivable
Pihak ketiga		6.561	8.847	987	Third parties
Pihak berelasi	34				Related parties
		141.727	238.965	350.281	
Kredit yang diberikan	10,15,16 17,36,37,39	60.959.973	56.106.428	51.808.430	Loans
Pihak ketiga		395.578	380.276	407.662	Third parties
Pihak berelasi	34				Related parties
		61.355.551	56.486.704	52.216.092	
Cadangan kerugian penurunan nilai		(782.028)	(653.835)	(345.652)	Allowance for impairment losses
Neto		60.573.523	55.832.869	51.870.440	Net

*) Setelah penyesuaian penyajian kembali untuk penerapan
PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting
PSAK No. 24 (Revised 2013) (Note 43)

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

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

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

		31 Desember/ 31 December 2015	31 Desember/ 31 December 2014*)	1 Januari/ 1 January 2014/ 31 Desember/ 31 December 2013*)	
Catatan/ Notes					
ASET (lanjutan)					Assets (continued)
Tagihan akseptasi	11,37,39	2.643.573	3.136.138	1.845.261	Acceptances receivable
Cadangan kerugian penurunan nilai		(30.461)	(2.938)	(2.106)	Allowance for impairment losses
Neto		2.613.112	3.133.200	1.843.155	Net
Aset tetap	12,28,37				Fixed assets
Biaya perolehan		1.942.628	1.676.469	1.641.744	Cost
Akumulasi penyusutan		(807.312)	(687.594)	(654.163)	Accumulated depreciation
Penurunan nilai		-	-	(3.110)	Impairment in value
Nilai buku		1.135.316	988.875	984.471	Net book value
Aset lain-lain - neto	13,37,39	717.942	428.729	406.498	Other assets - net
TOTAL ASET		86.647.325	80.049.605	71.382.207	TOTAL ASSETS

*) Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

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

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PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Catatan/ Notes	31 Desember/ 31 December 2015	31 Desember/ 31 December 2014*)	1 Januari/ 1 January 2014/ 31 Desember/ 31 December 2013*)	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS					LIABILITIES
Liabilitas segera	14,37,39	61.920	67.710	67.723	Current liabilities
Simpanan	10,37,39				Deposits
Giro	15				Demand deposits
Pihak ketiga		6.883.948	7.223.621	5.322.737	Third parties
Pihak berelasi	34	3.402	23.054	13.327	Related parties
		6.887.350	7.246.675	5.336.064	
Tabungan	16				Saving deposits
Pihak ketiga		12.539.865	9.798.822	9.257.841	Third parties
Pihak berelasi	34	83.713	35.580	30.946	Related parties
		12.623.578	9.834.402	9.288.787	
Deposito berjangka	17				Time deposits
Pihak ketiga		44.857.938	46.059.675	42.551.536	Third parties
Pihak berelasi	34	88.427	94.637	102.047	Related parties
		44.946.365	46.154.312	42.653.583	
Total simpanan		64.457.293	63.235.389	57.278.434	Total deposits
Simpanan dari bank lain	18,34,37,39	5.506.520	999.560	1.597.619	Deposits from other banks
Bunga yang masih harus dibayar	37,39	243.086	218.173	196.174	Interests payable
Utang pajak	19	211.401	120.418	131.331	Taxes payable
Liabilitas derivatif	9,37,39				Derivatives payable
Pihak ketiga		84.167	232.304	346.045	Third parties
Pihak berelasi	34	59.051	23.289	7.986	Related parties
		143.218	255.593	354.031	
Liabilitas akseptasi	11,37,39	2.643.573	3.136.138	1.845.261	Acceptances payable
Pinjaman yang diterima	20,37,39				Borrowings
Pihak ketiga		-	33.710	-	Third party
Pihak berelasi	34	-	294.703	-	Related party
		-	328.413	-	
Liabilitas pajak tangguhan - neto	19	26.219	101.879	22.473	Deferred tax liability - net
Liabilitas atas imbalan kerja	32	186.262	207.743	147.184	Liabilities for employees' benefits
Liabilitas lain-lain	22,34,37,39	411.668	400.941	524.715	Other liabilities
Efek hutang yang diterbitkan - neto	21,34,37,39	2.487.873	993.479	-	Debt securities issued - net
TOTAL LIABILITAS		76.379.033	70.065.436	62.164.945	TOTAL LIABILITIES

*) Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

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

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**PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

			1 Januari/ 1 January 2014/ 31 Desember/ 31 December 2013*)	
	Catatan/ Notes	31 Desember/ 31 December 2015	31 Desember/ 31 December 2014*)	
EKUITAS				EQUITY
Modal saham - nilai nominal Rp250 (nilai penuh) per saham	23			Share capital - par value Rp250 (full amount) per share
Modal dasar - 36.000.000.000 saham pada tahun 31 Desember 2015, 2014 dan 1 Januari 2014/ 31 Desember 2013				Authorized - 36,000,000,000 shares as of 31 December 2015, 2014 and 1 January 2014/ 31 December 2013
Modal ditempatkan dan disetor penuh - 9.553.885.804 saham pada tahun 31 Desember 2015, 2014 dan 1 Januari 2014/ 31 Desember 2013		2.388.471	2.388.471	Issued and fully paid capital - 9,553,885,804 shares as of 31 December 2015, 2014 and 1 January 2014/ 31 December 2013
Tambahan modal disetor - neto	24	2.102.242	2.102.242	Additional paid-in capital - net
Penghasilan komprehensif lain	8,32	(193.030)	(150.029)	Other comprehensive income
Saldo laba				Retained earnings
Telah ditentukan penggunaannya	25	102.000	95.000	Appropriated
Belum ditentukan penggunaannya		5.868.609	5.548.485	Unappropriated
Total Ekuitas		10.268.292	9.984.169	Total Equity
TOTAL LIABILITAS DAN EKUITAS		86.647.325	80.049.605	TOTAL LIABILITIES AND EQUITY

*) Setelah penyesuaian penyajian kembali untuk penerapan
PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting
PSAK No. 24 (Revised 2013) (Note 43)

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

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an integral part of these financial statements.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the Year Ended
31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December				
	2015	Catatan/ Notes	2014*)	
PENDAPATAN DAN BEBAN OPERASIONAL				OPERATING INCOME AND EXPENSES
Pendapatan dan beban bunga				Interest income and expenses
Pendapatan bunga	7.192.872	26,34	6.834.553	Interest income
Beban bunga	(4.116.397)	27,34	(3.818.842)	Interest expense
PENDAPATAN BUNGA - NETO	3.076.475		3.015.711	INTEREST INCOME - NET
Pendapatan Operasional Lainnya				Other Operating Income
Komisi dan jasa administrasi - neto	205.600		228.926	Administration fees and commissions - net
Keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto	96.679		50.238	Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net
Keuntungan transaksi mata uang asing	226.485		128.253	Gain from foreign currency transactions
Lain-lain - neto	152.551		134.684	Others - net
Total Pendapatan Operasional Lainnya - Neto	681.315		542.101	Total Other Operating Income - Net
(Pembentukan) pemulihan penyisihan kerugian penurunan nilai:				(Provision for) reversal of impairment losses:
Aset keuangan	(656.892)		(474.359)	Financial assets
Agunan yang diambil alih	513	13	5.388	Foreclosed assets
Total Pembentukan Penyisihan Kerugian Penurunan Nilai	(656.379)		(468.971)	Total Provision for Impairment Losses
Beban Operasional Lainnya				Other Operating Expenses
Gaji dan kesejahteraan karyawan	(1.470.225)	29,32	(1.267.628)	Salaries and employees' benefits
Beban umum dan administrasi	(1.000.637)	12,28,34	(913.968)	General and administrative expenses
Total Beban Operasional Lainnya	(2.470.862)		(2.181.596)	Total Other Operating Expenses
LABA OPERASIONAL	630.549		907.245	OPERATING INCOME
Pendapatan non-operasional				Non-operating income
Keuntungan penjualan aset tetap dan agunan yang diambil alih	7.733	12,13	25.980	Gain on sale of fixed assets and foreclosed assets
Lain-lain - neto	90		67	Others - net
Total Pendapatan Non-Operasional	7.823		26.047	Total Non-Operating Income
LABA SEBELUM BEBAN PAJAK	638.372		933.292	INCOME BEFORE TAX EXPENSE
Beban pajak	(175.296)	19	(249.180)	Tax expense
LABA TAHUN BERJALAN	463.076		684.112	INCOME FOR THE YEAR

*) Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

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

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

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PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
(lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
(continued)
For the Year Ended
31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	Catatan/ Notes	2014*)	
LABA TAHUN BERJALAN	463.076		684.112	INCOME FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Item that will not be reclassified to profit or loss:
Keuntungan (kerugian) aktuarial atas program manfaat pasti	33.520	32	(58.402)	Actuarial gain (loss) on defined benefit plan
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	(8.380)		14.601	Income tax relating to components of other comprehensive income
	25.140		(43.801)	
Pos-pos yang akan direklasifikasi ke laba rugi:				Item that may be reclassified to profit or loss:
Mutasi sehubungan dengan perubahan nilai wajar investasi keuangan yang tersedia untuk dijual	(90.854)		168.322	Movement in respect of fair-value change of available-for-sale financial investment
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	22.713		(41.726)	Income tax related to component of other comprehensive income
	(68.141)		126.596	
Penghasilan komprehensif lainnya tahun berjalan - setelah pajak	(43.001)		82.795	Other comprehensive income for the year - net of tax
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	420.075		766.907	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

*) Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

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

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

PT BANK UOB INDONESIA
LAPORAN PERUBAHAN EKUITAS
Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2015
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2015
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Catatan/ Notes	Modal Saham Ditempatkan dan Diseor Penuh/ Issued and Fully Paid - Share Capital	Tambahan Modal Diseror - netol/ Additional Paid-in Capital - net	Selisih Nilai Transaksi Restrukturisasi Entitas Separate/ Diffuse in the Value of Restructuring Transactions of Entities Under Common Control	Penghasilan Komprehensif Lain/ Other Comprehensive Income		Saldo Laba/Retained Earnings	Total Ekuitas/ Total Equity
				Keuntungan (Kerugian) yang Belum Direalisasi yang Tersedia untuk Dijual - netol/ Unrealized Gain (Loss) on Available - for-Sale Securities - net	Keuntungan (Kerugian) aktuarial/ atas program manfaat pensiun aktuarial/ gain (loss) on benefit plan		
Saldo, 1 Januari 2013^{*)}	2.388.471	812.595	1.289.647	35.868	(27.179)	4.010.408	8.556.810
Penghasilan komprehensif tahun berjalan							
Laba tahun berjalan 2013	-	-	-	-	-	1.148.455	1.148.455
Laba aktuarial	-	-	-	-	(28.230)	-	(28.230)
Kerugian yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	-	-	-	(213.283)	-	-	(213.283)
Total penghasilan komprehensif untuk tahun berjalan 2013	-	-	-	(213.283)	(28.230)	1.148.455	906.942
Pembentukan cadangan umum	-	-	-	-	-	(25.000)	-
Reklasifikasi selisih nilai transaksi restrukturisasi entitas sepengendali menjadi tambahan modal diseror	-	1.289.647	(1.289.647)	-	-	(246.490)	(246.490)
Dividen kas	-	-	-	-	-	-	-
Saldo, 31 Desember 2013^{*)}	2.388.471	2.102.242	-	(177.415)	(55.409)	4.889.373	9.217.262
Penghasilan komprehensif tahun berjalan							
Laba tahun berjalan 2014	-	-	-	-	-	684.112	684.112
Laba aktuarial - neto setelah pajak	-	-	-	-	(43.801)	-	(43.801)
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	-	-	-	126.596	-	-	126.596
Total penghasilan komprehensif untuk tahun berjalan 2014	-	-	-	126.596	(43.801)	684.112	766.907
Pembentukan cadangan umum	-	-	-	-	-	(25.000)	-
Saldo, 31 Desember 2014^{*)}	2.388.471	2.102.242	-	(50.819)	(98.210)	5.548.485	9.384.169
Penghasilan komprehensif tahun berjalan							
Laba tahun berjalan 2015	-	-	-	-	-	463.076	463.076
Laba aktuarial - neto setelah pajak	-	-	-	-	25.140	-	25.140
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto	-	-	-	(68.141)	-	-	(68.141)
Total penghasilan komprehensif untuk tahun berjalan 2015	-	-	-	(68.141)	25.140	463.076	420.075
Pembentukan cadangan umum	-	-	-	-	(7.000)	-	-
Dividen kas	-	-	-	-	(135.952)	-	(135.952)
Saldo, 31 Desember 2015	2.388.471	2.102.242	-	(118.960)	(74.070)	5.868.609	10.265.292

^{*)} Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

^{*)} After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

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

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PT BANK UOB INDONESIA
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS
For the Year Ended
31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	Catatan/ Notes	2014
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga	7.165.752		6.866.512 Interest received
Penerimaan pendapatan operasional lainnya	209.885		613.489 Other operating income received
Penerimaan dari penjualan agunan yang diambil alih	9.377		39.087 Receipts from sale of foreclosed assets
Pemulihan dari kredit yang telah dihapusbukukan	29.840		18.089 Recovery from loans previously written-off
Penerimaan atas penjualan kredit yang diberikan	1.506.684	-	- Proceeds from sale of loans
Pembayaran bunga	(4.090.471)	(3.796.843)	(3.796.843) Payment of interest
Pembayaran beban operasional	(2.363.061)	(2.063.086)	(2.063.086) Payment of operating expenses
Pembayaran pajak penghasilan	(148.154)	(223.746)	(223.746) Payment of income tax
Penerimaan dari transaksi non-operasional - neto	90	68	68 Receipts from non-operating transactions - net
Perubahan dalam aset dan liabilitas operasi:			Changes in operating assets and liabilities:
Penurunan (kenaikan) aset operasi:			Decrease (increase) in operating assets:
Efek-efek yang diperdagangkan	(1.106.261)	177.123	177.123 Trading securities
Kredit yang diberikan	(6.705.725)	(4.495.634)	(4.495.634) Loans
Tagihan akseptasi	492.565	(1.290.877)	(1.290.877) Acceptances receivable
Aset lain-lain	(229.331)	(21.262)	(21.262) Other assets
Kenaikan (penurunan) liabilitas operasi:			Increase (decrease) in operating liabilities:
Liabilitas segera	(5.790)	(14)	(14) Current liabilities
Simpanan:			Deposits:
Giro	(295.703)	1.910.611	1.910.611 Demand deposits
Tabungan	2.725.554	545.615	545.615 Saving deposits
Deposito berjangka	(1.207.947)	3.500.729	3.500.729 Time deposits
Simpanan dari bank lain	4.506.960	(598.059)	(598.059) Deposits from other banks
Utang pajak	2.515	15.579	15.579 Taxes payable
Liabilitas akseptasi	(492.565)	1.290.877	1.290.877 Acceptances payable
Liabilitas lain-lain	10.727	(126.635)	(126.635) Other liabilities
Kas Neto Diperoleh dari Aktivitas Operasi	14.941		2.361.623 Net Cash Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap	5.860	12	14.157 Proceeds from sales of fixed assets
Pembelian investasi keuangan - neto	(3.615.846)		(884.723) Purchase of financial investment - net
Perolehan aset tetap	(287.058)	12	(116.840) Acquisitions of fixed assets
Kas Neto Digunakan untuk Aktivitas Investasi	(3.897.044)		(987.406) Net Cash Used in Investing Activities

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

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

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2015
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2015
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	Catatan/ Notes	2014	
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran dividen kas	(135.952)	25	-	Cash dividends paid
Penerimaan (pembayaran) atas pinjaman	(328.413)	20	328.413	Proceeds from (payment of) borrowings
Penerimaan atas efek hutang yang diterbitkan	1.500.000	21	1.000.000	Proceeds from debt securities issued
Pembayaran biaya transaksi hutang	(6.620)	21	(6.521)	Payment of debt transaction costs
Kas Neto Diperoleh dari Aktivitas Pendanaan	1.029.015		1.321.892	Net Cash Provided by Financing Activities
Kenaikan (penurunan) Neto Kas dan Setara Kas	(2.853.088)		2.689.493	Net Increase (decrease) in Cash and Cash Equivalents
Pengaruh neto perubahan kurs pada Kas dan setara kas	218.858		6.616	Net effect on exchange rate on cash and cash equivalents
Kas dan Setara Kas Awal Tahun	12.399.221		9.703.112	Cash and Cash Equivalents at Beginning of Year
Kas dan Setara Kas Akhir Tahun	9.764.991		12.399.221	Cash and Cash Equivalents at End of Year
Komponen Kas dan Setara Kas				Components of Cash and Cash Equivalents
Kas	516.244	3	591.145	Cash
Giro pada Bank Indonesia	5.454.283	4	5.327.965	Current accounts with Bank Indonesia
Giro pada bank lain	703.809	5	1.242.511	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain				Placements with Bank Indonesia and other banks - maturing within 3 (three) months from the date of acquisition
- jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan	2.855.655	6	5.237.600	Financial investments - maturing within 3 (three) months from the date of acquisition
Investasi keuangan - jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan	235.000	8	-	
Total	9.764.991		12.399.221	Total

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

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

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

1. Umum

a. Pendirian Bank dan Informasi Umum

PT Bank UOB Indonesia (dahulu PT Bank UOB Buana) ("Bank") didirikan di Indonesia berdasarkan Akta Pendirian No. 150 tanggal 31 Agustus 1956 yang dibuat di hadapan Notaris Eliza Pondaag, S.H. Akta pendirian ini disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A 5/78/4 tanggal 24 Oktober 1956, didaftarkan pada Pengadilan Negeri Jakarta dengan No. 1811 tanggal 27 Oktober 1956 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 96, Tambahan No.1243 tanggal 30 November 1956.

Bank memulai aktivitas perbankan secara komersial pada tanggal 1 November 1956 berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. 203443/U.M.II tanggal 15 Oktober 1956 tentang Pemberian Izin Usaha PT Bank Buana Indonesia berkedudukan di Jakarta. Sesuai dengan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan usaha Bank adalah menjalankan kegiatan umum perbankan. Bank telah memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan Surat Keputusan Gubernur BI No. 9/39/KEP/DIR/UD tanggal 22 Juli 1976.

Pada tahun 2000, Bank mengubah status Perseroan menjadi perusahaan terbuka dengan melakukan penawaran umum perdana kepada masyarakat sebanyak 194 juta saham. Perubahan status Bank menjadi perusahaan terbuka telah disetujui oleh Bapepam-LK berdasarkan Surat Ketua Badan Pengawas Pasar Modal No. S-1544/PM/2000, tanggal 27 Juni 2000. Selanjutnya pada tahun 2002, 2003 dan 2006, Bank melakukan Penawaran Umum Terbatas I, II dan III.

Pada tahun 2007, Bank (yang pada saat itu bernama PT Bank Buana Indonesia Tbk) mengganti nama menjadi PT Bank UOB Buana Tbk sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 9 tanggal 19 Januari 2007, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta, yang telah mendapatkan persetujuan dari Kementerian Hukum dan Hak Asasi Manusia No. W7-01036 HT.01.04-TH-2007 tanggal 29 Januari 2007.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

1. General

a. Establishment of the Bank and General Information

PT Bank UOB Indonesia (formerly PT Bank UOB Buana) (the "Bank") was established in Indonesia based on the Deed of Establishment No. 150 dated 31 August 1956 of Eliza Pondaag, S.H. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in its Decree Letter No. J.A 5/78/4 dated 24 October 1956, as recorded at the Jakarta Court of Justice under registration No. 1811 dated 27 October 1956 and was published in State Gazette of the Republic of Indonesia No. 96 Supplement No. 1243 dated 30 November 1956.

Bank's commercial banking activities began on 1 November 1956 based on the Decision Letter of The Ministry of Finance of the Republic of Indonesia No. 203443/U.M.II dated 15 October 1956 about Granting Business License of PT Bank Buana Indonesia located in Jakarta. Based on Article 3 of the Bank's Articles of Association, the scope of Bank's business is to engage in general banking activities. The Bank also obtained a license to run the activities as a foreign banks based on BI Governor Decree No. 9/39/KEP/DIR/UD dated 22 July 1976.

In 2000, the Bank changed the status of the Company into a public company with initial public offering as many as 194 million shares to the public. Change the status of the Bank into a public company has been approved by Bapepam-LK based on Letter from the Chairman of the Capital Market Supervisory Board No. S-1544/PM/2000, dated 27 June 2000. Furthermore, in 2002, 2003 and 2006, the Bank conducted Limited Public Offering I, II and III.

In 2007, the Bank (whose name at the time was PT Bank Buana Indonesia Tbk) changed the name into PT Bank UOB Buana Tbk as set forth in Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 9 dated 19 January 2007, drawn up before Fathiah Helmi, SH, Notary in Jakarta, which has obtained approval of the Minister of Law and Human Rights No. W7-01036 HT.01.04-TH-2007 dated 29 January 2007.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada tahun 2008, RUPS Bank telah menyetujui perubahan status Bank dari perusahaan terbuka menjadi perusahaan tertutup dan menghapuskan pencatatan (*delisting*) saham Bank di BEI. Perubahan status, termasuk *delisting* tersebut telah dilakukan sesuai dengan persyaratan yang ditentukan oleh OJK (dahulu Bapepam dan LK) dan BEI dan Bank telah menyelesaikan hak-hak pemegang saham minoritas melalui proses penawaran tender sesuai dengan ketentuan yang berlaku. Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 16 tanggal 16 Januari 2009, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah disetujui oleh Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Persetujuan No. AHU-26687.AH.01.02. Tahun 2009 tanggal 17 Juni 2009, Anggaran Dasar Bank telah diubah sehubungan dengan perubahan status Bank dari perusahaan terbuka (publik) menjadi perusahaan tertutup.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 12 tanggal 15 April 2010, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah diberitahukan kepada Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Penerimaan Pemberitahuan No. AHU-AH.01.10-14548 tanggal 14 Juni 2010, para pemegang saham Bank (yang pada saat itu bernama PT Bank UOB Buana) setuju untuk melakukan penggabungan usaha dengan suatu bank yang pada saat itu bernama PT Bank UOB Indonesia.

Pada tanggal 30 Juni 2010, Bank (yang pada saat itu bernama PT Bank UOB Buana) secara efektif menerima penggabungan usaha PT Bank UOB Indonesia, penggabungan tersebut telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 12/45/KEP.GBI/2010 tanggal 10 Juni 2010 tentang Pemberian Izin Penggabungan Usaha (Merger) PT Bank UOB Indonesia ke dalam PT Bank UOB Buana. Izin tersebut tetap berlaku sebagai izin usaha Bank sebagai perusahaan hasil penggabungan.

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In 2008, the general meeting of shareholders of the Bank has approved the change in Bank's status from publicly listed to private company and delisted the Bank's shares at BEI. The change in status, including the delisting, had been conducted in compliance to the requirements determined by OJK (formerly Capital Market and Financial Institution Supervisory Agency) and BEI and the Bank which had settled the rights of minority shareholders through tender offer process in accordance with applicable regulations. Pursuant to the Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 16 dated 16 January 2009, drawn up before Fathiah Helmi, SH, Notary in Jakarta and approved by the Minister of Laws and Human Rights through Letter of Approval No. AHU-26687.AH.01.02. Year 2009 dated 17 June 2009, Articles of Association of the Bank have been amended in relation to the change in the Bank's status from a publicly listed to a private company.

By virtue of Deed of Resolutions Statement of Extraordinary Meeting of Shareholders No. 12 dated 15 April 2010, drawn up before Fathiah Helmi, SH, Notary in Jakarta and as notified to the Minister of Laws and Human Rights through Letter of Notification Receipt No. AHU-AH.01.10-14548 dated 14 June 2010, shareholders of the Bank (whose name at the time was PT Bank UOB Buana) agreed to merged its business with a bank whose name at the time was PT Bank UOB Indonesia.

On 30 June 2010, the Bank (whose name at the time was PT Bank UOB Buana) effectively accepted the business merger of PT Bank UOB Indonesia, this merger had obtained the approval of BI under Decision of BI Governor No. 12/45/KEP.GBI/2010 dated 10 June 2010 regarding Granting of Merger Permit of PT Bank UOB Indonesia into PT Bank UOB Buana. The permit still applies as the business permit of the Bank as the surviving bank.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada bulan Mei 2011, Bank melakukan perubahan nama dari PT Bank UOB Buana menjadi PT Bank UOB Indonesia dan telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 13/34/KEP.GBI/2011 tanggal 19 Mei 2011 tentang Perubahan Penggunaan Izin Usaha Atas Nama PT Bank UOB Buana Menjadi Izin Usaha Atas Nama PT Bank UOB Indonesia.

Pada bulan Mei 2014, Bank melakukan penawaran umum Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) dengan tingkat bunga tetap sebesar 11,35% dan dalam jangka waktu 7 tahun sejak tanggal emisi.

Pada bulan Maret 2015, Bank melakukan penawaran umum Obligasi I Bank UOB Indonesia Tahun 2015 dengan jumlah pokok sebesar Rp1.500.000.000.000 yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C dengan tingkat bunga tetap masing-masing sebesar 8,60%, 9,40%, dan 9,60% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi.

Perubahan Anggaran Dasar Bank terakhir adalah sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham No. 68 tanggal 25 Mei 2012 mengenai ketentuan Direksi Bank, yang dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta. Perubahan Anggaran Dasar Bank tersebut telah diterima dan dicatat oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana tercantum dalam Surat No. AHU-AH.01.10-45670 tanggal 26 Desember 2012.

Kantor pusat Bank berlokasi di Jl. M.H. Thamrin No. 10, Jakarta. Pada tanggal 31 Desember 2015, jaringan layanan Bank mencakup 41 kantor cabang, 147 kantor cabang pembantu dan 180 ATM yang tersebar di 30 kota di 18 provinsi yang bekerja sama dengan jaringan ATM Prima dan ATM Bersama, dan jaringan VISA di seluruh dunia, serta jaringan regional ATM grup usaha United Overseas Bank Limited (tidak diaudit).

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In May 2011, the Bank changed its name from PT Bank UOB Buana into PT Bank UOB Indonesia and has obtained approval from the Central Bank by virtue of BI Governor Decree No.13/34/KEP.GBI/2011 dated 19 May 2011 regarding the Change of Business Permit Use on Behalf of PT Bank UOB Buana into a Business License Under Name of PT Bank UOB Indonesia.

In May 2014, the Bank issued Bank UOB Indonesia Subordinated Bonds I Year 2014 amounting to Rp1,000,000,000,000 (full amount) with fix interest rate of 11.35% and tenor of 7 years since issuance date.

In March 2015 the Bank issued Bank UOB Indonesia Bonds I Year 2015 amounting to Rp1,500,000,000,000 which consist of Bonds Series A, Series B and Series C with fix interest rate of 8.60%, 9.40%, and 9.60%, respectively and tenor of 370 days, 3 years, and 5 years since issuance date, respectively.

The latest amendment of the Bank's Articles of Association was as stated on Resolutions of Shareholders Meeting No. 68 dated 25 May 2012 regarding provision on Bank's Board of Directors, drawn up before Fathiah Helmi, SH, Notary in Jakarta. This amendment of the Bank's Articles of Association was received and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia as stated in the Letter No. AHU-AH.01.10-45670 dated 26 December 2012.

The Bank's head office is located at M.H. Thamrin No. 10, Jakarta. As of 31 December 2015, the Bank service network covers 41 branches, 147 sub-branches and 180 ATMs across 30 cities in 18 provinces which collaborate with ATM Prima and ATM Bersama networks, VISA global network and regional ATM network of the United Overseas Bank Limited business group (unaudited).

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Bank dimiliki sebesar 68,943% oleh UOB International Investment Private Limited (UOBII), anak perusahaan dari United Overseas Bank Limited (UOB), Singapura dan sebesar 30,056% oleh UOB (Catatan 23).

b. Dewan Komisaris dan Direksi dan Karyawan

Susunan Dewan Komisaris pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	Dewan Komisaris/ Board of Commissioners	
Komisaris Utama	Wee Cho Yaw	President Commissioner
Wakil Komisaris Utama	Wee Ee Cheong	Vice President Commissioner
Komisaris	Lee Chin Yong Francis	Commissioner
Komisaris Independen	Rusdy Daryono	Independent Commissioner
Komisaris Independen	Wayan Alit Antara	Independent Commissioner
Komisaris Independen	Aswin Wirjadi	Independent Commissioner

Susunan Direksi Bank pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

1. General (continued)

a. Establishment of the Bank and General Information (continued)

The Bank is 68.943% owned by UOB International Investment Private Limited (UOBII), a subsidiary of United Overseas Bank Limited (UOB), Singapore and 30.056% owned by UOB (Note 23).

b. Boards of Commissioners and Directors and Employees

The composition of the Bank's Board of Commissioners as of 31 December 2015 and 2014 are as follows:

	31 Desember/ 31 December		
	2015	2014	
Direksi			Boards of Directors
Direktur Utama	Armand Bachtiar	Armand Bachtiar	President Director
Wakil Direktur Utama	Arief*	Arief	Deputy President Director
Wakil Direktur Utama	Tan Chin Poh	Tan Chin Poh	Deputy President Director
Direktur Keuangan dan Pelayanan Korporasi	Iwan Satawidinata	Iwan Satawidinata	Finance and Corporate Service Director
Direktur Penyetujuan Kredit dan Special Asset Management (SAM)	Muljono Tjandra**	Safrullah Hadi Saleh***	
Direktur Kepatuhan	Ajeep Rassidi	Ajeep Rassidi	Finance and Corporate Asset Management (SAM) Director
	Bin Othman*	Bin Othman	Compliance Director
	Soehadi Tansol	Soehadi Tansol	

* Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 2 November 2015, permohonan pensiun Armand Bachtiar Arief sebagai Direktur Utama dan permohonan pengunduran diri Ajeep Rassidi Bin Othman sebagai Direktur per tanggal 1 Januari 2016 / Based on the resolution of Extraordinary General Meeting of Shareholders dated 2 November 2015, the retirement request of Mr. Armand Bachtiar Arief from his position as President Director and the resignation request of Mr. Ajeep Rassidi Bin Othman from his position as Director are effective as of 1 January 2016.

** Mendapat persetujuan Otoritas Jasa Keuangan pada tanggal 12 Mei 2015 / Obtained approval from Indonesian Financial Services Authority (OJK) on 12 May 2015.

*** Berdasarkan surat tertanggal 30 Januari 2015, Safrullah Hadi Saleh telah mengajukan pemberitahuan kepada Bank sehubungan dengan permohonan pensiun dan berlaku efektif tanggal 31 Maret 2015 / Based on letter dated 30 January 2015, Mr. Safrullah Hadi Saleh had submitted a notification letter to the Bank regarding his retirement request, which was effective as of 31 March 2015.

RUPSLB juga telah menyetujui pengangkatan Lam Sai Yoke sebagai Direktur Utama Perseroan dan Pardi Kendy sebagai Direktur Perseroan, terhitung sejak 1 Januari 2016 sampai dengan penutupan Rapat Umum Pemegang Saham Tahunan Perseroan yang diadakan pada tahun 2017 yang akan berlaku efektif setelah diperolehnya persetujuan dari Otoritas Jasa Keuangan.

EGM also approved the assignment Lam Sai Yoke as the new President Director and Pardi Kendy as the new Director, effective from 1 January 2016 until the close of upcoming Annual General Meeting of Shareholders in 2017 which will be effective after obtaining approval from the Financial Services Authority.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Merujuk pada Keputusan Rapat Dewan Komisaris tanggal 26 Juni 2015 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 15/SKDIR/0025 tanggal 30 Juni 2015, Susunan Komite Audit pada tanggal 31 Desember 2015 sebagai berikut :

**Komite Audit/
Audit Committee**

Ketua Komite Audit
Anggota
Anggota

Wayan Alit Antara
Thomas Abdon
Winny Widya

Head of Audit Committee
Member
Member

Susunan Komite Audit pada tanggal 31 Desember 2014 merujuk pada Persetujuan Sirkuler Dewan Komisaris sebagai Pengganti Keputusan Rapat Dewan Komisaris melalui memo No.13/NRNC/0001 tanggal 18 Februari 2013 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 13/SKDIR/0011 tanggal 25 Maret 2013. Susunan Komite Audit pada tanggal 31 Desember 2014 sebagai berikut :

**Komite Audit/
Audit Committee**

Ketua Komite Audit
Anggota
Anggota

Rusdy Daryono
Thomas Abdon
Winny Widya

Head of Audit Committee
Member
Member

Pada tanggal 25 Juni 2015, berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 15/DIR/0021, Bank mengesahkan jabatan Kepala Sekretaris Perusahaan adalah Susilowati. Per tanggal 31 Desember 2015 dan 2014, Kepala Sekretaris Perusahaan Bank masing-masing adalah Susilowati dan Lina.

Per tanggal 31 Desember 2015 dan 2014, Kepala Satuan Kerja Audit Intern (Kepala SKAI) adalah Ridwan Moezwir berdasarkan Surat Keputusan Direksi PT Bank UOB Buana Tbk No. 08/SKDIR/1326 tanggal 12 Agustus 2008.

Imbalan kerja jangka pendek yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp28.018 dan Rp28.199.

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

Referring to Resolution of Board of Commissioners Meeting on 26 June 2015 and established by Decree of the Board of Directors No. 15/SKDIR/0025 dated 30 June 2015, Composition of the Audit Committee on 31 December 2015 is as follows:

The composition of the Audit Committee as of 31 December 2014 refers to the Circular Resolution of the Board of Commissioners in lieu of the approval of Board of Commissioners Meeting No.13/NRNC/0001 effective on 18 February 2013 and established by Decree of the Board of Directors No. 13/SKDIR/0011 dated 25 March 2013. Composition of the Audit Committee on 31 December 2014 is as follows:

On 25 June 2015, based on the Board of Directors PT Bank UOB Indonesia Decree No. 15/DIR/0021, the Bank ratified the Head Corporate Secretary is Susilowati. As of 31 December 2015 and 2014, Head of Corporate Secretary of the Bank is Susilowati and Lina, respectively.

As of 31 December 2015 and 2014, Internal Audit Unit Head is Ridwan Moezwir based on the Board of Directors PT Bank UOB Buana Tbk Decree No. 08/SKDIR/1326 dated 12 August 2008.

Short-term employee benefits received by the Bank's Boards of Commissioners and Directors for the years ended 31 December 2015 and 2014 amounted to Rp28,018 and Rp28,199, respectively.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Imbalan kerja jangka panjang yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp14.795 dan Rp12.778.

Pada tanggal 31 Desember 2015 dan 2014, total karyawan masing-masing sebanyak 4.650 dan 4.918 orang (tidak diaudit).

2. Ikhtisar Kebijakan Akuntansi Penting

Kebijakan-kebijakan akuntansi yang penting, yang diterapkan dalam penyusunan laporan keuangan untuk tahun 2015 adalah sebagai berikut:

a. Dasar Penyajian Laporan Keuangan

Laporan keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI).

Laporan keuangan kecuali laporan arus kas, disusun dengan dasar akrual dan berdasarkan konsep biaya historis, kecuali beberapa akun tertentu yang disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas disusun menggunakan metode langsung yang dimodifikasi dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan giro pada bank lain, penempatan pada Bank Indonesia, bank lain dan lembaga keuangan, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

Pos-pos dalam Penghasilan Komprehensif Lainnya disajikan terpisah antara akun - akun yang akan direklasifikasikan ke laba rugi dan akun - akun yang tidak akan direklasifikasikan ke laba rugi.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

Long-term employee benefits received by Bank's Boards of Commissioners and Directors for the years 31 December 2015 and 2014 amounted to Rp14,795 and Rp12,778, respectively.

As of 31 December 2015 and 2014, the Bank had 4,650 and 4,918 employees (unaudited), respectively.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements for the year 2015, are as follows:

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards (FAS) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI).

The financial statements, except for the statement of cash flows, are prepared using the accrual basis and based on historical cost concept, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows have been prepared using the modified direct method and the cash flows have been classified on the basis of operating, investing and financing activities. Cash and cash equivalents consists of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia other banks and financial institution maturing within 3 (three) months or less from the acquisition date provided they are not used as collateral for borrowings nor restricted.

The items under Other Comprehensive Income (OCI) are presented separately between items to be reclassified to profit or loss and those items not to be reclassified to profit or loss.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

a. Dasar Penyajian Laporan Keuangan (lanjutan)

Dalam penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aset dan liabilitas yang dilaporkan, dan pengungkapan atas aset dan liabilitas kontinjensi pada tanggal laporan keuangan.
- jumlah pendapatan dan beban selama periode pelaporan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik Manajemen atas kejadian dan tindakan saat ini, hasil akhir mungkin berbeda dengan jumlah yang diestimasi semula.

Mata uang penyajian yang digunakan dalam laporan keuangan adalah mata uang Rupiah, yang merupakan mata uang fungsional Bank. Seluruh angka dalam laporan keuangan ini, kecuali dinyatakan secara khusus, dibulatkan menjadi jutaan Rupiah.

b. Transaksi dengan Pihak Berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak berelasi seperti yang didefinisikan dalam PSAK No. 7 (Revisi 2010) tentang "Pengungkapan Pihak-pihak Berelasi".

Seluruh transaksi yang signifikan dengan pihak berelasi telah diungkapkan dalam catatan atas laporan keuangan.

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya (entitas pelapor). Yang termasuk pihak berelasi adalah sebagai berikut:

1. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - a. Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - b. Memiliki pengaruh signifikan atas entitas pelapor; atau
 - c. Merupakan personil manajemen kunci entitas pelapor atau entitas induk pelapor.

2. Summary of Significant Accounting Policies (continued)

a. Basis of Preparation of the Financial Statements (continued)

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements.
- the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on Management's best knowledge of current events and activities, actual results may differ from those estimates.

The presentation currency used in the financial statement is Indonesian Rupiah, which is the functional currency of the Bank. Figures in the financial statements are rounded to and stated in millions of Rupiah unless otherwise stated.

b. Transactions with Related Parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK No. 7 (Revised 2010), "Related Party Disclosures".

All significant transactions with related parties are disclosed in the notes to the financial statements.

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity'). The related parties are as follows:

1. A person or a close member of that person's family is related to a reporting entity if that person:
 - a. Has control or joint control of the reporting entity;
 - b. Has significant influence over the reporting entity; or
 - c. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

b. Transaksi dengan Pihak Berelasi (lanjutan)

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya (entitas pelapor). Yang termasuk pihak berelasi adalah sebagai berikut: (lanjutan)

2. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal sebagai berikut:
 - a. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain);
 - b. Suatu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain adalah anggotanya);
 - c. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - d. Suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - e. Entitas tersebut adalah sebuah program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 - f. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi sebagaimana dimaksud dalam angka 1; atau
 - g. Orang yang diidentifikasi sebagaimana dimaksud dalam angka 1) huruf a) memiliki pengaruh signifikan atas entitas atau merupakan manajemen kunci entitas (atau entitas induk dari entitas).

c. Aset dan Liabilitas Keuangan

Bank menerapkan PSAK No. 50 (Revisi 2014), "Instrumen Keuangan: Penyajian", PSAK No. 55 (Revisi 2014), "Instrumen Keuangan: Pengakuan dan Pengukuran", dan PSAK No. 60 (Revisi 2014), "Instrumen Keuangan: Pengungkapan".

2. Summary of Significant Accounting Policies (continued)

b. Transactions with Related Parties (continued)

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity'). The related parties are as follows: (continued)

2. An entity is related to a reporting entity if any of the following condition applies:
 - a. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c. Both entities are joint ventures of the same third party;
 - d. One entity is a joint venture of a third party and the other entity is an associate of the third entity;
 - e. The entity is a post-employment benefit plan for the benefit employees of either the reporting entity or an entity related to the reporting entity;
 - f. The entity is controlled or jointly controlled by a person identified in (1); or
 - g. A person identified in (1) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

c. Financial Assets and Liabilities

The Bank has applied PSAK No. 50 (Revised 2014), "Financial Instruments: Presentation", PSAK No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement", and PSAK No. 60 (Revised 2014), "Financial Instruments: Disclosures".

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset keuangan diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, pinjaman yang diberikan dan piutang, aset keuangan dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual. Bank menentukan klasifikasi atas aset keuangan pada saat pengakuan awal.

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan diukur berdasarkan biaya perolehan diamortisasi dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Pengakuan dan Pengukuran

Klasifikasi instrumen keuangan pada pengakuan awal tergantung pada tujuan dan intensi manajemen serta karakteristik dari instrumen keuangan tersebut. Semua instrumen keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya.

Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

Klasifikasi instrumen keuangan pada pengakuan awal tergantung pada tujuan dan intensi manajemen serta karakteristik dari instrumen keuangan tersebut. Semua instrumen keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya. Dalam hal aset keuangan atau liabilitas keuangan tidak diukur pada nilai wajar melalui laporan laba rugi, nilai wajar tersebut ditambah biaya transaksi yang dapat diatribusikan secara langsung dengan perolehan atau penerbitan aset keuangan atau liabilitas keuangan tersebut.

Aset keuangan yang diukur pada nilai wajar melalui laba rugi adalah aset yang diperoleh Bank atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit taking*), atau merupakan derivatif (kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai).

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The Bank determines the classification of its financial assets at initial recognition.

Financial liabilities classified as financial liabilities are measured at amortized cost and financial liabilities at fair value through profit or loss.

Recognition and Measurement

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value.

The subsequent measurement of financial assets and liabilities depends on their classification.

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value. In the case that financial assets or liabilities are not designated at fair value through profit or loss, the fair value should be added with attributable transaction costs directly from acquisition or issuance of financial assets or liabilities.

Financial assets measured at fair value through profit or loss are those assets that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or derivatives (unless they are designated as and effective hedging instruments).

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset Keuangan

- a) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari aset keuangan yang diklasifikasikan sebagai dimiliki untuk diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan manajemen untuk diukur pada nilai wajar melalui laporan laba rugi.

Aset keuangan yang diklasifikasikan dalam kelompok dimiliki untuk diperdagangkan jika dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit taking*), atau merupakan derivatif (kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai).

Setelah pengukuran awal, aset keuangan yang dikelompokkan dalam kategori ini diukur sebesar nilai wajarnya, keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar instrumen keuangan tersebut diakui dalam laporan laba rugi dan penghasilan komprehensif lain sebagai "Keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto".

- b) Aset keuangan tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang tidak diklasifikasikan sebagai dimiliki untuk diperdagangkan atau ditetapkan pada nilai wajar melalui laporan laba rugi. Setelah pengukuran awal, instrumen keuangan tersedia untuk dijual selanjutnya diukur sebesar nilai wajar. Keuntungan dan kerugian yang belum direalisasi diakui sebagai penghasilan komprehensif lainnya (sebagai "Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto").

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets

- a) *Financial assets designated at fair value through profit or loss*

Financial assets designated at fair value through profit or loss comprises of financial assets classified as held for trading, and financial assets designated by management as at fair value through profit or loss upon initial recognition.

Financial assets are classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or derivatives (unless they are designated and effective as hedging instruments).

After initial recognition, the financial assets included in this category are measured at fair value, the unrealized gains or losses resulting from changes in fair value are recognized in the statement of profit or loss and other comprehensive income as "Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net".

- b) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are neither classified as held-for-trading nor designated as at fair value through profit or loss. After initial measurement, available-for-sale financial instruments are subsequently measured at fair value. Unrealized gains and losses are recognized as other comprehensive income (as "Unrealized gain (loss) on available-for-sale securities - net").

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Aset Keuangan (lanjutan)

Financial Assets (continued)

c) Aset keuangan yang dimiliki hingga jatuh tempo

c) Held-to-maturity financial assets

Aset keuangan yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has positive intention and ability to hold the financial assets to maturity.

Setelah pengakuan awal, aset keuangan yang dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif (EIR), dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dengan memperhitungkan diskonto atau premi pada awal akuisisi dan fee/biaya sebagai bagian yang tidak terpisahkan dari EIR. Amortisasi dan kerugian yang timbul dari penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

After initial measurement, held-to-maturity financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees/costs that are an integral part of the EIR. The amortization and the losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income.

d) Pinjaman yang diberikan dan piutang

d) Loans and receivables

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak dikuotaskan pada pasar aktif, kecuali:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets, other than:

- Aset dimana Bank mempunyai intensi untuk menjual segera atau dalam waktu dekat dan pinjaman yang diberikan dan piutang yang diukur Bank pada nilai wajar melalui laporan laba rugi pada saat awal pengakuan;
- Aset dimana Bank pada awal pengakuan dimaksudkan sebagai tersedia untuk dijual; atau
- Aset dimana Bank mungkin tidak akan mendapat pemulihan secara substansial atas investasi awalnya, selain karena penurunan kualitas pinjaman aset keuangan.

- Those that the Bank intends to sell immediately or in the near term and loans and receivables that the Bank upon initial recognition designates as at fair value through profit or loss;
- Those that the Bank, upon initial recognition, designated as available-for-sale; or
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Aset Keuangan (lanjutan)

Financial Assets (continued)

d) Pinjaman yang diberikan dan piutang (lanjutan)

d) Loans and receivables (continued)

Setelah pengukuran awal, pinjaman yang diberikan dan piutang selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan EIR dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi suku bunga efektif dan kerugian yang timbul atas penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

After initial measurements, loans and receivables are subsequently measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The EIR amortization and losses arising from impairment is included in the statement of profit or loss and other comprehensive income.

Liabilitas Keuangan

Financial Liabilities

a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

a) Financial liabilities designated at fair value through profit or loss

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari dua sub-kategori, yaitu liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laporan laba rugi.

Financial liabilities at fair value through profit or loss consist of two sub-categories; financial liabilities classified as held for trading and financial liabilities designated by the Bank as at fair value through profit or loss upon initial recognition.

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti pola ambil untung dalam jangka pendek terkini. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of portfolio of identified financial instrument that are managed together and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effectively as hedging instruments.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Liabilitas Keuangan (lanjutan)

- a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi (lanjutan)

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas yang diklasifikasikan sebagai diperdagangkan dan yang diukur dari nilai wajar melalui laporan laba rugi dicatat melalui laporan laba rugi dan penghasilan komprehensif lain sebagai "Keuntungan/kerugian dari perubahan nilai wajar instrumen keuangan".

- b) Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi

Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi merupakan liabilitas keuangan dalam klasifikasi tidak diukur pada nilai wajar melalui laporan laba rugi.

Setelah pengakuan awal, Bank mengukur seluruh liabilitas keuangan berdasarkan biaya perolehan yang diamortisasi dengan menggunakan metode EIR.

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut:

Instrumen Keuangan dan Klasifikasinya

Aset keuangan:

Kas
 Pinjaman yang diberikan dan piutang
 Giro pada Bank Indonesia
 Pinjaman yang diberikan dan piutang
 Giro pada bank lain
 Pinjaman yang diberikan dan piutang
 Penempatan pada Bank Indonesia dan bank lain
 Pinjaman yang diberikan dan piutang
 Efek-efek yang diperdagangkan
 Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Liabilities (continued)

- a) Financial liabilities designated at fair value through profit or loss (continued)

Gains and losses arising from changes in fair value of financial liabilities classified held for trading and designated at fair value through profit or loss are recorded in the statements of profit or loss and other comprehensive income as "Gains/losses from changes in fair value of financial instruments".

- b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost were financial liabilities that are not classified as fair value through profit or loss.

After initial recognition, the Bank measures all financial liabilities at amortized cost using EIR method.

The following table presents financial instruments classification of the Bank based on their characteristic:

Financial Instruments and their Classification

Financial assets:

Cash
 Loans and receivable
 Current accounts with Bank Indonesia
 Loans and receivable
 Current accounts with other bank
 Loans and receivable
 Placements with Bank Indonesia and other banks
 Loans and receivable
 Trading Securities
 Financial assets designated at fair value through profit or loss

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Aset keuangan: (lanjutan)

Investasi keuangan
Aset keuangan yang dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual

Tagihan derivatif
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Kredit yang diberikan
Pinjaman yang diberikan dan piutang

Tagihan akseptasi
Pinjaman yang diberikan dan piutang

Aset lain-lain
Pinjaman yang diberikan dan piutang

Liabilitas keuangan:

Liabilitas segera
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Bunga yang masih harus dibayar
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan dari bank lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas derivatif
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Pinjaman yang diterima
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and their Classification (continued)

Financial assets: (continued)

Financial investments
Held-to-maturity financial assets and available-for-sale financial assets

Derivatives receivable
Financial assets designated at fair value through profit or loss

Loans
Loans and receivable

Acceptances receivable
Loans and receivable

Other assets
Loans and receivable

Financial liabilities:

Current liabilities
Financial liabilities measured at amortized cost

Deposits
Financial liabilities measured at amortized cost

Interest payable
Financial liabilities measured at amortized cost

Deposit from other Bank
Financial liabilities measured at amortized cost

Derivatives payable
Financial liabilities at fair value through profit or loss

Borrowings
Financial liabilities measured at amortized cost

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Liabilitas keuangan: (lanjutan)

Efek hutang yang diterbitkan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas akseptasi
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas lain-lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Penghentian Pengakuan

a. Aset keuangan dihentikan pengakuannya jika:

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Bank telah mentransfer hak-nya untuk menerima arus kas yang berasal dari aset keuangan atau menanggung kewajiban untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (*pass through arrangement*); dan
- (a) Bank telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Bank tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

Ketika Bank telah mentransfer hak untuk menerima arus kas dari aset atau di bawah kesepakatan pelepasan (*pass through arrangement*), dan tidak mentransfer serta tidak memiliki secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Bank yang berkelanjutan atas aset tersebut.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and their Classification (continued)

Financial liabilities: (continued)

Debt securities issued
Financial liabilities measured at amortized cost

Acceptances payable
Financial liabilities measured at amortized cost

Other liabilities
Financial liabilities measured at amortized cost

Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows from the financial assets have expired; or
- The Bank has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a "pass through arrangement"; and
- Either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a "pass through arrangement", and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Penghentian Pengakuan (lanjutan)

- a. Aset keuangan dihentikan pengakuannya jika: (lanjutan)

Kredit yang diberikan atau aset keuangan lain dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian kredit dalam waktu dekat atau hubungan normal antara Bank dan debitur telah berakhir. Kredit yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Penerimaan kemudian atas kredit yang telah dihapusbukukan sebelumnya, jika pada periode berjalan dikreditkan ke dalam akun cadangan kerugian penurunan nilai atas kredit yang diberikan di laporan posisi keuangan, sedangkan jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

- b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas keuangan tersebut berakhir, yaitu ketika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

Jika suatu liabilitas keuangan yang ada digantikan dengan yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, seperti pertukaran atau modifikasi yang diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Saling Hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan di laporan posisi keuangan jika, dan hanya jika, saat ini terdapat hak yang berkekuatan hukum untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Derecognition (continued)

- a. Financial assets are derecognized when: (continued)

Loans and receivables or other financial assets are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Bank and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent recoveries of loans previously written off, are added to the allowance for impairment losses account in the statement of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operational income, if recovered after the statement of financial position date.

- b. Financial liabilities are derecognized when they are extinguished, i.e. liabilities stated in the contract are discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an enforceable legal rights to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Saling Hapus (lanjutan)

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- Di pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Nilai wajar suatu aset atau liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset dan liabilitas tersebut dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomik terbaiknya.

Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomik dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

Bank menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Offsetting (continued)

Income and expenses are presented on a net basis only when permitted by accounting standards.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Nilai Wajar (lanjutan)

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

- Level 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal penyesuaian.
- Level 2 : input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung.
- Level 3 : Input yang tidak dapat diobservasi untuk aset dan liabilitas.

Untuk aset dan liabilitas yang diakui pada laporan keuangan secara berulang, Bank menentukan apakah terjadi transfer antara level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan input level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

Reklasifikasi Instrumen Keuangan

Bank tidak melakukan reklasifikasi instrumen keuangan dari atau ke klasifikasi yang diukur pada nilai wajar melalui laporan laba rugi selama instrumen keuangan tersebut dimiliki atau diterbitkan.

Bank tidak mereklasifikasi setiap instrumen keuangan dari diukur pada nilai wajar melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Bank sebagai diukur pada nilai wajar melalui laba rugi.

Bank mereklasifikasi aset keuangan dari diukur pada nilai wajar jika aset keuangan tersebut tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali dalam waktu dekat (meskipun aset keuangan mungkin telah diperoleh atau timbul terutama untuk tujuan penjualan atau pembelian kembali dalam waktu dekat).

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Fair Value (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 : valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 : techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Reclassification of Financial Instruments

The Bank shall not reclassify any financial instrument out of or into the fair value through profit or loss classification while it is held or issued.

The Bank does not reclassify any financial instrument out of fair value through profit or loss classification if upon initial recognition the financial instrument is designated by the Bank as at fair value through profit or loss.

The Bank reclassify a financial asset out of fair value through profit or loss classification if the financial asset no longer incurred for the purpose of selling or repurchasing it in the near term (although the financial asset may have been acquired or intended principally for the purpose of selling or repurchasing it in the near term).

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Reklasifikasi Instrumen Keuangan (lanjutan)

Reclassification of Financial Instruments (continued)

Persyaratan untuk reklasifikasi adalah:

Requirement for the reclassification are:

- a) Dilakukan dalam situasi yang langka,
- b) Memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak diisyaratkan untuk diklasifikasikan sebagai diperdagangkan pada pengakuan awal) dan Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

- a) Occurs in a rare circumstances,
- b) Qualifies as loans and receivables definition (if the financial asset is not designated as at held for trading upon initial recognition) and the Bank has the intention and ability to hold the financial assets for the future that can be forecasted or to maturity.

Bank tidak mereklasifikasi instrumen keuangan ke dalam kategori nilai wajar melalui laba rugi setelah pengakuan awal.

The Bank does not reclassify any financial instrument into fair value through profit or loss classification after initial recognition.

Bank mereklasifikasi aset keuangan yang diklasifikasikan sebagai tersedia untuk dijual yang memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak ditetapkan sebagai tersedia untuk dijual) dari tersedia untuk dijual jika Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

The Bank reclassify a financial asset at available-for-sale classification which qualifies as loans and receivable definition (if the financial asset is not designated as at available-for-sale) from available-for-sale if the Bank has the intention and ability to hold the financial asset for the future that can be forecasted or to maturity.

Bank tidak mereklasifikasi aset keuangan yang dikategorikan dimiliki hingga jatuh tempo. Jika terjadi penjualan atau reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (selain dari kondisi spesifik tertentu), maka seluruh aset keuangan yang dimiliki hingga jatuh tempo akan direklasifikasi menjadi aset keuangan yang tersedia untuk dijual. Selanjutnya, Bank tidak akan mengklasifikasi aset keuangan sebagai aset keuangan yang dimiliki hingga jatuh tempo selama dua tahun berikutnya.

The Bank does not reclassify any financial asset categorized as held-to-maturity. If there is a sale or reclassification of held-to-maturity financial asset for more than an insignificant amount before maturity (other than in certain specific circumstances), the entire held-to-maturity financial assets will have to be reclassified as available-for-sale financial assets. Subsequently, the Bank shall not classify financial asset as held-to-maturity during the following two years.

Kondisi spesifik tertentu yang dimaksud adalah sebagai berikut:

The certain specific circumstances are as follows:

- a) Dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, sehingga perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut.

- a) Performed if financial assets are so close to maturity or call date, that changes in the market rate of interest would not have a significant effect on their fair value.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

- b) Ketika Bank telah memperoleh secara substansial seluruh jumlah pokok aset-aset keuangan tersebut sesuai jadwal pembayaran atau Bank telah memperoleh pelunasan dipercepat; atau
- c) Terkait dengan kejadian tertentu yang berada di luar kendali Bank, tidak terulang, dan tidak dapat diantisipasi secara wajar oleh Bank.

Reklasifikasi aset keuangan dari kelompok diukur pada nilai wajar melalui laba rugi ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang telah diakui sebagai laba rugi tidak dapat dibalik.

Reklasifikasi aset keuangan dari kelompok tersedia untuk dijual ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang sebelumnya diakui dalam ekuitas dicatat dengan cara sebagai berikut:

- a) Jika aset keuangan memiliki jatuh tempo tetap, keuntungan atau kerugian diamortisasi ke laba rugi selama sisa umur investasi dengan EIR.
- b) Jika aset keuangan tidak memiliki jatuh tempo yang tetap, keuntungan atau kerugian tetap dalam ekuitas sampai aset keuangan tersebut dijual atau dilepaskan dan pada saat itu keuntungan atau kerugian diakui dalam laba rugi dan penghasilan komprehensif lain.

Reklasifikasi aset keuangan dari kelompok yang dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi diakui dalam ekuitas sampai aset keuangan tersebut dihentikan pengakuannya dan pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas diakui pada laporan laba rugi dan penghasilan komprehensif lain.

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Reclassification of Financial Instruments (continued)

- b) When the Bank have collected substantially all of the financial assets original principal through scheduled payment or prepayment; or
- c) Attributable to an isolated event that is beyond the Bank's control, is non-recurring and could not have been reasonably anticipated by the Bank.

Reclassification of fair value through profit or loss financial asset to loans and receivables is recorded at cost or amortized cost. Unrealized gain or loss that has been recognized as profit or loss shall not be reversed.

Reclassification of available-for-sale financial asset to loans and receivables is recorded at cost or amortized cost. Any previous gain or loss which has been recognized directly in equity shall be accounted for as follows:

- a) In the case of a financial asset with a fixed maturity, the gain or loss shall be amortized to profit or loss over the remaining life of the investment using the EIR.
- b) In the case of a financial asset that does not have a fixed maturity, the gain or loss shall remain in equity until the financial asset is sold or otherwise disposed of, when it shall be recognized in statement of profit or loss and other comprehensive income.

Reclassification of held-to-maturity financial asset to available-for-sale is recorded at fair value. The unrealized gain or loss is recognized in equity until the time financial assets is derecognized and at the time the cumulative gain or loss previously recognized in equity shall be recognized in the statement of profit or loss and other comprehensive income.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

d. Giro pada Bank Indonesia dan Bank Lain

Giro pada bank lain dan Bank Indonesia setelah perolehan awal diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode EIR. Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

e. Penempatan pada Bank Indonesia dan Bank Lain

Penempatan pada Bank Indonesia dan bank lain merupakan penempatan dana dalam bentuk *call money*, Fasilitas Simpanan Bank Indonesia, deposito berjangka dan lain-lain.

Penempatan pada Bank Indonesia dinyatakan sebesar saldo penempatan.

Penempatan pada bank lain dinilai berdasarkan nilai wajar ditambah biaya transaksi tambahan langsung, jika ada, dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Cadangan kerugian penurunan nilai diukur bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

f. Efek-efek yang diperdagangkan

Efek-efek yang diperdagangkan terdiri dari Surat Utang Negara, Surat Perbendaharaan Negara, dan Sertifikat Bank Indonesia yang dikategorikan sebagai dimiliki untuk diperdagangkan dan dicatat di laporan posisi keuangan sebesar nilai wajar.

Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajar disajikan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan. Pendapatan bunga dari efek hutang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain sesuai dengan persyaratan dalam kontrak. Pada saat penjualan portofolio efek yang diperdagangkan, selisih antara harga jual dengan harga perolehan diakui sebagai keuntungan atau kerugian penjualan pada tahun dimana efek tersebut dijual.

2. Summary of Significant Accounting Policies (continued)

d. Current Accounts with Bank Indonesia and Other Banks

Subsequent to initial recognition, current accounts with other banks and Bank Indonesia are measured at their amortized cost using the EIR method. Allowance for impairment losses is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2k.

e. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and other banks consist of call money, Bank Indonesia Deposit Facilities, time deposits and others.

Placements with Bank Indonesia are stated at the outstanding balances.

Placements with other banks are initially measured at fair value plus incremental direct transaction cost, if any, and subsequently measured at their amortized cost using EIR. Allowances for impairment losses is assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

f. Trading securities

Trading securities comprises of Government Bonds, State Treasury Notes, and Certificates of Bank Indonesia that are classified as held for trading, and recorded in the statement of financial position at fair value.

Unrealized gains or losses resulting from the increase or decrease in fair value are recognized in the current year statement of profit or loss and other comprehensive income. The interest income from debt securities is recorded in the statement of profit or loss and other comprehensive income according to the terms of the contract. At the time of sale of trading securities portfolio, the difference between the selling price and the purchase price is recognized as a gain or loss in the year when the securities are sold.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

g. Investasi Keuangan

Investasi keuangan diklasifikasikan sebagai berikut:

Efek-efek yang Tersedia untuk Dijual

Efek-efek yang tersedia untuk dijual diakui dan diukur sebesar nilai wajar dengan memperhitungkan pendapatan dan/atau beban yang dapat diatribusikan langsung pada pembelian efek-efek. Setelah pengakuan awal, keuntungan dan kerugian yang belum direalisasikan dari kenaikan atau penurunan nilai wajar, setelah pajak, diakui dan disajikan sebagai komponen ekuitas.

Ketika investasi tersebut dihapus, keuntungan atau kerugian kumulatif setelah pajak, yang sebelumnya diakui di penghasilan komprehensif lainnya, diakui dalam laporan laba rugi dan penghasilan komprehensif lain. Kerugian yang timbul dari penurunan nilai pada investasi tersebut diakui dalam laporan laba rugi dan penghasilan komprehensif lain dan dikeluarkan dari penghasilan komprehensif lainnya.

Premi dan/atau diskonto diamortisasi sebagai pendapatan bunga dengan menggunakan EIR.

Efek-efek yang Dimiliki Hingga Jatuh Tempo dan Pinjaman yang Diberikan dan Piutang

Efek-efek yang dimiliki hingga jatuh tempo dan pinjaman yang diberikan dan piutang diakui dan diukur sebesar nilai wajar dengan memperhitungkan pendapatan dan/atau beban yang dapat diatribusikan langsung pada pembelian efek-efek. Setelah pengakuan awal, efek-efek diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

h. Instrumen Keuangan Derivatif

Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar, kurs Reuters pada tanggal pelaporan laporan posisi keuangan, diskonto arus kas, model penentu harga atau harga yang diberikan oleh broker (*quoted price*) atas instrumen lain yang memiliki karakteristik atau model penentuan harga serupa.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Summary of Significant Accounting Policies (continued)

g. Financial Investments

Financial investments are classified as follows:

Available-for-Sale Securities

Available-for-sale securities are recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, gains and losses from changes in fair value of securities, net of tax, are recognized directly to equity.

When the investment is disposed the cumulative gain or loss, net of tax, previously recognized in other comprehensive income is recognized in the statement of profit or loss and other comprehensive income. The losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income and removed from other comprehensive income.

Premium and/or discount is amortized and reported as interest income using the EIR.

Held-to-Maturity Securities and Loans and Receivables

Held-to-maturity securities and loans and receivables are recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, securities are measured at amortized acquisition cost using EIR.

h. Derivatives Financial Instruments

All derivative instruments are recognized in statement of financial position at fair value. The fair value is based on the market rate, Reuters exchange rate at statement of financial position date, discounted cash flows, price valuation or broker quoted price on other instruments with similar characteristics or price model.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

h. Instrumen Keuangan Derivatif (lanjutan)

h. Derivatives Financial Instruments (continued)

Keuntungan atau kerugian dari kontrak derivatif yang tidak ditujukan untuk lindung nilai (atau tidak memenuhi kriteria untuk dapat diklasifikasikan sebagai lindung nilai) diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized in the current year statement of profit or loss and comprehensive income.

Instrumen derivatif melekat dipisahkan dari kontrak utama non-derivatif dan diperlakukan sebagai instrumen derivatif jika seluruh kriteria berikut terpenuhi:

Embedded derivatives instruments are separated from their host non-derivative contract and accounted for as a derivative instrument if all of the following criteria are met:

1. Risiko dan karakteristik ekonomi dari derivatif melekat tidak secara erat berhubungan dengan karakteristik dan risiko kontrak utama.
2. Instrumen terpisah dengan kondisi yang sama dengan instrumen derivatif melekat memenuhi definisi dari derivatif, dan
3. Instrumen hibrid (kombinasi) tidak diukur pada harga wajar dengan perubahan nilai wajar diakui dalam laporan laba rugi komprehensif (yaitu derivatif melekat dalam aset keuangan atau liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi tidak dipisahkan).

1. The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and
3. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in statements of comprehensive income (i.e a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated).

Akuntansi Lindung Nilai

Hedge Accounting

Bank menerapkan akuntansi lindung nilai untuk beberapa transaksi derivatif ketika memenuhi kriteria dibawah ini:

The Bank applies hedge accounting on certain derivative transactions when it meets the specified criterias below:

1. Pada awal hubungan lindung nilai, Bank secara formal mendokumentasikan hubungan antara item yang dilindung nilai dengan instrumen lindung nilainya, jenis risiko, tujuan dan strategi dalam melaksanakan lindung nilai serta metodologi yang digunakan untuk menilai keefektifan lindung nilai tersebut.
2. Selanjutnya, pada awal hubungan lindung nilai, penilaian dilakukan untuk meyakinkan bahwa instrumen lindung nilai tersebut diharapkan untuk sangat efektif untuk mencapai saling-hapus perubahan atas nilai wajar atau arus kas yang terkait dengan risiko yang dilindungnilaikan. Lindung nilai dinilai setiap kuartal.

1. At the beginning of a hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess hedging effectiveness;
2. Subsequently, an assessment is done to ensure that the hedging instrument is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk. Hedges are assessed quarterly.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

h. Instrumen Keuangan Derivatif (lanjutan)

Akuntansi Lindung Nilai (lanjutan)

Bank menerapkan akuntansi lindung nilai untuk beberapa transaksi derivatif ketika memenuhi kriteria dibawah ini: (lanjutan)

Lindung nilai diharapkan menjadi sangat efektif jika perubahan nilai wajar atau arus kas dari item yang dilindungi nilai terkait dengan risiko yang dilindungi nilai saling hapus dengan perubahan nilai wajar atau arus kas dari instrumen lindung nilai, dalam kisaran 80% sampai dengan 125% selama periode lindung nilai. Pada situasi dimana *item* yang dilindung nilai merupakan suatu prakiraan transaksi, Bank akan mengevaluasi apakah transaksi tersebut memiliki kemungkinan terjadi yang tinggi dan menimbulkan paparan variasi arus kas yang akan pasti mempengaruhi laporan laba rugi dan penghasilan komprehensif lain.

Lindung nilai atas nilai wajar

Keuntungan atau kerugian dari suatu kontrak derivatif yang ditujukan dan memenuhi syarat sebagai instrumen lindung nilai atas nilai wajar, dan keuntungan atau kerugian atas revaluasi lindung nilai aset atau liabilitas, diakui sebagai laba atau rugi yang dapat saling hapus dalam periode akuntansi yang sama. Setiap selisih yang terjadi yang menunjukkan akibat ketidakefektifan lindung nilai secara langsung diakui di dalam laporan laba rugi dan penghasilan komprehensif lain.

i. Kredit yang Diberikan

Kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan EIR dikurangi cadangan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

h. Derivatives Financial Instruments (continued)

Hedge Accounting (continued)

The Bank applies hedge accounting on certain derivative transactions when it meets the specified criterias below: (continued)

A hedge is expected to be highly effective if the changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument in a range of 80% to 125% during the period for which the hedge is designated. In the situation where the hedged item is a forecasted transaction, the Bank will make an assessment whether the transaction has high probability of occurrence and presents an exposure to variation in cash flows that definitely will affect the statements of profit on loss and other comprehensive income.

Fair value hedge

Gains or losses on the derivative contract designated and meet the requirements of fair value hedge, and the gains or losses on the fair value changes of hedged assets or liabilities are recognized in profit or loss in the same accounting period. Gains or losses arising from such fair value changes may be offset. Any difference that arises representing the effect of hedge ineffectiveness is recognized in the statement of profit or loss and other comprehensive income.

i. Loans

Loans are measured at amortized cost using the EIR less allowance for impairment losses. The amortized cost of loan is the amount at which the loan is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The amortization is recognized in the statement of profit or loss and other comprehensive income.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

i. Kredit yang Diberikan (lanjutan)

Cadangan kerugian atas penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

Kredit sindikasi dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

Restrukturisasi Kredit

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit hanya diakui bila nilai tunai penerimaan kas masa depan yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai kredit yang diberikan yang tercatat sebelum restrukturisasi.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya adalah kurang dari nilai tercatat kredit yang diberikan.

Saat ini hanya terdapat restrukturisasi kredit dengan menggunakan metode perpanjangan jangka waktu kredit.

j. Tagihan dan Liabilitas Akseptasi

Tagihan akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR, dikurangi dengan cadangan kerugian penurunan nilai. Liabilitas akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

Cadangan kerugian penurunan nilai dilakukan bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

2. Summary of Significant Accounting Policies (continued)

i. Loans (continued)

The allowance for impairment losses are assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

Syndicated loans are stated at the loan principal amount based on the risk participation by the Bank.

Loan Restructuring

Losses on loan restructuring in respect of modification of the terms of the loans are recognized only if the cash value of total future cash receipt specified in the new terms of the loans, including both receipt designated as interest and those designated as loan principal, are less than the recorded amounts of loans before restructuring.

For loan restructuring which involve a conversion of loans into equity or other financial instruments, a loss on loan restructuring is recognized only if the fair value of the equity or other financial instruments received, reduced by estimated costs to sell the equity or other financial instruments, is less than the carrying value of loan.

Currently, there was only loan restructuring using extension terms of loans method.

j. Acceptances Receivable and Payable

Acceptances receivable are measured at amortized cost using the EIR, less allowance for impairment losses. Acceptance liabilities are measured at amortized cost by using the EIR.

The allowance for impairment losses are assessed if there is an objective evidence of impairment by using the impairment methodology as disclosed in Note 2k.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti yang objektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai terjadi jika, dan hanya jika, terdapat bukti yang objektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang menyebabkan penurunan nilai), yang berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang diestimasi secara andal.

Bukti penurunan nilai meliputi indikasi kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam, wanprestasi atau tunggakan pembayaran pokok atau bunga, kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya dan data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, misalnya perubahan tunggakan atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Jika terdapat bukti objektif bahwa penurunan nilai telah terjadi, jumlah kerugian diukur sebesar selisih antara nilai tercatat aset dan nilai sekarang dari estimasi arus kas masa depan (tidak termasuk kerugian kredit di masa datang yang diharapkan tapi belum terjadi).

Estimasi periode antara terjadinya peristiwa dan identifikasi kerugian ditentukan oleh Manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 (tiga) sampai 12 (dua belas) bulan, untuk kasus tertentu diperlukan periode yang lebih lama.

Untuk aset keuangan yang dicatat pada biaya perolehan diamortisasi, Bank pada awalnya menentukan apakah terdapat bukti objektif penurunan nilai secara individual atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets

The Bank assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired and impairment losses incurred if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The estimated period between the occurrence of the event and identification of loss is determined by Management for each identified portfolio. In general, the periods used vary between 3 (three) months to 12 (twelve) months; in exceptional cases, longer periods are warranted.

For financial assets carried at amortized cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Penilaian secara individual dilakukan atas aset keuangan yang signifikan yang memiliki bukti objektif penurunan nilai. Aset keuangan yang tidak signifikan dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan dilakukan penilaian secara kolektif.

Jika Bank menyimpulkan tidak terdapat bukti objektif penurunan nilai aset keuangan yang dinilai secara individual, maka Bank memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan menilai penurunan nilai kelompok tersebut secara kolektif.

Bank menetapkan kredit yang dievaluasi penurunan nilainya secara individual, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual memiliki nilai signifikan tertentu dan memiliki bukti obyektif penurunan nilai;
2. Kredit yang direstrukturisasi yang secara individual memiliki nilai signifikan

Cadangan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows*).

Bank menetapkan bahwa kredit dievaluasi penurunan nilainya secara kolektif, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual bernilai signifikan dan tidak memiliki bukti obyektif penurunan nilai.
2. Kredit yang secara individual bernilai tidak signifikan.
3. Kredit yang telah direstrukturisasi yang secara individual bernilai tidak signifikan.

Bank menerapkan cadangan penurunan nilai secara kolektif yang dihitung dengan menggunakan metode statistik atas data historis berupa *probability of default* di masa lalu, waktu pemulihan dan jumlah kerugian yang terjadi (*Loss Given Default*) yang selanjutnya disesuaikan lagi dengan pertimbangan manajemen terkait kondisi ekonomi dan kredit saat ini.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

**2. Summary of Significant Accounting Policies
(continued)**

k. Impairment of Financial Assets (continued)

Individual assessment is performed on the significant financial assets that had objective evidence of impairment. The insignificant financial assets includes in the group of financial assets with similar credit risk characteristics and assessed collectively.

However, if the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, the Bank includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The Bank determines loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. *Loans which individually have certain significant value and objective evidence of impairment;*
2. *Restructured loans which individually have significant value.*

Allowance for impairment losses on impaired financial assets that was assessed individually by using discounted cash flows method.

The Bank determines that loans to be evaluated for impairment through collective evaluation if one of the following criteria is met:

1. *Loans which individually have significant value and there is no objective evidence of impairment.*
2. *Loans which individually have insignificant value.*
3. *Restructured loans which individually have insignificant value.*

The Bank provides allowance for impairment on impaired financial assets that was assessed collectively, using statistical method of the historical data such as the probability of defaults, time of recoveries, the amount of loss incurred (Loss Given Default), and by considering management's judgment of current economic and credit conditions.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Bank menggunakan *statistical model analysis method*, yaitu *roll rates analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

Bank menggunakan nilai wajar agunan (*fair value of collateral*) sebagai dasar dari arus kas masa datang apabila salah satu kondisi berikut terpenuhi:

1. Kredit bersifat tergantung pada agunan (*collateral dependent*), yaitu jika pelunasan kredit hanya bersumber dari agunan;
2. Pengambilalihan agunan kemungkinan besar terjadi dan didukung dengan perjanjian pengikatan agunan.

Kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan setelah amortisasi diukur sebesar selisih antara nilai tercatat aset keuangan dengan nilai kini estimasi arus kas masa datang yang didiskonto menggunakan suku bunga efektif awal dari aset keuangan tersebut. Jika pinjaman yang diberikan atau surat-surat berharga dan Obligasi Pemerintah dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku saat ini yang ditetapkan dalam kontrak.

Sebagai panduan praktis, Bank dapat mengukur penurunan nilai berdasarkan nilai wajar instrumen dengan menggunakan harga pasar yang dapat diobservasi, perhitungan nilai kini dari estimasi arus kas masa datang dari aset keuangan agunan (*collateralized financial asset*) yang mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi biaya-biaya untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak. Kerugian yang terjadi diakui pada laporan laba rugi dan penghasilan komprehensif lain dan dicatat pada akun cadangan kerugian penurunan nilai sebagai pengurang terhadap aset keuangan yang dicatat pada biaya perolehan diamortisasi.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

The Bank uses *statistical model analysis method*, i.e., *roll rate analysis method* to assess financial asset impairment collectively.

The Bank uses the fair value of collateral as the basis for future cash flows if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is made only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by binding collateral agreement.

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and present value of estimated future cash flows discounted at the financial assets original effective interest rate. If a loan or held-to-maturity securities and Government Bonds have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical guideline, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price, the calculation of the present value of the estimated future cash flows of a collateralized financial assets which reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Pendapatan bunga dari aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai. Jika terjadi peristiwa setelah tanggal laporan posisi keuangan menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Untuk aset keuangan yang tersedia untuk dijual, pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar investasi dalam instrumen ekuitas yang diklasifikasikan sebagai tersedia untuk dijual di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Kerugian penurunan nilai atas surat-surat berharga yang tersedia untuk dijual diakui dengan memindahbukukan kerugian kumulatif yang telah diakui secara langsung dalam ekuitas ke laporan laba rugi dan penghasilan komprehensif lain. Jumlah kerugian kumulatif yang dipindahbukukan dari ekuitas dan diakui pada laporan laba rugi dan penghasilan komprehensif lain merupakan selisih antara biaya perolehan (setelah dikurangi dengan nilai pelunasan pokok dan amortisasi) dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Kerugian penurunan nilai yang diakui pada laporan laba rugi dan penghasilan komprehensif lain atas investasi instrumen ekuitas yang diklasifikasikan sebagai instrumen ekuitas yang tersedia untuk dijual tidak dipulihkan.

Jika pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian nilai pada laporan laba rugi dan penghasilan komprehensif lain maka kerugian penurunan nilai tersebut dipulihkan melalui laporan laba rugi komprehensif.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

Interest income on the impaired financial assets continues to be recognized using the original rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized is reversed through the statement of profit or loss and other comprehensive income.

For financial assets classified as available-for-sale, the Bank assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available-for-sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statement of profit or loss and other comprehensive income. The cumulative loss that has been removed from equity and recognized in statement of profit or loss and other comprehensive income is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in statement of profit or loss and other comprehensive income.

Impairment losses recognized in statement of profit or loss and other comprehensive income on investments in equity instruments classified as available-for-sale shall not be reversed.

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in statement of profit or loss and other comprehensive income.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Jika persyaratan pinjaman yang diberikan, piutang atau surat-surat berharga yang dimiliki hingga jatuh tempo dinegosiasi ulang atau dimodifikasi karena debitur atau penerbit mengalami kesulitan keuangan, maka penurunan nilai diukur dengan suku bunga efektif awal yang digunakan sebelum persyaratan diubah.

Jika, pada suatu periode berikutnya, jumlah cadangan kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur atau penerbit), maka kerugian penurunan nilai yang sebelumnya diakui akan dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Pemulihan kembali pada tahun berjalan aset keuangan yang telah dihapusbukkan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai. Pemulihan kembali pinjaman yang telah dihapusbukkan pada tahun-tahun sebelumnya dicatat sebagai pendapatan operasional selain pendapatan bunga.

l. Penurunan Nilai Aset Non-Keuangan

Pada setiap tanggal pelaporan, Bank melakukan penilaian apakah terdapat indikasi bahwa aset non-keuangan mungkin mengalami penurunan nilai sesuai dengan PSAK No. 48 (Revisi 2014) tentang "Penurunan Nilai Aset". Ketika sebuah indikator penurunan nilai ada atau ketika sebuah pengujian penurunan nilai tahunan untuk aset diperlukan, Bank membuat estimasi resmi atas jumlah terpulihkan.

Nilai yang dapat dipulihkan adalah sebesar jumlah yang lebih tinggi dari nilai wajar aset (atau unit penghasil kas) dikurangi besarnya biaya untuk menjual dibandingkan dengan nilai pakai yang ditentukan untuk aset individu, kecuali aset tersebut menghasilkan arus kas masuk yang tidak tergantung lagi dari aset yang lain atau kumpulan aset, yang dalam hal jumlah terpulihkan dinilai sebagai bagian dari unit penghasil kas. Apabila nilai tercatat suatu aset (atau unit penghasil kas) melebihi jumlah terpulihkan, maka aset (atau unit penghasil kas) tersebut dianggap mengalami penurunan

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

If the terms of the loans and receivables or held-to-maturity marketable securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the terms is modified.

If, in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occurred after the recognition of the impairment losses (i.e. upgrade debtor's or issuer's collectability), the impairment loss that was previously recognized shall be reversed, by adjusting the allowance account. The reversal amount of financial assets is recognized in the statement of profit or loss and other comprehensive income.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off loans from previous years are recorded as operational income other than interest income.

l. Impairment of Non-Financial Assets

At each reporting date, the Bank assesses whether there is any indication that its non-financial assets may be impaired in accordance with PSAK No. 48 (Revised 2014), "Impairment of Asset Value". When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimation of the recoverable amount.

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

1. Penurunan Nilai Aset Non-Keuangan (lanjutan)

nilai dan diturunkan menjadi sebesar nilai yang dapat dipulihkan. Dalam menilai nilai pakai suatu aset, estimasi terhadap arus kas dipulihkan di masa depan akan didiskontokan menjadi nilai kini dengan menggunakan tingkat suku bunga diskonto sebelum pajak yang mencerminkan penilaian pasar terhadap nilai waktu dari kas dan risiko spesifik aset (atau unit penghasil kas) tersebut.

Kerugian penurunan nilai akan dibebankan pada periode yang bersangkutan, kecuali aset tersebut telah dicatat sebesar jumlah yang direvaluasi, dalam hal ini kerugian penurunan nilai tersebut akan dibebankan langsung ke dalam selisih penilaian kembali aset bersangkutan.

Bank melakukan penelaahan pada setiap tanggal pelaporan apakah terdapat indikasi bahwa pengakuan kerugian penurunan nilai sebelumnya mungkin tidak lagi ada atau telah menurun. Bila terdapat indikasi tersebut, maka jumlah terpulihkan akan diestimasi. Kerugian penurunan nilai yang sebelumnya telah diakui akan dibalik hanya jika telah terjadi perubahan dalam estimasi yang digunakan untuk menentukan jumlah terpulihkan aset sejak kerugian penurunan nilai terakhir diakui. Jika demikian, nilai tercatat aset akan ditingkatkan sejumlah nilai terpulihkan.

Peningkatan nilai aset setelah penilaian kembali oleh Bank tidak dapat melebihi nilai tercatat yang seharusnya diakui, setelah dikurangi penyusutan jika diasumsikan tidak terdapat penurunan nilai pada tahun sebelumnya. Pembalikan tersebut diakui di dalam laporan laba rugi dan penghasilan komprehensif lain kecuali jika aset tersebut dicatat sebesar nilai yang dipulihkan dimana pembalikannya akan diakui sebagai peningkatan revaluasi. Setelah pembalikan tersebut dicatat, beban penyusutan akan disesuaikan ke depan untuk mengalokasikan nilai tercatat aset yang telah direvaluasi setelah dikurangi nilai sisa yang diperhitungkan secara sistematis sepanjang masa manfaat aset tersebut.

2. Summary of Significant Accounting Policies (continued)

1. Impairment of Non-Financial Assets (continued)

recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations on the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

m. Aset Tetap

Aset tetap dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat pemeriksaan yang signifikan dilakukan, biaya pemeriksaan itu diakui ke dalam jumlah tercatat (carrying amount) aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Penyusutan dihitung dengan menggunakan metode garis lurus selama umur manfaat aset tetap yang diestimasi sebagai berikut:

	Tahun/ Years
Bangunan dan prasarana bangunan	10-20
Perabot kantor, peralatan kantor dan kendaraan	5-10
	Persentase/ Percentage
Bangunan dan prasarana bangunan	5-10
Perabot kantor, peralatan kantor dan kendaraan	10-20

Biaya pengurusan hak legal atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi.

Sementara biaya pengurusan atas perpanjangan atau pembaruan hak legal atas tanah dalam bentuk HGU, HGB dan HP dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya karena nilainya tidak signifikan.

Nilai residu, umur manfaat dan metode penyusutan ditelaah, dan jika sesuai dengan keadaan, disesuaikan secara prospektif pada setiap akhir periode.

2. Summary of Significant Accounting Policies (continued)

m. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements
Furniture and fixtures, office equipment and vehicles

Buildings and building improvements
Furniture and fixtures, office equipment and vehicles

Legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Rights ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was acquired initially are recognized as part of the cost of the land under the "Fixed Assets" account and not amortized.

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP are charged to the statement of profit or loss and other comprehensive income as incurred because its value is insignificant.

The residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each period end.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

m. Aset Tetap (lanjutan)

Bank melakukan penelaahan untuk menentukan adanya indikasi terjadinya penurunan nilai aset pada akhir tahun. Bank menentukan taksiran jumlah yang dapat direalisasi kembali atas semua asetnya.

n. Agunan yang Diambil alih

Agunan yang diambil alih sehubungan dengan penyelesaian pinjaman yang diberikan disajikan sebagai bagian dari akun "Aset Lain-lain". Pada saat pengakuan awal, agunan yang diambil alih dibukukan pada nilai wajar setelah dikurangi perkiraan biaya untuk menjualnya maksimum sebesar liabilitas debitur di laporan posisi keuangan. Setelah pengakuan awal, agunan yang diambil alih dibukukan sebesar nilai yang lebih rendah antara nilai tercatat dengan nilai wajarnya setelah dikurangi dengan biaya untuk menjualnya. Selisih lebih saldo kredit diatas nilai realisasi bersih dari agunan yang diambil alih dibebankan ke dalam akun cadangan kerugian.

Beban-beban yang berkaitan dengan pemeliharaan agunan yang diambil alih dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Laba atau rugi yang diperoleh atau berasal dari penjualan agunan yang diambil alih disajikan sebagai bagian dari "Pendapatan (Beban) Non-Operasional - Neto" dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

o. Biaya Dibayar di Muka

Biaya dibayar di muka dibebankan pada usaha sesuai dengan masa manfaatnya dan disajikan sebagai bagian dari akun "Aset Lain-lain".

p. Simpanan

Simpanan adalah dana yang dipercayakan oleh nasabah (di luar bank lain) kepada Bank berdasarkan perjanjian penyimpanan dana. Simpanan terdiri dari giro, tabungan dan deposito berjangka.

2. Summary of Significant Accounting Policies (continued)

m. Fixed Assets (continued)

The Bank evaluates any indication of asset impairment at the end of the year. The Bank determines the estimated realizable amount of its assets if there is an event or condition which indicates the asset impairment.

n. Foreclosed Assets

Collaterals acquired through loan foreclosures related to the loans settlement are presented as part of "Other Assets" account. At initial recognition, foreclosed assets are stated at fair value, net of estimated costs to sell at the maximum at the borrower's liabilities as stated the in statement of financial position. After initial recognition, foreclosed assets are recorded at the amount whichever is lower of the carrying amount and fair value, net of estimated costs to sell. The excess of the uncollectible loan balance over the value of the collateral is charged to allowance for impairment losses.

Maintenance expenses of foreclosed assets are charged to the statement of profit or loss and other comprehensive income as incurred.

Gains or losses earned or incurred from the sale of foreclosed assets are presented as part of "Non-Operating Income (Expense) - Others - Net" in the statement of profit or loss and other comprehensive income for the current year.

o. Prepaid Expenses

Prepaid expenses are charged to operations over the period benefited and presented as part of "Other Assets" account.

p. Deposits

Deposit are deposits of customers (excluding other banks) with the Bank based on deposit agreements. Deposits consist of demand deposits, saving deposits and time deposit.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

p. Simpanan (lanjutan)

Giro, tabungan dan deposito berjangka diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal simpanan dan biaya transaksi yang merupakan bagian yang tak terpisahkan dari EIR.

q. Simpanan dari Bank Lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, *interbank call money* dengan periode jatuh tempo menurut perjanjian kurang dari atau sama dengan 90 hari dan deposito berjangka.

Simpanan dari bank lain diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan diskonto atau premi yang terkait dengan pengakuan awal simpanan dari bank lain dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

r. Pinjaman yang Diterima

Pinjaman yang diterima merupakan dana yang diterima dari bank lain, Bank Indonesia atau pihak lain dengan liabilitas pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

s. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar nilai biaya perolehan diamortisasi dengan menggunakan metode EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal efek hutang yang diterbitkan dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

**2. Summary of Significant Accounting Policies
(continued)**

p. Deposits (continued)

Demand deposits, saving deposits and time deposits are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits and transaction costs that are an integral part of the EIR.

q. Deposits from Other Banks

Deposits from other banks represent liabilities to other domestic and overseas banks, in the form of demand deposits, saving deposits, interbank call money with maturity period based on agreement less than or equal to 90 days and time deposits.

Deposits from other banks are initially recognized at fair value and subsequently measured at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits from other bank and transaction costs that are an integral part of the EIR.

r. Borrowings

Borrowings are funds received from other banks, Bank Indonesia or other parties with payment obligation based on borrowings agreements.

s. Debt Securities Issued

Debt securities issued are initially recognized at fair value and subsequently measured at amortized cost using EIR method. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of debt securities issued and transaction costs that are an integral part of EIR.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

t. Pendapatan dan Beban Bunga

Instrumen keuangan yang diukur pada biaya perolehan diamortisasi, aset dan liabilitas keuangan yang diklasifikasikan sebagai tersedia untuk dijual, pendapatan maupun beban bunganya diakui dengan menggunakan EIR, yaitu suku bunga yang akan mendiskonto secara tepat estimasi pembayaran atau penerimaan kas di masa datang sepanjang perkiraan umur instrumen keuangan tersebut atau, jika lebih tepat untuk masa yang lebih singkat, sebagai nilai tercatat bersih dari aset atau liabilitas keuangan tersebut. Perhitungan dilakukan dengan mempertimbangkan seluruh syarat dan ketentuan kontraktual instrumen keuangan termasuk *fee*/biaya tambahan yang terkait secara langsung dengan instrumen tersebut yang merupakan bagian tidak terpisahkan dari EIR.

Nilai tercatat aset atau liabilitas keuangan disesuaikan jika Bank merevisi estimasi pembayaran atau penerimaan. Nilai tercatat yang disesuaikan tersebut dihitung dengan menggunakan EIR awal dan perubahan nilai tercatat dibukukan pada laporan laba rugi komprehensif. Tetapi untuk aset keuangan yang telah direklasifikasi, dimana pada tahun berikutnya Bank meningkatkan estimasi pemulihan kas sebagai hasil dari peningkatan pengembalian penerimaan kas, dampak peningkatan pemulihan tersebut diakui sebagai penyesuaian EIR sejak tanggal perubahan estimasi.

Ketika nilai tercatat aset keuangan atau kelompok aset keuangan serupa telah diturunkan akibat kerugian penurunan nilai, pendapatan bunga tetap diakui pada tingkat suku bunga yang digunakan untuk mendiskontokan arus kas masa mendatang dalam pengukuran kerugian penurunan nilai.

Pinjaman yang diberikan dan aset produktif lainnya (tidak termasuk efek-efek) diklasifikasikan sebagai *non-performing* jika telah masuk dalam klasifikasi kurang lancar, diragukan atau macet. Sedangkan efek-efek diklasifikasikan sebagai *non-performing*, jika penerbit efek mengalami wanprestasi dalam memenuhi pembayaran bunga dan/atau pokok atau memiliki peringkat paling kurang 1 (satu) tingkat di bawah peringkat investasi.

2. Summary of Significant Accounting Policies (continued)

t. Interest Income and Expense

All financial instruments measured at amortized cost, financial assets and liabilities classified as available-for-sale, its interest income and expenses is recognized using the EIR, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and included any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.

The carrying amount of the financial asset or liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated using the original EIR and the change in carrying amount is recorded in the statements of comprehensive income. However, for a reclassified financial asset for which the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loans and other earning assets (excluding securities) are considered as non-performing when they are classified as substandard, doubtful, or loss. While securities are categorized as non-performing when the issuer of securities defaults on its interest and/or principal payments or, if they are rated at least 1 (one) level below investment grade.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

u. Pendapatan dan Beban Provisi dan Komisi

Pendapatan dan beban provisi dan komisi yang jumlahnya material yang berkaitan langsung dengan kegiatan pemberian asset keuangan diakui sebagai bagian/(pengurang) atau penambah dari biaya perolehan asset keuangan yang bersangkutan dan akan diakui sebagai pendapatan dengan cara diamortisasi berdasarkan EIR sepanjang perkiraan umur aset atau liabilitas keuangan.

Saldo beban yang ditangguhkan dan pendapatan komisi atas pinjaman yang diberikan yang diakhiri atau diselesaikan sebelum jatuh tempo diakui sebagai pendapatan dari penyelesaian.

v. Transaksi dan Saldo dalam Mata Uang Asing

Kebijakan akuntansi atas transaksi dan saldo dalam mata uang asing didasarkan pada peraturan BAPEPAM-LK No. VIII.G.7 dan Pedoman Akuntansi Perbankan Indonesia ("PAPI"). Bank mengacu pada PAPI dimana transaksi dalam mata uang asing dicatat dalam Rupiah dengan menggunakan kurs laporan (penutupan) yang ditetapkan oleh Bank Indonesia yaitu kurs tengah yang merupakan rata-rata kurs beli dan kurs jual berdasarkan Reuters masing-masing pada tanggal 31 Desember 2015 dan 2014 pada pukul 16:00 WIB pada tanggal laporan posisi keuangan.

Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Pada tanggal 31 Desember 2015 dan 2014, kurs tengah mata uang asing adalah sebagai berikut:

	2015
Dinar Kuwait	45.417,12
Pound Sterling Inggris	20.439,02
Euro Eropa	15.056,67
Franc Swiss	13.919,33
Dolar Amerika Serikat	13.785,00
Dolar Australia	10.083,73
Dolar Kanada	9.924,41
Dolar Selandia Baru	9.444,80
Dolar Brunei Darussalam	9.759,29
Dolar Singapura	9.758,95
Riyal Arab Saudi	3.672,47
Ringgit Malaysia	3.210,67
Yuan China Renminbi	2.122,84
Dolar Hong Kong	1.778,70
Kroner Swedia	1.641,11
Yen Jepang	114,52

2. Summary of Significant Accounting Policies (continued)

u. Fees and Commissions Income and Expense

Fees and commissions that have material amount directly related with the acquisition of financial assets are recognized as part/(deduction) or addition of acquisition cost of related financial assets and will be recognized as income and amortized using the EIR during the expected life of financial assets or liabilities.

The outstanding balances of deferred fees and commission income on loans receivable terminated or settles prior to maturity are recognized as income on settlement.

v. Foreign Currency Transactions and Balances

Accounting policy for transaction and balances in foreign transaction is based on BAPEPAM-LK rule No. VIII.G.7 and Guidelines for Indonesian Bank Accounting ("PAPI"). The Bank refers to PAPI where transactions involving foreign currencies are recorded in Rupiah using the reporting (closing) rate set by Bank Indonesia that is middle rate which is the average of bid rate and ask rate based on Reuters on 31 December 2015 and 2014, respectively, at 16:00 hours Western Indonesian Time prevailing at statement of financial position date.

The resulting gains or losses are credited or charged to the statement of profit or loss and other comprehensive income for the current year.

As of 31 December 2015 and 2014, the middle rates of the foreign currencies are as follows:

2015	2014	
42.295,76	19.288,40	Kuwait Dinar
19.288,40	15.053,35	Great Britain Pound Sterling
15.053,35	12.515,80	European Euro
12.515,80	12.385,00	Swiss Franc
12.385,00	10.148,27	United States Dollar
10.148,27	10.679,49	Australian Dollar
10.679,49	9.709,23	Canadian Dollar
9.709,23	9.373,35	New Zealand Dollar
9.373,35	9.376,19	Brunei Darussalam Dollar
9.376,19	3.299,59	Singapore Dollar
3.299,59	3.542,12	Saudi Arabian Riyal
3.542,12	1.995,62	Malaysian Ringgit
1.995,62	1.596,98	Chinese Yuan Renminbi
1.596,98	1.604,61	Hong Kong Dollar
1.604,61	103,56	Swedish Kroner
103,56		Japanese Yen

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

w. Imbalan Kerja

Efektif pada 1 Januari 2015, Bank telah mengadopsi secara retrospektif PSAK No. 24 (Revisi 2013), "Imbalan kerja". PSAK ini, antara lain, menghilangkan mekanisme koridor dalam menghitung keuntungan atau kerugian yang diakui sebagai pendapatan atau beban dalam laporan laba rugi dan penghasilan komprehensif lain yang sebenarnya. Keuntungan atau kerugian aktuarial diakui langsung melalui penghasilan komprehensif lain-lain. Oleh karena itu, laporan keuangan Bank pada tanggal 31 Desember 2014 dan 1 Januari 2014/31 Desember 2013 disajikan kembali (Catatan 43).

Beban pensiun berdasarkan program dana pensiun manfaat pasti ditentukan melalui perhitungan aktuarial secara periodik dengan menggunakan metode projected-unit-credit dan menerapkan asumsi atas tingkat diskonto, hasil yang diharapkan atas aset dana pensiun dan tingkat kenaikan manfaat pasti pensiun tahunan.

Seluruh pengukuran kembali, terdiri atas keuntungan dan kerugian aktuarial dan hasil atas aset dana pensiun (tidak termasuk bunga bersih) diakui langsung melalui penghasilan komprehensif lainnya dengan tujuan agar aset atau kewajiban pensiun bersih diakui dalam laporan posisi keuangan untuk mencerminkan nilai penuh dari defisit dan surplus dana pensiun. Pengukuran kembali tidak mengreklasifikasi laba atau rugi pada periode berikutnya.

Seluruh biaya jasa lalu diakui pada saat yang lebih dulu antara ketika amandemen/kurtailmen terjadi atau ketika biaya restrukturisasi atau pemutusan hubungan kerja diakui. Sebagai akibatnya, biaya jasa lalu yang belum vested tidak lagi dapat ditangguhkan dan diakui selama periode vesting masa depan.

Beban bunga dan pengembalian aset dana pensiun yang diharapkan sebagaimana digunakan dalam PSAK No. 24 versi sebelumnya digantikan dengan beban bunga - bersih, yang dihitung dengan menggunakan tingkat diskonto untuk mengukur kewajiban manfaat pasti - bersih atau aset pada saat awal dari tiap periode pelaporan tahunan.

2. Summary of Significant Accounting Policies (continued)

w. Employee Benefits

Effective on 1 January 2015, the Bank has adopted retrospectively PSAK No. 24 (Revised 2013), "Employee Benefits". This PSAK, among others, removes the corridor mechanism in calculating actual gains or losses which recognized as income or expense in the statements of profit or loss and other comprehensive income. Actuarial gains or losses are recognized directly through other comprehensive income. Therefore, the Bank's statements of financial position as of 31 December 2014 and 1 January 2014/31 December 2013 were restated (Note 43).

Pension costs defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

All re-measurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit and surplus. Re-measurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

The interest cost and expected return on plan assets used in the previous version of PSAK No. 24 (Revised 2013) are replaced with a net-interest amount, which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

w. Imbalan Kerja (lanjutan)

Bank memiliki program pensiun iuran pasti. Imbalan yang akan diterima karyawan ditentukan berdasarkan jumlah iuran yang dibayarkan pemberi kerja dan karyawan ditambah dengan hasil investasi iuran tersebut.

x. Pajak Penghasilan

Bank menerapkan PSAK No. 46 (Revisi 2014), "Pajak Penghasilan", yang mengharuskan Perusahaan untuk memperhitungkan konsekuensi pajak kini dan pajak masa depan atas pemulihan di masa depan (penyelesaian) dari jumlah tercatat aset (liabilitas) yang diakui dalam laporan posisi keuangan dan transaksi-transaksi serta peristiwa lain yang terjadi dalam periode berjalan.

Bank menerapkan metode aset dan liabilitas dalam menghitung beban pajaknya. Dengan metode ini, aset dan liabilitas pajak tangguhan diakui pada setiap tanggal pelaporan sebesar perbedaan temporer aset dan liabilitas untuk tujuan akuntansi dan tujuan pajak. Metode ini juga mengharuskan pengakuan manfaat pajak di masa akan datang, jika kemungkinan realisasi manfaat tersebut di masa mendatang cukup besar (*probable*). Tarif pajak yang berlaku atau yang secara substansial telah berlaku digunakan dalam menentukan pajak penghasilan tangguhan.

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aset pajak tangguhan tersebut.

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 tangguhan terkait pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Perubahan terhadap kewajiban perpajakan dicatat pada saat diterimanya surat ketetapan, atau apabila dilakukan banding, ketika hasil banding diterima.

2. Summary of Significant Accounting Policies (continued)

w. Employee Benefits (continued)

The Bank has a defined contribution plan. The benefit to be received by employees is determined based on the amount of contribution paid by the employer and employee and the investment earnings of the fund.

x. Income Tax

The Bank applied PSAK No. 46 (Revised 2014), "Accounting for Income Tax", which requires the Company to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the statements of financial position and transactions and other events of the current period.

The Bank adopt the asset and liability method in determining its income tax expense. Under this method, deferred tax assets and liabilities are recognized at each reporting date for temporary differences between the financial and tax bases of assets and liabilities. This method also requires the recognition of future tax benefits, to the extent that realization of such benefits is probable. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to compensate the temporary differences which result in such deferred tax assets.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amendments to taxation obligations are recorded when an assessment is received, or if appeal is applied, when the results of the appeal are received.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

y. Transaksi restrukturisasi antara entitas sepengendali

Bank menerapkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", yang menggantikan PSAK No. 38 (Revisi 2004), "Akuntansi Restrukturisasi Entitas Sepengendali", kecuali atas saldo selisih nilai transaksi restrukturisasi entitas sepengendali yang diakui sebelumnya, disajikan sebagai bagian dari "Tambahan Modal Disetor" dalam bagian ekuitas. PSAK No. 38 mengatur tentang akuntansi kombinasi bisnis entitas sepengendali, baik untuk entitas yang menerima bisnis maupun untuk entitas yang melepas bisnis.

Dalam PSAK No. 38, pengalihan bisnis antara entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi kepemilikan atas bisnis yang dialihkan dan tidak dapat menimbulkan laba atau rugi bagi Bank secara keseluruhan ataupun bagi entitas individual dalam Bank tersebut. Karena pengalihan bisnis antara entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi, bisnis yang dipertukarkan dicatat pada nilai buku sebagai kombinasi bisnis dengan menggunakan metode penyatuan kepemilikan.

Dalam menerapkan metode penyatuan kepemilikan, komponen laporan keuangan dimana terjadi kombinasi bisnis dan untuk periode lain yang disajikan untuk tujuan perbandingan, disajikan sedemikian rupa seolah-olah kombinasi bisnis telah terjadi sejak awal periode terjadi sepengendalian. Selisih antara nilai tercatat transaksi kombinasi bisnis dan jumlah imbalan yang dialihkan diakui dalam akun "Tambahan Modal Disetor - Neto".

2. Summary of Significant Accounting Policies (continued)

y. Restructuring transactions among entities under common control

The Bank prospectively adopted PSAK No. 38, "Business Combinations of Entities Under Common Control", which supersedes PSAK No. 38 (Revised 2004), "Accounting for Restructuring of Entities Under Common Control", except for the previously recognized difference in value of restructuring transactions of entities under common control, are presented as "Additional Paid-in Capital" in the equity section. PSAK No. 38 prescribes the accounting for business combinations of entities under common control, for both the entity which receiving the business and the entity which disposing the business.

Under PSAK No. 38 transfer of business within entities under common control does not result in a change of the economic substance of ownership of the business being transferred and would not result in a gain or loss to the Bank or to the individual entity within the Bank. Since the transfer of business of entities under common control does not result in a change of the economic substance, the business being exchanged is recorded at book values as a business combination using the pooling-of-interests method.

In applying the pooling-of-interests method, the components of the financial statements for the period during which the restructuring occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the restructuring has already happened since the beginning of the periods during which the entities were under common control. The difference between the carrying amounts of the business combination transaction and the consideration transferred is recognized under the account "Additional Paid-in Capital - Net".

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

z. Informasi Segmen

Segmen operasi adalah komponen Bank yang terlibat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban, yang hasil operasinya dikaji ulang secara regular oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya serta menyediakan informasi keuangan yang dapat dipisahkan. Segmen operasi terbagi dalam kelompok *wholesale*, *retail* dan lainnya.

aa. Pertimbangan dan Estimasi Akuntansi yang Signifikan

Dalam proses penerapan kebijakan akuntansi Bank, Manajemen telah melakukan pertimbangan dan estimasi profesional dalam menentukan jumlah yang diakui dalam laporan keuangan. Pertimbangan dan estimasi profesional yang signifikan adalah sebagai berikut:

Usaha yang berkelanjutan

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk melanjutkan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk melanjutkan usahanya di masa mendatang. Selain itu, Manajemen menyadari bahwa tidak ada ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk melanjutkan kelangsungan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

Nilai wajar atas instrumen keuangan

Bila nilai wajar aset keuangan dan liabilitas keuangan yang tercatat pada laporan posisi keuangan tidak tersedia di pasar aktif, nilainya ditentukan dengan menggunakan berbagai teknik penilaian termasuk penggunaan model matematika. Masukan (*input*) untuk model ini berasal dari data pasar yang bisa diamati sepanjang data tersebut tersedia, namun bila data pasar yang bisa diamati tersebut tidak tersedia, digunakan pertimbangan manajemen untuk menentukan nilai wajar.

2. Summary of Significant Accounting Policies (continued)

z. Segment Information

An operating segment is a Bank's component that is involved business activities which derive income and incur expenses, which the operating results is reviewed regularly by operational decision maker for making decision related to resource that is allocated to the segment and evaluates the performance and provide separable financial information. The operating segment has been determined to be *wholesale*, *retail* and others.

aa. Judgments and Significant Accounting Estimates

In the process of applying the Bank's accounting policies, Management has exercised professional judgment and made estimates in determining the amounts recognized in the financial statements. The most significant uses of the professional judgment and estimates are as follows:

Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for foreseeable future. Furthermore, the Management realized that there are no material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management judgment is required to establish fair values.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan (lanjutan)

Pertimbangan manajemen tersebut mencakup pertimbangan likuiditas dan masukan model seperti volatilitas untuk transaksi derivatif yang berjangka panjang dan tingkat diskonto, tingkat pelunasan dipercepat dan asumsi tingkat gagal bayar.

Bank menampilkan nilai wajar atas instrumen keuangan berdasarkan hirarki nilai wajar sebagai berikut:

- Tingkat 1: diperoleh dari harga pasar aktif untuk aset atau liabilitas keuangan yang identik;
- Tingkat 2: teknik valuasi untuk seluruh input yang memiliki efek signifikan terhadap nilai wajar yang diakui dapat diobservasi baik secara langsung atau tidak langsung; dan
- Tingkat 3: teknik valuasi yang menggunakan seluruh input yang memiliki dampak signifikan terhadap nilai wajar tercatat yang tidak didasarkan pada data pasar yang dapat diobservasi.

Nilai wajar atas instrumen derivatif yang dinilai menggunakan teknik penilaian dengan menggunakan komponen yang dapat diamati di pasar terutama adalah swap suku bunga, swap mata uang dan kontrak pertukaran mata uang. Teknik penilaian yang paling banyak digunakan meliputi model penilaian *forward* dan *swap* yang menggunakan perhitungan nilai kini. Model tersebut menggabungkan berbagai komponen yang meliputi kualitas kredit dari *counterparty*, nilai spot dan kontrak berjangka serta kurva tingkat suku bunga.

Teknik penilaian termasuk model nilai tunai dan arus kas yang didiskontokan, dan perbandingan dengan instrumen yang sejenis dimana terdapat harga pasar yang dapat diobservasi. Asumsi dan input yang digunakan dalam teknik penilaian termasuk suku bunga bebas risiko (*risk-free*) dan suku bunga acuan, *credit spread* dan variabel lainnya yang digunakan dalam mengestimasi tingkat diskonto, harga obligasi, kurs valuta asing, serta tingkat kerentanan dan korelasi harga yang diharapkan. Tujuan dari teknik penilaian adalah penentuan nilai wajar yang mencerminkan harga dari instrumen keuangan pada tanggal pelaporan yang akan ditentukan oleh para partisipan di pasar dalam suatu transaksi yang wajar.

2. Summary of Significant Accounting Policies (continued)

aa. Judgments and Significant Accounting Estimates (continued)

Fair value of financial instruments (continued)

Management judgments include considerations of liquidity and model inputs such as volatility for long term derivatives and discount rates, early payment rates and default rate assumptions.

The Bank present the fair value of financial instruments based on the following fair value hierarchy:

- Level 1: quoted (unadjusted) prices in active markets for identical financial assets or liabilities;
- Level 2: valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly; and
- Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Penurunan nilai kredit yang diberikan

Pada setiap tanggal laporan posisi keuangan, Bank menelaah kredit yang diberikan untuk menilai apakah penurunan nilai harus dicatat dalam laporan laba rugi dan penghasilan komprehensif lain. Secara khusus, pertimbangan manajemen diperlukan dalam estimasi jumlah dan waktu arus kas di masa mendatang ketika menentukan penurunan nilai. Dalam estimasi arus kas tersebut, Bank melakukan penilaian atas kondisi keuangan peminjam dan nilai realisasi bersih agunan. Estimasi tersebut didasarkan pada asumsi dari sejumlah faktor dan hasil aktual mungkin berbeda, sehingga mengakibatkan perubahan penyisihan di masa mendatang.

Penurunan nilai aset yang tersedia untuk dijual dan tagihan akseptasi

Bank menelaah aset yang diklasifikasikan sebagai tersedia untuk dijual dan tagihan akseptasi pada setiap tanggal laporan posisi keuangan untuk menilai apakah telah terjadi penurunan nilai. Penilaian tersebut menggunakan pertimbangan yang sama seperti yang diterapkan pada penilaian secara individual atas kredit yang diberikan.

Penurunan nilai aset non keuangan

Bank mengevaluasi penurunan nilai aset apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan kembali. Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

- a) Performa yang tidak tercapai secara signifikan terhadap ekspektasi historis atau proyeksi hasil operasi di masa yang akan datang;
- b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
- c) industri atau tren ekonomi yang secara signifikan bernilai negatif.

2. Summary of Significant Accounting Policies (continued)

aa. Judgments and Significant Accounting Estimates (continued)

Impairment losses on loans

The Bank reviews its loans at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgment about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ in future changes to the allowance.

Impairment in value of available-for-sale asset and acceptances receivable

The Bank reviews asset which are classified as available-for-sale and acceptances receivables at each financial position date to assess whether impairment has occurred. The assessment uses the same considerations as applied to individual assessment on loans.

Impairment of non-financial assets

The Bank assesses impairment of assets whenever events or changes in circumstances that would indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Penurunan nilai aset non keuangan (lanjutan)

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurang biaya untuk menjual dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan perkiraan waktu dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan.

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 (Revisi 2011) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada Catatan 2c.

Imbalan kerja

Penentuan liabilitas imbalan kerja Bank bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dan manajemen Bank dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian.

2. Summary of Significant Accounting Policies (continued)

aa. Judgments and Significant Accounting Estimates (continued)

Impairment of non-financial assets (continued)

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future tax planning strategies.

Classification of financial assets and liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in Note 2c.

Employee benefits

The determination of the Bank's employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries and the Bank's management in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

aa. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Penyusutan aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 5 sampai dengan 20 tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi.

Pajak penghasilan

Bank mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

3. Kas

Akun ini terdiri dari:

	31 Desember/ 31 December	
	2015	2014
Rupiah	426.001	456.353
Mata uang asing		
Dolar Amerika Serikat	55.134	37.731
Dolar Singapura	35.109	97.061
Total	516.244	591.145

Kas dalam Rupiah termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) sejumlah Rp20.487 dan Rp18.294 masing-masing pada tanggal 31 Desember 2015 dan 2014.

2. Summary of Significant Accounting Policies (continued)

aa. Judgments and Significant Accounting Estimates (continued)

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives. Management estimates the useful lives of these fixed assets to be between 5 to 20 years.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Income tax

The Bank recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

3. Cash

This account consists of:

	31 Desember/ 31 December	
	2015	2014
Rupiah	426.001	456.353
Foreign currencies		
United States Dollar	55.134	37.731
Singapore Dollar	35.109	97.061
Total	516.244	591.145

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp20,487 and Rp18,294 as of 31 December 2015 and 2014, respectively.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

4. Giro pada Bank Indonesia

Akun ini terdiri dari:

	31 Desember/ 31 December	
	2015	2014
Rupiah	3.891.588	3.513.600
Dolar Amerika Serikat (\$AS113.362.000 dan \$AS146.497.000, masing-masing pada tanggal 31 Desember 2015 dan 2014)	1.562.695	1.814.365
Total	5.454.283	5.327.965

Berdasarkan Peraturan Bank Indonesia (PBI) No.17/21/PBI/2015 pada tanggal 26 November 2015 perihal Perubahan Kedua Atas Peraturan Bank Indonesia No.15/15/PBI/2013 efektif per tanggal 1 Desember 2015, Bank wajib memenuhi Giro Wajib Minimum (GWM) primer dalam Rupiah sebesar 7,5% dari simpanan nasabah Rupiah, GWM primer dalam valuta asing sebesar 8% dari simpanan nasabah dalam valuta asing dan GWM sekunder dalam Rupiah sebesar 4% dari simpanan nasabah Rupiah.

Sebelumnya, berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 pada tanggal 24 Desember 2013, efektif per tanggal 31 Desember 2013, Bank wajib memenuhi Giro Wajib Minimum (GWM) primer dalam Rupiah sebesar 8% dari simpanan nasabah Rupiah, GWM primer dalam valuta asing sebesar 8% dari simpanan nasabah dalam valuta asing dan GWM sekunder dalam Rupiah sebesar 4% dari simpanan nasabah Rupiah.

Rasio GWM pada tanggal 31 Desember 2015 dan 2014, dihitung berdasarkan PBI tersebut di atas.

GWM Bank pada tanggal 31 Desember 2015 dan 2014 telah memenuhi ketentuan Bank Indonesia.

GWM Bank adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December	
	2015	2014
Rupiah Primer	7,59%	8,10%
Rupiah Sekunder	15,45%	9,62%
Valuta asing	8,10%	8,10%

4. Current Accounts with Bank Indonesia

This account consists of:

Rupiah
United States Dollar
(US\$113,362,000 and US\$146,497,000
as of 31 December 2015
and 2014, respectively)

Based on the Bank Indonesia's regulation (PBI) No.17/21/PBI/2015 dated 26 November 2015 regarding "The Secondary Amendment of Bank Indonesia Regulation No.15/15/PBI/2013, starting on 1 December 2015, Bank is required to comply with minimum primary reserves in Rupiah of 7,5% from customer's deposit, minimum primary reserves in foreign currencies of 8% from customer's deposits and secondary reserves in Rupiah of 4% from customer's deposits.

Previously, based on the Bank Indonesia's regulation (PBI) No.15/15/PBI/2013 dated 24 December 2013, starting on 31 December 2013, Bank is required to comply with minimum primary reserves in Rupiah and in foreign currencies of 8% from customer's deposits and secondary reserves in Rupiah of 4% from customer's deposits.

The Minimum Reserves Requirement as of 31 December 2015 and 2014 is calculated based on above mentioned PBI.

The Bank's Minimum Reserve Requirement as of 31 December 2015 and 2014 have complied with the Bank Indonesia regulation.

The Bank's Minimum Reserve Requirements are as follows:

Primary Rupiah
Secondary Rupiah
Foreign Currencies

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

5. Giro pada Bank Lain

Giro pada bank lain terdiri dari:

5. Current Accounts with Other Banks

Current accounts with other banks consist of:

Jenis Giro pada Bank Lain	31 Desember/ 31 December		Types of Current Accounts with Others Bank
	2015	2014	
Pihak ketiga			Third parties
Rupiah:			Rupiah:
PT Bank Central Asia Tbk	4.883	4.353	PT Bank Central Asia Tbk
Lain-lain (masing-masing di bawah Rp2.000)	841	509	Others (below Rp2,000 each)
Sub-total - Pihak ketiga - Rupiah	5.724	4.862	Sub-total - Third parties - Rupiah
Mata uang asing:			Foreign currencies:
JP Morgan Chase Bank, Amerika Serikat	134.694	193.335	JP Morgan Chase Bank, United States of America
Deutsche Bank, Frankfurt	87.498	62.367	Deutsche Bank, Frankfurt
Bank of Tokyo - Mitsubishi UFJ, Jepang	48.090	11.341	Bank of Tokyo - Mitsubishi UFJ, Japan
PT Bank Mandiri (Persero) Tbk	45.054	193.780	PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk	39.911	58.380	PT Bank Central Asia Tbk
ANZ Bank Ltd., Australia	36.118	250.847	ANZ Bank Ltd., Australia
ANZ National Bank, Selandia Baru	13.197	4.831	ANZ National Bank, New Zealand
Canadian Imperial Bank of Commerce, Toronto	8.474	1.282	Canadian Imperial Bank of Commerce, Toronto
Deutsche Bank Trust Co	7.450	5.797	Deutsche Bank Trust Co
Danske Stockholm Bank, Swedia	3.798	7.058	Danske Stockholm Bank, Sweden
UBS AG, Zurich	2.783	1.795	UBS AG, Zurich
Citibank N.A., Amerika Serikat	2.404	3.043	Citibank N.A., United States of America
National Australia Bank, Australia	2.127	5.842	National Australia Bank, Australia
Bank of China Ltd, Jakarta	1.281	2.387	Bank of China Ltd, Jakarta
Unicredit Bank AG, Jerman	60	57.879	Unicredit Bank AG, Germany
Lain-lain (masing-masing di bawah Rp2.000)	3.725	2.358	Others (below Rp2,000 each)
Sub-total - Pihak ketiga - Mata uang asing	436.664	862.322	Sub-total - Third parties - Foreign currencies
Total - Pihak ketiga	442.388	867.184	Total - Third parties
Pihak berelasi (Catatan 34)			Related parties (Note 34)
Mata uang asing:			Foreign Currencies:
United Overseas Bank Ltd., Singapura	183.723	301.407	United Overseas Bank Ltd., Singapore
United Overseas Bank, Inggris	56.398	39.107	United Overseas Bank Ltd., Great Britain
United Overseas Bank, Jepang	19.611	32.499	United Overseas Bank Ltd., Japan
United Overseas Bank, Hong Kong	1.073	1.688	United Overseas Bank Ltd., Hong Kong
United Overseas Bank, Australia	576	582	United Overseas Bank Ltd., Australia
United Overseas Bank, Malaysia	40	44	United Overseas Bank Ltd., Malaysia
Total - Pihak berelasi	261.421	375.327	Total - Related parties
Total giro pada bank lain	703.809	1.242.511	Total current accounts with other banks

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

5. Giro pada Bank Lain (lanjutan)

Suku bunga rata-rata tahunan untuk giro pada bank lain adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
31 Desember/Year ended 31 December

	2015	2014
Rupiah	0,33%	1,04%
Mata uang asing	0,00%	0,00%

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2015 dan 2014, giro pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

5. Current Accounts with Other Banks (continued)

The annual average interest rate for current accounts with other banks are as follows:

The Bank's management believes that as of 31 December 2015 and 2014, current accounts with other banks are classified as current and not impaired.

6. Penempatan pada Bank Indonesia dan Bank Lain

Penempatan pada Bank Indonesia dan Bank Lain terdiri dari:

6. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and Other Banks consist of:

	31 Desember/31 December		
Jenis Penempatan	2015	2014	Description
Pihak ketiga			Third parties
Rupiah:			Rupiah:
Fasilitas Simpanan Bank Indonesia	150.000	3.256.000	Deposit Facilities of Bank Indonesia
Call Money:			Call Money:
PT Bank Sumitomo Mitsui			PT Bank Sumitomo Mitsui
Indonesia	300.000	-	Indonesia
PT Bank Rakyat Indonesia			PT Bank Rakyat Indonesia
(Persero) Tbk	10.000	-	(Persero) Tbk
Mata uang asing:			Foreign currencies:
Term Deposit Bank Indonesia	2.067.750	1.981.600	Term Deposits of Bank Indonesia
Call Money:			Call Money:
Bank of New York, Amerika Serikat	151.635	-	Bank of New York, United States of America
Citibank N.A., Amerika Serikat	6.892	-	Citibank N.A., United States of America
Total - Pihak ketiga	2.686.277	5.237.600	Total - Third parties
Pihak berelasi (Catatan 34)			Related parties (Note 34)
Mata uang asing:			Foreign currencies:
Call Money:			Call Money:
United Overseas Bank Ltd.,			United Overseas Bank Ltd.,
Singapura	169.378	-	Singapore
Total - Pihak berelasi	169.378	-	Total - Related parties
Total penempatan pada Bank Indonesia dan Bank Lain	2.855.655	5.237.600	Total placements with Bank Indonesia and Other Banks

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Suku bunga rata-rata tahunan untuk penempatan pada Bank Indonesia dan Bank Lain adalah sebagai berikut:

6. Placements with Bank Indonesia and Other Banks (continued)

The annual average interest rate for placement with Bank Indonesia and Other Banks are as follows:

Tahun yang Berakhir pada tanggal
31 Desember/Year ended 31 December

	2015	2014	
Rupiah	6,06%	6,51%	Rupiah
Mata uang asing	1,11%	1,02%	Foreign currency

Rincian penempatan pada Bank Indonesia dan Bank Lain berdasarkan jenis penempatan dan sisa umur sampai dengan jatuh tempo adalah sebagai berikut:

The details of placements with Bank Indonesia and Other Banks based on the type of placements and remaining maturities are as follows:

31 Desember/31 December 2015

	Penempatan/ Placements	Call Money	Total	
Rupiah				Rupiah
< 1 bulan	150.000	10.000	160.000	< 1 month
≥ 1 bulan ≤ 3 bulan	-	300.000	300.000	≥ 1 month ≤ 3 months
Mata uang asing				Foreign currencies
< 1 bulan	2.067.750	327.905	2.395.655	< 1 month
Total Penempatan pada Bank Indonesia dan Bank Lain	2.217.750	637.905	2.855.655	Total Placements with Bank Indonesia and Other Banks

31 Desember/31 December 2014

	Penempatan/ Placements	Call Money	Total	
Rupiah				Rupiah
< 1 bulan	3.256.000	-	3.256.000	< 1 month
Mata uang asing				Foreign currencies
< 1 bulan	1.981.600	-	1.981.600	< 1 month
Total Penempatan pada Bank Indonesia dan Bank Lain	5.237.600	-	5.237.600	Total Placements with Bank Indonesia and Other Banks

Tidak terdapat penempatan pada bank lain yang diblokir pada tanggal-tanggal 31 Desember 2015 dan 2014.

There were no placement with other banks pledged as of 31 December 2015 and 2014.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2015 dan 2014, penempatan pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

The Bank's management believes that as of 31 December 2015 and 2014, placements with other banks are classified as current and not impaired.

Rincian penempatan pada Bank Indonesia dan Bank Lain berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

The details of placements with Bank Indonesia and Other Banks based on remaining maturities are shown in Note 37.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

7. Efek-efek yang Diperdagangkan

Efek-efek yang diperdagangkan terdiri dari:

7. Trading Securities

Trading securities consist of:

31 Desember/31 December 2015			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Efek-efek yang diperdagangkan			
Sertifikat Deposito	796.461	-	796.461
Sertifikat Deposito Bank Indonesia	296.624	-	296.624
Obligasi Pemerintah	230.419	29.454	259.873
Sukuk Ritel	203.540	-	203.540
Total efek-efek yang diperdagangkan	1.527.044	29.454	1.556.498
			Trading securities Negotiable Certificate of Deposit Certificates Deposit of Bank Indonesia Government Bonds Retail Islamic Bonds
			Total trading securities
31 Desember/31 December 2014			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Efek-efek yang diperdagangkan			
Sertifikat Bank Indonesia	387.820	-	387.820
Sukuk Ritel	3.451	-	3.451
Obligasi Pemerintah	4.844	4.448	9.292
Total efek-efek yang diperdagangkan	396.115	4.448	400.563
			Trading securities Certificates of Bank Indonesia Retail Islamic Bonds Government Bonds
			Total trading securities

Pada tanggal 31 Desember 2015, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa Sertifikat Bank Indonesia, obligasi pemerintah dan sertifikat deposito.

As of 31 December 2015, trading securities are the securities issued by the government and categorized as non-rated, in the form of Certificate of Bank Indonesia, government bonds and negotiable certificate of deposit.

Pada tanggal 31 Desember 2014, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa Sertifikat Bank Indonesia dan obligasi pemerintah.

As of 31 December 2014, trading securities are the securities issued by the government and categorized as non-rated, in the form of Certificate of Bank Indonesia and government bonds.

Pada tanggal 31 Desember 2015 dan 2014, seluruh efek-efek yang diperdagangkan digolongkan lancar dan tidak mengalami penurunan nilai.

As of 31 December 2015 and 2014, all trading securities are classified as current and not impaired.

Rincian efek-efek diperdagangkan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

The details of trading securities based on remaining maturities are shown in Note 37.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

8. Investasi Keuangan

Investasi keuangan terdiri dari:

8. Financial Investments

Financial investments consist of:

31 Desember/31 December 2015				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
Efek-efek yang tersedia untuk dijual				Available-for-sale securities
Sertifikat Bank Indonesia	2.624.321	-	2.624.321	Certificates of Bank Indonesia
Obligasi Pemerintah	2.478.159	1.179.048	3.657.207	Government Bonds
Surat Perbendaharaan Negara	978.591	-	978.591	State Treasury Notes
Sertifikat Deposito				Certificates Deposit of
Bank Indonesia	703.135	-	703.135	Bank Indonesia
Sukuk Retail	359.359	-	359.359	Retail Islamic Bonds
Medium Term Notes	203.663	-	203.663	Medium Term Notes
Total efek-efek yang tersedia untuk dijual	7.347.228	1.179.048	8.526.276	Total available-for-sale securities
Efek-efek yang dimiliki hingga jatuh tempo				Held-to-maturity securities
Wesel ekspor berjangka	279.916	1.582.029	1.861.945	Export bills
Total investasi keuangan	7.627.144	2.761.077	10.388.221	Total financial investments
Cadangan kerugian penurunan nilai	(1.156)	(7.849)	(9.005)	Allowance for impairment losses
Neto	7.625.988	2.753.228	10.379.216	Net
31 Desember/31 December 2014				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
Efek-efek yang tersedia untuk dijual				Available-for-sale securities
Sertifikat Bank Indonesia	2.210.694	-	2.210.694	Certificates of Bank Indonesia
Sertifikat Deposito				Certificates Deposit of
Bank Indonesia	494.760	-	494.760	Bank Indonesia
Surat Perbendaharaan Negara	447.950	-	447.950	State Treasury Notes
Obligasi Pemerintah	425.062	1.082.692	1.507.754	Government Bonds
Medium Term Notes	412.512	-	412.512	Medium Term Notes
Sukuk Retail	151.561	-	151.561	Retail Islamic Bonds
Total efek-efek yang tersedia untuk dijual	4.142.539	1.082.692	5.225.231	Total available-for-sale securities
Efek-efek yang dimiliki hingga jatuh tempo				Held-to-maturity securities
Wesel ekspor berjangka	32.588	1.370.717	1.403.305	Export bills
Total investasi keuangan	4.175.127	2.453.409	6.628.536	Total financial investments
Cadangan kerugian penurunan nilai	(31)	(1.322)	(1.353)	Allowance for impairment losses
Neto	4.175.096	2.452.087	6.627.183	Net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

8. Investasi Keuangan (lanjutan)

- a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	31 Desember/31 December		
	2015	2014	
Nilai Wajar			Fair Value
Rupiah			Rupiah
Sertifikat Bank Indonesia	2.624.321	2.210.694	Certificates of Bank Indonesia
Obligasi Pemerintah	2.478.159	425.062	Government Bonds
Surat Perbendaharaan Negara	978.591	447.950	State Treasury Notes
Sertifikat Deposito Bank Indonesia	703.135	494.760	Certificate Deposit of Bank Indonesia
Sukuk Ritel	359.359	151.561	Retail Sukuk
Medium Term Notes	203.663	412.512	Medium Term Notes
Sub - Total	7.347.228	4.142.539	Sub-Total
Mata Uang Asing			Foreign Currencies
Obligasi Pemerintah	1.179.048	1.082.692	Government Bonds
Total	8.526.276	5.225.231	Total

- b. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	31 Desember/31 December		
	2015	2014	
Harga Perolehan	8.756.066	5.342.973	Cost
Diskonto yang belum diamortisasi	(95.080)	(65.489)	Unamortized discount
Kerugian yang belum direalisasi	(134.710)	(52.253)	Unrealized loss
Total	8.526.276	5.225.231	Total

Pada tanggal 10 Oktober 2014, Bank melakukan transaksi swap suku bunga dengan JP Morgan Chase Bank, N.A dengan nilai nosional sebesar USD91.000.000 (nilai penuh) dengan jangka waktu 8 (delapan) tahun yang akan berakhir pada tanggal 15 Oktober 2022. Untuk transaksi tersebut, Bank membayar tingkat suku bunga tetap dan menerima tingkat suku bunga mengambang sampai dengan jatuh tempo. Transaksi tersebut bertujuan untuk melakukan lindung nilai atas nilai wajar investasi keuangan yang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual - obligasi pemerintah. Nilai wajar atas transaksi diatas pada tanggal 31 Desember 2015 dan 2014 masing-masing mengalami kerugian sebesar Rp23.903 dan Rp15.506.

On 10 October 2014, the Bank entered into interest rate swap transaction with JP Morgan Chase Bank, N.A with notional value amounting to USD91,000,000 (full amount) with tenor of 8 (eight) years which will mature on 15 October 2022. For this transaction, the Bank pays fixed interest rate and receive floating rate until maturity date. This transaction is intended to hedge the fair value of financial assets classified as available-for-sale - government bonds. Fair value of the said transaction as of 31 December 2015 and 2014, showed a loss amounting to Rp23,903 and Rp15,506, respectively.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

8. Investasi Keuangan (lanjutan)

- c. *Medium term note* per 31 Desember 2015 merupakan obligasi dari PT Tunas Baru Lampung dengan peringkat idA. *Medium term note* per 31 Desember 2014 merupakan obligasi dari PT Mandiri Tunas Finance dan PT Tunas Baru Lampung, masing-masing memiliki peringkat idAA dan idA.

Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/31 December 2015		
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
< 1 bulan	50.514	471.763	522.277
≥ 1 bulan ≤ 3 bulan	165.168	498.800	663.968
> 3 bulan ≤ 6 bulan	63.193	495.431	558.624
> 6 bulan	1.041	116.035	117.076
Total	279.916	1.582.029	1.861.945

	31 Desember/31 December 2014		
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
< 1 bulan	15.640	364.356	379.996
≥ 1 bulan ≤ 3 bulan	12.533	426.720	439.253
> 3 bulan ≤ 6 bulan	4.415	579.641	584.056
Total	32.588	1.370.717	1.403.305

Rincian investasi keuangan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

Ikhtisar perubahan cadangan kerugian penurunan nilai investasi keuangan adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Saldo awal tahun	1.353	710
Penambahan selama tahun berjalan	6.936	454
Selisih kurs penjabaran	716	189
Saldo akhir tahun	9.005	1.353

8. Financial Investments (continued)

- c. *The medium-term notes* as of 31 December 2015 were issued by PT Tunas Baru Lampung and have idA rating. *The medium-term notes* as of 31 December 2014 were issued by PT Mandiri Tunas Finance and PT Tunas Baru Lampung, and have idAA and idA rating, respectively.

The classification of held-to-maturity financial investments based on the remaining maturities before allowance for impairment losses is as follows:

	31 Desember/31 December 2015		
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
< 1 bulan	50.514	471.763	522.277
≥ 1 bulan ≤ 3 months	165.168	498.800	663.968
> 3 months ≤ 6 months	63.193	495.431	558.624
> 6 months	1.041	116.035	117.076
Total	279.916	1.582.029	1.861.945

	31 Desember/31 December 2014		
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
< 1 bulan	15.640	364.356	379.996
≥ 1 month ≤ 3 months	12.533	426.720	439.253
> 3 months ≤ 6 months	4.415	579.641	584.056
Total	32.588	1.370.717	1.403.305

The details of financial investment based on remaining maturities are shown in Note 37.

The changes in the allowance for impairment losses on financial investments are as follows:

Beginning balance	710
Provision during the year	454
Foreign exchange translation	189
Ending Balance	1.353

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

8. Investasi Keuangan (lanjutan)

Pada tanggal 31 Desember 2015, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual digolongkan lancar, sedangkan kolektibilitas investasi keuangan yang diklasifikasikan sebagai dimiliki hingga jatuh tempo digolongkan lancar dan macet. Pada tanggal 31 Desember 2014, kolektibilitas seluruh investasi keuangan digolongkan lancar.

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian penurunan nilai atas tidak tertagihnya investasi keuangan.

Suku bunga tahunan investasi keuangan adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
31 Desember/Year ended 31 December

	2015	2014
Rupiah	3,71% - 10,58%	4,71% - 12,98%
Mata uang asing	0,79% - 11,62%	1,16% - 11,63%

Rupiah
Foreign currency

Tidak terdapat investasi keuangan dengan pihak-pihak berelasi pada tanggal 31 Desember 2015 dan 2014.

8. Financial Investments (continued)

As of 31 December 2015, the collectibility of financial investments which are classified as available for sale is current. Meanwhile, the collectibility of financial investments which are classified as held to maturity are current and loss. As of 31 December 2014, the collectibility of all financial investments is classified as current.

The Bank's management believes that the allowance for impairment losses is adequate to cover possible impairment losses from uncollectible financial investments.

The annual interest rates of financial investments are as follows:

There are no financial investments to related parties as of 31 December 2015 and 2014.

9. Tagihan dan Liabilitas Derivatif

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut:

9. Derivatives Receivable and Payable

The summary of derivatives receivable and payable is as follows:

31 Desember/31 December 2015

Jenis	Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ Notional Value (Contract) (Equivalent Rupiah)	Tagihan Derivatif/ Derivatives Receivable	Liabilitas Derivatif/ Derivatives Payable	Type
Forward jual				Forward sold
\$AS	2.336.770	23.495	6.529	US\$
Forward beli				Forward bought
\$AS	1.056.529	10.097	6.918	US\$
Swap suku bunga jual				Interest rate swap sold
Rp	31.943	196	51	IDR
\$AS	3.812.931	6.838	38.141	US\$
Swap suku bunga beli				Interest rate swap bought
Rp	31.943	-	-	IDR
\$AS	3.812.931	-	36	US\$
Swap pertukaran valas dan suku bunga jual				Cross currency interest rate swap sold
Rp	209.322	44.256	-	IDR
\$AS	2.919.170	16.139	91.543	US\$
Swap pertukaran valas dan suku bunga beli				Cross currency interest rate swap bought
Rp	204.407	-	-	IDR
\$AS	2.932.819	40.706	-	US\$
Total		141.727	143.218	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

9. Tagihan dan Liabilitas Derivatif (lanjutan)

9. Derivatives Receivable and Payable (continued)

31 Desember/31 December 2014				
Jenis	Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ Notional Value (Contract) (Equivalent Rupiah)	Tagihan Derivatif/ Derivatives Receivable	Liabilitas Derivatif/ Derivatives Payable	Type
Forward jual				Forward sold
\$AS	797.938	2.101	2.326	US\$
Forward beli				Forward bought
\$AS	1.450.334	10.702	13.470	US\$
Swap suku bunga jual				Interest rate swap sold
Rp	77.029	694	110	IDR
\$AS	2.024.173	3.369	27.403	US\$
Swap suku bunga beli				Interest rate swap bought
Rp	3.920	55	-	IDR
\$AS	84.218	-	450	US\$
Swap pertukaran valasdan suku bunga jual				Cross currency interest rate swap sold
Rp	238.594	21.342	-	IDR
\$AS	649.241	7.708	94.296	US\$
Swap pertukaran valasdan suku bunga beli				Cross currency interest rate swap bought
Rp	297.041	-	116.867	IDR
\$AS	755.412	192.994	671	US\$
Total		238.965	255.593	Total

Rincian tagihan dan liabilitas derivatif berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 37.

The details of derivatives receivable and payable based on remaining maturities are shown in Note 37.

Dalam kegiatan normal bisnis, Bank melakukan transaksi derivatif tertentu untuk memenuhi kebutuhan spesifik nasabahnya dan dalam rangka pengelolaan likuiditas dan posisi lindung nilai. Bank memiliki kebijakan pengelolaan risiko dan limit yang ditentukan untuk mengendalikan risiko nilai tukar dan suku bunga. Perubahan variabel risiko pasar dimonitor secara aktif dalam rapat ALCO (Asset and Liability Committee) yang dijadikan acuan dalam menentukan strategi Bank.

In the normal course of the business, the Bank enters into some derivatives transaction to meet the specific needs of its customers, as well as to manage its liquidity and hedging position. The Bank has its own risk management policy and the risk amount limit in controlling the foreign exchange and interest rate risks. The changes in variable market risk are actively monitored in the ALCO (Asset and Liability Committee) meeting, whereby the changes serve as the benchmark in determining the Bank's strategies.

Pada tanggal 31 Desember 2015 dan 2014, Bank memiliki posisi di beberapa tipe instrumen derivatif sebagai berikut:

As of 31 December 2015 and 2014, the Bank has positions in the following types of derivative instruments:

Pertukaran forward

Forward exchange

Kontrak pertukaran *forward* adalah perjanjian untuk membeli atau menjual suatu mata uang asing pada kurs dan tanggal tertentu. Transaksi tersebut dilakukan di *over-the-counter market*. Secara spesifik, Bank mengadakan transaksi ini dengan tujuan untuk mengendalikan risiko nilai tukar. Jangka waktu perjanjian untuk transaksi pertukaran *forward* yang dilakukan oleh Bank berkisar antara 6 hari - 10 bulan.

Forward exchange contracts are contractual agreements to buy or sell a foreign currency at specified rates and on certain dates. These transactions are conducted in the over-the-counter market. Specifically, the Bank enters into this transaction with the objective to control the exchange rate risk. The period of contract for forward exchange transactions undertaken by the Bank ranged between 6 days - 10 months.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

9. Tagihan dan Liabilitas Derivatif (lanjutan)

Swap suku bunga

Perjanjian *swap* suku bunga merupakan perjanjian kontraktual antara dua pihak untuk menukarkan pergerakan tingkat suku bunga dan untuk melakukan suatu pembayaran yang didasarkan pada suatu situasi tertentu dan jumlah nosional tertentu. Secara spesifik, Bank mengadakan transaksi tersebut dengan tujuan untuk melindungi nilai pergerakan arus kas di masa depan, terkait dengan pendapatan bunga atas pinjaman yang diberikan kepada debitur (debitur perusahaan dan debitur perorangan yang telah digabungkan) dalam Rupiah dan pendapatan bunga dari efek tersedia untuk dijual dalam mata uang Dolar Amerika Serikat. Periode perjanjian untuk *swap* suku bunga yang dilakukan oleh Bank berkisar antara 2 tahun - 10 tahun.

Swap valuta asing dan suku bunga

Perjanjian *swap* valuta asing suku bunga merupakan perjanjian kontraktual antara dua pihak untuk menukarkan aliran kas dari pokok kredit dan pembayaran bunganya dalam denominasi mata uang yang berbeda. Periode perjanjian untuk *swap* valuta asing suku bunga yang dilakukan oleh Bank berkisar antara 1 tahun - 5 tahun.

Transaksi-transaksi tersebut di atas tidak diperlakukan sebagai transaksi lindung nilai yang efektif untuk tujuan akuntansi. Perubahan nilai wajar dari instrumen derivatif tersebut dikreditkan atau dibebankan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Pada tanggal 31 Desember 2015, seluruh tagihan derivatif digolongkan lancar, kecuali 1 transaksi *swap* suku bunga dikategorikan sebagai macet. Pada tanggal 31 Desember 2014, seluruh tagihan derivatif digolongkan lancar dan tidak mengalami penurunan nilai.

9. Derivatives Receivable and Payable (continued)

Interest rate swap

Interest rate swap contracts are contractual agreements between two parties to exchange movements of interest rates and to make payments with respect to defined credit events based on specified notional amount. Specifically, the Bank has entered into these contracts to hedge its future interest cash flows on its interest income from Rupiah loan receivables from customers (corporate and individual at a pool basis) and its interest income from United States Dollar denominated available-for-sale securities. The contract period for the interest rate swap transacted by the Bank is between 2 years - 10 years.

Cross currency interest rate swap

Cross currency interest rate swap are contractual agreements between two parties to exchange cash flows from loan principal and interest payments which are in different denominations. The contract period for the cross currency interest rate swap transacted by the Bank is between 1 year - 5 years.

The above transactions are not treated as effective hedging for accounting purposes. The changes in the fair value of the derivative instruments are credited or charged to the statements of profit or loss and other comprehensive income in the current year.

As of 31 December 2015, all derivatives receivable are classified as current, except for 1 (one) interest rate swap transaction classified as loss. As of 31 December 2014, all derivatives receivable are classified as current and not impaired.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan

10. Loans

1) Jenis kredit yang diberikan

1) By type of loan

31 Desember/31 December 2015				
	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 34)/ Related Parties (Note 34)	Total	
Rupiah				Rupiah
Investasi	11.504.929	7.299	11.512.228	Investment
Promes	11.023.821	-	11.023.821	Promissory notes
Rekening koran	10.821.837	46	10.821.883	Current accounts
Pemilikan rumah	4.530.862	57.398	4.588.260	Housing
Angsuran	4.017.072	-	4.017.072	Installment
Multiguna	1.817.299	5.472	1.822.771	Multi-purpose
Kartu kredit	1.397.049	3.733	1.400.782	Credit card
Sindikasi	713.746	-	713.746	Syndicated
Tetap	60.346	-	60.346	Fixed
Kendaraan bermotor	17.511	8.090	25.601	Motor vehicles
Lain-lain	3.746.117	-	3.746.117	Others
	49.650.589	82.038	49.732.627	
Mata Uang Asing				Foreign currencies
Investasi	2.275.231	313.540	2.588.771	Investment
Promes	1.866.797	-	1.866.797	Promissory notes
Angsuran	1.314.618	-	1.314.618	Installment
Sindikasi	628.355	-	628.355	Syndicated
Lain-lain	5.224.383	-	5.224.383	Others
	11.309.384	313.540	11.622.924	
Total	60.959.973	395.578	61.355.551	Total
Cadangan kerugian penurunan nilai	(779.929)	(2.099)	(782.028)	Allowance for impairment losses
Neto	60.180.044	393.479	60.573.523	Net

31 Desember/31 December 2014				
	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 34)/ Related Parties (Note 34)	Total	
Rupiah				Rupiah
Investasi	11.839.374	11.677	11.851.051	Investment
Rekening koran	9.730.362	5.487	9.735.849	Current accounts
Promes	9.227.247	-	9.227.247	Promissory notes
Pemilikan rumah	4.775.696	47.836	4.823.532	Housing
Angsuran	3.888.731	-	3.888.731	Installment
Multiguna	1.449.286	7.847	1.457.133	Multi-purpose
Kartu kredit	1.221.622	5.389	1.227.011	Credit card
Sindikasi	851.613	-	851.613	Syndicated
Tetap	61.396	-	61.396	Fixed
Kendaraan bermotor	28.303	423	28.726	Motor vehicles
Lain-lain	2.024.668	-	2.024.668	Others
	45.098.298	78.659	45.176.957	

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

3) Jangka waktu

a. Berdasarkan perjanjian kredit

	31 Desember/31 December	
	2015	2014
Rupiah		
≤ 1 tahun	12.063.285	20.753.090
> 1 tahun ≤ 2 tahun	13.607.006	907.445
> 2 tahun ≤ 5 tahun	4.758.987	9.965.049
> 5 tahun	19.303.349	13.551.373
	49.732.627	45.176.957
Mata uang asing		
≤ 1 tahun	6.499.631	6.768.264
> 1 tahun ≤ 2 tahun	670.124	111.650
> 2 tahun ≤ 5 tahun	1.511.732	2.694.629
> 5 tahun	2.941.437	1.735.204
	11.622.924	11.309.747
Total	61.355.551	56.486.704
Cadangan kerugian penurunan nilai	(782.028)	(653.835)
Neto	60.573.523	55.832.869

b. Berdasarkan sisa umur jatuh tempo

	31 Desember/31 December	
	2015	2014
Rupiah		
≤ 1 tahun	26.259.760	22.228.401
> 1 tahun ≤ 2 tahun	1.852.861	1.720.353
> 2 tahun ≤ 5 tahun	9.768.468	10.607.073
> 5 tahun	11.851.538	10.621.130
	49.732.627	45.176.957
Mata uang asing		
≤ 1 tahun	7.581.861	6.938.915
> 1 tahun ≤ 2 tahun	348.488	954.548
> 2 tahun ≤ 5 tahun	2.551.826	2.804.395
> 5 tahun	1.140.749	611.889
	11.622.924	11.309.747
Total	61.355.551	56.486.704
Cadangan kerugian penurunan nilai	(782.028)	(653.835)
Neto	60.573.523	55.832.869

10. Loans (continued)

3) By Terms

a. Based on loan agreement

Rupiah	
≤ 1 year	
> 1 year ≤ 2 years	
> 2 years ≤ 5 years	
> 5 years	
Foreign currencies	
≤ 1 year	
> 1 year ≤ 2 years	
> 2 years ≤ 5 years	
> 5 years	
Total	
Allowance for impairment losses	
Net	

b. Based on remaining maturities

Rupiah	
≤ 1 year	
> 1 year ≤ 2 years	
> 2 years ≤ 5 years	
> 5 years	
Foreign currencies	
≤ 1 year	
> 1 year ≤ 2 years	
> 2 years ≤ 5 years	
> 5 years	
Total	
Allowance for impairment losses	
Net	

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

4) Kolektibilitas menurut Peraturan Bank Indonesia

	31 Desember/31 December	
	2015	2014
Rupiah		
Lancar	46.908.677	42.636.053
Dalam perhatian khusus	1.348.606	878.420
Kurang lancar	333.572	83.999
Diragukan	109.168	646.078
Macet	1.032.604	932.407
	49.732.627	45.176.957
Mata uang asing		
Lancar	11.197.368	10.869.457
Dalam perhatian khusus	254.404	-
Kurang lancar	72.673	-
Diragukan	-	517
Macet	98.479	439.773
	11.622.924	11.309.747
Total	61.355.551	56.486.704
Cadangan kerugian penurunan nilai	(782.028)	(653.835)
Neto	60.573.523	55.832.869

10. Loans (continued)

4) Collectibility based on Bank Indonesia Regulation

Rupiah	
Current	
Special Mention	
Sub-standard	
Doubtful	
Loss	
Foreign currencies	
Current	
Special Mention	
Sub-standard	
Doubtful	
Loss	
Total	
Allowance for impairment losses	
Net	

Pada tanggal 29 Juni 2015, Bank melakukan penjualan kredit yang diberikan dengan Junipa Pte., Ltd., (pihak berelasi). Nilai bersih yang diperoleh oleh Bank atas penjualan kredit yang diberikan sebesar Rp1.506.684, dan pengalihan atas hak-hak yang dialihkan berlaku efektif pada tanggal efektif transaksi. Nilai wajar dari kredit yang diberikan yang dijual ditentukan berdasarkan evaluasi dari penilai independen yang ditunjuk oleh Bank.

On 29 June 2015, the Bank sold loans to Junipa Pte., Ltd., (related party). The net proceeds obtained by the Bank from the sale of loans amounted to Rp1,506,684 and the transfer of the assigned right was effective from the effective date of the transaction. Fair value from loans sold is determine based on evaluation loan independent appraisal appointed by the Bank.

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan:

The significant information relating to loans are as follows:

- Kredit yang diberikan dijamin dengan deposito, agunan yang diikat dengan hak tanggungan atau surat kuasa untuk menjual atau mencairkan dan jaminan lain yang umumnya dapat diterima oleh Bank.
- Giro sejumlah Rp122.346 dan Rp99.476 masing-masing pada tanggal 31 Desember 2015 dan 2014, digunakan sebagai jaminan atas kredit yang diberikan dan fasilitas bank lainnya (Catatan 15).
- Tabungan sejumlah Rp105.802 dan Rp125.172 masing-masing pada tanggal 31 Desember 2015 dan 2014, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 16).

- Loans are secured by time deposits, registered mortgages over collateral or power of attorney to sell or to liquidate and by other guarantees generally acceptable to the Bank.
- Demand deposits amounting to Rp122,346 and Rp99,476 as of 31 December 2015 and 2014, respectively, are pledged as collateral for loans and other bank facilities (Note 15).
- Saving deposits amounting to Rp105,802 and Rp125,172 as of 31 December 2015 and 2014, respectively, are pledged as collateral for loans (Note 16).

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- d. Deposito berjangka sejumlah Rp5.239.583 dan Rp4.672.345 masing-masing pada tanggal 31 Desember 2015 dan 2014, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 17).
- e. Suku bunga kontraktual rata-rata tahunan untuk kredit adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
31 Desember/Year ended 31 December

	2015	2014
Rupiah	12,14%	12,27%
Mata uang asing	5,23%	5,09%

- f. Kredit yang diberikan kepada karyawan antara lain merupakan kredit untuk pembelian rumah dan kendaraan. Kredit kepada karyawan tersebut dikenakan bunga sesuai ketentuan Bank yang lebih rendah dari suku bunga kredit yang diberikan Bank kepada nasabah bukan karyawan dengan jumlah masing-masing sebesar Rp303.139 dan Rp363.375 pada tanggal 31 Desember 2015 dan 2014.

- g. Pada tanggal 31 Desember 2015 dan 2014, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp1.063.347 dan Rp547.673, dengan cadangan kerugian penurunan nilai yang dibentuk masing-masing sebesar Rp89.483 dan Rp9.821. Bentuk restrukturisasi kredit merupakan perpanjangan jatuh tempo. Tidak ada kerugian yang timbul dari restrukturisasi kredit tersebut dan Bank tidak memiliki komitmen untuk memberikan tambahan kredit kepada nasabah-nasabah tersebut.

Restrukturisasi kredit berdasarkan jenis kredit yang diberikan:

31 Desember/31 December

	2015	2014
Rupiah		
Angsuran	224.003	114.379
Investasi	405.914	294.649
Promes	2.300	10.000
Rekening koran	45.571	33.301
Kartu Kredit	9.876	-
Pemilikan rumah	-	26
	687.664	452.355

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

- d. Time deposits amounting to Rp5,239,583 and Rp4,672,345 as of 31 December 2015 and 2014, respectively, are pledged as collateral for loans (Note 17).
- e. The average contractual annual interest rate for loans are as follows:

Rupiah
Foreign currency

- f. Loans to employees represent, among others, housing and car loans. These loans granted to employees bear a lower interest rates than interest rate charged to non-employee which amounted to Rp303,139 and Rp363,375 as of 31 December 2015 and 2014, respectively.

- g. As of 31 December 2015 and 2014, total restructured loans amounting to Rp1,063,347 and Rp547,673, respectively, are provided with allowance for impairment losses of Rp89,483 and Rp9,821, respectively. The restructuring of loans represents extension of maturity dates. There are no losses resulting from those loans restructured and the Bank does not have any commitments to grant additional loans to these customers.

Restructured loan by type of loan:

Rupiah
Installment
Investment
Promissory notes
Current accounts
Credit Card
Housing

The original financial statements included herein are in the Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

	31 Desember/31 December		
	2015	2014	
Mata Uang Asing			Foreign currencies
Investasi	336.280	43.532	Investment
Promes	26.996	25.595	Promissory notes
Angsuran	-	15.663	Installment
Lain-lain	12.407	10.528	Others
	375.683	95.318	
Total	1.063.347	547.673	Total
Cadangan kerugian penurunan nilai	(89.483)	(9.821)	Allowance for impairment losses
Neto	973.864	537.852	Net

Restrukturisasi kredit berdasarkan kolektibilitas menurut Peraturan Bank Indonesia

Restructured loan by collectibility based on Bank Indonesia Regulation

	31 Desember/31 December		
	2015	2014	
Rupiah			Rupiah
Lancar	339.674	426.171	Current
Dalam perhatian khusus	287.808	8.789	Special Mention
Kurang lancar	50.306	132	Sub-standard
Diragukan	55	30	Doubtful
Macet	9.821	17.233	Loss
	687.664	452.355	
Mata uang asing			Foreign currencies
Lancar	343.044	88.475	Current
Dalam perhatian khusus	25.160	-	Special Mention
Kurang lancar	-	-	Sub-standard
Diragukan	-	-	Doubtful
Macet	7.479	6.843	Loss
	375.683	95.318	
Total	1.063.347	547.673	Total
Cadangan kerugian penurunan nilai	(89.483)	(9.821)	Allowance for impairment losses
Neto	973.864	537.852	Net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- h. Kredit bermasalah (kredit *non-performing*/NPL) pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp1.646.496 dan Rp2.102.774.

Rasio NPL kotor (*NPL Gross*) pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar 2,68% dan 3,72% dari total kredit, sedangkan rasio NPL neto (*NPL Net*) masing-masing sebesar 2,17% dan 2,85% dari jumlah kredit. Rasio NPL neto dihitung sesuai dengan peraturan Bank Indonesia. Berdasarkan peraturan Bank Indonesia No. 15/2/PBI/2013 tanggal 20 Mei 2013, rasio kredit bermasalah bank umum secara neto adalah maksimal sebesar 5% dari jumlah kredit.

- i. Ikhtisar perubahan cadangan kerugian penurunan nilai kredit yang diberikan adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Saldo awal tahun	653.835	345.652
Penyisihan selama tahun berjalan	624.665	473.475
Penerimaan kembali kredit yang telah dihapusbukukan	29.840	18.089
Penghapusbukuan selama tahun berjalan	(231.788)	(186.738)
Selisih kurs penjabaran	5.231	3.357
Penyelesaian cadangan kerugian terkait penjualan kredit yang diberikan	(299.755)	-
Saldo akhir tahun	782.028	653.835

Penyisihan kerugian penurunan nilai untuk kredit yang diberikan untuk kelompok individual dan kolektif adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Individual	275.218	465.519
Kolektif	506.810	188.316
Saldo akhir tahun	782.028	653.835

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai di atas adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya kredit yang diberikan.

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

- h. *Non-Performing Loans (NPL)* amounted to Rp1,646,496 and Rp2,102,774 as of 31 December 2015 and 2014, respectively.

Gross NPL ratio as of 31 December 2015 and 2014 represents 2,68% and 3.72% of the total loans, respectively, and net NPL ratio represents 2,17% and 2.85% of the total loans, respectively. Net NPL ratio is calculated in accordance with Bank Indonesia Regulation. Based on Bank Indonesia Regulation No. 15/2/PBI/2013 dated 20 May 2013, net NPL ratio should not exceed 5% of a bank's total loans.

- i. The changes in the allowance for impairment losses of loans are as follows:

Beginning balance
Provision during the year
Recovery of loans previously written-off
Loans written-off during the year
Foreign exchange translation
Settlement of allowance related to loans sold

Allowance for impairment losses of loans for individual and collective are as follows:

Individual
Collective

Ending balance

The Bank's management believes that the allowance for impairment losses on loans is adequate to cover any possible losses on uncollectible loans.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- j. Keikutsertaan Bank sebagai anggota sindikasi terhadap jumlah seluruh kredit sindikasi yang diberikan berkisar antara 7,41% sampai dengan 20,00% untuk tahun 2015 dan 28,60% sampai dengan 50,00% untuk tahun 2014.
- k. Rasio kredit usaha kecil terhadap jumlah kredit yang diberikan adalah 0,79% pada tahun 2015 dan 0,94% pada tahun 2014.
- l. Pada tanggal 31 Desember 2015, Bank menilai penurunan nilai secara individual untuk kategori kredit non-performing/NPL dan debitur non NPL dengan nilai baki debit di atas Rp20 miliar dan *fully secured*, kecuali kartu kredit. Dan pada tanggal 31 Desember 2014, Bank menilai penurunan nilai secara individual untuk kategori kredit *non-performing/NPL* dan debitur non NPL dengan nilai baki debit di atas Rp50 miliar dan *fully secured*, kecuali kartu kredit.
- m. Pada tanggal 31 Desember 2015 dan 2014, Bank telah mematuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik terhadap pihak-pihak berelasi maupun kepada pihak yang tidak berelasi.

11. Tagihan dan Liabilitas Akseptasi

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan:

1. Berdasarkan mata uang

a. Tagihan Akseptasi

	31 Desember/31 December	
	2015	2014
Dolar Amerika Serikat	1.662.546	2.350.630
Rupiah	694.196	596.453
Euro Eropa	202.903	153.238
Yen Jepang	83.179	30.500
Dolar Singapura	459	-
Yuan China	290	-
Franc Swiss	-	5.317
Total	2.643.573	3.136.138
Cadangan kerugian penurunan nilai	(30.461)	(2.938)
Neto	2.613.112	3.133.200

10. Loans (continued)

The significant information relating to loans are as follows: (continued)

- j. The participation of the Bank's as a member of a syndicated loans in the total syndicated loans ranged from 7.41% to 20.00% for 2015 and 28.60% to 50.00% for 2014.
- k. The ratio of loans to small business to the total loans is 0.79% in 2015 and 0.94% in 2014.
- l. As of 31 December 2015, Bank assessed the individual impairment for credit non-performing/NPL category and non NPL debtor with outstanding amount above Rp20 billion and fully secured, except for credit card. And as of 31 December 2014, Bank assessed the individual impairment for credit non-performing/NPL category and non NPL debtor with outstanding amount above Rp50 billion and fully secured, except for credit card.
- m. As of 31 December 2015 and 2014, the Bank is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

11. Acceptances Receivable and Payable

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows:

1. Based on type of currency

a. Acceptances Receivable

United States Dollar
Rupiah
European Euro
Japanese Yen
Singapore Dollar
Chinese Yuan
Swiss Franc
Total
Allowance for impairment losses
Net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

11. Tagihan dan Liabilitas Akseptasi (lanjutan)

11. Acceptances Receivable and Liabilities (continued)

1. Berdasarkan mata uang (lanjutan)

1. Based on type of currency (continued)

b. Liabilitas Akseptasi

b. Acceptances Payable

	31 Desember/31 December		
	2015	2014	
Dolar Amerika Serikat	1.662.546	2.350.630	United States Dollar
Rupiah	694.196	596.453	Rupiah
Euro Eropa	202.903	153.238	European Euro
Yen Jepang	83.179	30.500	Japanese Yen
Dolar Singapura	459	-	Singapore Dollar
Yuan China	290	-	Chinese Yuan
Franc Swiss	-	5.317	Swiss Franc
Total	2.643.573	3.136.138	Total

2. Berdasarkan jangka waktu

2. Based on period

a. Tagihan Akseptasi

a. Acceptances Receivable

	31 Desember/31 December		
	2015	2014	
Rupiah			Rupiah
≤ 1 bulan	8.350	16.586	≤ 1 month
> 1 bulan ≤ 3 bulan	367.969	382.157	> 1 month ≤ 3 months
> 3 bulan	317.877	197.710	> 3 months
	694.196	596.453	
Mata uang asing			Foreign currencies
≤ 1 bulan	29.070	5.270	≤ 1 month
> 1 bulan ≤ 3 bulan	335.304	390.987	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	1.126.093	1.768.153	> 3 months ≤ 6 months
> 6 bulan	458.910	375.275	> 6 months
	1.949.377	2.539.685	
Total	2.643.573	3.136.138	Total
Cadangan kerugian penurunan nilai	(30.461)	(2.938)	Allowance for impairment losses
Neto	2.613.112	3.133.200	Net

b. Liabilitas Akseptasi

b. Acceptances Payable

	31 Desember/31 December		
	2015	2014	
Rupiah			Rupiah
≤ 1 bulan	8.350	16.586	≤ 1 month
> 1 bulan ≤ 3 bulan	367.969	382.157	> 1 month ≤ 3 months
> 3 bulan	317.877	197.710	> 3 months
	694.196	596.453	

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

11. Tagihan dan Liabilitas Akseptasi (lanjutan)

2. Berdasarkan jangka waktu (lanjutan)

b. Liabilitas Akseptasi (lanjutan)

	31 Desember/31 December	
	2015	2014
Mata uang asing		
≤ 1 bulan	29.070	5.270
> 1 bulan ≤ 3 bulan	335.304	390.987
> 3 bulan ≤ 6 bulan	1.126.093	1.768.153
> 6 bulan	458.910	375.275
	1.949.377	2.539.685
Total	2.643.573	3.136.138

Ikhtisar perubahan cadangan penurunan nilai tagihan akseptasi adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Saldo awal tahun	2.938	2.106
Pembentukan cadangan kerugian penurunan nilai	25.291	430
Selisih kurs penjabaran	2.232	402
Saldo akhir tahun	30.461	2.938

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai yang dibentuk pada tanggal 31 Desember 2015 dan 2014, adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya tagihan akseptasi.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2015 dan 2014, tagihan akseptasi digolongkan lancar.

11. Acceptances Receivable and Payable (continued)

2. Based on period (continued)

b. Acceptances Payable (continued)

Foreign currencies
≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months

The changes in the allowance for impairment losses on acceptances receivable are as follows:

Beginning balance
Provision for allowance for impairment losses
Foreign exchange translation

Ending balance

The Bank's management believes that the allowance for impairment losses as of 31 December 2015 and 2014 is adequate to cover any possible losses on uncollectible acceptances receivable.

The Bank's management believes that as of 31 December 2015 and 2014, acceptances receivable are classified as current.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

12. Aset Tetap

Akun ini terdiri dari:

12. Fixed Assets

This account is consist of:

		Perubahan Selama Satu Tahun/ Changes During One Year				
31 Desember 2015	Saldo Awal/ Beginning Balance	Penambahan dan Reklasifikasi/ Additions and Reclassification	Pengurangan dan Reklasifikasi/ Deductions and Reclassification	Saldo Akhir/ Ending Balance	31 December 2015	
Biaya Perolehan						Cost
Tanah	154.166	-	5.446	148.720		Land
Bangunan	572.857	-	7.839	565.018		Buildings
Prasarana	169.666	8.103	-	177.769		Infrastructure
Peralatan Kantor	762.355	173.185	4.553	930.987		Office equipments
Kendaraan	17.425	-	3.061	14.364		Vehicles
Aset dalam penyelesaian	-	105.770	-	105.770		Work in progress
Total biaya perolehan	1.676.469	287.058	20.899	1.942.628		Total cost
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	202.409	28.359	5.768	225.000		Buildings
Prasarana	39.697	17.037	-	56.734		Infrastructure
Peralatan kantor	431.573	85.839	4.444	512.968		Office equipments
Kendaraan	13.915	1.756	3.061	12.610		Vehicles
Total akumulasi penyusutan	687.594	132.991	13.273	807.312		Total accumulated depreciation
Nilai Buku	988.875			1.135.316		Net Book Value

		Perubahan Selama Satu Tahun/ Changes During One Year				
31 Desember 2014	Saldo Awal/ Beginning Balance	Penambahan dan Reklasifikasi/ Additions and Reclassification	Pengurangan dan Reklasifikasi/ Deductions and Reclassification	Saldo Akhir/ Ending Balance	31 December 2014	
Biaya Perolehan						Cost
Tanah	156.134	-	1.968	154.166		Land
Bangunan	572.070	3.374	2.587	572.857		Buildings
Prasarana	145.101	25.159	594	169.666		Infrastructure
Peralatan Kantor	751.256	87.433	76.334	762.355		Office equipments
Kendaraan	17.183	874	632	17.425		Vehicles
Total biaya perolehan	1.641.744	116.840	82.115	1.676.469		Total cost
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	174.725	29.113	1.429	202.409		Buildings
Prasarana	33.537	6.755	595	39.697		Infrastructure
Peralatan kantor	433.233	72.781	74.441	431.573		Office equipments
Kendaraan	12.668	1.793	546	13.915		Vehicles
Total akumulasi penyusutan	654.163	110.442	77.011	687.594		Total accumulated depreciation
Penurunan nilai	987.581 (3.110)	6.398 3.110	5.104 -	988.875 -		Impairment in value
Nilai Buku	984.471			988.875		Net Book Value

Rincian aset dalam penyelesaian beserta persentase penyelesaian terhadap nilai kontrak adalah sebagai berikut:

The details of the work in progress with the percentage of completion of the contract value are as follows:

31 December/31 December 2015				
	Persentase penyelesaian/ Percentage of completion	Akumulasi Biaya/ Accumulated Cost	Estimasi penyelesaian/ Estimated completion	
Prasarana	37%	2.035	2016	Leasehold Improvements
Peralatan kantor	75%	103.735	2016	Office Equipment
		105.770		

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

12. Aset Tetap (lanjutan)

Seluruh aset tetap yang dimiliki oleh Bank berasal dari kepemilikan langsung.

Nilai tercatat bruto dari aset tetap yang telah disusutkan penuh dan masih digunakan adalah sebagai berikut (tidak diaudit):

	31 Desember/31 December	
	2015	2014
Bangunan dan prasarana	1.945	3.355
Peralatan kantor	247.355	232.787
Kendaraan	5.597	8.644
Total	254.897	244.786

Rekonsiliasi penambahan aset tetap yang berasal dari pembelian dan reklasifikasi adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Penambahan melalui pembelian aset tetap	287.058	116.840
Total	287.058	116.840

Rekonsiliasi pengurangan aset tetap yang berasal dari penjualan dan reklasifikasi adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Pengurangan melalui penjualan aset tetap	4.766	5.104
Penghapusan aset tetap	3.930	77.011
Reklasifikasi ke properti terbengkalai	12.203	-
Total	20.899	82.115

Penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain masing-masing sebesar Rp132.991 dan Rp110.442 untuk tahun yang berakhir pada 31 Desember 2015 dan 2014 (Catatan 28).

Manajemen juga berpendapat bahwa tidak terdapat penurunan nilai atas aset tersebut yang harus dicatat pada tanggal-tanggal 31 Desember 2015 dan 2014.

12. Fixed Assets (continued)

All fixed assets owned by the Bank are from direct ownership.

Gross carrying amount of fixed assets which were fully depreciated and still used are as follows (unaudited):

*Buildings and infrastructure
Office Equipments
Vehicles*

Reconciliation of addition to fixed assets which comes from purchase and reclassification are as follows:

*Addition through purchase of
fixed assets*

Reconciliation of deduction to fixed assets which comes from disposal and reclassification are as follows:

*Deduction through sales of
fixed assets
Write-off of fixed assets
Reclassification to
abandoned assets*

Depreciation charged to statement of profit or loss and other comprehensive income amounted to Rp132,991 and Rp110,442 for the years ended 31 December 2015 and 2014, respectively (Note 28).

Management believes that as of 31 December 2015 and 2014, no impairment in value of the aforementioned assets should be recorded.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

12. Aset Tetap (lanjutan)

Pada tanggal 31 Desember 2015, seluruh aset tetap (kecuali tanah), diasuransikan terhadap risiko kebakaran dan risiko lainnya berdasarkan paket polis tertentu kepada perusahaan-perusahaan asuransi pihak ketiga Bank yaitu PT Asuransi Adira Dinamika dan PT Asuransi Wahana Tata dengan nilai pertanggungan sebesar Rp2.100.479 dan \$AS25.245.046 (nilai penuh). Manajemen Bank berkeyakinan bahwa nilai pertanggungan asuransi telah mencukupi untuk menutupi kemungkinan kerugian dari risiko yang ada.

Hasil penjualan aset tetap adalah masing-masing sebesar Rp5.860 dan Rp14.157 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014.

Nilai buku aset tetap yang dijual adalah masing-masing sebesar Rp193 dan Rp5.104 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014.

Keuntungan atas penjualan aset tetap masing-masing sebesar Rp5.667 dan Rp9.053 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014, dibukukan sebagai bagian dari "Pendapatan non-operasional - keuntungan penjualan aset tetap dan agunan yang diambil alih - neto" selama tahun berjalan.

13. Aset Lain-lain

Akun ini terdiri dari:

	31 Desember/31 December	
	2015	2014
Piutang bunga	275.672	250.522
Pembelian aset dari penyelesaian piutang - neto	148.479	-
Biaya dibayar di muka	96.187	58.956
Agunan yang diambil alih (setelah dikurangi cadangan penurunan nilai sebesar Rp9.662 dan Rp10.175 pada tanggal 31 Desember 2015 dan 2014)	48.938	51.437
Uang muka	16.629	9.977
ATM bersama	15.970	9.492
Setoran jaminan	14.843	10.485
Properti terbengkalai - neto	6.639	159
Lain-lain	94.585	37.701
Neto	717.942	428.729

12. Fixed Assets (continued)

As of 31 December 2015, all fixed assets (except land), are covered by insurance against fire and other risks under blanket policies with the Bank's third parties insurance companies, which are PT Asuransi Adira Dinamika and PT Asuransi Wahana Tata with sum insured amounting to Rp2,100,479 and US\$25,245,046 (full amount). The Bank's management believes that insurance coverage is adequate to cover possible losses arising from such risks.

The proceeds from the sale of fixed assets amounted to Rp5,860 and Rp14,157 for the years ended 31 December 2015 and 2014, respectively.

Book value from the sale of fixed assets amounted to Rp193 and Rp5,104 for the years ended 31 December 2015 and 2014, respectively.

The related gain on sales of fixed assets of Rp5,667 and Rp9,053 for the years ended 31 December 2015 and 2014, respectively, are presented as part of "Non-operating income - gain on sale of fixed assets and foreclosed assets - net" during the year.

13. Other Assets

This account is consist of:

Interests receivables
 Assets purchase from settlement of receivable - net
 Prepaid expenses
 Foreclosed assets (net of allowance for decline in value of Rp9,662 and Rp10,175 as of 31 December 2015 and 2014, respectively)
 Advances
 Shared ATM
 Security deposits
 Abandoned property - net
 Others

Net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

13. Aset Lain-lain (lanjutan)

Ikhtisar perubahan cadangan kerugian penurunan nilai agunan yang diambil alih adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Saldo awal tahun	10.175	15.563
Pemulihan cadangan selama tahun berjalan	(513)	(5.388)
Saldo akhir tahun	9.662	10.175

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai atas agunan yang diambil alih telah memadai dan nilai tercatat agunan yang diambil alih tersebut merupakan nilai bersih yang dapat direalisasi.

13. Other Assets (continued)

The changes in the allowance for decline in value of foreclosed assets are as follows:

*Beginning balance
Reversal of allowance
during the year*

Ending balance

The Bank's management believes that the allowance for decline in value of foreclosed assets is adequate and the carrying value of foreclosed assets is stated at net realizable value.

14. Liabilitas Segera

Akun ini adalah sebesar Rp61.920 dan Rp67.710 masing-masing pada tanggal 31 Desember 2015 dan 2014 terdiri dari kiriman uang/wesel akan dibayar, titipan dana nasabah, transaksi kliring/transfer yang belum diselesaikan dan liabilitas-liabilitas jangka pendek lainnya.

14. Current Liabilities

This account amounting to Rp61,920 and Rp67,710 as of 31 December 2015 and 2014 represent cash remittances/draft payables, customers' funds, unsettled clearing/transfer transactions and other short-term liabilities.

15. Giro

Akun ini terdiri dari:

15. Demand Deposits

This account is consist of:

31 Desember/31 December 2015			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	6.392.314	491.634	6.883.948
Pihak berelasi (Catatan 34)	3.302	100	3.402
Total	6.395.616	491.734	6.887.350
31 Desember/31 December 2014			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	6.183.096	1.040.525	7.223.621
Pihak berelasi (Catatan 34)	10.257	12.797	23.054
Total	6.193.353	1.053.322	7.246.675

*Third parties
Related parties (Note 34)*

Total

*Third parties
Related parties (Note 34)*

Total

Giro dalam mata uang asing terdiri dari Dolar Singapura, Dolar Amerika Serikat dan Yuan China Renminbi.

Foreign currency demand deposits consist of Singapore Dollar, United States Dollar and Chinese Yuan Renminbi.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

15. Giro (lanjutan)

Suku bunga rata-rata tahunan untuk giro adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
31 Desember/Year ended 31 December

	2015	2014
Rupiah	3,27%	2,63%
Mata uang asing	0,11%	0,04%

Pada tanggal 31 Desember 2015 dan 2014, giro yang digunakan sebagai jaminan untuk kredit masing-masing sebesar Rp122.346 dan Rp99.476. Giro yang dijamin ini diblokir sepanjang jangka waktu fasilitas kredit. (Catatan 10).

Tidak terdapat kredit kepada pihak berelasi yang dijamin dengan giro.

15. Demand Deposits (continued)

The annual average interest rate for demand deposits are as follows:

Rupiah
Foreign Currency

As of 31 December 2015 and 2014, demand deposits amounting to Rp122,346 and Rp99,476, are pledged as collateral for loan facilities. The pledged demand deposits are blocked throughout the loan period (Note 10).

There are no loan facilities to related parties secured with demand deposits as collateral.

16. Tabungan

Tabungan berdasarkan hubungan transaksi dengan Bank terdiri dari:

16. Saving Deposits

Saving deposits based on relationship transaction with the Bank consist of:

31 Desember/31 December 2015

Produk	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 34)/ Related Parties (Note 34)	Total	Product
Produktif	9.751.122	45.527	9.796.649	Produktif
Uniplus	1.118.589	33.451	1.152.040	Uniplus
High Yield	575.051	2.874	577.925	High Yield
Saving Plan dan Rupiah Saving	401.985	1.373	403.358	Saving Plan and Rupiah Saving
Biz88	309.892	-	309.892	Biz88
Gold	249.176	310	249.486	Gold
Tabunganku	134.043	178	134.221	Tabunganku
Simpanan Pelajar	7	-	7	Simpanan Pelajar
Total	12.539.865	83.713	12.623.578	Total

31 Desember/31 December 2014

Produk	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 34)/ Related Parties (Note 34)	Total	Product
Produktif	8.470.078	10.424	8.480.502	Produktif
High Yield	399.647	1.058	400.705	High Yield
Saving Plan dan Rupiah Saving	367.205	2.099	369.304	Saving Plan and Rupiah Saving
Gold	270.699	135	270.834	Gold
Buana Plus	149.368	21.591	170.959	Buana Plus
Tabunganku	141.825	273	142.098	Tabunganku
Total	9.798.822	35.580	9.834.402	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

16. Tabungan (lanjutan)

Tabungan berdasarkan jenis mata uang terdiri dari:

16. Saving Deposits (continued)

Saving deposits based on currencies consist of:

31 Desember/31 December 2015				
Produk	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	Product
Produktif	3.402.384	6.394.265	9.796.649	Produktif
Uniplus	1.152.040	-	1.152.040	Uniplus
High Yield	577.925	-	577.925	High Yield
Saving Plan dan Rupiah Saving	403.358	-	403.358	Saving Plan and Rupiah Saving
Biz88	309.892	-	309.892	Biz88
Gold	249.486	-	249.486	Gold
Tabunganku	134.221	-	134.221	Tabunganku
Simpanan Pelajar	7	-	7	Simpanan Pelajar
Total	6.229.313	6.394.265	12.623.578	Total
31 Desember/31 December 2014				
Produk	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	Product
Produktif	3.493.654	4.986.848	8.480.502	Produktif
High Yield	400.705	-	400.705	High Yield
Saving Plan dan Rupiah Saving	369.304	-	369.304	Saving Plan and Rupiah Saving
Gold	270.834	-	270.834	Gold
Buana Plus	170.959	-	170.959	Buana Plus
Tabunganku	142.098	-	142.098	Tabunganku
Total	4.847.554	4.986.848	9.834.402	Total

Tabungan dalam mata uang asing terdiri dari Pound Sterling Inggris, Euro Eropa, Franc Swiss, Dolar Australia, Dolar Amerika, Dolar Kanada, Dolar Selandia Baru, Dolar Singapura, Dolar Hong Kong, Yen Jepang dan Kroner Swedia.

Foreign currency saving deposits consist of Great Britain Pound Sterling, European Euro, Swiss Franc, Australian Dollar, United States Dollar, Canadian Dollar, New Zealand Dollar, Singapore Dollar, Hong Kong Dollar, Japanese Yen and Swedish Croner.

Suku bunga rata-rata tahunan untuk tabungan adalah sebagai berikut:

The annual average interest rate for saving deposits are as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	2014	
Rupiah	3,37%	2,62%	Rupiah
Mata uang asing	0,62%	0,64%	Foreign currencies

Pada tanggal 31 Desember 2015 dan 2014, tabungan yang diblokir untuk jaminan fasilitas kredit adalah masing-masing sebesar Rp105.802 dan Rp125.172 (Catatan 10).

As of 31 December 2015 and 2014, saving deposits pledged as collateral for loan facilities amounted to Rp105,802 and Rp125,172, respectively (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang dijamin dengan tabungan.

There are no loan facilities to related parties secured with saving deposits as collateral.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

17. Deposito Berjangka

Akun ini terdiri dari:

17. Time Deposits

This account consist of:

31 Desember/31 December 2015				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
Pihak ketiga	38.468.238	6.389.700	44.857.938	Third parties Related parties (Note 34)
Pihak berelasi (Catatan 34)	61.764	26.663	88.427	
Total	38.530.002	6.416.363	44.946.365	Total

31 Desember/31 December 2014				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
Pihak ketiga	34.211.373	11.848.302	46.059.675	Third parties Related parties (Note 34)
Pihak berelasi (Catatan 34)	58.917	35.720	94.637	
Total	34.270.290	11.884.022	46.154.312	Total

Rincian deposito berjangka berdasarkan jangka waktu kontrak adalah sebagai berikut:

The details of time deposits based on contractual maturities are as follows:

31 Desember/31 December 2015				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
≤ 1 bulan	13.337.627	3.284.628	16.622.255	≤ 1 month
> 1 bulan ≤ 3 bulan	13.934.769	1.462.233	15.397.002	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	9.592.659	869.931	10.462.590	> 3 months ≤ 6 months
> 6 bulan	1.664.947	799.571	2.464.518	> 6 months
Total	38.530.002	6.416.363	44.946.365	Total

31 Desember/31 December 2014				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
≤ 1 bulan	2.224.137	77.711	2.301.848	≤ 1 month
> 1 bulan ≤ 3 bulan	17.287.824	6.803.839	24.091.663	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	8.712.145	2.156.749	10.868.894	> 3 months ≤ 6 months
> 6 bulan	6.046.184	2.845.723	8.891.907	> 6 months
Total	34.270.290	11.884.022	46.154.312	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

17. Deposito Berjangka (lanjutan)

Akun ini terdiri dari: (lanjutan)

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut:

17. Time Deposits (continued)

This account is consist of: (continued)

The details of time deposits based on remaining maturities are as follows:

31 Desember/31 December 2015				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
≤ 1 bulan	19.501.514	4.324.816	23.826.330	≤ 1 month
> 1 bulan ≤ 3 bulan	14.342.688	1.167.242	15.509.930	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	3.879.910	454.988	4.334.898	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan	805.890	469.317	1.275.207	> 6 months ≤ 12 months
Total	38.530.002	6.416.363	44.946.365	Total

31 Desember/31 December 2014				
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total	
≤ 1 bulan	20.346.246	7.807.751	28.153.997	≤ 1 month
> 1 bulan ≤ 3 bulan	10.696.282	1.747.377	12.443.659	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	1.959.552	1.106.966	3.066.518	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan	1.268.210	1.221.928	2.490.138	> 6 months ≤ 12 months
Total	34.270.290	11.884.022	46.154.312	Total

Deposito berjangka dalam mata uang asing terdiri dari Pound Sterling Inggris, Euro Eropa, Dolar Australia, Dolar Amerika, Dolar Kanada, Dolar Selandia Baru, Dolar Singapura, Dolar Hong Kong dan Yen Jepang.

Foreign currency time deposits consist of Great Britain Pound Sterling, European Euro, Australian Dollar, United States Dollar, Canadian Dollar, New Zealand Dollar, Singapore Dollar, Hong Kong Dollar and Japanese Yen.

Deposito berjangka yang diblokir untuk jaminan atas fasilitas kredit yang diberikan kepada nasabah berjumlah Rp5.239.583 dan Rp4.672.345 masing-masing pada tanggal 31 Desember 2015 dan 2014. Deposito berjangka yang dijamin ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

Time deposits pledged as collateral for loan facilities granted amounted to Rp5,239,583 and Rp4,672,345 as of 31 December 2015 and 2014, respectively. The pledged time deposits are blocked throughout the loan period (Note 10).

Suku bunga rata-rata tahunan untuk deposito berjangka adalah sebagai berikut:

The annual average interest rate for time deposits are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Rupiah	8,84%	9,41%	Rupiah
Mata uang asing	0,75%	2,67%	Foreign currency

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

18. Simpanan dari Bank Lain

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari:

	31 Desember/31 December	
	2015	2014
Rupiah		
Deposito berjangka	8.840	56.263
Giro	33.322	36.063
Tabungan	12.270	21.992
Call money	300.000	-
	354.432	114.318
Mata uang asing		
Call money	5.059.095	866.950
Tabungan	92.993	18.292
	5.152.088	885.242
Total	5.506.520	999.560

Simpanan dari bank lain berdasarkan hubungan transaksi dengan Bank terdiri dari:

	31 Desember/31 December	
	2015	2014
Rupiah		
Pihak Ketiga	349.090	109.526
Pihak Berelasi	5.342	4.792
	354.432	114.318
Mata uang asing		
Pihak Ketiga	603.038	18.292
Pihak Berelasi	4.549.050	866.950
	5.152.088	885.242
Total	5.506.520	999.560

Jangka waktu simpanan dari bank lain dalam *call money* adalah kurang dari tiga bulan dan jangka waktu deposito *on-call* dari bank lain adalah kurang dari satu bulan, sedangkan jangka waktu deposito berjangka dari bank lain adalah kurang dari satu tahun.

Tidak terdapat simpanan dari Bank lain yang diblokir atau dijaminkan pada tanggal-tanggal 31 Desember 2015 dan 2014.

18. Deposits from Other Banks

Deposits from other banks based on type and currency consist of:

Rupiah
Time deposits
Demand deposits
Saving deposits
Call money

Foreign currency
Call money
Saving deposits

Total

Deposits from other banks based on its relationship transaction with the Bank consist of:

Rupiah
Third Parties
Related Parties

Foreign currency
Third Parties
Related Parties

Total

The terms of deposits from other banks in *call money* are less than three month and the terms of deposit *on-call* from other banks are less than one month, while the terms of time deposits from other banks are less than one year.

There were no deposits from other banks blocked or collateralized as of 31 December 2015 and 2014.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

18. Simpanan dari Bank Lain (lanjutan)

Suku bunga rata-rata tahunan untuk simpanan dari bank lain adalah sebagai berikut:

18. Deposits from Other Banks (continued)

The average annual interest rate for deposits from other banks are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Rupiah	3,66%	4,19%	Rupiah
Mata uang asing	0,11%	0,14%	Foreign currency

19. Perpajakan

Utang pajak terdiri dari:

19. Taxation

Taxes payable consist of:

	31 Desember/31 December		
	2015	2014	
Utang pajak penghasilan			Income taxes payable
Pasal 4 (2)	59.787	59.622	Article 4 (2)
Pasal 21	25.729	24.244	Article 21
Pasal 23 & 26	1.680	1.010	Article 23
Pasal 25	-	2.126	Article 25
Pasal 29	122.957	32.363	Article 29
Pajak Pertambahan Nilai	1.248	1.053	Value Added Taxes
Total utang pajak	211.401	120.418	Total taxes payable

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi dan penghasilan komprehensif lain dengan penghasilan kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

The reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income, and taxable income for the years ended 31 December 2015 and 2014 are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Laba sebelum beban pajak sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain	638.372	933.292	Income before tax expense as stated in the statement of profit or loss and other comprehensive income
Beda temporer:			Temporary differences:
Pemulihan atas cadangan penurunan nilai agunan yang diambil alih	(513)	(5.388)	Reversal of decline in value of foreclosed assets
Cadangan atas imbalan kerja	12.039	2.158	Provision for employees' benefits
Keuntungan yang belum direalisasi atas efek-efek yang diperdagangkan - neto	3.707	621	Unrealized gain on trading securities - net
Penyusutan aset tetap	(29.563)	(24.508)	Depreciation of fixed assets
Pembentukan/(pemulihan) cadangan atas kerugian penurunan nilai aset produktif dan non-produktif	257.735	(180.583)	Provision for/(reversal of) allowance for impairment losses on earning assets and non-earning assets
Keuntungan penjualan aset tetap - neto	1.899	-	Gain on sale of fixed assets - net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

19. Perpajakan (lanjutan)

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi dan penghasilan komprehensif lain dengan penghasilan kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut: (lanjutan)

19. Taxation (continued)

The reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income, and taxable income for the years ended 31 December 2015 and 2014 are as follows: (continued)

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Beda tetap:			Permanent differences:
Penyusutan aset tetap	568	861	Depreciation of fixed assets
Keuntungan penjualan aset tetap - neto	(6.210)	(8.484)	Gain on sale of fixed assets - net
Pendapatan sewa	(90)	(68)	Rental income
Lain-lain - neto	68.545	71.119	Others - net
Penghasilan kena pajak - Bank	946.489	789.020	Taxable income - Bank

Laba kena pajak hasil rekonsiliasi di atas akan menjadi dasar dalam pengisian Surat Pemberitahuan Tahunan (SPT) pajak untuk tahun yang berakhir pada tanggal 31 Desember 2015.

Taxable income from the above reconciliation will become the basis for filling Annual Corporate Income Tax Return for the year ended 31 December 2015.

Perhitungan beban pajak - tahun berjalan dan beban pajak - tangguhan - neto untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

The computation of tax expense - current and tax expense - deferred - net for the years ended 31 December 2015 and 2014 is as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Penghasilan kena pajak	946.489	789.020	Taxable income
Beban pajak penghasilan - tahun berjalan	(236.622)	(197.255)	Income tax expense - current
Beban pajak penghasilan - tangguhan			Income tax expense - deferred
Pemulihan atas adanya penurunan nilai agunan yang diambil alih	(128)	(1.347)	Recovery of decline in value of foreclosed assets
Cadangan atas imbalan kerja - neto	3.010	539	Provision for employees' benefits - net
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	927	155	Unrealized gain (loss) on trading securities - net
Penyusutan aset tetap	(7.391)	(6.127)	Depreciation of fixed assets
Keuntungan penjualan aset tetap - neto	474	-	Gain on sale of fixed assets - net
Pemulihan atas kerugian penurunan nilai aset produktif dan non produktif	64.434	(45.145)	Reversal for impairment losses on earning assets and non-earning assets
Beban pajak penghasilan - tangguhan - neto	61.326	(51.925)	Income tax expense- deferred- net
Beban pajak - neto	175.296	249.180	Tax expense - net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

19. Perpajakan (lanjutan)

Rekonsiliasi antara beban pajak yang dihitung dengan menggunakan tarif pajak yang berlaku dari laba sebelum beban pajak, dengan beban pajak seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	2014	
Laba sebelum beban pajak	638.372	933.292	<i>Income before tax expense</i>
Beban pajak penghasilan berdasarkan tarif pajak yang berlaku	159.593	233.323	<i>Income tax expense at applicable tax rate</i>
Pengaruh beda tetap atas beban pajak penghasilan			<i>Effects of permanent differences on income tax expense</i>
Penyusutan aset tetap	142	216	<i>Depreciation of fixed assets</i>
Keuntungan penjualan aset tetap - neto	(1.552)	(2.121)	<i>Gain on sale of fixed assets - net</i>
Pendapatan sewa	(23)	(17)	<i>Rental income</i>
Lain-lain - neto	17.136	17.779	<i>Others - net</i>
Beban pajak - neto	175.296	249.180	<i>Tax expense - net</i>

Perhitungan beban pajak - tahun berjalan dan utang pajak penghasilan adalah sebagai berikut:

The computations of tax expense - current and income tax payable are as follows:

31 Desember/31 December			
	2015	2014	
Beban pajak penghasilan - tahun berjalan	236.622	197.255	<i>Tax expense - current</i>
Pembayaran pajak penghasilan di muka	(113.665)	(164.892)	<i>Pre-payments of income taxes</i>
Utang pajak penghasilan	122.957	32.363	<i>Income tax payable</i>

Rincian (liabilitas) aset pajak tangguhan adalah sebagai berikut:

The details of deferred tax (liabilities) assets are as follows:

31 Desember/31 December				
	2015	2014*)	2013*)	
Cadangan penurunan nilai agunan				<i>Allowance for decline in value of foreclosed assets</i>
Yang diabil alih	2.415	2.543	3.890	
Cadangan kerugian penurunan aset produktif dan nilai non produktif	(91.697)	(156.129)	(110.984)	<i>Allowance for impairment losses on earning assets and non-earning assets</i>
Liabilitas atas imbalan kerja	46.565	51.934	36.795	<i>Liability for employees' benefits</i>
Penyusutan aset tetap	(21.195)	(13.804)	(7.677)	<i>Depreciation of fixed assets</i>
Keuntungan penjualan aset tetap	(839)	(1.314)	(1.314)	<i>Gain on sale of fixed assets - net</i>
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual	39.653	16.939	59.020	<i>Unrealized gain on available-for-sale securities</i>
Keuntungan yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(1.121)	(2.048)	(2.203)	<i>Unrealized gain on trading securities - net</i>
Total	(26.219)	(101.879)	(22.473)	<i>Total</i>

*) Setelah penyesuaian penyajian kembali untuk penerapan PSAK No. 24 (Revisi 2013) (Catatan 43)

*) After the restatement adjustments for adopting PSAK No. 24 (Revised 2013) (Note 43)

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

19. Perpajakan (lanjutan)

Pada tahun 2011, Bank telah menyampaikan Surat Keberatan Pajak kepada Kantor Pajak atas Surat Ketetapan Pajak Kurang Bayar (SKPKB) Pajak Pertambahan Nilai sebesar Rp2.214 atas penjualan agunan diambil alih. Keberatan tersebut telah dikabulkan sebagian oleh Kantor Pajak berdasarkan Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 tanggal 30 Agustus 2012 dan telah mendapat pengembalian pajak sebesar Rp1.040. Atas keputusan ini, Bank menyampaikan permohonan banding ke Pengadilan atas Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 berdasarkan Surat No. 12/DIR/0743 sebesar Rp1.174. Pada tanggal 7 Juli 2014, pengadilan pajak memutuskan untuk menolak permohonan banding Bank berdasarkan surat putusan No.53881/PP/M.XIIB/16/2014.

Sehubungan dengan Keputusan Pengadilan Pajak tersebut, pada tanggal 20 Oktober 2014, Bank menyampaikan Permohonan Peninjauan Kembali (PK) berdasarkan surat No. 14/DIR/0457.

Sampai dengan tanggal penyelesaian laporan keuangan ini, belum ada keputusan terkait pemeriksaan permohonan peninjauan kembali.

Bank menerima Surat Pemberitahuan Pemeriksaan Lapangan dengan nomor surat No. Pemb- 00155/WPJ.19/KP.0105/RIK.SIS/2015, pada tanggal 15 Mei 2015 untuk Tahun Pajak 2011 dan juga menerima surat No. Pemb-00180/WPJ.19/KP.0105/RIK.SIS/2015, tanggal 25 Mei 2015 untuk Tahun Pajak 2012.

Sampai dengan tanggal penyelesaian laporan keuangan ini, belum ada keputusan terkait pemeriksaan lapangan ini.

20. Pinjaman yang Diterima

Bank tidak mempunyai pinjaman yang diterima pada tanggal 31 Desember 2015. Pinjaman yang diterima pada tanggal 31 Desember 2014, terdiri dari:

	31 Desember/ 31 December 2014
Pihak ketiga Rupiah PT Bank Bukopin Tbk	33.710
Pihak berelasi (Catatan 34) Mata uang asing United Overseas Bank Ltd., Singapura	294.703
Total	328.413

19. Taxation (continued)

On 2011, the Bank has submitted a Tax Objection Letter to the Tax Office for Tax Underpayment Assessment Letter (SKPKB) of Value Added Tax on sale of foreclosed assets amounting to Rp2,214. The objection has been partially granted by Tax Office based on decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 dated 30 August 2012 and has received as a tax refund amounting to Rp1,040. Following this decision, the Bank has submitted an appeal for the objection to Court regarding decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 with Letter No. 12/DIR/0743 amounting to Rp1,174. On 7 July 2014, the tax court decided to reject the Bank's appeal as stated on decision letter No.53881/PP/M.XIIB/16/2014.

Following the decision of the tax court, on 20 October 2014, Bank has submitted an appeal for Judicial Review (PK) with letter No.14/DIR/0457.

As of the date of completion of these financial statements, there is no decision yet related to this appeal for the tax audit judicial review.

Bank received Tax Audit Notification Letter No. Pemb-00155/WPJ.19/KP.0105/RIK.SIS/2015 dated 15 May 2015 for Fiscal Year 2011 and Pemb-00180/WPJ.19/KP.0105/RIK.SIS/2015 dated 25 May 2015 for Fiscal Year 2012.

As of the date of completion of these financial statements, there is no decision yet related to this appeal for the tax audit.

20. Borrowings

The Bank does not have borrowings as of 31 December 2015. Borrowings as of 31 December 2014 consist of:

Third Party Rupiah PT Bank Bukopin Tbk
Third Party (Note 34) Foreign currency United Overseas Bank Ltd., Singapore
Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

20. Pinjaman yang Diterima (lanjutan)

Pada tanggal 31 Desember 2014, saldo pinjaman dalam mata uang asing sebesar SGD23.795.115 (nilai penuh). Tingkat suku bunga untuk pinjaman yang diterima dalam mata uang Rupiah dan SGD masing-masing berkisar antara 10,50% - 11,25% dan berkisar antara 0,7022% - 0,8428%. Jangka waktu pinjaman yang diterima berkisar antara 2 bulan - 7 bulan.

20. Borrowings (continued)

As of 31 December 2014, borrowings in foreign currency amounted to SGD23,795,115 (full amount). Interest rate for borrowings in Rupiah and SGD are ranging from 10.50% - 11.25% and ranging from 0.7022% - 0.8428%, respectively. The period for borrowings is between 2 months - 7 months.

21. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan pada tanggal 31 Desember 2015 dan 2014, terdiri dari:

21. Debt Securities Issued

Debt securities issued as of 31 December 2015 and 2014 consist of:

	31 Desember/31 December		
	2015	2014	
Obligasi I Bank UOB Indonesia Tahun 2015			Bonds I Bank UOB Indonesia Year 2015
Pihak Berelasi (Catatan 34)			Related Parties (Note 34)
Obligasi Seri B	6.000	-	Bonds Series B
Pihak ketiga			Third parties
Obligasi Seri A	400.000	-	Bonds Series A
Obligasi Seri B	594.000	-	Bonds Series B
Obligasi Seri C	500.000	-	Bonds Series C
Total nominal Obligasi I Bank UOB Indonesia Tahun 2015	1.500.000	-	Total nominal Bonds I Bank UOB Indonesia year 2015
Beban emisi obligasi yang belum diamortisasi	(6.620)	-	Unamortized bonds issuance cost
Total Obligasi I Bank UOB Indonesia Tahun 2015	1.493.380	-	Total Bonds I Bank UOB Indonesia year 2015
Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014			Subordinated Bonds I Bank UOB Indonesia year 2014
Pihak Berelasi (Catatan 34)	605.000	601.055	Related Parties (Note 34)
Pihak ketiga	395.000	398.945	Third Parties
Total nominal Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	1.000.000	1.000.000	Total nominal Subordinated Bonds I Bank UOB Indonesia year 2014
Beban emisi obligasi yang belum diamortisasi	(5.507)	(6.521)	Unamortized bonds issuance cost
Total Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	994.493	993.479	Total Subordinated Bonds Bank UOB Indonesia year 2014
Total efek hutang yang diterbitkan	2.487.873	993.479	Total debt securities issued

Pada tanggal 2 April 2015, Bank menerbitkan Obligasi I Bank UOB Indonesia Tahun 2015 yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C. Obligasi ini ditawarkan sebesar nilai nominal, dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 24 Maret 2015.

On 2 April 2015, the Bank issued Bonds of Bank UOB Indonesia Year 2015 which consist of Bond Series A, Bond Series B, and Bond Series C. The bonds were offered at their nominal value, listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 24 March 2015.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

21. Efek Hutang yang Diterbitkan (lanjutan)

Obligasi I Bank UOB Indonesia Tahun 2015 Seri A, Seri B dan Seri C dikenakan suku bunga tetap per tahun masing-masing sebesar 8,60%, 9,40% dan 9,60%, yang dibayarkan setiap tiga bulan dan akan jatuh tempo masing-masing pada tanggal 11 April 2016, 1 April 2018, dan 1 April 2020.

Pada tanggal 31 Desember 2015, peringkat Obligasi I Bank UOB Indonesia Tahun 2015 menurut Fitch Ratings adalah id AAA.

Pada tanggal 28 Mei 2014, Bank menerbitkan Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014. Obligasi ini ditawarkan sebesar nilai nominal, dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 20 Mei 2014.

Bank memperhitungkan Obligasi Subordinasi I ini sebagai Komponen Modal Pelengkap Level Bawah (*Lower Tier 2*) berdasarkan Surat Persetujuan Otoritas Jasa Keuangan No. S-86/PB.321/2014 pada tanggal 18 Juni 2014.

Obligasi Subordinasi diterbitkan dikenakan suku bunga tetap sebesar 11,35% per tahun yang dibayarkan setiap tiga bulan dan jangka waktu selama tujuh tahun dan akan jatuh tempo pada tanggal 28 Mei 2021.

Obligasi Subordinasi tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank.

Pada tanggal 31 Desember 2015 dan 2014, peringkat Obligasi Subordinasi menurut Fitch Ratings adalah id AA.

Selama jangka waktu obligasi tersebut diatas, tanpa ijin tertulis dari wali amanat, Bank tidak diperkenankan untuk:

- 1) Mengurangi modal dasar, modal ditempatkan dan modal disetor, kecuali pengurangan tersebut dilakukan berdasarkan permintaan dan/atau perintah dari otoritas berwenang (termasuk tetapi tidak terbatas pada OJK);
- 2) Melakukan penggabungan dan/atau peleburan yang menyebabkan bubarnya Bank;
- 3) Melakukan pinjaman atau mengeluarkan obligasi yang pembayarannya dan hak tagihnya didahulukan dari Obligasi Subordinasi dan Obligasi I.

Informasi mengenai transaksi dengan pihak berelasi dan jatuh tempo terdapat pada Catatan 34 dan 37.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

21. Debt Securities Issued (continued)

The Bonds of Bank UOB Indonesia Year 2015 Series A, Series B, and Series C issued bear fixed interest rate per annum of 8.60%, 9.40%, and 9.60%, respectively, which is repayable every three months; and are due on 11 April 2016, 1 April 2018, and 1 April 2020, respectively.

As of 31 December 2015, the rating of the Bonds Bank UOB Indonesia I Year 2015 based on Fitch Ratings was id AAA.

On 28 May 2014, the Bank issued Subordinated Bonds I Bank UOB Indonesia Year 2014. The bonds were offered at their nominal value, listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 20 May 2014.

The Bank calculates these Subordinated Bonds I as part of Lower Supplementary Capital (*Lower Tier 2*) based on Approval Letter from Otoritas Jasa Keuangan No.S-86/PB.321/2014 dated 18 June 2014.

The Subordinated Bonds issued bear fixed interest rate of 11.35% per annum which is payable every three months; with a seven-year term; and are due on 28 May 2021.

Subordinated bonds are not secured by specific collateral, but are secured by all assets of the Bank.

As of 31 December 2015 and 2014, the rating of the Subordinated bonds based on Fitch Ratings was id AA.

During the term of abovementioned bonds, without written permission from trustee, the Bank is not allowed to:

- 1) Reduce the authorized capital, issued capital and paid-up capital, unless the reduction is carried out based on the request and/or order of the authorized regulator (including but not limited to OJK);
- 2) Perform any merger and/or acquisition which causes the liquidation of the Bank;
- 3) Receive any borrowings or issue bonds which has precedence right to claim than Subordinated Bonds and Bonds I.

Information on related parties and maturities are disclosed in Notes 34 and 37.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

21. Efek Hutang yang Diterbitkan (lanjutan)

Per 31 Desember 2015 dan 2014, Bank telah mengamortisasi biaya emisi obligasi masing-masing sebesar Rp4.091 dan Rp675 yang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain.

Selama 2015 dan 2014, Bank tidak melanggar persyaratan-persyaratan dalam penerbitan efek hutang tersebut.

22. Liabilitas Lain-lain

Akun ini terdiri dari:

	31 Desember/31 December	
	2015	2014
Pendapatan diterima di muka	172.845	194.410
Biaya yang masih harus dibayar	133.653	103.891
Setoran jaminan	44.881	63.974
Lain-lain	60.289	38.666
Total	411.668	400.941

21. Debt Securities Issued (continued)

As of 31 December 2015 and 2014, the Bank has amortized the bonds issuance cost amounting to Rp4,091 and Rp675, respectively, which is recorded in the statement of profit or loss and other comprehensive income.

During 2015 and 2014, the Bank did not breach any covenants of the above debt securities issued.

22. Other Liabilities

This account is consist of:

Unearned income
Accrued expenses
Guarantee deposits
Others
Total

23. Modal Saham

Susunan pemegang saham Bank dan persentase kepemilikannya pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut (Catatan 1):

23. Share Capital

The Bank's shareholders and percentage of ownership as of 31 December 2015 and 2014 are as follows (Note 1):

	31 Desember/31 December 2015 and 2014			
Pemegang Saham	Jumlah Saham Ditempatkan dan Disetor Penuh/ Issued and Fully Paid Shares	Persentase Pemilikan/ Percentage of Ownership	Total Modal/ Total Capital	Shareholders
UOB International Investment Private Limited, Singapura	6.586.706.877	68,943 %	1.646.676	UOB International Investment Private Limited, Singapore
United Overseas Bank Limited, Singapura	2.871.523.512	30,056 %	717.881	United Overseas Bank Limited, Singapore
Sukanta Tanudjaja	95.539.288	1,000 %	23.885	Sukanta Tanudjaja
Lain-lain (masing-masing di bawah 1%)	116.127	0,001%	29	Others (below 1% each)
Total	9.553.885.804	100,000%	2.388.471	Total

Pengelolaan Modal

Tujuan utama pengelolaan modal Bank adalah untuk memastikan pemeliharaan rasio modal yang sehat untuk mendukung usaha dan memaksimalkan imbalan bagi pemegang saham.

Capital Management

The primary objective of the Bank's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

23. Modal Saham (lanjutan)

Selain itu, Bank dipersyaratkan oleh Undang-undang Perseroan Terbatas efektif tanggal 16 Agustus 2007 untuk mengkontribusikan sampai dengan 20% dari modal saham ditempatkan dan disetor penuh dalam bentuk dana cadangan yang tidak boleh didistribusikan. Persyaratan permodalan tersebut dipertimbangkan oleh Bank pada Rapat Umum Pemegang Saham ("RUPS").

Bank mengelola struktur permodalan dan melakukan penyesuaian terhadap perubahan kondisi ekonomi. Untuk memelihara dan menyesuaikan struktur permodalan, Bank dapat menyesuaikan pembayaran dividen kepada pemegang saham, menerbitkan saham baru atau mengusahakan pendanaan melalui pinjaman. Tidak ada perubahan atas tujuan, kebijakan maupun proses pada tanggal 31 Desember 2015 dan 2014.

Kebijakan Bank adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

24. Tambahan Modal Disetor-Agio Saham

Terkait dengan penerapan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", yang menggantikan PSAK No. 38 (Revisi 2004), "Akuntansi Restrukturisasi Entitas Sepengendali", per 31 Desember 2015 dan 2014, akun ini terdiri dari:

	31 Desember/31 December		
	2015	2014	
Agio saham			<i>Paid-in capital</i>
Penawaran umum			
terbatas III tahun 2006	576.625	576.625	<i>Limited Public Offering III year 2006</i>
Dividen saham	238.276	238.276	<i>Stock dividend</i>
Biaya emisi efek ekuitas			<i>Insurance cost</i>
Penawaran umum			
terbatas III tahun 2006	(2.306)	(2.306)	<i>Limited Public Offering III year 2006</i>
Selisih nilai transaksi restrukturisasi			<i>Difference in the value of</i>
Entitas sepengedali	1.289.647	1.289.647	<i>restructuring transactions of</i>
			<i>entities under common control</i>
Total	2.102.242	2.102.242	Total

23. Share Capital (continued)

In addition, the Bank is also required by the Corporate Law effective 16 August 2007 to contribute and maintain a non-distributable reserve fund until the said reserve reaches 20% of the issued and fully paid up share capital. This capital requirements are considered by the Bank at the Annual General Shareholders' Meeting ("AGM").

The Bank manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Bank may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes as of 31 December 2015 and 2014.

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

24. Additional Paid-in Capital

Related to the adoption of PSAK No. 38, "Business Combinations of Entities Under Common Control", which supersedes PSAK No. 38 (Revised 2004), "Accounting for Restructuring of Entities Under Common Control", as of 31 December 2015 and 2014, this account consists of:

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

25. Saldo Laba

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 13 Juni 2014 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 45 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp25.000 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2013 setelah dikurangi cadangan sebagai laba ditahan.

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 28 April 2015 yang berita acaranya diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 45 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp7.000 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2014 setelah dikurangi cadangan sebagai laba ditahan.

Rapat Umum Pemegang Saham Tahunan juga menyetujui pembagian dividen tunai untuk tahun buku 2014 sebesar Rp135.952 yang telah dibagikan pada tanggal 30 April 2015.

25. Retained Earnings

At the Shareholders' Annual General Meeting held on 13 June 2014, the minutes of which were notarized under Deed No. 45 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp25,000 to comply with Article 70 of the Corporation Law and Article 20 of the Bank's Articles of Association and registered the entire net profit earned in 2013 after deduction against reserve as retained earnings.

At the Shareholders' Annual General Meeting held on 28 April 2015, the minutes of which were notarized under Deed No. 45 of Fathiah Helmi, S.H., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp7,000 to comply with Article 70 of the Corporation Law and Article 20 of the Bank's Articles of Association and registered the entire net profit earned in 2014 after deduction against reserve as retained earnings.

The Shareholders' Annual General Meeting also agreed to the distribution of total dividends for 2014 fiscal year amounting to Rp135,952 which were paid on 30 April 2015.

26. Pendapatan Bunga

Akun ini diperoleh dari:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December	
	2015	2014
Kredit yang diberikan	6.581.647	6.327.504
Investasi keuangan dan penempatan pada Bank Indonesia	528.154	382.873
Giro pada Bank Indonesia dan bank lain	47.930	55.644
Penempatan pada bank lain	35.141	68.532
Total	7.192.872	6.834.553

Provisi dan komisi yang diamortisasi dan diakui sebagai pendapatan bunga untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp343.772 dan Rp350.758.

Pendapatan bunga yang diperoleh dari pihak-pihak yang berelasi atas kredit yang diberikan untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar 0,11% dan 0,39% dari jumlah pendapatan bunga pada masing-masing tahun yang bersangkutan.

26. Interest Income

This account is derived from the following:

	2015	2014
Loans		
Financial investments and placements with Bank Indonesia		
Current accounts with Bank Indonesia and other banks		
Placements with other banks		
Total	7.192.872	6.834.553

Provision and commission which are amortized and recognized as interest income for the years ended 31 December 2015 and 2014 amounted to Rp343,772 and Rp350,758, respectively.

Interest income earned from related parties from loans for the years ended 31 December 2015 and 2014 are 0.11% and 0.39%, respectively, of the total interest income for each year.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

27. Beban Bunga

Akun ini merupakan beban bunga yang timbul atas:

27. Interest Expense

This account represents interest expense incurred on the following:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Deposito berjangka	3.326.065	3.276.487	Time deposits
Efek utang yang diterbitkan	224.237	68.731	Debt securities issued
Tabungan	197.449	143.721	Saving deposits
Giro	197.326	143.598	Demand deposits
Premi penjaminan			Premium on Government
Pemerintah (Catatan 33)	134.918	116.762	guarantee (Note 33)
Simpanan dari bank lain	36.222	69.543	Deposits from other banks
Lain-lain	180	-	Others
Total	4.116.397	3.818.842	Total

Beban bunga atas transaksi dengan pihak-pihak yang berelasi masing-masing sebesar 0,65% dan 0,24% dari jumlah beban bunga untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014.

Interest expense on transactions with related parties is 0.65% and 0.24% of the total interest expense for the years ended 31 December 2015 and 2014, respectively.

28. Beban Umum dan Administrasi

Akun ini terdiri dari:

28. General and Administrative Expenses

This account is consists of:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Telekomunikasi, listrik dan air	181.389	183.431	Telecommunication, electricity and water
Jasa outsourcing	160.117	139.098	Outsourcing service
Penyusutan aset tetap (Catatan 12)	132.991	110.442	Depreciation of fixed assets (Note 12)
Pemeliharaan dan perbaikan (Catatan 34)	119.634	117.336	Repairs and maintenance (Note 34)
Iklan dan promosi	97.980	84.877	Advertising and promotion
Sewa	95.679	95.997	Rental
Pendidikan dan pelatihan	56.295	55.336	Education and training
Jasa tenaga ahli	49.780	41.730	Professional fees
Pungutan OJK	38.321	18.929	OJK levy
Barang cetakan dan keperluan kantor	23.865	28.270	Printed materials and office supplies
Keamanan	14.252	7.361	Security
Asuransi	8.908	2.750	Insurance
Lain-lain	21.426	28.411	Others
Total	1.000.637	913.968	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

29. Beban Gaji dan Kesejahteraan Karyawan

Akun ini terdiri dari:

29. Salaries and Employee Benefits Expenses

This account consists of:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2015	2014	
Gaji, upah dan tunjangan hari raya	1.021.014	865.946	Salaries, wages and lebaran bonus
Tunjangan pajak PPh 21	121.264	110.927	Taxable allowance PPh 21
Gratifikasi	64.087	59.837	Gratification
Makan, transportasi dan tunjangan lainnya	58.989	51.712	Meals, transportation and other allowance
Pengobatan	56.256	59.609	Medical
Imbalan kerja (Catatan 32)	40.851	38.485	Employee benefits (Note 32)
Jaminan Sosial Tenaga Kerja	39.719	27.329	Obligatory employee insurance (Jamsostek)
Insentif	32.015	26.137	Incentive
Lembur	8.127	8.457	Overtime
Lain-lain	27.903	19.189	Others
Total	1.470.225	1.267.628	Total

30. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (spot) per 31 Desember 2015 dan 2014, adalah sebagai berikut:

30. Spot Foreign Currency Bought and Sold

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2015 and 2014 are as follows:

31 Desember/31 December 2015			
	Mata Uang Asing/ Foreign Currencies	Rupiah	
Pembelian tunai mata uang asing			Spot foreign currency bought
Pihak ketiga			Third parties
	USD	10.706.626	147.607
	EUR	2.920.000	43.989
	NZD	178.000	1.682
	AUD	163.356	1.643
	GBP	70.000	1.434
		196.355	
Penjualan tunai mata uang asing			Spot foreign currency sold
Pihak ketiga			Third parties
	USD	6.567.979	90.565
	AUD	466.361	4.694
	EUR	49.197	741
		96.000	
31 Desember/31 December 2014			
	Mata Uang Asing/ Foreign Currencies	Rupiah	
Pembelian tunai mata uang asing			Spot foreign currency bought
Pihak ketiga			Third parties
	USD	49.645.595	614.795
	EUR	34.327.725	516.284
	SGD	700.000	6.563
	AUD	140.000	1.422
	JPY	7.000.000	725
		1.139.789	

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

30. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing (lanjutan)

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (*spot*) per 31 Desember 2015 dan 2014, adalah sebagai berikut: (lanjutan)

30. Spot Foreign Currency Bought and Sold (continued)

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2015 and 2014 are as follows: (continued)

31 Desember/31 December 2014			
Mata Uang Asing/ Foreign Currencies		Rupiah	
Penjualan tunai mata uang asing Pihak ketiga	USD	12.580.626	155.915
	AUD	150.976	1.529
	EUR	23.531	355
			157.799
		Spot foreign currency sold Third parties	

31. Komitmen dan Kontinjensi

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi sebagai berikut:

31. Commitments and Contingencies

The Bank's commitments and contingencies are as follows:

	31 Desember/31 December		
	2015	2014	
Komitmen			Commitments
Tagihan komitmen	794	310.859	Commitment receivables
Liabilitas komitmen			Commitment liabilities
Fasilitas kredit yang belum digunakan	(23.753.579)	(22.133.161)	Unused loan facilities granted
Irrevocable letters of credit yang masih berjalan	(1.739.913)	(2.006.634)	Outstanding irrevocable letters of credit
Liabilitas komitmen - neto	(25.492.698)	(23.828.936)	Commitment liabilities - net
Kontinjensi			Contingencies
Tagihan kontinjensi			Contingent receivables
Pendapatan bunga dalam penyelesaian	582.246	583.582	Interest on non-performing loans
Liabilitas kontinjensi			Contingent liabilities
Bank garansi	(2.168.341)	(1.413.981)	Bank guarantees
Standby letters of credit	(436.786)	(1.508.644)	Standby letters of credit
Liabilities kontinjensi - neto	(2.022.881)	(2.339.043)	Contingent liabilities - net
Liabilitas komitmen dan kontinjensi - neto	(27.515.579)	(26.167.979)	Commitments and contingent liabilities - net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

32. Liabilitas atas Imbalan Kerja

Bank memiliki program pensiun iuran pasti dan juga mencatat liabilitas estimasi imbalan kerja atas uang pesangon, uang penghargaan masa kerja dan ganti kerugian kepada karyawan untuk menutupi kemungkinan kekurangan, sesuai dengan UU No. 13/2003 dan perjanjian ketenagakerjaan Bank.

Program pensiun iuran pasti Bank dikelola oleh PT Asuransi Jiwa Manulife Indonesia (pihak ketiga).

Iuran pensiun ditetapkan sebesar 16% dari gaji karyawan peserta dana pensiun, dimana 10% ditanggung Bank dan sisanya sebesar 6% ditanggung oleh karyawan. Beban pensiun Bank selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 masing-masing berjumlah Rp40.851 dan Rp38.485 (Catatan 29).

Estimasi liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2015 dan 2014 dicatat berdasarkan penilaian aktuaris yang dilakukan oleh PT Sienco Aktuarindo Utama, aktuaris independen, berdasarkan laporannya masing-masing bertanggal 4 Januari 2016 dan 26 Januari 2015, dengan menggunakan metode "Projected Unit Credit". Asumsi-asumsi penting yang digunakan dalam penilaian tersebut adalah sebagai berikut:

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	2014	2013
Tingkat bunga diskonto	9,00%	7,90%	8,50%
Tingkat proyeksi kenaikan gaji	6%	6%	6%
Tabel kematian	TMI 2011	TMI 2011	TMI 2011
Tingkat cacat	1% of mortality rate	1% of mortality rate	1% of mortality rate
Usia pensiun (tahun)	55	55	55
			Discount interest rate
			Salary increase projection rate
			Mortality table
			Disability rate
			Retirement age (years old)

Beban imbalan kerja - neto

Employee benefits expense - net

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	2014	2013
Beban jasa kini	25.287	27.503	18.623
Beban bunga	15.274	10.967	5.330
Beban jasa lalu	290	15	129
Beban imbalan kerja - neto (Catatan 29)	40.851	38.485	24.082
			Current service cost
			Interest cost
			Past service cost
			Employee benefits expense - net (Note 29)

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

32. Liabilitas atas Imbalan Kerja (lanjutan)

32. Liability for Employee Benefits (continued)

Nilai kini Liabilitas imbalan kerja

Present value of benefit obligation

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December				
2015	2014	2013		
Nilai kini Liabilitas imbalan kerja, awal tahun	207.743	147.184	103.204	Present value of benefit obligation, beginning of the year
Beban jasa kini	25.287	27.503	18.623	Current service cost
Beban bunga	15.274	10.967	5.330	Interest cost
Beban jasa lalu	290	15	129	Past service cost
Pembayaran manfaat	(28.812)	(36.328)	(17.743)	Payments of benefits
Kerugian (Keuntungan) aktuarial	(33.520)	58.402	37.641	Actuarial loss (gain)
Nilai kini liabilitas imbalan kerja, akhir tahun	186.262	207.743	147.184	Present value of benefit obligation, end of year

Jumlah penyesuaian yang timbul pada liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan empat tahun sebelumnya adalah sebagai berikut:

The amounts of experience adjustments arising on the plan liabilities for the year ended 31 December 2015 and previous four annual periods of employee benefits:

31 Desember/31 December						
2015	2014	2013	2012	2011		
Nilai kini liabilitas	186.262	207.743	147.184	103.204	64.258	Present value of benefit obligation
Penyesuaian liabilitas	97	39.571	20.272	(5.488)	45.462	Experience adjustment on liability

Perubahan liabilitas atas imbalan kerja untuk tahun yang berakhir pada 31 Desember 2015 dan 2014 adalah sebagai berikut:

The movements of employees' benefits liability for the years ended 31 December 2015 and 2014 are as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December				
2015	2014	2013		
Saldo awal tahun	207.743	147.184	103.204	Beginning balance
Beban imbalan kerja tahun berjalan	40.851	38.485	24.082	Employee benefit expense during the year
Total yang diakui di penghasilan komprehensif lainnya	(33.520)	58.402	37.641	Total amount recognized in other comprehensive income
Pembayaran manfaat	(28.812)	(36.328)	(17.743)	Payments of benefits
Saldo akhir tahun	186.262	207.743	147.184	Ending balance

Tabel berikut menunjukkan analisa sensitivitas nilai kini liabilitas imbalan kerja dan biaya jasa kini diasumsikan terdapat perubahan atas tingkat diskonto:

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate:

31 Desember/31 December 2015			
Perubahan Persentase/Percentage Change	Pengaruh terhadap nilai kini liabilitas/Impact to present value of employee benefit obligation	Perubahan Persentase/Percentage Change	Pengaruh terhadap biaya jasa kini/Impact to current service cost
+1%	161.356	+1%	21.828
-1%	216.453	-1%	29.572

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

32. Liabilitas atas Imbalan Kerja (lanjutan)

Tabel berikut menunjukkan analisa sensitivitas nilai kini liabilitas imbalan kerja dan biaya jasa kini diasumsikan terdapat perubahan atas tingkat diskonto: (lanjutan)

32. Liability for Employee Benefits (continued)

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate: (continued)

31 Desember/31 December 2014			
Perubahan Persentase/ Percentage Change	Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation	Perubahan Persentase/ Percentage Change	Pengaruh terhadap biaya jasa kini/ Impact to current service cost
+1%	181.489	+1%	24.054
-1%	238.844	-1%	31.709

31 Desember/31 December 2013			
Perubahan Persentase/ Percentage Change	Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation	Perubahan Persentase/ Percentage Change	Pengaruh terhadap biaya jasa kini/ Impact to current service cost
+1%	125.880	+1%	16.076
-1%	172.377	-1%	21.727

Jatuh tempo nilai kini liabilitas imbalan kerja pada tanggal 31 Desember 2015, 2014 dan 2013 adalah sebagai berikut:

The maturity of present value of benefits obligation as of 31 December 2015, 2014, and 2013 is as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2015	2014	2013	
Dalam waktu 12 bulan berikutnya	10.850	12.195	6.056	Within the next 12 months
Antara 1 dan 2 tahun	11.991	10.837	6.342	Between 1 and 2 years
Antara 2 dan 5 tahun	51.715	46.284	33.020	Between 2 and 5 years
Antara 5 dan 10 tahun	77.803	105.556	79.032	Between 5 and 10 years
Di atas 10 tahun	33.903	32.871	22.734	Beyond 10 years
Total	186.262	207.743	147.184	Total

Durasi rata-rata liabilitas imbalan kerja pada tanggal-tanggal 31 Desember 2015, 2014 dan 2013 adalah masing-masing 11,27 tahun, 9,44 tahun dan 9,41 tahun.

The average duration of employees' benefits liability as of 31 December 2015, 2014, and 2013 are 11.27 years, 9.44 years and 9.41 years, respectively.

33 Jaminan Pemerintah terhadap Liabilitas Pembayaran Bank Umum

Sehubungan dengan liabilitas bank umum yang dijamin oleh Program Penjaminan Pemerintah, Pemerintah Republik Indonesia telah mendirikan, sebuah lembaga independen berdasarkan Undang-undang Republik Indonesia No. 24 tahun 2004 tanggal 22 September 2004. Berdasarkan peraturan ini, Lembaga Penjamin Simpanan (LPS) menjamin dana masyarakat termasuk dana dari bank lain dalam bentuk giro, deposito, sertifikat deposito, tabungan dan/atau bentuk lainnya yang dipersamakan dengan itu.

33. The Government Guarantee for The Payment of Obligations of Commercial Banks

In connection with the obligations guaranteed by commercial bank under the Government Guarantee Program, the Indonesian Government has established an independent institution in accordance with the Republic of Indonesia Law No. 24 year 2004 dated 22 September 2004. Under this Law, The Deposit Guarantee Institution (Lembaga Penjamin Simpanan/LPS), guarantees third party deposits including deposits from other banks in the form of demand deposits, time deposits, certificates of deposit, saving deposits and/or other equivalent forms.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

**33. Jaminan Pemerintah terhadap Liabilitas
Pembayaran Bank Umum (lanjutan)**

Pada tanggal 13 Oktober 2008, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 66 Tahun 2008 tentang besaran nilai simpanan yang dijamin LPS. Berdasarkan peraturan tersebut, nilai simpanan yang dijamin untuk setiap nasabah pada satu Bank yang semula berdasarkan Undang-undang No. 24 Tahun 2004 ditetapkan maksimum Rp100.000.000 (nilai penuh) diubah menjadi maksimum Rp2.000.000.000 (nilai penuh).

**33. The Government Guarantee for The Payment of
Obligations of Commercial Banks (continued)**

On 13 October 2008, the President of the Republic of Indonesia approved Government Regulation No. 66 Year 2008 regarding the amount of guarantee on deposits guaranteed by LPS. Based on such Regulation, the guaranteed customers' deposit amount in a Bank which was previously based Law No. 24 Year 2004 amounted to a maximum of Rp100,000,000 (full amount) was amended to a maximum of Rp2,000,000,000 (full amount).

34. Sifat dan Transaksi dengan Pihak Berelasi

34. Nature and Transaction Balances with Related Parties

Pihak berelasi/ Related parties	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transaction
Dewan komisaris dan Direksi/ Board of Commissioners and Director	Karyawan kunci dan pengurus/Key management and Management	Kredit yang diberikan/Loans, Simpanan/Deposits
United Overseas Bank Ltd, Singapura/ United Overseas Bank Ltd, Singapore	Pemegang saham akhir/Ultimate shareholder	Giro pada Bank lain/Current account with other Banks, Penempatan pada bank lain/Placement with other Banks, tagihan dan liabilitas derivative/Derivatives receivable and payable, Simpanan dari bank lain/Deposits from other Banks, Pinjaman diterima/Borrowings, Efek hutang yang diterbitkan/Debt securities issued, Biaya yang masih harus dibayar/Accrued expense, Biaya outsourcing/Outsourcing Cost.
United Overseas Bank Ltd, Inggris/ United Overseas Bank Ltd, Great Britain	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada Bank lain/Current account with other Banks
United Overseas Bank Ltd, Jepang/ United Overseas Bank Ltd, Japan	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada Bank lain/Current account with other Banks
United Overseas Bank Ltd, Hongkong/ United Overseas Bank Ltd, Hongkong	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada Bank lain/Current account with other Banks
United Overseas Bank Ltd, Australia/ United Overseas Bank Ltd, Australia	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada Bank lain/Current account with other Banks
United Overseas Bank Ltd, Malaysia/ United Overseas Bank Ltd, Malaysia	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada Bank lain/Current account with other Banks
UOB Kay Hian Pte Ltd/ UOB Kay Hian Pte Ltd	Mempunyai induk yang sama/Owned by the same shareholder	Efek hutang yang diterbitkan/Debt securities issued, Tagihan derivatif/Derivatives receivable.
Junipa Pte Ltd/ Junipa Pte Ltd	Mempunyai induk yang sama/Owned by the same shareholder	Penjualan kredit yang diberikan/Sale of loans.

Dalam kegiatan usaha normal, Bank melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi.

In the Bank's normal operations, the Bank has operational and financial transactions with related parties.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut:

34. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows:

		31 Desember/31 December		
		2015	2014	
Aset				Assets
Giro pada bank lain (Catatan 5)				Current accounts with other banks (Note 5)
United Overseas Bank Ltd., Singapura		183.723	301.407	United Overseas Bank Ltd., Singapore
United Overseas Bank, Inggris		56.398	39.107	United Overseas Bank, Great Britain
United Overseas Bank, Jepang		19.611	32.499	United Overseas Bank, Japan
United Overseas Bank, Hong Kong		1.073	1.688	United Overseas Bank, HongKong
United Overseas Bank, Australia		576	582	United Overseas Bank, Australia
United Overseas Bank, Malaysia		40	44	United Overseas Bank, Malaysia
		261.421	375.327	
Persentase terhadap jumlah aset		0,30%	0,47%	Percentage to total assets
Penempatan pada bank lain (Catatan 6)				Placements with other banks (Note 6)
Call Money				Call Money
United Overseas Bank Ltd., Singapura		169.378	-	United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah aset		0,20%	0,00%	Percentage to total assets
Tagihan derivatif				Derivatives Receivable
United Overseas Bank Ltd., Singapura		6.561	8.832	United Overseas Bank Ltd., Singapore
UOB Kay Hian Pte Ltd		-	15	UOB Kay Hian Pte Ltd
		6.561	8.847	
Persentase terhadap jumlah aset		0,01%	0,01%	Percentage to total assets
Kredit yang diberikan (Catatan 10)		395.578	380.276	Loans (Note 10)
Persentase terhadap jumlah aset		0,46%	0,48%	Percentage to total assets
Liabilitas				Liabilities
Simpanan:				Deposits:
Giro (Catatan 15)		3.402	23.054	Demand deposits (Note 15)
Tabungan (Catatan 16)		83.713	35.580	Saving deposits (Note 16)
Deposito berjangka (Catatan 17)		88.427	94.637	Time deposits (Note 17)
		175.542	153.271	
Persentase terhadap jumlah liabilitas		0,23%	0,22%	Percentage to total liabilities
Simpanan dari bank lain: (Catatan 18)				Deposits from other banks (Note 18)
Call Money				Call Money
United Overseas Bank Ltd., Singapura		4.549.050	866.950	United Overseas Bank Ltd., Singapore
Giro dari Bank lain		5.342	4.792	Demand deposits from other
		4.554.392	871.742	
Persentase terhadap jumlah liabilitas		5,96%	1,24%	Percentage to total liabilities

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

34. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/31 December		
	2015	2014	
Liabilitas (lanjutan)			Liabilities (continued)
Liabilitas derivatif			Derivatives payable
United Overseas Bank Ltd., Singapura	59.051	23.289	United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	0,08%	0,03%	Percentage to total liabilities
Pinjaman yang diterima			Borrowings
United Overseas Bank Ltd., Singapura	-	294.703	United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	-	0,42%	Percentage to total liabilities
Efek hutang yang diterbitkan			Debt securities issued
United Overseas Bank Ltd., Singapura	567.000	563.303	United Overseas Bank Ltd., Singapore
UOB Kay Hian Pte Ltd	44.000	37.752	UOB Kay Hian Pte Ltd
	611.000	601.055	
Persentase terhadap jumlah liabilitas	0,80%	0,86%	Percentage to total liabilities
Liabilitas lain-lain			Other liabilities
Biaya yang masih harus dibayar			Accrued expenses
United Overseas Bank Ltd., Singapura	38.502	23.741	United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	0,05%	0,03%	Percentage to total liabilities
Beban			Expenses
Biaya <i>outsourcing</i>			Outsourcing cost
United Overseas Bank Ltd., Singapura			United Overseas Bank Ltd., Singapore
Dikapitalisasi ke aset tetap			Capitalized to fixed assets
Peralatan kantor	58.680	12.320	Office equipment
Persentase terhadap jumlah aset	0,07%	0,02%	Percentage to total assets
Dibebankan atas aplikasi			Charged for software
Cardlink	11.807	10.185	Cardlink
Wallstreet	6.894	5.270	Wallstreet
CACS	5.007	4.280	CACS
Merva	2.801	3.079	Merva
RBK	3.798	2.247	RBK
CDMS/Loan	1.806	1.282	CDMS/Loan
SAP/CARS	1.801	894	SAP/CARS
Fitas	330	223	Fitas
	34.244	27.460	
Biaya <i>management fee</i>			Management fee
PT UOB Property	10.844	15.287	PT UOB Property
	45.088	42.747	
Persentase terhadap jumlah beban umum dan administrasi	4,51%	4,68%	Percentage to general and administrative expenses

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan:

- a. Persentase dari giro pada bank lain, penempatan pada bank lain, tagihan derivatif, aset lain-lain dan kredit yang diberikan dihitung terhadap total aset pada masing-masing tanggal laporan posisi keuangan.
- b. Persentase dari giro, tabungan, deposito berjangka, simpanan dari bank lain, liabilitas derivatif, dan biaya yang masih harus dibayar dihitung terhadap total liabilitas pada masing-masing tanggal laporan posisi keuangan.
- c. Persentase dari beban pemeliharaan gedung dihitung terhadap total beban umum dan administrasi untuk masing-masing tahun yang bersangkutan. Beban pemeliharaan gedung merupakan beban pemeliharaan atas gedung UOB Plaza - Thamrin Nine yang dibayarkan ke PT UOB Property.
- d. Persentase dari beban umum dan administrasi lainnya dihitung terhadap total beban umum dan administrasi untuk masing-masing tahun yang bersangkutan.
- e. Persentase dari biaya *outsourcing* yang dikapitalisasi ke aset tetap dihitung terhadap jumlah aset pada masing-masing tanggal laporan posisi keuangan, sedangkan persentase dari biaya *outsourcing* yang dibebankan pada usaha dihitung terhadap jumlah beban operasional lainnya untuk masing-masing tahun yang bersangkutan. Biaya *outsourcing* merupakan biaya yang dibebankan United Overseas Bank Limited (UOB) kepada Bank sehubungan dengan perubahan *Master Outsourcing Agreement* tertanggal 1 April 2008. UOB akan memberikan jasa peningkatan sistem dan teknologi informasi sehubungan dengan kartu kredit, tresuri dan aplikasi sistem umum di Bank. Sebagai imbalan atas jasa ini, Bank wajib membayar *one time cost* atas beban aktual dan *recurring cost* atas beban pemeliharaan serta biaya peningkatan sistem dan aplikasi teknologi informasi (*enhancement cost*) seperti yang diungkapkan dalam perjanjian tersebut.

34. Nature and Transaction Balances with Related Parties (continued)

Notes:

- a. The percentages of current accounts with other banks, placements with other banks, derivatives receivable, other assets and loans are computed based on the total assets at statement of financial position dates.
- b. The percentages of demand deposits, saving deposit, time deposits, deposits from other banks, derivatives payable, and accrued expenses are computed based on the total liabilities at statement of financial position dates.
- c. The percentages of building maintenance expenses are computed based on the total general and administrative expenses in each related year. The building maintenance expense represent the maintenance expenses of UOB Plaza - Thamrin Nine which was paid to PT UOB Property.
- d. The percentage of other general and administrative expenses is computed based on the total general and administrative expenses for each year.
- e. The percentage of outsourcing costs capitalized to fixed assets is computed based on total assets at statements of financial position, while the percentage of outsourcing costs charged to operations is computed based on the total other operational expenses for each related year. Outsourcing costs represent costs charged by United Overseas Bank Limited (UOB) to the Bank in connection with the amended Master Outsourcing Agreement dated 1 April 2008. UOB renders system enhancement and information technology related services on credit card, treasury and common systems applications in the Bank. As compensation to the services, the Bank is obliged to pay one time cost and recurring costs such as development and enhancement costs on the application stated in the agreement.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

34. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan: (lanjutan)

Perjanjian ini berlaku untuk satu tahun sejak tanggal efektif perjanjian dan akan secara otomatis diperbaharui untuk satu tahun berikutnya, kecuali jika salah satu pihak memberikan pemberitahuan tertulis untuk tidak memperbaharui perjanjian tersebut dalam waktu enam bulan sebelum berakhirnya perjanjian. Transaksi ini telah mendapat persetujuan dari pemegang saham independen Bank pada tanggal 20 Juni 2008.

- f. Pendapatan dan beban bunga dari/kepada pihak-pihak berelasi, yang dihasilkan/menjadi beban Bank berjumlah kurang dari 10% dari jumlah pendapatan dan beban bunga Bank untuk masing-masing tahun yang bersangkutan.

35. Posisi Devisa Neto

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

34. Nature and Transaction Balances with Related Parties (continued)

Notes: (continued)

This agreement shall remain in force for a period of one year commencing from the effective date of the agreement and shall be automatically renewed for another one year unless either of the party shall give the other party a written notice of intention not to renew the agreement at least six months prior to expiry. These transactions have been approved by the Bank's independent shareholders on 20 June 2008.

- f. Interest income and expenses from/to related parties, which are received/incurred by the Bank is less than 10% of the Bank's total interest income and expenses, respectively, for each related year.

35. Net Open Position

The Net Open Positions (NOP) as of 31 December 2015 and 2014 are as follows:

31 Desember/31 December 2015					
	Mata Uang Asing (dalam jumlah penuh)/ Foreign Currencies (in full amount)		Ekuivalen Rupiah/ Rupiah Equivalent		Posisi Devisa Neto/ Net Open Position
	Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities	
<u>Keseluruhan (laporan posisi keuangan dan rekening administratif)</u>					<u>Aggregate (statement of financial position and administrative accounts)</u>
Dolar Amerika Serikat	2.402.591.005	2.406.303.373	33.119.717	33.170.892	51.175
Dolar Singapura	326.397.577	326.634.283	3.185.296	3.187.606	2.310
Dolar Australia	33.833.512	33.952.020	341.168	342.363	1.195
Euro Eropa	36.368.334	35.327.001	547.586	531.907	15.679
Yen Jepang	1.989.608.348	2.008.356.984	227.840	229.987	2.147
Franc Swiss	389.387	383.424	5.420	5.337	83
Swedish Kroner	4.611.513	4.623.090	7.568	7.587	19
Dolar Kanada	1.893.614	1.893.312	18.793	18.790	3
Dolar Selandia Baru	3.087.944	3.081.380	29.165	29.103	62
Ringgit Malaysia	12.458	-	40	-	40
Dolar Hong Kong	2.557.486	2.395.570	4.549	4.261	288
Pound Sterling Inggris	11.535.387	11.580.007	235.772	236.684	912
Yuan Cina	361.308	379.679	767	806	39
Total			37.723.681	37.765.323	73.952
Total Modal Desember 2015					11.815.778
Rasio PDN atas modal Desember 2015 (Keseluruhan)					0,63%
					Percentage of NOP to December 2015 capital (Aggregate)
					Total Capital December 2015

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

35. Posisi Devisa Neto (lanjutan)

35. Net Open Position (continued)

31 Desember/31 December 2014					
Mata Uang Asing (dalam jumlah penuh)/ Foreign Currencies (in full amount)		Ekuivalen Rupiah/ Rupiah Equivalent		Posisi Devisa Neto/ Net Open Position	
Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities		
<div> <div>Keseluruhan (laporan posisi keuangan dan rekening administratif)</div> <div>Aggregate (statement of financial position and administrative accounts)</div> </div>					
Dolar Amerika Serikat	2.831.767.111	2.845.402.360	36.355.642	36.530.698	175.056
Dolar Singapura	346.895.443	347.751.284	3.296.656	3.304.790	8.134
Dolar Australia	50.629.876	50.703.473	512.469	513.214	745
Euro Eropa	64.537.971	64.674.499	940.719	942.708	1.989
Yen Jepang	1.347.271.057	1.358.519.691	145.660	146.877	1.217
Franc Swiss	652.765	651.526	8.842	8.825	17
Swedish Kroner	9.000.050	8.971.399	13.930	13.885	45
Dolar Kanada	339.364	317.502	3.509	3.283	226
Dolar Selandia Baru	986.843	981.484	9.621	9.568	53
Ringgit Malaysia	12.227	-	44	-	44
Dolar Hong Kong	5.469.062	5.494.518	9.055	9.096	41
Pound Sterling Inggris	3.904.819	3.924.286	77.805	78.193	388
Yuan Cina	9.458	-	90	-	90
Total			41.374.042	41.561.137	188.045
Total Modal Desember 2014				10.528.490	Total Capital December 2014
Rasio PDN atas modal Desember 2014 (Keseluruhan)				1,79%	Percentage of NOP to December 2014 capital (Aggregate)

Berdasarkan peraturan BI mengenai PDN sebagaimana telah direvisi melalui Peraturan BI No. 6/20/PBI/2004 pada tanggal 15 Juli 2004, yang terakhir diperbaharui dengan Peraturan BI No. 12/10/PBI/2010 tanggal 1 Juli 2010, PDN bank setinggi-tingginya adalah 20% dari modal. PDN merupakan jumlah absolut dari selisih antara aset dan liabilitas dalam mata uang asing, baik yang terdapat di laporan posisi keuangan maupun rekening administratif. PDN Bank pada tanggal 31 Desember 2015 dan 2014 telah memenuhi ketentuan BI.

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on 15 July 2004 and as further amended by BI Regulation No. 12/10/PBI/2010 dated 1 July 2010, the maximum NOP of banks should be 20% of capital. NOP represents an absolute amount arising from the differences between the assets and liabilities in foreign currencies in the statements of financial position and administrative accounts. The NOP of the Bank as of 31 December 2015 and 2014 is in compliance with BI regulations.

36. Informasi Penting

Rasio Kewajiban Penyediaan Modal Minimum

Pada tanggal 31 Desember 2015 dan 2014, rasio Kewajiban Penyediaan Modal Minimum (KPMM) Bank dihitung berdasarkan PBI NO.14/18/PBI/2012 tanggal 28 November 2012 dan No.15/12/PBI/2013 tanggal 12 Desember 2013.

36. Significant Information

Capital Adequacy Ratio

As of 31 December 2015 and 2014, the Bank's Capital Adequacy Ratio (CAR) is computed in accordance with BI Regulation No. 14/18/PBI/2012 dated 28 November 2012 and BI regulation No.15/12/PBI/2013 dated 12 December 2013.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

36. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Pada tanggal 31 Desember 2015, rasio KPMM Bank dihitung berdasarkan PBI No.15/12/PBI/2013 tanggal 12 Desember 2013 dengan perhitungan adalah sebagai berikut:

	31 Desember/ 31 December 2015	31 Desember/ 31 December 2014
Modal inti	10.152.969	8.872.391
Modal pelengkap	1.662.809	1.656.049
Total modal	11.815.778	10.528.440
Aset Tertimbang Menurut Resiko Kredit	65.545.033	60.827.829
Aset Tertimbang Menurut Resiko Pasar	915.975	214.863
Aset Tertimbang Menurut Resiko Operasional	6.470.348	5.950.055
Rasio KPMM Bank untuk Risiko Resiko Kredit	18,03%	17,31%
Rasio KPMM Bank untuk Risiko Kredit dan Resiko Pasar	17,78%	17,25%
Rasio KPMM Bank untuk Risiko Kredit, Resiko Pasar dan Risiko Operasional	16,20%	15,72%
Rasio KPMM yang diwajibkan sesuai dengan profil risiko	9,00%	9,00%

Berdasarkan Surat Edaran No. 11/3/DPNP tanggal 27 Januari 2009 mengenai Perhitungan ATMR untuk Risiko Operasional dengan menggunakan Pendekatan Indikator Dasar, Bank telah melakukan perhitungan Aset Tertimbang Menurut Risiko (ATMR) untuk Risiko Operasional. Menurut Surat Edaran tersebut, perhitungan ATMR untuk Risiko Operasional dilakukan secara bertahap, yaitu:

- Sejak tanggal 1 Januari 2011 sampai dengan 30 Juni 2011, perhitungan beban modal Risiko Operasional ditetapkan sebesar 5% (lima persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.

36. Significant Information (continued)

Capital Adequacy Ratio (continued)

As of 31 December 2015, the Bank's CAR is computed in accordance with regulation No. 15/12/PBI/2013 dated 12 December 2013 as follows:

Core capital
Supplementary capital
Total capital
Credit Risk Weighted Assets
Market Risk Weighted Assets
Operational Risk Weighted Assets
Capital Adequacy Ratio for Credit Risk
Capital Adequacy Ratio for Credit Risk and Market Risk
Capital Adequacy Ratio for Credit Risk, Market Risk and Operational Risk
Required Capital Adequacy Ratio
Capital Adequacy Ratio for Credit Risk

Based on Circular Letter No.11/3/DPNP dated 27 January 2009 regarding the calculation of RWA for Operational Risk using the Basic Indicator Approach, the Bank has made the calculation of Risk Weighted Assets (RWA) for Operational Risk. According to the Circular Letter, the calculation of RWA for Operational Risk is applied gradually, as follows:

- Since 1 January 2011 until 30 June 2011, the calculation of Operational Risk capital charge is set at 5% (five percent) of the average positive annual gross income during the last three years.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

36. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

2. Sejak tanggal 1 Juli 2011 sampai dengan 31 Desember 2011, perhitungan beban modal Risiko Operasional ditetapkan sebesar 10% (sepuluh persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.
3. Sejak tanggal 1 Januari 2012, perhitungan beban modal Risiko Operasional ditetapkan sebesar 15% (lima belas persen) dari rata-rata pendapatan bruto positif tahunan selama tiga tahun terakhir.

Pada tahun 2012 Bank Indonesia melakukan revisi atas peraturan tersebut dan mengeluarkan Surat Edaran No. 14/37/DPNP tentang Kewajiban Penyediaan Modal Minimum sesuai dengan Profil Risiko dan Pemenuhan *Capital Adequacy Maintained Assets* (CEMA).

Bank wajib memiliki dan menerapkan proses perhitungan kecukupan modal secara internal atau *Internal Capital Adequacy Assessment Process* (ICAAP). Komponen ICAAP paling kurang mencakup:

- a. Pengawasan Aktif Dewan Komisaris dan Direksi
- b. Penilaian Kecukupan Modal
- c. Pemantauan dan Pelaporan
- d. Pengendalian Internal

Bank juga wajib menyediakan modal minimum sesuai dengan profil risiko, sebagai berikut:

- a. 8% dari ATMR untuk Bank dengan profil risiko peringkat 1;
- b. 9% s.d kurang dari 10% dari ATMR untuk Bank dengan profil risiko peringkat 2;
- c. 10% s.d kurang dari 11% dari ATMR untuk Bank dengan profil risiko peringkat 3;
- d. 11% s.d 14% dari ATMR untuk Bank dengan profil risiko peringkat 4 atau peringkat 5.

36. Significant Information (continued)

Capital Adequacy Ratio (continued)

2. Since 1 July 2011 until 31 December 2011, the calculation of Operational Risk capital charge is set at 10% (ten percent) of average positive annual gross income during the last three years.
3. Since 1 January 2012, the calculation of Operational Risk capital charge is set at 15% (fifteen percent) of the average positive annual gross income during the last three years.

In 2012, Bank Indonesia revised such regulation and issued circular letter No. 14/37/DPNP regarding Capital Adequacy Ratio with Risk Profile and Capital Adequacy Maintained Assets (CEMA).

The Bank is obliged to have and apply the process of capital adequacy calculation internally or *Internal Capital Adequacy Assessment Process* (ICAAP). The components of ICAAP:

- a. Active Supervision of Board of Commissioners and Board of Directors
- b. Capital Adequacy Assessment
- c. Monitoring and Reporting
- d. Internal control

Bank also provides the minimum capital required according to the risk profile, as follows:

- a. 8% of the RWA for bank with a rating of 1 risk profile;
- b. 9% until less than 10% of the RWA for bank with a risk profile rating 2;
- c. 10% until less than 11% of the RWA for bank with a risk profile rating 3;
- d. 11% until 14% of RWA for bank with risk profile ratings of 4 or 5.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015 dan Untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

36. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

PBI No. 15/12/PBI/2013 tanggal 12 Desember 2013 memberlakukan pemenuhan ketentuan KPMM secara bertahap:

- a. 1 Januari 2014 - rasio modal inti minimum sebesar 6% dari ATMR dan rasio modal inti utama minimum sebesar 4,5% dari ATMR.
- b. 1 Januari 2015 - perubahan komponen perhitungan modal mulai berlaku
- c. 1 Januari 2016 hingga 1 Januari 2019 - Bank wajib membentuk tambahan modal sebagai penyangga (*buffer*), sebagai berikut :
 - *Capital Conservation Buffer* sebesar 2,5% (dua koma lima persen) dari ATMR.
 - *Countercyclical Buffer* sebesar 0% (nol persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR.
 - *Capital Surcharge* untuk *Domestic-Systematically Important Bank* sebesar 1% (satu persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR.

36. Significant Information (continued)

Capital Adequacy Ratio (continued)

PBI No.15/12/PBI/2013 dated 12 December 2013, enforce compliance regulation about CAR gradually:

- a. 1 January 2014 - Tier 1 ratio minimum 6% from RWA and common equity tier 1 ratio 4.5% from RWA.
- b. 1 January 2015 - changes in capital calculation components applied
- c. 1 January 2016 until 1 January 2019 - the Bank is required to establish additional capital as a buffer, as follows:
 - *Capital Conservation Buffer* in the amount of 2.5% (two coma five percent) from RWA.
 - *Countercyclical Buffer* in the amount of 0% (zero percent) up to 2.5% (two coma five percent) from RWA.
 - *Capital Surcharge* for *Domestic-Systematically Important Bank* in the amount of 1% (one percent) up to 2.5% (two coma five percent) from RWA.

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

37. Jatuh Tempo Aset dan Liabilitas Bank

Aset dan liabilitas Bank pada tanggal 31 Desember 2015 dan 2014 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut:

37. Remaining Maturity Periods of Bank's Assets and Liabilities

As of 31 December 2015 and 2014, the Bank's assets and liabilities based on the remaining period of maturities are as follows:

		31 Desember/31 December 2015				Description
Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years	
Aset						Assets
Kas	516.244	-	-	-	-	Cash
Giro pada Bank Indonesia	5.454.283	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain - neto	703.809	-	-	-	-	Current accounts with other banks - net
Penempatan pada Bank Indonesia dan bank lain	-	2.555.655	300.000	-	-	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	34.884	420.710	637.492	401.734	Trading securities
Investasi keuangan -neto	-	980.184	1.258.540	5.448.761	1.410.903	Financial investments - net
Tagihan derivatif	-	21.709	10.551	16.874	92.593	Derivatives receivable
Kredit yang diberikan - neto	-	2.916.623	9.346.409	21.145.951	14.285.028	Loans - net
Tagihan akseptasi - neto	-	703.913	1.332.976	562.363	13.860	Acceptances receivable - net
Aset tetap - neto	1.135.316	-	-	-	-	Fixed assets - net
Aset lain-lain - neto	427.083	276.016	-	14.843	-	Other assets - net
Total Aset	8.236.735	7.488.984	12.669.186	27.826.284	16.204.118	Total Assets
					14.222.018	
						86.647.325

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

37. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2015 dan 2014 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

31 Desember/31 December 2015 (lanjutan/continued)

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months		Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months		Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years		Total	Description
			1 Bulan/ 3 Months	3 Bulan/ More than 1 Month up to 3 Months	12 Bulan/ More than 3 Months up to 12 Months	1 Tahun/ More than 1 Year up to 5 Years	5 Tahun/ More than 5 Years	5 Years		
Liabilitas										Liabilities
Liabilitas segera	-	61.920	-	-	-	-	-	-	61.920	Current liabilities
Simpanan	19.107.570	23.835.312	15.561.130	-	5.768.398	138.022	46.861	-	64.457.293	Deposits
Simpanan dari bank lain	138.585	3.349.319	2.018.616	-	-	-	-	-	5.506.520	Deposits from other banks
Bunga yang masih harus dibayar	-	243.086	-	-	-	-	-	-	243.086	Interest payable
Utang pajak	-	211.401	-	-	-	-	-	-	211.401	Tax payable
Liabilitas derivatif	-	7.335	6.059	15.361	-	85.615	28.848	-	143.218	Derivatives payable
Liabilitas pajak tanggungan - neto	26.219	-	-	-	-	-	-	-	26.219	Deferred tax liabilities - net
Liabilitas atas Imbalan kerja	-	-	-	-	10.850	63.706	111.706	-	186.262	Liabilities for employee benefit
Liabilitas akseptasi	-	722.879	1.341.509	-	565.236	13.949	-	-	2.643.573	Acceptance liabilities
Liabilitas lain-lain	250.951	115.836	-	-	44.881	-	-	-	411.668	Other liabilities
Efek hutang yang diterbitkan - neto	-	-	-	-	400.000	1.100.000	1.000.000	-	2.500.000*)	Debt securities issued - net
Total Liabilitas	19.523.325	28.547.088	18.927.314	6.804.726	6.804.726	1.401.292	1.187.415	1.000.000	76.391.160	Total Liabilities
Neto	(11.286.590)	(21.058.104)	(6.258.128)	21.021.558	21.021.558	14.802.826	13.034.603	13.034.603	10.256.165	Net

*) Tidak termasuk beban emisi obligasi yang belum diamortisasi / not included unamortized bonds issuance cost

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

37. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2015 dan 2014 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

37. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2015 and 2014, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

31 Desember/31 December 2014

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Total	Description
Aset								Assets
Kas	591.145	-	-	-	-	-	591.145	Cash
Giro pada Bank Indonesia	5.327.965	-	-	-	-	-	5.327.965	Current accounts with Bank Indonesia
Giro pada bank lain - neto	1.242.511	-	-	-	-	-	1.242.511	Current accounts with other banks - net
Penempatan pada Bank Indonesia dan bank lain	-	5.237.600	-	-	-	-	5.237.600	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	-	-	-	-	-	-	Trading securities
Investasi keuangan - neto	-	629.258	1.999.728	2.471.139	458.325	6.090	400.563	Financial investments - net
Tagihan derivatif	-	10.501	4.109	197.470	26.885	1.068.733	6.627.183	Derivatives receivable
Kredit yang diberikan - neto	-	2.210.989	5.981.731	20.551.731	15.992.191	11.096.227	238.965	Loans - net
Tagihan akseptasi - neto	-	688.178	1.440.619	935.947	68.456	-	55.832.869	Acceptances receivable - net
Aset tetap - neto	988.875	-	-	-	-	-	3.133.200	Fixed assets - net
Aset lain-lain - neto	159.173	259.071	-	10.485	-	-	988.875	Other assets - net
							428.729	
Total Aset	8.309.669	9.035.597	9.426.187	24.554.592	16.552.510	12.171.050	80.049.605	Total Assets

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

37. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2015 and 2014, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

		31 Desember/31 December 2014 (lanjutan/continued)					
		Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Total	Description
Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month					
			Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years		
Liabilitas							Liabilities
Liabilitas segera	-	67.710	-	-	-	67.710	Current liabilities
Simpanan	7.246.675	37.586.837	12.455.958	5.635.105	-	63.235.389	Deposits
Simpanan dari bank lain	132.610	185.775	681.175	-	53.830	999.580	Deposits from other banks
Bunga yang masih harus dibayar	-	218.173	-	-	-	218.173	Interest payable
Utang pajak	-	120.418	-	-	-	120.418	Tax payable
Liabilitas derivatif	-	14.812	2.764	200.098	-	255.593	Derivatives payable
Liabilitas pajak tangguhan - neto	101.879	-	-	-	15.507	101.879	Deferred tax liabilities - net
Liabilitas atas imbalan kerja	-	-	-	12.195	-	12.195	Liabilities for employee benefit
Liabilitas akseptasi pinjaman yang diterima	-	688.820	1.441.965	936.829	138.427	207.743	Acceptance liabilities
Liabilitas lain-lain	-	131.482	49.208	147.723	-	3.136.138	Borrowings
Efek hutang yang diterbitkan - neto	239.482	97.485	-	63.974	-	400.941	Other liabilities
					1.000.000	1.000.000*)	Debt securities issued - net
Total Liabilitas	7.720.646	39.111.512	14.631.070	6.995.924	405.041	70.071.957	Total Liabilities
Neto	589.023	(30.075.915)	(5.204.883)	17.558.668	16.147.469	10.963.286	Net

*) Tidak termasuk beban emisi obligasi yang belum diamortisasi / not included unamortized bonds issuance cost

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

37. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan Bank berdasarkan pada arus kas yang tidak didiskonto:

31 Desember/31 December 2015

37. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

The table below shows the remaining contractual maturities of financial Bank's liabilities based on undiscounted cash flow:

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	31 Desember/31 December 2015			Total	Description
			Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years		
Liabilitas							Liabilities
Liabilitas segera	-	109.557	-	-	-	109.557	Current liabilities
Simpanan	19.107.399	24.119.453	15.797.218	5.866.837	-	65.091.098	Deposits
Simpanan dari bank lain	138.585	209.249	3.278.017	-	-	3.625.851	Deposits from other banks
Bunga yang masih harus dibayar	-	243.086	-	-	-	243.086	Interest payable
Liabilitas derivatif	-	7.336	6.059	15.361	85.615	143.219	Derivatives payable
Liabilitas akseptasi	-	722.879	1.341.509	565.236	13.949	2.643.573	Acceptance liabilities
Liabilitas lain-lain	-	115.836	-	44.881	-	160.717	Other liabilities
Efek hutang yang diterbitkan - neto	-	21.025	42.050	566.292	1.789.200	3.465.859 ^{*)}	Debt securities issued - net
Total Liabilitas	19.245.984	25.548.421	20.464.853	7.058.607	1.125.561	75.482.960	Total Liabilities

^{*)} Tidak termasuk beban emisi obligasi yang belum diamortisasi / not included unamortized bonds issuance cost

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah, Unless otherwise Stated)

37. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan Bank berdasarkan pada arus kas yang tidak didiskonto: (lanjutan)

37. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

The table below shows the remaining contractual maturities of financial Bank's liabilities based on undiscounted cash flow: (continued)

31 Desember/31 December 2014

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	31 Desember/31 December 2014			Total	Description
			Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years		
Liabilitas							Liabilities
Liabilitas segera	-	67.710	-	-	-	67.710	Current liabilities
Simpanan	16.712.684	59.243.885	21.661.094	6.002.186	-	103.946.553	Deposits
Simpanan dari bank lain	132.610	242.045	681.493	-	54.439	1.056.148	Deposits from other banks
Bunga yang masih harus dibayar	-	218.173	-	-	-	218.173	Interest payable
Liabilitas derivatif	-	14.812	2.764	200.098	-	255.593	Derivatives payable
Liabilitas akseptasi	-	688.820	1.441.965	936.829	15.507	3.136.138	Acceptance liabilities
Pinjaman yang Diterima	-	131.608	49.600	148.146	-	329.354	Borrowings
Liabilitas lain-lain	-	97.485	-	63.974	-	161.459	Other liabilities
Efek hutang yang diterbitkan - neto	-	-	28.375	85.125	1.056.750	1.737.750*)	Debt securities issued - net
Total Liabilitas	16.845.294	60.704.538	23.865.291	7.436.358	1.126.696	110.908.878	Total Liabilities

*) Tidak termasuk beban emisi obligasi yang belum diamortisasi / not included unamortized bonds issuance cost

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko

Risiko keuangan dan non-keuangan merupakan bagian yang melekat dalam bisnis Bank. Risiko dikelola dalam tingkat yang dapat diterima oleh Bank, serta disetujui oleh Direksi dan dipantau oleh Dewan Komisaris serta sebuah kerangka kerja yang komprehensif atas kebijakan dan prosedur yang ditetapkan untuk identifikasi, pengukuran, pemantauan dan pengendalian risiko.

Secara garis besar Kebijakan Manajemen Risiko mengacu pada aturan Regulator, dimana pada penerapannya mencakup 4 pilar penerapan manajemen risiko yaitu:

1. Pengawasan aktif dari Dewan Komisaris dan Direksi
2. Kecukupan Kebijakan, Prosedur, dan Limit Manajemen Risiko
3. Kecukupan Identifikasi, Pengukuran, Pemantauan, Pengendalian Risiko dan Sistem Informasi Manajemen Risiko
4. Sistem Pengendalian Internal

Dewan Komisaris dan Direksi bertanggung jawab untuk memastikan bahwa penerapan manajemen risiko telah memadai sesuai dengan karakteristik, kompleksitas, dan profil risiko Bank, serta memahami dengan baik jenis dan tingkat risiko yang melekat pada kegiatan bisnis Bank. Untuk mendukung hal tersebut, dibentuk komite-komite untuk mengkaji masalah terkait manajemen risiko, termasuk rencana perbaikan jika dibutuhkan, memberikan persetujuan atas berbagai Kebijakan Manajemen Risiko, mengkaji Laporan Profil Risiko, dan mengevaluasi pelaksanaan sistem pengendalian Bank. Komite yang dibentuk pada level Komisaris salah satunya yaitu Komite Pemantau Risiko (KIPER), sedangkan pada level Direksi antara lain Komite Manajemen Risiko (RMC), Komite Aktiva & Pasiva (ALCO), Komite Kebijakan Kredit (CPC), dan Komite Manajemen Risiko Operasional (ORMC).

Penetapan Kebijakan Manajemen Risiko sesuai dengan Profil Risiko Bank yaitu mencakup 8 tipe Risiko yang terdiri dari : Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Kepatuhan, Risiko Strategik, Risiko Hukum dan Risiko Reputasi.

Risiko Kredit

Risiko kredit didefinisikan sebagai risiko kerugian yang timbul dari kegagalan debitur atau *counterparty* dalam memenuhi kewajiban keuangannya pada saat jatuh tempo.

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut:

38. Risk Management Policies

Financial and non-financial risks are inherent in the Bank's business. Risks are managed within acceptable levels by Bank, as well as approved by the Board of Directors and oversight by Board of Commissioners and a comprehensive framework of policies and procedures is established for the identification, measurement, monitoring and control of risks.

Generally, the Risk Management Policy refers to the Regulators rules, which the implementation includes the 4 pillars of risk management, e.g:

1. Active supervision of the Board of Commissioners and Board of Directors
2. Adequacy of Risk Management Policies, Procedures, and Limit
3. Adequacy of Risk Identification, Measurement, Monitoring, Control and Risk Management Information System
4. Internal Control Systems

Boards of Commissioners and Directors are responsible to ensure the adequacy of risk management implementation tailored with the characteristic, complexity, and risk profile of Bank, and have a good on the type and level of risks inherent in the Bank's business activities. To support this, the committees are formed to assess issues related to risk management, including the improvement plan if necessary, give approval for a variety of Risk Management Policy, assess the risk profile report, and evaluate the implementation of the Bank's risk control system. One of the Committee was formed at the Commissioner level is Risk Monitoring Committee (ROC), whereas at the Director level e.g the Risk Management Committee (RMC), Asset & Liability Committee (ALCO), Credit Policy Committee (CPC) and Operational Risk Management Committee (ORMC).

Risk Management Policy is determined in accordance with the Bank's risk profile which includes 8 types of risks, consists of: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk and Reputation Risk.

Credit Risk

Credit risk is defined as the risk of loss arising from any failure by a debtor or a counterparty to fulfill its financial obligations as and when they fall due.

In managing credit risk exposure, the Bank applies several basic principles as follows:

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

1. Pemisahan fungsi Penyetuju Kredit dari Pengaju Kredit

Terdapat pemisahan tugas antara fungsi kerja Bisnis, fungsi kerja Administrasi Kredit, fungsi kerja Penyetuju Kredit, dan fungsi kerja Manajemen Risiko untuk menjaga independensi dan integritas fungsi kredit.

Divisi Manajemen Risiko Kredit, melakukan pengawasan independen terhadap risiko kredit dan bertanggung jawab atas analisis dan pelaporan dari semua elemen risiko kredit kepada manajemen senior dan Direksi.

2. Kebijakan dan Prosedur Risiko Kredit

Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain:

- Kebijakan Kredit Umum yang mengatur tata cara pemberian kredit dan berbagai prinsip dan standar kredit yang berlaku secara umum, untuk mengelola risiko kredit Bank.
- Kebijakan Kredit Konsumer yang mengatur tata cara pemberian kredit konsumer dan berbagai prinsip dan standar kredit guna mengelola risiko kredit Bank pada segmen konsumer.
- Kebijakan Manajemen Risiko Konsentrasi Kredit untuk mengelola risiko konsentrasi kredit.
- Kebijakan Mitigasi Risiko Kredit yang menentukan jenis dan persyaratan minimum pada agunan, jaminan dan kredit derivatif guna memenuhi persyaratan modal.
- Pedoman Restrukturisasi Kredit yang memberikan pedoman restrukturisasi kredit bagi debitur yang mengalami kesulitan dalam memenuhi kewajibannya kepada Bank.
- Kebijakan Klasifikasi Aset yang memberikan pedoman atas pengkategorian eksposur ke dalam Kelas Aset Basel II untuk perhitungan Aktiva Tertimbang Menurut Risiko.

38. Risk Management Policies (continued)

Credit Risk (continued)

1. Segregation of Credit Approval from Credit Origination

There is segregation of duties between Business function, Credit Administration function, Credit Approval function, and Risk Management function to maintain independence and integrity of the various credit functions.

Credit Risk Management division, provides independent oversight of credit risk and is responsible for the analysis and reporting of all elements of credit risk to the senior management and the Director.

2. Credit Risk Policies and Procedures

The Bank has issued several related policies to manage credit risk, e.g:

- The General Credit Policy that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages credit risk.
- The Consumer Credit Policy that governs the principles of consumer credit extension, the credit principles and standards by which the Bank undertakes and manages credit risk for the consumer segment.
- The Credit Concentration Risk Management Policy that manages credit concentration risk.
- The Credit Risk Mitigation Policy that specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.
- The Credit Restructuring Guideline that gives guidance on credit restructuring for borrowers who have difficulties to meet their obligation to the Bank.
- The Asset Classification Policy that gives the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain: (lanjutan)

g. Kerangka Kerja Tata Kelola Berdasarkan Pendekatan *Internal Rating*, yang mengatur mengenai peran dan tanggung jawab dari setiap pihak yang terkait dalam proses *Internal Rating* Kredit di Bank.

h. Kebijakan *Override* Peringkat & *Scorecard* Risiko Kredit, yang mengatur keputusan dalam merubah (*override*) hasil Peringkat/*Scorecard* yang dihasilkan dari proses normal, untuk dapat lebih menggambarkan tingkat risiko yang dimiliki debitur.

i. Alur kerja untuk Proses ECAI (*External Credit Assessment Institutions*) Basel II yang memberikan pedoman untuk menghasilkan dan menjaga peringkat eksternal debitur untuk perhitungan Aktiva Tertimbang Menurut Risiko.

j. Pedoman Perbankan Ramah Lingkungan, sebagai bentuk peran dari Bank untuk mendukung program Pemerintah akan kelestarian lingkungan hidup dimana selain memperhatikan kemampuan bayar debitur, Bank juga memperhatikan upaya yang telah dilakukan debitur dalam rangka memelihara lingkungan hidup.

3. Pengelolaan dan Pemantauan Portofolio Kredit

Divisi Manajemen Risiko Kredit menjadi pengawas independen dan melakukan pemantauan portofolio dengan melakukan kaji ulang secara berkala atas risiko internal dan eksternal dan parameter-parameter risiko kredit (seperti: tren *delinquency*, *special mention*, *watch list accounts*, risiko konsentrasi, pergerakan kualitas kredit, dan lain-lain).

Saat ini Bank telah memiliki *Independent Credit Review Unit (ICRU)* yang berada di bawah Divisi Manajemen Risiko Kredit yang secara independen bertugas untuk melakukan *review* terhadap akun-akun *watchlist* dan memastikan bahwa akun-akun tersebut dikelola secara proaktif untuk meminimalkan kerugian Bank serta memiliki kolektibilitas sesuai dengan ketentuan internal Bank dan ketentuan regulator.

38. Risk Management Policies (continued)

Credit Risk (continued)

2. Credit Risk Policies and Procedures (continued)

The Bank has issued several related policies to manage credit risk, e.g: (continued)

g. Governance Framework of Internal Rating-based Approach, that governs the roles and responsibilities of the various parties in credit Internal Rating process in Bank.

h. Credit Risk Scorecard & Rating Override Policy, that governs decisions to change the Rating/Scorecard output after the normal rating/scoring process, in order to have a better risk level of debtors.

i. The Workflow for Basel II ECAI (*External Credit Assessment Institutions*) Process that gives the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation.

j. Green Banking Guidelines, as a form of Bank's role to support the Government's program to preserve the environment, in which Bank's concern is not only the debtor's ability to pay but also noted the Debtor's effort to preserve the environment.

3. Management and Monitoring of Credit Portfolio

Credit Risk Management Division provides independent oversight and performs portfolio monitoring by conducting regular reviews of internal and external risk environment and credit risk parameters (i.e delinquency trend, special mention, watch list accounts, concentration risk, loan quality movement, et cetera).

Currently the Bank has the Independent Credit Review Unit (ICRU) under the Credit Risk Management Division in which the task is to be independently review the watchlist accounts and to ensure that the accounts are proactively managed to minimize the losses of the Bank and has an appropriate collectibility in accordance with the Bank's internal regulations and regulatory provisions.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Pengelolaan Risiko Konsentrasi Kredit

Risiko konsentrasi kredit didefinisikan sebagai eksposur tunggal atau eksposur kelompok yang berpotensi menghasilkan kerugian yang cukup besar (relatif terhadap modal Bank, total aktiva, atau tingkat risiko secara keseluruhan) yang mungkin mengancam kesehatan Bank atau kemampuan Bank untuk mempertahankan operasi intinya. Dimana kredit adalah aktivitas utama Bank, risiko konsentrasi kredit adalah risiko yang sangat material.

Konsentrasi risiko kredit berdasarkan jenis debitur:

31 Desember/December 31, 2015

	<i>Wholesale</i>	<i>Pemerintah dan Bank Indonesia/ Government and Bank Indonesia</i>	<i>Bank/Banks</i>	<i>Ritel/Retail</i>	<i>Total</i>	
Giro pada Bank Indonesia	-	5.454.283	-	-	5.454.283	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain - neto	-	-	703.809	-	703.809	<i>Current accounts with other banks - net</i>
Penempatan pada Bank Indonesia dan bank lain	-	2.217.750	637.905	-	2.855.655	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek yang diperdagangkan	-	1.556.498	-	-	1.556.498	<i>Trading Securities</i>
Investasi keuangan - neto	1.852.940	8.526.276	-	-	10.379.216	<i>Financial Investments - net</i>
Tagihan derivatif	93.524	-	48.203	-	141.727	<i>Derivatives receivable</i>
Kredit yang diberikan - neto	55.605.391	-	-	4.968.132	60.573.523	<i>Loans - net</i>
Tagihan akseptasi - neto	-	-	2.613.112	-	2.613.112	<i>Acceptances receivable - net</i>
Aset lain-lain - neto	248.105	-	15.187	27.567	290.859	<i>Other assets - net</i>
Total	57.799.960	17.754.807	4.018.216	4.995.699	84.568.682	Total
Persentase	68%	21%	5%	6%	100%	Percentage

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit Concentration Risk Management

Credit risk concentration is defined as any single exposure or group exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) to threaten the Bank's health or ability to maintain its core operations. As lending is the Bank's primary activity, credit risk concentration is its most material risk.

Concentration of credit risk by type of debtors:

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Pengelolaan Risiko Konsentrasi Kredit
(lanjutan)

Konsentrasi risiko kredit berdasarkan jenis debitur: (lanjutan)

31 Desember/December 31, 2014

	<i>Wholesale</i>	<i>Pemerintah dan Bank Indonesia/ Government and Bank Indonesia</i>	<i>Bank/ Banks</i>	<i>Ritel/Retail</i>	<i>Total</i>	
Giro pada Bank Indonesia	-	5.327.965	-	-	5.327.965	Current accounts with Bank Indonesia
Giro pada bank lain - neto	-	-	1.242.511	-	1.242.511	Current accounts with other banks - net
Penempatan pada Bank Indonesia dan bank lain	-	5.237.600	-	-	5.237.600	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	400.563	-	-	400.563	Trading Securities
Investasi keuangan - neto	1.401.952	5.225.231	-	-	6.627.183	Financial Investments - net
Tagihan derivatif	28.338	-	210.627	-	238.965	Derivatives receivable
Kredit yang diberikan - neto	45.346.945	-	-	10.485.924	55.832.869	Loans - net
Tagihan akseptasi - neto	-	-	3.133.200	-	3.133.200	Acceptances receivable - net
Aset lain-lain - neto	225.497	-	-	25.052	250.549	Other assets - net
Total	47.002.732	16.191.359	4.586.338	10.510.976	78.291.405	Total
Persentase	60%	20%	6%	14%	100%	Percentage

Eksposur maksimum risiko kredit

Bank menetapkan limit eksposur untuk individual/grup, sektor industri, jangka waktu, nilai tukar asing, wilayah, dan agunan yang telah disesuaikan dengan *risk appetite* dan *risk tolerance* sebagai salah satu alat bagi Bank untuk memonitor dan memitigasi risiko konsentrasi kredit.

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit Concentration Risk Management
(continued)

Concentration of credit risk by type of debtors: (continued)

Maximum exposure to credit risk

The Bank sets the exposure limit for single/group exposure, industry sector, tenor, foreign exchange, region, and collateral which is line with Bank's *risk appetite* and *risk tolerance* as one of the tools for Bank to monitor and mitigate credit concentration risk.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya;

	31 Desember/December 31	
	2015	2014
Instrumen keuangan pada laporan posisi keuangan:		
Giro pada Bank Indonesia	5.454.283	5.327.965
Giro pada bank lain - neto	703.809	1.242.511
Penempatan pada Bank Indonesia dan bank lain	2.855.655	5.237.600
Efek-efek yang diperdagangkan	1.556.498	400.563
Investasi keuangan - neto	10.379.216	6.627.183
Tagihan derivatif	141.727	238.965
Tagihan akseptasi	2.613.112	3.133.200
Kredit yang diberikan	60.573.523	55.832.869
Aset lain-lain - neto	290.859	269.556
Total	84.568.681	78.310.412

Untuk kredit yang diberikan, Bank menggunakan agunan untuk meminimalkan risiko kredit. Berdasarkan klasifikasi, kredit Bank dapat dibedakan menjadi dua kelompok besar, yaitu:

1. *Secured loans*
2. *Unsecured loans*

Untuk *Secured loans*, Bank menetapkan jenis dan nilai agunan yang dijaminan sesuai skema kredit. Jenis dari agunan terdiri dari:

- a. *Physical collateral*, antara lain tanah, bangunan dan BPKB kendaraan motor.
- b. *Financial collateral*, antara lain simpanan (tabungan, giro dan deposito berjangka), surat berharga dan emas.
- c. Lainnya antara lain garansi dan lembaga penjamin.

Apabila terjadi *default* (gagal bayar), Bank akan menggunakan agunan tersebut sebagai pilihan terakhir untuk pemenuhan kewajiban *counterparty*.

38. Risk Management Policies (continued)

Credit Risk (continued)

3. *Management and Monitoring of Credit Portfolio (continued)*

Maximum exposure to credit risk (continued)

The following table presents the Bank's maximum exposure to credit risk of financial instruments in the statement of financial position without taking into account any collateral held or other credit enhancement;

Financial instruments in the statement of financial position:
Current accounts with Bank Indonesia
Current accounts with other banks - net
Placements with Bank Indonesia and other banks
Trading Securities
Financial Investments - net
Derivatives receivable
Acceptance receivable
Loans
Other Assets

Total

For the loans, Bank uses the collateral to minimize the credit risk. Loans and receivables in Bank are classified into two major category:

1. *Secured loans*
2. *Unsecured loans*

For secured loans, Bank determined the type and value of collateral according to the loan scheme. Types of collateral are as follows :

- a. *Physical collateral*, such as land, buildings and proof of vehicle ownership.
- b. *Financial collateral*, such as time deposit, savings, demand deposit, securities, and gold.
- c. *Others*, such as guarantees, government guarantees and guarantee institution.

In times of default, Bank will use the collateral as the last resort in recovering its investment.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Unsecured loans terdiri dari *fully unsecured loans* dan *partially secured loans* seperti kredit untuk karyawan golongan berpenghasilan tetap dan kredit konsumen lainnya. Dalam pembayaran kewajibannya, *partially secured loans* umumnya dilakukan melalui pemotongan penghasilan secara otomatis.

Dengan demikian, meskipun kredit tersebut termasuk dalam kategori *unsecured loans* namun tingkat risiko dan *partially secured loans* tidak sebesar nilai tercatat kredit. Sedangkan untuk *fully unsecured loans*, tingkat risiko adalah sebesar nilai tercatat kredit.

Kredit menurut sektor industri per 31 Desember 2015 dan 2014 adalah sebagai berikut:

	31 Desember/31 December	
	2015	2014
Industri Pengolahan	19.309.749	15.876.562
Perdagangan besar dan eceran	15.591.788	14.459.513
Rumah Tangga	7.996.288	7.611.986
Real estate dan jasa usaha	4.822.468	4.570.130
Penyedia Akomodasi	4.138.264	3.436.384
Konstruksi	3.746.834	3.505.487
Transportasi, pergudangan, dan komunikasi	2.897.579	4.171.872
Pertanian, perburuan dan kehutanan	897.085	750.984
Perantara Keuangan	594.491	369.811
Pertambangan dan Penggalian	537.277	903.196
Listrik, air dan gas	343.740	337.396
Jasa Kemasyarakatan	262.704	277.468
Jasa Kesehatan	104.146	102.862
Perikanan	57.354	55.538
Jasa Pendidikan	44.825	32.470
Jasa Perorangan	10.829	10.692
Lainnya	130	14.353
Total	61.355.551	56.486.704

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Maximum exposure to credit risk (continued)

Unsecured loans consist of *fully unsecured loans* and *partially secured loans* such as loans for fixed income employees, and other consumer loans. In their payment obligations, *partially secured loans* are generally made through automatic payroll deduction.

Although it is included in the *unsecured loans* category, the risk level of *partially secured loans* is lower than the carrying value. As for *fully unsecured loan*, the risk level is equal to the carrying value.

Loans based on industrial sector as of 31 December 2015 and 2014, are as follows:

Processing Industry
Wholesale and retail
Household sector
Real estate and business service
Accommodation provider
Construction
Transportation, warehousing, and communication
Agriculture, hunting and forestry
Financial intermediaries
Mining and excavation
Electricity, water and gas
Social Service
Health service
Fishery
Educational service
Personal Service
Others

Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Eksposur terbesar Bank terletak pada sektor industri pengolahan dengan proporsi sebesar 31% dari total kredit Bank dan hal tersebut sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

Kredit berdasarkan sisa umur jatuh tempo per 31 Desember 2015 adalah sebagai berikut:

	Baki Debet Kredit/ Loan Outstanding	Persentase (%)/ Percentage (%)
≤ 1 tahun	33.841.621	55,15%
> 1 tahun ≤ 2 tahun	2.201.349	3,59%
> 2 tahun ≤ 5 tahun	12.320.294	20,09%
> 5 tahun	12.992.287	21,17%
Total	61.355.551	100,00%

Sebagian besar jangka waktu kredit atau 55,15% jatuh tempo dalam kurun waktu kurang dari 1 (satu) tahun dimana untuk kredit yang lebih berisiko dengan jangka waktu lebih besar dari 5 (lima) tahun memiliki porsi 21,17% dan hal ini sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

Eksposur maksimum dari aset keuangan Bank setelah mempertimbangkan dampak dari jaminan dan pengaturan tambahan lain selain dari kredit yang diberikan sama dengan nilai tercatat.

Manajemen Kredit Bermasalah

Kredit bermasalah dikelola secara terpusat oleh divisi independen, *Special Asset Management (SAM)*. SAM terdiri dari dua unit:

1. Unit Restrukturisasi yang secara proaktif mengelola kredit bermasalah. Tujuan utamanya adalah untuk menangani kredit bermasalah kembali lancar sehingga akun tersebut dapat ditransfer kembali ke fungsi kerja Bisnis; dan
2. Unit Recovery yang mengelola kredit bermasalah dengan tujuan utama memaksimalkan pemulihan hutang.

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Maximum exposure to credit risk (continued)

The biggest Bank's exposure is to processing industry with proportion around 31% from total loan and it is in line with Bank's risk appetite and risk tolerance.

Loans based on remaining maturities as of 31 December 2015, are as follows:

	Persentase (%)/ Percentage (%)	
≤ 1 tahun	55,15%	≤ 1 year
> 1 tahun ≤ 2 tahun	3,59%	> 1 tahun ≤ 2 tahun
> 2 tahun ≤ 5 tahun	20,09%	> 2 tahun ≤ 5 tahun
> 5 tahun	21,17%	> 5 tahun
Total	100,00%	Total

Most of the loan tenor or 55.15% is within less than 1 (one) year where for the riskiest loan which lies in the loan tenor more than 5 (five) years is 21.17% portion and it is in line with Bank's risk appetite and risk tolerance.

The maximum exposure of the Bank's financial asset after considering the impact of collateral and other enhancement arrangement other than loan is equal to its carrying value.

Managing Non-Performing Credits

Non-performing credits are centrally managed by an independent unit, *Special Asset Management (SAM)*. SAM consists of two units:

1. The Restructuring Unit which proactively manages the non-performing credits. Its primary goal is to handle non-performing credits back to health so that these accounts can be transferred back to the Business Units; and
2. The Recovery Group which manages non-performing credits with the primary goal to maximize debt recovery.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Bank juga dimungkinkan untuk melakukan pengalihan/ penjualan akun kredit bermasalah ke pihak lain, salah satunya adalah pembelian kredit bermasalah oleh salah satu anak usaha UOB Singapore.

Eksposur Kredit pada Basel II

Saat ini Bank menggunakan Pendekatan Standar berdasarkan Basel II dalam mengukur aktiva tertimbang menurut risiko (ATMR) untuk risiko kredit. Informasi dan pedoman rating ATMR untuk risiko kredit diatur dalam Kebijakan Klasifikasi Aset.

Pada pendekatan standar, eksposur Bank dibagi menjadi 11 klasifikasi aset dan portofolio, sebagai berikut:

- a. Pemerintah
- b. Entitas Sektor Publik Bukan Pemerintah Pusat
- c. Bank Pembangunan Multilateral
- d. Bank
- e. Korporasi
- f. Karyawan/Pensiunan
- g. Kredit Beragunan Rumah Tinggal
- h. Kredit Beragunan *Real Estate* Komersial
- i. Klaim yang telah jatuh tempo
- j. Aset Lainnya
- k. Kredit pada Bisnis Mikro, Bisnis Kecil, dan Portofolio Ritel

Saat ini, Bank hanya mengakui peringkat internasional dari *Moody's*, *Standard and Poor* dan *Fitch*.

Pengembangan Infrastruktur dan Persiapan Penerapan Basel II

Bank saat ini telah menerapkan penggunaan model *Internal Rating* pada segmen *Wholesale* sebagai langkah awal untuk mempersiapkan penerapan Basel II dengan pendekatan *Internal Rating*. Untuk tujuan ini, perangkat tambahan yang signifikan telah dibuat pada sistem, proses, dan praktik manajemen risiko Bank untuk mencapai kepatuhan terhadap Basel II.

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

The Bank is also possible to perform the transfer/ sale of non-performing credits to the other party, one of which is the purchase of non-performing credit by a subsidiary of UOB Singapore.

Credit exposures under Basel II

Bank currently uses the Standardized Approach under Basel II to measure the risk weighted asset (RWA) for credit risk. The information and guidelines of rating for RWA for credit risk is regulated in the Asset Classification Policy.

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

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

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

Development of Infrastructures and Preparation of Basel II Internal Rating Based Implementation

The Bank has implemented Internal Rating model on the Wholesale segment as an initiation step to prepare the implementation of Basel II Internal Rating Approach. To this end, significant enhancements have been made to the Bank's risk management systems, processes and practices to achieve Basel II IRB compliance.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Pengembangan Infrastruktur dan Persiapan Penerapan Basel II (lanjutan)

Eksposur maksimum aset keuangan Bank untuk risiko kredit sebelum memperhitungkan agunan dan jaminan kredit lainnya adalah sebesar nilai tercatatnya (*carrying value*). Lihat Catatan 39 untuk informasi mengenai *carrying value* dan nilai wajar dari instrumen keuangan Bank.

Bank menetapkan jenis dan nilai agunan yang dijamin sesuai skema kredit. Jenis dari agunan terdiri dari tanah dan bangunan, simpanan dan lainnya.

Informasi kualitas kredit atas aset keuangan pada tanggal 31 Desember 2015 dan 2014:

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Development of Infrastructures and Preparation of Basel II Internal Rating Based Implementation (continued)

The Bank's financial asset's maximum exposure to credit risk before taking into account any collateral and other credit enhancements is its carrying value. Please refer to Note 39 for the information regarding the carrying value and fair value of the Bank's financial instruments.

Bank determines the type and value of collateral pledged regarding to its credit scheme. Type of collateral consist of properties, deposits and others.

The information on the credit quality of financial assets as of 31 December 2015 and 2014:

31 Desember/31 December 2015

	Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ <i>neither past due not impaired</i>	Jatuh Tempo dan tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Total	
Kas	516.244	-	-	516.244	Cash
Giro pada Bank Indonesia	5.454.283	-	-	5.454.283	Current account with Bank Indonesia
Giro pada bank lain	703.809	-	-	703.809	Current accounts with other banks
Penempatan pada Bank Indonesia, bank lain dan lembaga keuangan	2.855.655	-	-	2.855.655	Placements with Bank Indonesia, other banks and financial institution
Efek-efek yang diperdagangkan	1.556.498	-	-	1.556.498	Trading securities
Investasi keuangan	10.387.956	-	265	10.388.221	Financial investment
Tagihan derivatif	141.725	-	2	141.727	Derivatives receivable
Kredit yang diberikan	58.106.045	1.603.010	1.646.496	61.355.551	Loans
Tagihan Akseptasi	2.643.573	-	-	2.643.573	Acceptances receivable
Aset lain-lain	290.859	-	-	290.859	Other assets
Total	82.656.647	1.603.010	1.646.763	85.906.420	Total
Cadangan kerugian penurunan nilai	(375.866)	(163.416)	(282.212)	(821.494)	Allowance for impairment losses
Neto	82.280.781	1.439.594	1.364.551	85.084.926	Net

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Informasi kualitas kredit atas aset keuangan pada tanggal 31 Desember 2015 dan 2014: (lanjutan)

31 Desember/31 December 2014				
	Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ <i>neither past due not impaired</i>	Jatuh Tempo dan tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Total
Kas	591.145	-	-	591.145
Giro pada Bank Indonesia	5.327.965	-	-	5.327.965
Giro pada bank lain	1.242.511	-	-	1.242.511
Penempatan pada Bank Indonesia, bank lain dan lembaga keuangan	5.237.600	-	-	5.237.600
Efek-efek yang diperdagangkan	400.563	-	-	400.563
Investasi keuangan	6.628.536	-	-	6.628.536
Tagihan derivatif	238.965	-	-	238.965
Kredit yang diberikan	53.505.511	878.420	2.102.774	56.486.705
Tagihan Akseptasi	3.136.138	-	-	3.136.138
Aset lain-lain	269.556	-	-	269.556
Total	76.578.490	878.420	2.102.774	79.559.684
Cadangan kerugian penurunan nilai	(82.823)	(105.493)	(465.519)	(658.126)
Neto	76.495.667	772.927	1.637.255	78.901.558

Analisis umur pinjaman yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2015 dan 2014:

The aging analysis of past due but not impaired loans as of 31 December 2015 and 2014:

31 Desember/31 December 2015				
	1 sampai 30 hari/ <i>1 - 30 days</i>	31 sampai 60 hari/ <i>31 to 60 days</i>	61 sampai 90 hari/ <i>61 - 90 days</i>	Total
Modal kerja	470.149	93.262	58.429	621.840
Investasi	151.497	157.012	298.066	606.575
Konsumen	204.759	44.911	121.798	371.468
Karyawan	3.127	-	-	3.127
Total	829.532	295.185	478.293	1.603.010
Cadangan kerugian penurunan nilai	(71.977)	(36.899)	(54.540)	(163.416)
Neto	757.555	258.286	423.753	1.439.594

31 Desember/31 December 2014				
	1 sampai 30 hari/ <i>1 - 30 days</i>	31 sampai 60 hari/ <i>31 to 60 days</i>	61 sampai 90 hari/ <i>61 - 90 days</i>	Total
Modal kerja	288.801	26.425	32.944	348.170
Investasi	116.837	94.634	7.619	219.090
Konsumen	234.772	46.636	27.748	309.156
Karyawan	2.004	-	-	2.004
Total	642.414	167.695	68.311	878.420
Cadangan kerugian penurunan nilai	(54.212)	(33.995)	(17.286)	(105.493)
Neto	588.202	133.700	51.025	772.927

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Analisis umur pinjaman yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2015 dan 2014: (lanjutan)

Bank melakukan penilaian terhadap 3 (tiga) pilar dalam menilai aset keuangan yang mengalami pemburukan. Ke-3 (tiga) pilar tersebut adalah prospek bisnis, kinerja debitur dan kemampuan bayar debitur, dimana hal tersebut sesuai dengan kebijakan regulator.

Bank memperhitungkan agunan yang layak dalam menghitung Cadangan Kerugian Penurunan Nilai (CKPN). Agunan yang layak yang diperhitungkan oleh Bank adalah kas/setara kas, tanah & bangunan dan vessel.

Risiko Pasar

Risiko pasar adalah risiko kerugian yang timbul dari pergerakan variabel pasar pada posisi yang dimiliki oleh Bank yang dapat menimbulkan kerugian bagi Bank. Variabel *market* yang mempengaruhi posisi Bank adalah suku bunga dan nilai tukar termasuk perubahan harga *option*.

Kerangka kerja risiko pasar Bank terdiri dari kebijakan dan praktek risiko pasar, pendelegasian wewenang dan limit risiko pasar, validasi atas penilaian dan model risiko, dll. Kerangka kerja ini juga meliputi proses produk / aktivitas baru untuk memastikan isu-isu risiko pasar telah diidentifikasi secara memadai sebelum diluncurkan.

Direksi mendelegasikan wewenang kepada Komite Aktiva dan Pasiva ("ALCO") untuk melakukan pengawasan aktif terhadap manajemen risiko pasar. ALCO melakukan kajian dan memberikan arahan atas seluruh hal terkait risiko pasar.

Bank telah menetapkan tugas dan tanggung jawab pada setiap tingkat pada posisi yang terkait pelaksanaan manajemen risiko pasar disesuaikan dengan tujuan, kebijakan bisnis, ukuran, dan kompleksitas Bank. Tugas dan tanggung jawab ini terdapat pada Kebijakan Manajemen Risiko Pasar.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Risk Management Policies (continued)

Credit Risk (continued)

3. Management and Monitoring of Credit Portfolio (continued)

The aging analysis of past due but not impaired loans as of 31 December 2015 and 2014: (continued)

The Bank uses 3 (three) pillars approach in assessing financial assets that are past due or impaired. Those 3 (three) pillars are business prospect, performance of the borrower and repayment capability which is in line with the regulatory requirement.

The Bank takes into account the eligible collaterals in calculating the impairment loss. The eligible collaterals that recognized by Bank are cash/cash equivalents, land & buildings and vessels.

Market Risk

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

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

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

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

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

Bank menggunakan Pendekatan Standar untuk menghitung modal risiko pasar sesuai dengan ketentuan Bank Indonesia tentang Kewajiban Penyediaan Modal Minimum. Bank memiliki modal yang kuat dengan rasio kecukupan modal sebesar 16.15% pada tanggal 31 Desember 2015, melebihi dari persyaratan minimum Bank Indonesia sebesar 9%. Modal Bank lebih dari cukup untuk menutup potensi kerugian yang mungkin timbul dari fluktuasi tingkat bunga dan nilai tukar.

Secara internal, risiko pasar diukur dan dikendalikan menggunakan model internal. Bank mengadopsi Value at Risk (VaR) menggunakan simulasi historis untuk mengukur potensi kerugian pada tingkat kepercayaan 99% dengan menggunakan data historis 300 hari. Perkiraan VaR diuji kembali dengan menggunakan data laba dan rugi pada buku perdagangan untuk memvalidasi keakuratan metodologi tersebut. Proses pengujian kembali ini dilakukan guna menganalisa apakah penyimpangan yang terjadi disebabkan oleh kelemahan pada model perhitungan atau karena pergerakan pasar. Seluruh penyimpangan pada model ditangani dengan penyempurnaan model tersebut. Berdasarkan prosedur *back testing* kerugian aktual yang terjadi untuk periode satu tahun telah konsisten dengan model pengukuran VaR. Untuk melengkapi pengukuran VaR, *stress test* dilakukan pada portofolio buku perdagangan untuk mengidentifikasi ketahanan Bank dalam kondisi krisis.

Perhitungan VaR telah memperhitungkan faktor korelasi antar instrumen pada seluruh posisi trading book Bank. (tidak diaudit)

38. Risk Management Policies (continued)

Market Risk (continued)

The Bank adopts the Standardized Approach to calculate the regulatory market risk capital in compliance with Bank Indonesia's regulation on Capital Adequacy Ratio. The Bank has a strong capital base with Capital Adequacy Ratio of 16.15% as of 31 December 2015, which is higher than Bank Indonesia's minimum requirement of 9%. The Bank's capital is more than sufficient to cover any potential loss that might arise from interest rate and exchange rate fluctuations.

Internally, the market risk is measures and controls are based on internal models. The bank adopts the historical simulation Value at Risk (VaR) to measure the potential loss at a 99% confidence level using 300 days historical price changes. VaR estimates are back tested against profit and loss of trading book to validate the robustness of the methodology. The back testing process analyses whether the exceptions are due to model deficiencies or market volatility. All model deficiencies are addressed with appropriate model enhancements. Based on back testing procedures, the actual loss for the whole year result is already consistent with the VaR forecast model. To complement the VaR measurement, stress test is performed on the trading portfolio in order to identify the Bank's vulnerability in the event of crisis.

VaR calculation already include correlation factors cross instruments in trading book portfolios. (unaudited)

31 Desember/December 31, 2015

	Akhir Tahun/ Year end	Tinggi/ High	Rendah/ Low	Rata-rata/ Average	
	SGD Thousand	SGD Thousand	SGD Thousand	SGD Thousand	
Total VaR	711	1,006	123	398	Total VaR

31 Desember/December 31, 2014

	Akhir Tahun/ Year end	Tinggi/ High	Rendah/ Low	Rata-rata/ Average	
	SGD Thousand	SGD Thousand	SGD Thousand	SGD Thousand	
Total VaR	137	1.508	75	479	Total VaR

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

8. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

a. Risiko Nilai Tukar

Risiko nilai tukar adalah risiko pada pendapatan dan nilai ekonomis dari aset, kewajiban, dan derivatif keuangan dalam mata uang asing yang disebabkan oleh fluktuasi nilai tukar.

Risiko nilai tukar dikelola melalui kebijakan dan limit risiko yang disetujui oleh ALCO. Limit tersebut meliputi limit *Value-at-Risk*, limit FX NOP, limit PV01, eksposur berdasarkan mata uang, maksimum tenor, dan lainnya. Divisi *Market Risk Management & Control* secara harian memantau aktivitas risiko pasar dan/atau eksposur terhadap limit yang telah disetujui oleh ALCO, dan melaporkan kejadian pelampauan limit kepada pejabat terkait untuk mendapatkan persetujuan/pengesahan.

Risiko nilai tukar Bank dinilai relatif rendah dikarenakan posisi devisa neto (PDN) Bank tercatat rendah, dimana pada akhir Desember 2015 hanya tercatat 0,63% dari permodalan Bank.

b. Risiko Suku Bunga di Catatan Perbankan

Risiko Suku Bunga pada Banking Book didefinisikan sebagai risiko potensi penurunan atau kerugian pada rentabilitas (pendapatan bunga bersih) dan modal (nilai ekonomis Bank) akibat perubahan dari suku bunga.

Eksposur dinilai secara bulanan menggunakan analisa statis, seperti jadwal repricing dan analisa sensitivitas. Perangkat tersebut dapat memberikan indikasi atas dampak potensial perubahan suku bunga pada pendapatan bunga dan harga melalui analisa sensitivitas pada aktiva dan pasiva ketika suku bunga mengalami perubahan. Kesenjangan pada tenor yang lebih panjang akan mengalami perubahan *price-value* yang lebih besar dibandingkan dengan posisi serupa pada tenor yang lebih pendek.

Nilai ekonomis pada ekuitas (EVE) diterapkan untuk mengukur risiko suku bunga dari perubahan suku bunga menggunakan berbagai macam skenario suku bunga, seperti perubahan bentuk pada kurva suku bunga, yang meliputi skenario perubahan suku bunga yang tertinggi dan terendah.

38. Risk Management Policies (continued)

Market Risk (continued)

a. Foreign Exchange Risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuation in foreign exchange rates.

Foreign exchange risk is managed through policies and risk limits approved by the Asset and Liability Committee ("ALCO"). The limits include Value-at-risk limit, FX NOP Limit, PV01 Limit, exposure by currency, maximum tenures and etc. Market Risk Control ("MRC") Unit on a daily basis monitors market risk activities and/or exposures against the approved ALCO limits, and escalates any excesses to appropriate channel for approval/ratification.

Foreign exchange risk is low as Bank Net Open position (NOP) recorded very low, which at end of month December 2015 the NOP has recorded only 0.63% from total capital.

b. Interest Rate Risk in Banking Book

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

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

Economic value of equity (EVE) is applied to measure the interest rate risk of interest rate changes using a variety of interest rate scenarios, such as changes in shape of the curve of interest rates, which include changes in the interest rate in the highest and the lowest scenario.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

b. Risiko Suku Bunga di Catatan Perbankan (lanjutan)

Stress testing juga dilakukan secara berkala untuk menentukan kecukupan modal dalam memenuhi dampak ekstrim perubahan suku bunga pada laporan posisi keuangan. Tes tersebut juga dilakukan guna memberikan peringatan dini atas potensi kerugian ekstrim, guna mendukung pengelolaan risiko suku bunga secara pro-aktif dalam menyesuaikan perubahan pada pasar keuangan yang cepat.

EVE Bank per posisi 31 Desember 2015 tercatat sebesar Rp157 miliar dengan PV01 banking book sebesar Rp629 juta. Pergerakan 1 bps pada suku bunga pasar akan memberikan dampak potensial kerugian pada Bank sebesar Rp629 juta.

Risiko Likuiditas

Risiko likuiditas didefinisikan sebagai risiko terhadap pendapatan atau modal Bank dari ketidakmampuan Bank untuk memenuhi kewajiban keuangannya atau peningkatan dana pada aset ketika jatuh tempo, tanpa menimbulkan biaya atau kerugian yang signifikan.

Pengukuran utama yang digunakan oleh Bank dalam mengelola risiko likuiditas adalah dengan menggunakan proyeksi arus kas dengan skenario *'business as usual'*, *'bank-specific crisis'* dan *'general market crisis'*, serta rasio-rasio likuiditas sebagai indikator peringatan dini (*early warning indicator*) seperti rasio penurunan simpanan bukan bank, LDR, rasio 50 dan 20 nasabah besar bukan bank, rasio pendanaan melalui swap, rasio *undrawn facility*, dan rasio 20 nasabah besar bank. Proyeksi arus kas menggunakan *behavioral modelling* untuk memastikan arus kas telah mencerminkan perilaku kegiatan bisnis dalam kondisi normal. Disamping itu Bank juga melakukan pemantauan secara berkala terhadap stabilitas pendanaan inti (*core deposits*) yang terdiri dari dana-dana stabil bukan bank seperti giro, tabungan, dan deposito melalui analisa terhadap volatilitasnya.

38. Risk Management Policies (continued)

Market Risk (continued)

b. Interest Rate Risk in Banking Book (continued)

Stress testing is also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the statement of financial position. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

Economic value of equity (EVE) Bank as of 31 December 2015 has recorded as Rp157 billion and PV01 banking book has recorded Rp629 million. Changes on 1 bps on market interest rate is expected to have an impact on the Bank's potential losses amounting to Rp629 million.

Liquidity Risk

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

The key measures used by the Bank for managing liquidity risk are using cash flow projection under *'business as usual'*, *'bank-specific crisis'* and *'general market crisis'* scenarios, also by monitoring the liquidity ratios as early warning indicator i.e. percentage decreased in non-bank deposits, LDR, Top 50 and 20 non-bank depositors ratios, swap funding ratio, undrawn facility ratio, and Top 20 bank depositor. Cash flow projection is using behavioral modelling to ensure the cash flow reflect the business-as-usual behavior. Besides, the Bank also monitors the stability of its 'core deposits' on regular basis which consist of stable non-bank deposits such as current account, savings account, and fixed deposit by analyzing their volatility overtime.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Di akhir triwulan IV tahun 2015 Bank telah mencatatkan simpanan nasabah sebesar Rp64,46 triliun atau turun 1,76% dibandingkan dengan simpanan nasabah di akhir Juni 2015, terutama disebabkan penurunan Deposito sebesar 3,9% menjadi Rp44,95 triliun sedangkan Tabungan dan Giro mengalami kenaikan masing-masing sebesar 4,3% menjadi Rp12,6 triliun dan 2% menjadi Rp6,89 triliun. Loan Deposit Ratio, yaitu rasio kredit yang diberikan terhadap simpanan nasabah Bank sebesar 95,25%. Bank secara berkesinambungan akan terus menjaga tingkat LDR agar berada dalam kisaran yang sehat dan mempertahankan KPMM diatas 14%.

Disamping itu pengukuran dan pemantauan terhadap analisa gap, limit-limit yang ditetapkan, *stress testing*, dan kebijakan Rencana Pendanaan Darurat dilaksanakan secara konsisten.

Rencana Pendanaan Darurat menjadi komponen penting dalam kerangka kerja manajemen likuiditas dan berfungsi sebagai perpanjangan atas kebijakan operasional atau manajemen likuiditas sehari-hari. Walaupun Bank memantau kebutuhan likuiditas dan pendanaan secara berkala, penting juga untuk mengetahui kejadian yang tak terduga, kondisi ekonomi dan pasar, masalah pendapatan atau situasi di luar kendali yang dapat menyebabkan krisis likuiditas. Rencana Pendanaan Darurat menguraikan tindakan yang harus diambil oleh Bank pada saat terjadi krisis likuiditas dan akan diaktifkan jika terjadi krisis atau *stress* likuiditas. Hal ini berfungsi untuk mengidentifikasi dan mengetahui potensi krisis likuiditas, menentukan tanggung jawab dan tindakan manajemen yang terkait pada saat krisis, memperbaiki area yang menjadi perhatian, dan memastikan bahwa arus informasi dapat tepat waktu sehingga dapat memfasilitasi pengambilan keputusan secara cepat dan efektif.

Tingkat kerumitan dan detail dari rencana tersebut disesuaikan dengan kompleksitas, eksposur risiko, aktivitas, produk, dan struktur organisasi Bank untuk menentukan indikator yang paling relevan untuk digunakan dalam mengelola likuiditas dan pendanaan. Selain itu, Bank juga telah menetapkan *Liquidity Working Group Team* ("LWG") yang bertanggung jawab untuk mengevaluasi posisi likuiditas dan menentukan tindakan yang akan diambil pada saat terjadi krisis.

Analisa mengenai kebutuhan pendanaan bersih melibatkan penyusunan laporan ketidaksesuaian arus kas berdasarkan jatuh tempo (kontraktual) aktual dari arus kas tersebut. Profil arus kas kontraktual mengalokasikan aset-aset, kewajiban-kewajiban, dan rekening administratif ke dalam jangka waktu berdasarkan sisa jatuh tempo aset, kewajiban, dan rekening administratif tersebut.

38. Risk Management Policies (continued)

Liquidity Risk (continued)

At the end of fourth quarter 2015, the Bank's has recorded Rp64.46 trillion of customer's deposits or went down by 1.76% compared to end of June 2015, mostly contributed by Fixed Deposit which decreased by 3.9% to Rp44.95 trillion while Saving Account and Current Account increased by 4.3% to Rp12.6 trillion and 2% to Rp6.89 trillion respectively. Loan Deposit Ratio which identifies the extent to which the Bank's loans are funded by customer's deposits was 95.25%. The Bank will continuously maintain the LDR in soundness range and as well as maintain the CAR above 14%.

In addition to the above measurement and monitoring of the gap analysis, defined limits, stress testing, and Contingency Funding Plan are consistently implemented.

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. Although the Bank periodically monitors liquidity and funding requirements, it is important to recognize the unexpected events, economic or market conditions, earnings problems or situations beyond its control that could cause a liquidity crisis. The CFP outlines the actions that are to be taken by the Bank in the event of a liquidity crisis and would be activated in the event of a liquidity stress situation. It serves to identify and recognize a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick and effective decision-making.

The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organisational structure of the Bank to identify the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a *Liquidity Working Group Team* ("LWG") which is responsible to evaluate the liquidity position and decides the actions to be taken when crisis occurs.

The cash flow analysis of net funding requirement involves the preparation of cash flow mismatch based on actual contractual maturity. Contractual cash flow profiles allocate the asset, liabilities, and off balance sheet items into time band by remaining maturity.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Selain itu Bank juga membuat laporan ketidaksesuaian arus kas berdasarkan asumsi behavioral. Arus kas ini terkait dengan pola perilaku dari aset, kewajiban, dan rekening administratif yang dimilikinya dan memproyeksikan potensi arus kas berdasarkan asumsi-asumsi yang didapat dari pola perilaku tersebut. Potensi arus kas tersebut secara khusus terkait dengan karakteristik produk, seperti apakah produk tersebut biasanya diperpanjang setelah jatuh tempo, kecenderungan penarikan lebih awal pada deposito atau pola secara historis perpanjangan deposito. Dari analisa arus kas secara behaviour ini, diperoleh gap Net Cash Outflow (NCO) yang diperkirakan akan dihadapi Bank. Selama periode Januari sampai dengan Desember 2015, besarnya gap NCO masih berada dalam limit yang telah ditetapkan dan dalam toleransi Bank.

Tabel jatuh tempo aset dan liabilitas Bank berdasarkan jangka waktu kontraktual yang tersisa dapat dilihat pada Catatan 37.

Risiko Operasional

Risiko operasional didefinisikan sebagai risiko yang terjadi sebagai akibat dari ketidakcukupan atau kegagalan proses internal, manusia dan sistem atau dari berbagai peristiwa eksternal. Potensi kerugian dapat berupa kerugian finansial atau dampak buruk lainnya, misalnya, kehilangan reputasi dan kepercayaan publik yang berdampak pada kredibilitas Bank dan kemampuan untuk bertransaksi, menjaga likuiditas dan memperoleh bisnis baru.

Bank telah menetapkan Kerangka kerja Manajemen Risiko Operasional yang mencakup seperangkat Struktur Tata Kelola Risiko Operasional, Kebijakan dan Standar Manajemen Risiko, budaya dan kesadaran risiko, identifikasi risiko, pengukuran risiko, pemantauan risiko, pengendalian risiko, kaji ulang dan audit risiko, pelaporan risiko, dan modal yang dipersyaratkan. Ambang batas meliputi, namun tidak terbatas pada hal-hal berikut: pernyataan kuantitatif dan kualitatif terkait hal-hal yang tidak dapat ditoleransi atau dibiarkan oleh Bank, *Risk Appetite*, *Risk Assessment Matrix*, *Key Operational Risk Indicators*, *Materiality & Notification Protocol*, *GOCEQ (General Operating & Control Environment Questionnaire)*, *Deductible/Limits* untuk pembelian asuransi, dan lain-lain.

38. Risk Management Policies (continued)

Liquidity Risk (continued)

Besides, the Bank also produce the cash flow mismatch report based on behavior assumption. The cash flow related to behavior analysis of asset, liabilities, off balance sheet and projecting the potential cash flow based on assumptions which derived from the behavior patterns. Potential cash flow are specifically associated with product characteristic, such as whether the product is renewed, early redemption for fixed deposit or the historical trend of fixed deposit's rolled over. From the behaviour cash flow analysis, it is obtained the expected Net Cumulative Outflow (NCO) gap that will be encountered by the Bank. During January until December 2015, the NCO gap is within the limit and Bank's tolerance.

Table maturity of Bank's asset and liabilities based on contractual can be seen in Note 37.

Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Potential loss may be in the form of financial loss or other damages, for example, loss of reputation and public confidence that will impact the Bank's creditability and ability to transact, maintain liquidity and obtain new business.

The Bank has established an Operational Risk Management Framework that comprises risk governance structure, risk policies and standards, risk culture and awareness, risk identification, assessment, monitoring and control, loss data, risk mitigation program, risk reviews and audit, risk reporting, and regulatory capital. Operational Risk thresholds have been established. The thresholds include, but are not limited to the following: Quantative statements on what the Bank is not willing to tolerate or condone, Risk Appetite, Risk Assessment Criteria Matrix, Key Operating Risk Indicators and thresholds, Materiality & Notification Protocol, GOCEQ (General Operating & Control Environment Questionnaire), Deductible/Limits for insurance cover purchased, etc.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional:

- Membentuk dan melaksanakan *Operational Risk Management Committee* (ORMC) yang berfungsi sebagai forum diskusi untuk membahas berbagai permasalahan terkait risiko operasional
- Membuat dan mereview seluruh kebijakan dan pedoman yang berkaitan dengan manajemen risiko operasional
- Merevisi ORM *Risk Assessment Matrix* untuk selalu disesuaikan dengan perkembangan tingkat toleransi risiko Bank.
- Mengembangkan metode pelaporan risiko operasional melalui pengembangan ORM *Risk Dashboard*, ORM *Risk Heat Maps* dan ORM *Business/Support Functions Risk Dashboard*.
- Implementasi perangkat kerja ORM seperti *Key Risk Control Self Assessment* (KRCSA), *General Operating & Control Environment Questionnaire* (GOCEQ), *Key Operational Risk Indicator* (KORI), *Operational Risk Self Declaration* (ORSD) dan *Event Risk reporting* (ERR) & *scenario analysis* yang dilakukan untuk mengidentifikasi risiko dan kontrol yang melekat dalam proses operasional utama pada semua unit dan cabang.
- Melakukan validasi hasil penilaian perangkat risiko operasional, terutama KRCSA, GOCEQ dan KORI melalui kaji ulang ke sejumlah cabang yang dijadikan sampling untuk melihat tingkat kepatuhan cabang terhadap prosedur dan kontrol.
- Menjajaki pengembangan strategi pemulihan dalam menghadapi bencana yang meluas (*Wide Area Disruption*).
- Memberikan pembekalan dan pelatihan kepada *Quality Assurance* (QA) pada setiap cabang dan menyelenggarakan forum ORISCO (*Operational Risk Coordinator*) secara periodik untuk meningkatkan kesadaran risiko secara *bankwide*.
- Membuat ORM *e-Learning*, video anti *fraud* & *Fraud e-Learning* untuk meningkatkan kewaspadaan staf atas ancaman tindakan *fraud*.
- Meningkatkan kesadaran akan pentingnya budaya risiko operasional dengan mendistribusikan pesan-pesan singkat melalui email kepada seluruh unit kerja.
- Membantu unit kerja dalam melakukan kaji ulang atas sejumlah produk/aktivitas/prosedur baru.

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Risk Management Policies (continued)

Operational Risk (continued)

The following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk:

- Establish and implement *Operational Risk Management Committee* (ORMC) which is as a forum to discuss various issues related to operational risk
- Create and review all policies and guidelines relating to *Operational Risk Management*
- Revise ORM *Risk Assessment Matrix* to be aligned continually with the Bank's risk appetite.
- Develop operational risk reporting method through the development of the ORM *Risk Dashboard*, ORM *Risk Heat Maps* and ORM *Business / Support Functions Risk Dashboard*.
- The implementation of *Operational Risk Management* tools e.g *Key Risk Control Self Assessment* (KRCSA), *General Operating & Control Environment Questionnaire* (GOCEQ), *Key Operational Risk Indicator* (KORI), *Operational Risk Self Declaration* (ORSD) dan *Event Risk reporting* (ERR) & *scenario analysis* to identify the risks and controls in key operational processes for all units and branches.
- Validate the assessment results of operational risk tools, particularly KRCSA, GOCEQ and KORI through sample reviews of several branches to measure the compliance level of procedures and controls Branch.
- Seek to develop recovery strategy of *Wide Area Disruption*.
- Conduct briefing and training for *Quality Assurance* (QA) staff in branches and conduct periodically ORISCO (*Operational Risk Coordinator*) forum to increase bankwide risk awareness.
- Develop ORM *e-Learning*, anti *fraud* video and *Fraud e-Learning* to improve staff awareness to prevent/avoid *fraud*.
- Increase operational risk awareness by sending flash message to all business/support unit.
- Assist units in reviewing new products/activities/procedures.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional: (lanjutan)

- Latihan Kelangsungan Bisnis/*Business Continuity Plan Exercise* seperti:
 - a. Secara berkelanjutan terus memperbaiki kualitas *Business Impact Analysis* (BIA) dan *Business Continuity Plan* (BCP) dari lini bisnis dan pendukung.
 - b. Simulasi/Latihan Rencana Kelangsungan Bisnis (*Business Continuity Plan/ BCP*).
 - c. *Disaster Recovery Exercise* untuk sistem IT.
 - d. Simulasi/Latihan *Call Tree* untuk Manajemen dan unit.
 - e. *Table top exercise* untuk Komite BCM (*Business Continuity Management*)

Risiko Kepatuhan

Risiko kepatuhan didefinisikan sebagai yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku.

Fungsi kerja Kepatuhan telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan:

A. Kebijakan dan Prosedur Kepatuhan

Sejalan dengan Peraturan yang berlaku, Kebijakan Kepatuhan telah dirumuskan untuk menentukan cakupan, prinsip-prinsip dan tanggung jawab untuk pengelolaan yang efektif dari fungsi kepatuhan. Pokok-pokok pengaturan kepatuhan beserta tujuan pengaturannya adalah sebagai berikut:

1. Piaqam Kepatuhan Bank

Mengatur mengenai Kerangka Kerja Fungsi Kepatuhan Bank (*Compliance Framework*) serta peran dan tanggung jawab seluruh *stakeholders*.

2. Prosedur Pengkajian Kepatuhan

Mengatur mengenai mekanisme identifikasi kekurangan atau kelemahan kontrol pada kebijakan, ketentuan, sistem, dan prosedur internal Bank serta mekanisme pemantauan risiko kepatuhan dengan pendekatan berbasis risiko (*Risk-Based Approach*).

38. Risk Management Policies (continued)

Operational Risk (continued)

The following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk: (continued)

- *Business Continuity Plan Exercise*, as follows:
 - a. Continually improving the quality of *Business Impact Analysis* (BIA) and *Business Continuity Plan* (BCP) from line of business and support
 - b. *Simulation/ exercise of Business Continuity Plan* (*Business Continuity Plan/ BCP*).
 - c. *Disaster Recovery Exercise* for IT system.
 - d. *Call Tree simulation/exercise* for Management and units
 - e. *Table top exercise* for BCM (*Business Continuity Management*) Committee

Compliance Risk

Compliance risk is defined as the risk that occurs due to Bank's failure to comply with and/or implement the prevailing laws and regulations.

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk:

A. Compliance Policies and Procedures

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The Principal regulations as well as its objectives are as follow:

1. Bank's Compliance Charter

Regulating the Bank's Compliance Framework as well as the roles and responsibilities of all stakeholders.

2. Procedures for Compliance Review

Regulating the mechanism to identify control deficiencies or weaknesses in the Bank's internal policies, provisions, systems and procedures as well as the mechanism of risk-based approach compliance risk monitoring.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

3. Prosedur tentang Mekanisme Pemantauan Data Acuan Keuangan

Mengatur mengenai mekanisme pemantauan data acuan keuangan (JIBOR dan/atau JISDOR) yang disampaikan oleh Bank kepada Bank Indonesia untuk menghindari adanya kecurangan yang dilakukan oleh pegawai Bank dalam menetapkan dan menyampaikan data acuan keuangan tersebut sehingga data acuan keuangan yang dikirimkan ke Bank Indonesia dapat mencerminkan keadaan pasar yang sebenarnya.

4. Prosedur Pemantauan Komitmen Bank dan Tindak Lanjut atas Permintaan dari Regulator Terkait

Mengatur mengenai mekanisme pemenuhan kepatuhan dan pelaksanaan terhadap komitmen yang dibuat oleh Bank kepada Bank Indonesia (BI) dan Otoritas Jasa Keuangan (OJK).

5. Prosedur Pengeskalasian dan Pelaporan Kejadian Risiko Kepatuhan

Mengatur mengenai mekanisme pelaporan yang tepat waktu untuk setiap pelanggaran atau ketidakpatuhan terhadap peraturan perundang-undangan dan ketentuan yang berlaku.

6. Ketentuan-Ketentuan yang Terkait dengan Fungsi Kepatuhan

Memberikan informasi mengenai Ketentuan-Ketentuan yang terkait dengan pelaksanaan Fungsi Kepatuhan Bank.

Direktur Kepatuhan melalui Fungsi Kerja *Compliance* juga telah menetapkan dan menerapkan kebijakan berupa Surat Edaran No.12/CMP/0005 perihal Pengurangan Nilai *Key Performance Indicator* (KPI) Sehubungan dengan Pengenaan Sanksi dari Regulator. Pada Semester I tahun 2015, Fungsi Kerja *Compliance* bekerja sama dengan Fungsi Kerja *Risk Management* dan Fungsi Kerja *Internal Audit* telah menyusun dan menerbitkan Surat Keputusan Direksi

38. Risk Management Policies (continued)

Compliance Risk (continued)

A. *Compliance Policies and Procedures (continued)*

3. *Procedure of Financial Benchmark Data Surveillance Mechanism*

Regulate the mechanism of financial benchmark data surveillance (JIBOR and/or JISDOR) submitted by the Bank to Bank Indonesia to avoid any fraud committed by Bank's employees in setting and submitting the financial benchmark so that financial benchmark data sent to Bank Indonesia may reflect real market condition.

4. *Procedures in Monitoring the Bank's Commitment and Follow-up on Requests from Related Regulator*

Regulating the mechanism of compliance fulfillment and implementation towards the commitments made by the Bank to Regulator, e.g Bank Indonesia (BI) and Otoritas Jasa keuangan (OJK).

5. *Procedures in Escalating and Reporting Compliance Risk Events*

Regulating the reporting mechanism in a timely manner for each breach or violation towards the prevailing laws, regulations and provisions.

6. *Provisions Related to Compliance Function*

Provide information on provisions related to the implementation of Bank's Compliance Function.

Compliance Director through Compliance Function has also stipulated and implemented a policy in the form of Circular Letter No.12/CMP/0005 concerning Deduction of Key Performance Indicator (KPI) Value Related to Sanctions Imposed by Regulator. In the first half of 2015 Compliance Function in cooperation with Risk Management Function and Internal Audit Function has drafted and issued Directors' Decree No.15/SKDIR/0018 dated 3 June 2015

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

6. Ketentuan-Ketentuan yang Terkait dengan Fungsi Kepatuhan (lanjutan)
 No.15/SKDIR/0018 tanggal 3 Juni 2015 perihal Pedoman Penyesuaian Nilai Kinerja Pegawai/Key Performance Indicator (KPI) Berdasarkan Risiko. Kebijakan ini merupakan pengembangan dari Surat Edaran No.12/CMP/0005 dan bertujuan untuk memastikan efektivitas dari pelaksanaan manajemen risiko dan *Good Corporate Governance* sehingga Tingkat Kesehatan Bank dapat terjaga pada peringkat yang baik.

B. Pemantauan Indikator Keuangan

Beberapa indikator kunci seperti rasio persyaratan modal minimum, kualitas aktiva produktif, rasio NPL, batas maksimum pemberian kredit, persyaratan giro wajib minimum, *loan to deposit ratio* dan posisi devisa neto telah dibentuk untuk memantau dan mengidentifikasi risiko kepatuhan potensial yang mungkin timbul jika Bank gagal untuk memenuhinya.

Divisi *Operational Risk Management* bekerja sama dengan Divisi *Compliance Advisory and Monitoring* untuk melaporkan setiap potensi pelanggaran atau pelanggaran atas ketentuan yang berlaku. Secara berkesinambungan, Bank meningkatkan pengelolaan risiko kepatuhan terhadap peraturan. Selama tahun 2015, masih terdapat pengenaan sanksi dari Regulator atas kesalahan yang bersifat administratif. Kelemahan yang menimbulkan pengenaan sanksi secara umum ialah *human error* dalam penyusunan dan penyampaian laporan-laporan rutin kepada Bank Indonesia, seperti Laporan Harian Bank Umum (LHBU), Laporan Kantor Pusat Bank Umum (LKPBU) dan Laporan Sistem Informasi Debitur (SID). Dalam mengelola risiko kepatuhan yang timbul dari pengenaan sanksi tersebut, manajemen Bank senantiasa secara aktif memberikan pengarahan dan himbauan agar Bank memelihara seluruh aktivitas bisnis dan operasionalnya tetap mematuhi ketentuan-ketentuan yang berlaku.

38. Risk Management Policies (continued)

Compliance Risk (continued)

A. Compliance Policies and Procedures (continued)

6. Provisions Related to Compliance Function (continued)
 concerning Guidelines of Risk Based Employee Performance/Key Performance Indicator (KPI). This policy is an improvement of Circular Letter No.12/CMP/0005 and is aimed to ensure the effectiveness of risk management and Good Corporate Governance implementation so that the Bank Soundness Rating can be maintained at a good rating.

B. Monitoring the Financial Indicator

Several key indicators such as minimum capital adequacy ratio, earning asset quality, NPL ratio, legal lending limit, statutory reserve requirement, loan to deposit ratio and net open position have been established to monitor and identify potential compliance risks that may arise if the Bank fails to comply.

Operational Risk Management Division works collaboratively with Compliance Advisory and Monitoring Division to report any potential violation or breach of the prevailing regulations. On an ongoing basis, the Bank has progressively enhanced the management of regulatory compliance risks. Throughout 2015, there were still sanctions imposed by Regulator due to administrative errors. Weaknesses that caused the imposing of sanctions in general was due to human error in the preparation and submission of regular reports to Bank Indonesia, such as Commercial Bank Daily Report (LHBU), Commercial Bank Head Office Report (LKPBU), and Debtor Information Report (SID). In managing the compliance risk arising from the imposing of such sanctions, Bank's Management has actively given directives and guidance so that Bank continuously maintains all of its business and operational activities to remain compliant towards the prevailing provisions.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (AML) dan Pencegahan Pendanaan Terorisme (CFT), Fungsi Kerja *Compliance* melalui Divisi *AML/CFT and Sanctions* telah melakukan hal-hal sebagai berikut:

- a) melakukan penyesuaian terhadap ketentuan *Komite Anti Money Laundering*;
- b) memfasilitasi pengkinian dan pengembangan materi pelatihan AML/CFT;
- c) menyusun dan menerbitkan beberapa Pedoman sebagai berikut:
 - 1) Prinsip Mengenal Nasabah di Sektor Pasar Modal;
 - 2) Mengenai Tindak Lanjut Surat Permintaan dari Instansi Terkait;
 - 3) Pengkinian Matriks Klasifikasi Tingkat Risiko;
 - 4) APU-PPT dalam Penanganan *Detica Hits*;
- d) melakukan penonaktifan terhadap aplikasi *WIC (Walk in Customer)*;
- e) mengkinikan Kebijakan dan Pedoman Penerapan Program APU dan PPT;
- f) melakukan perbaikan dan pengembangan terhadap Aplikasi KYC - CTR;
- g) menyusun dan menerbitkan ketentuan mengenai pengenaan sanksi administratif atas pelanggaran kewajiban pelaporan; dan melakukan penyesuaian proses dan mekanisme *Screening* berkala.

Selain itu, dalam rangka melakukan pemantauan dan pelaporan transaksi nasabah, Divisi *AML/CFT and Sanctions* juga telah melakukan pengembangan terhadap sistem pemantauan transaksi nasabah dengan memperluas cakupan pemantauan ke transaksi kartu kredit.

Selain hal di atas, Fungsi Kerja *Compliance* juga berperan penting sebagai penasehat dengan memberikan saran regulasi dan kepatuhan secara berkelanjutan kepada fungsi kerja bisnis dan fungsi kerja lainnya.

38. Risk Management Policies (continued)

Compliance Risk (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, Compliance Function through AML/CFT and Sanctions Division has conducted several measures as follows:

- a) amended the provision of Anti Money Laundering Committee;
- b) facilitated the updating and development of AML/CFT Training material;
- c) prepared and issued several Guidelines as follows :
 - 1) Know Your Customer Principles in Capital Market Sector;
 - 2) Follow Up Request from Related Institution;
 - 3) Updated Risk Level Classification Matrix;
 - 4) AML-CFT in Handling *Detica Hits*;
- d) deactivating *WIC (Walk in Customers)* application;
- e) updated Policy and Guideline on the Implementation of AML and CFT Program;
- f) improved and enhanced KYC - CTR Application;
- g) prepared and issued provision on administrative sanction imposition due to breach of reporting obligation; and amended the process and mechanism of periodic screening.

Furthermore, in conducting monitoring and reporting of customers' transaction, AML/CFT and Sanction Division has also enhanced customers' transaction monitoring system by expanding the scope of monitoring to cover credit card transactions.

Apart from the above, Compliance Function also plays an important advisory role as it provides the business and other units with regulatory and compliance advice on an ongoing basis.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Strategik

Risiko strategik didefinisikan sebagai risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis.

Kebijakan Manajemen Risiko Strategik telah ditetapkan guna memfasilitasi seluruh fungsi kerja dalam melakukan identifikasi, pengukuran, pemantauan, dan pelaporan risiko strategik.

Pengelolaan risiko strategik merujuk pada bagaimana Bank membuat suatu keputusan strategik untuk merespons segala perubahan lingkungan (internal dan eksternal) pada masa kini maupun pada masa yang akan datang, serta bagaimana modal dan sumber daya dialokasikan guna mencapai tujuan strategik Bank.

Secara berkelanjutan, Bank melakukan kaji ulang berkala atas pencapaian target keuangan dan realisasi strategi. Seluruh fungsi kerja bisnis juga bertanggung jawab untuk memantau risiko strategik pada areanya dan melaporkan secara tepat waktu kepada Komite Manajemen Risiko apabila terdapat isu potensial atau masalah yang memiliki implikasi strategik terhadap Bank.

Seluruh fungsi kerja bertanggungjawab untuk memantau risiko strategik.

Risiko Hukum

Risiko hukum didefinisikan sebagai risiko yang mungkin timbul dari kontrak yang tidak dapat diberlakukan/tidak menguntungkan/tidak sempurna/tidak diinginkan; gugatan atau klaim yang melibatkan Bank; perkembangan dalam hukum dan regulasi; dan ketidakpatuhan terhadap hukum, peraturan dan standar profesional yang berlaku.

Bank melakukan pemantauan atas potensi risiko hukum yang mungkin timbul dari kelemahan sistem hukum atau adanya tuntutan hukum, ketiadaan peraturan perundangan yang jelas, ketidakjelasan dalam kontrak, perkara atau jaminan. Dalam pengelolaan risiko hukum, Bank melakukan pemantauan komprehensif terhadap seluruh kegiatan operasional, terutama yang melibatkan pihak ketiga, yang berpotensi menimbulkan benturan kepentingan maupun tuntutan hukum. Pemantauan dilakukan dengan mengembangkan standar perjanjian meliputi peraturan dan kebijakan internal, melakukan kaji ulang atas perjanjian transaksional, dan menganalisa potensi risiko hukum pada produk dan aktivitas baru.

38. Risk Management Policies (continued)

Strategic Risk

Strategic risk is defined as the risk due to poor setting and/or implementation of a strategic decision and failure to anticipate any changes in business environment.

Strategic Risk Management Policy has been established in order to support the identification, measurement, monitoring and reporting of strategic risk.

Strategic risk management refers to how the Bank makes strategic decisions in response to significant changes in the current and prospective environment (internal and external) and how it deploys capital and resources to achieve its Bank strategic goals.

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

All functions are responsible for the monitoring of strategic risk.

Legal Risk

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

Bank has monitored the potential legal risk that might arise from the weaknesses of juridical aspects or lawsuits, nonexistence of clear regulations, lack of clarity of contracts, litigations, or collaterals. In managing the legal risk, Bank conducted monitoring in all operational activities, mainly those involving the third parties, which potentially cause conflict of interest as well as lawsuits. Monitoring is conducted by developing standard agreements that include regulations and internal policies, reviewing transactional agreements, and analyzing new products or activities for potential legal risks.

**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)**

**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)**

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Reputasi

Risiko Reputasi merupakan dampak negatif pada pendapatan, likuiditas, atau modal Bank yang timbul dari persepsi atau opini negatif *stakeholder* terhadap praktik bisnis, kegiatan dan kondisi keuangan Bank.

Pengendalian risiko reputasi dilakukan melalui pencegahan peristiwa yang dapat menyebabkan risiko reputasi, misalnya dengan melakukan komunikasi secara berkala kepada para pemangku kepentingan dan kegiatan tanggung jawab sosial perusahaan.

Mitigasi atas risiko reputasi dilakukan melalui pemantauan dan pengelolaan secara intensif atas pemberitaan negatif di media dan semua perangkat *service* oleh Divisi *Customer Advocacy and Service Quality* dan Divisi *Brand Performance Corporate Communications*.

Kualitas layanan dan penanganan keluhan nasabah telah ditingkatkan melalui pemantauan secara regular dan pengembangan program yang dilakukan oleh Divisi *Customer Advocacy and Service Quality*. Upaya Bank dalam memitigasi risiko reputasi berhasil mencapai tingkat penyelesaian keluhan nasabah sebesar 95% dari keseluruhan keluhan nasabah. Upaya tersebut dilakukan melalui:

- Melakukan revisi atas kebijakan dan pedoman dalam penanganan keluhan nasabah.
- Mensosialisasikan kebijakan tersebut serta alur kerja penanganan keluhan pada seluruh unit.
- Memaksimalkan peran *Call Center* dengan meningkatkan mekanisme untuk menangani keluhan/ancaman media serta mendelegasikan beberapa wewenang penyelesaian keluhan nasabah.
- Melakukan evaluasi dan koordinasi secara berkala dengan unit-unit terkait untuk membahas keluhan nasabah, mencari solusinya termasuk penyelesaian keluhan sesuai dengan SLA yang ditentukan.
- Melakukan edukasi kepada nasabah terkait pencegahan atas *fraud* dengan menempatkan poster di cabang dan ATM, serta melalui iklan pada layar ATM.
- Pelatihan manajemen layanan kepada seluruh agen *collection*.
- Menetapkan Komite *Service Quality* yang bertujuan untuk mengevaluasi dan memantau *blue print* layanan UOB secara periodik.

38. Risk Management Policies (continued)

Reputation Risk

Reputation Risk is the adverse impact on the Bank's income, liquidity, or capital arising from negative stakeholder perception or opinion of the Bank's business practices, activities, and financial condition.

Risk controlling for reputation risk is conducted through prevention of events that could lead to reputation risk, for example by conducting a regular communication to stakeholders in the process of creating positive reputation and a series of activities such as corporate social responsibility.

Mitigation of reputation risk was performed through intensive monitoring and management of negative publications in media and all service tools by Customer Advocacy and Service Quality division & Brand Performance Corporate Communications division.

Service quality and handling of customer complaints have improved through the regular monitoring and development program by Customer Advocacy and Service Quality division. The Bank's effort in mitigating reputation risk has resulted in the achievement of customer complaints settlement by 95% of all incoming complaints. Those efforts are made through:

- *Revising and adjusting policy and guidance for complaint handling.*
- *Socialization the revised policy and complaint management procedure to all units.*
- *Maximizing Call Center by improving the mechanism to handle hard/media threat complaints and delegation of duty regarding customer complaints settlement.*
- *Evaluating and coordinating regularly with related units to discuss customer complaint, find out alternative solution including complaint resolution as per determined SLA.*
- *Educate the customers on the precautionary against fraud by using posters placed in branches and ATMs as well as through the display space on the ATM screen.*
- *Service management training for all collection agents.*
- *Establishment of Service Quality Committee for periodic evaluation and monitoring UOB's service blue print.*

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

38. Kebijakan Manajemen Risiko (lanjutan)

Risiko Reputasi (lanjutan)

- Melakukan koordinasi rapat secara berkala di setiap wilayah untuk membahas isu layanan dan meningkatkan layanan menjadi lebih baik.
- Melakukan *coaching* dan pemantauan *standard* layanan untuk semua *front-liner* oleh PIC service wilayah secara periodik.
- Melakukan review proses kredit E2E, menetapkan SLA yang pasti agar dapat dijalankan dengan benar.
- Melakukan sosialisasi kepada seluruh bisnis *segment* dan divisi terkait dengan alur proses penanganan keluhan agar dapat ditindaklanjuti dengan benar.
- Merespon keluhan nasabah secara tertulis baik yang diterima melalui Call Center, Cabang, Media, BI, OJK dan lainnya dengan segera dan benar.
- Menetapkan *Command Center* untuk eskalasi isu-isu terkait kartu kredit.

39. Nilai Wajar Instrumen Keuangan

Tabel di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan.

	31 Desember 2015/ 31 December 2015	
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value
Aset Keuangan		
Pinjaman yang diberikan dan piutang		
Kas	516.244	516.244
Giro pada Bank Indonesia	5.454.283	5.454.283
Giro pada bank lain	703.809	703.809
Penempatan pada Bank Indonesia dan bank lain	2.855.655	2.855.655
Kredit yang diberikan - neto	60.573.523	60.573.523
Tagihan akseptasi - neto	2.613.112	2.613.112
Aset lain-lain	290.859	290.859
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi		
Efek-efek yang diperdagangkan	1.556.498	1.556.498
Tagihan derivatif	141.727	141.727
Aset keuangan tersedia untuk dijual		
Investasi keuangan tersedia untuk dijual	8.526.276	8.526.276
Aset keuangan yang dimiliki hingga jatuh tempo		
Dimiliki hingga jatuh tempo - neto	1.852.940	1.852.940
Total	85.084.926	85.084.926

38. Risk Management Policies (continued)

Reputation Risk (continued)

- Coordinate periodically meeting done by each region to discuss service issue and solution to increase service to be more better.
- Do coaching and monitoring standard service for all frontliners done by Regional PIC Service periodically
- Review credit process E2E (End to End), establish exact SLA to be implemented correctly
- Socialize to all business segments and divisions related to process flow complaint handling to be done correctly.
- Respond customer's complaint in writing either received from Call Center, branches, Media, Central Bank, OJK (Financial Service Authority)
- Establishment of Command Center for the escalation of credit card issues.

39. Fair Value of Financial Instruments

The tables below presents the comparison between the carrying values, as reported in the statement of financial position, and the fair values of all financial assets and liabilities.

Financial Assets
Loans and receivables
Cash
Currents accounts with Bank Indonesia
Current accounts with other banks
Placement with Bank Indonesia and other banks
Loans - net
Acceptances receivable - net
Other assets
Financial assets designated at fair value through profit or loss
Trading securities
Derivatives receivable
Available-for-sale financial assets
Financial investments available-for-sale
Held-to-maturity financial assets
Held-to-maturity - net
Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

39. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan. (lanjutan)

39. Fair Value of Financial Instruments (continued)

The tables below presents the comparison between the carrying values, as reported in the statement of financial position, and the fair values of all financial assets and liabilities. (continued)

		31 Desember 2015/ 31 December 2015			
		Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value		
Liabilitas Keuangan				Financial Liabilities	
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi				Financial liabilities designated at fair value through profit or loss	
Liabilitas derivatif	143.218	143.218		Derivatives payable	
Liabilitas Lain-lain				Other Liabilities	
Liabilitas segera	61.920	61.920		Current liabilities	
Simpanan	64.457.293	64.457.293		Deposits	
Simpanan dari bank lain	5.506.520	5.506.520		Deposits from other banks	
Bunga yang masih harus dibayar	243.086	243.086		Interests payable	
Liabilitas akseptasi	2.643.573	2.643.573		Acceptances payable	
Efek hutang yang diterbitkan	2.500.000	2.587.690		Debt securities issued	
Liabilitas lain-lain	160.717	160.717		Other liabilities	
Total	75.716.327	75.804.017		Total	
		31 Desember 2014/ 31 December 2014			
		Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value		
Aset Keuangan				Financial Assets	
Pinjaman yang diberikan dan piutang				Loans and receivables	
Kas	591.145	591.145		Cash	
Giro pada Bank Indonesia	5.327.965	5.327.965		Currents accounts with Bank Indonesia	
Giro pada bank lain	1.242.511	1.242.511		Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank lain	5.237.600	5.237.600		Placement with Bank Indonesia and other banks	
Kredit yang diberikan - neto	55.832.869	55.832.869		Loans - net	
Tagihan akseptasi - neto	3.133.200	3.133.200		Acceptances receivable - net	
Aset lain-lain	269.556	269.556		Other assets	
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi				Financial assets designated at fair value through profit or loss	
Efek-efek yang diperdagangkan	400.563	400.563		Trading securities	
Tagihan derivatif	238.965	238.965		Derivatives receivable	
Aset keuangan tersedia untuk dijual				Available-for-sale financial assets	
Investasi keuangan tersedia untuk dijual	5.225.231	5.225.231		Financial investments available-for-sale	
Aset keuangan yang dimiliki hingga jatuh tempo				Held-to-maturity financial assets	
Dimiliki hingga jatuh tempo - neto	1.401.952	1.401.952		Held-to-maturity - net	
Total	78.901.557	78.901.557		Total	

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

39. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel di bawah ini disajikan perbandingan antara nilai tercatat, seperti dilaporkan dalam laporan posisi keuangan, dan nilai wajar semua aset keuangan dan liabilitas keuangan. (lanjutan)

	31 Desember 2014/ 31 December 2014	
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value
Liabilitas Keuangan		
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi		
Liabilitas derivatif	255.593	255.593
Liabilitas Lain-lain		
Liabilitas segera	67.710	67.710
Simpanan	63.235.389	63.235.389
Simpanan dari bank lain	999.560	999.560
Bunga yang masih harus dibayar	218.173	218.173
Liabilitas akseptasi	3.136.138	3.136.138
Pinjaman yang diterima	328.413	328.413
Efek hutang yang diterbitkan	993.479	1.028.375
Liabilitas lain-lain	161.459	161.459
Total	69.395.914	69.430.810

Nilai wajar aset dan liabilitas keuangan, kecuali efek-efek yang diperdagangkan, tagihan dan liabilitas derivatif, investasi keuangan yang tersedia untuk dijual dan efek hutang yang diterbitkan, mendekati nilai tercatatnya karena aset dan liabilitas keuangan dalam jumlah signifikan memiliki jangka waktu yang pendek dan/atau suku bunganya sering ditinjau ulang. Tagihan dan liabilitas derivatif nilai wajarnya dihitung berdasarkan teknik penilaian. Efek-efek yang diperdagangkan dan investasi keuangan yang tersedia untuk dijual nilai wajarnya berdasarkan harga yang dapat diperoleh atau dapat diobservasi. Nilai wajar dari efek hutang yang diterbitkan dihitung menggunakan diskonto arus kas berdasarkan tingkat suku bunga pasar.

Penilaian atas nilai wajar instrumen keuangan berdasarkan hirarki nilai wajar dapat dilihat pada Catatan 2aa.

39. Fair Value of Financial Instruments (continued)

The tables below presents the comparison between the carrying values, as reported in the statement of financial position, and the fair values of all financial assets and liabilities. (continued)

Financial Liabilities
Financial liabilities designated at fair value through profit or loss
Derivatives payable
Other Liabilities
Current liabilities
Deposits
Deposits from other banks
Interests payable
Acceptance liabilities
Borrowings
Debt securities issued
Other liabilities
Total

The fair value of financial assets and liabilities, except for trading securities, derivatives receivables and liabilities, financial investments available-for-sale and debt securities issued, approximate its carrying values because financial assets and liabilities in significant amount have short-term period and/or the interest rate is frequently reviewed. Derivatives receivables and liabilities fair value is based on valuation technique. Trading securities, and financial investment available-for-sale fair value is based on quoted or observable prices. The fair value of debt securities issued are calculated using discounted cash flows using market interest rate.

Valuation for the fair value of financial instruments based on the fair value hierarchy refer to Note 2aa.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

39. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas:

39. Fair Value of Financial Instruments (continued)

The tables below show the asset and liabilities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities:

	31 Desember 2015/ 31 December 2015				
	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total	
Aset yang diukur pada nilai wajar					Assets measured at fair value
Tagihan derivatif	-	141.727	-	141.727	Derivatives receivable
Efek-efek yang Diperdagangkan	1.556.498	-	-	1.556.498	Trading securities
Investasi keuangan tersedia untuk dijual	8.322.613	203.663	-	8.526.276	Financial investments available-for-sale
Total aset yang diukur pada nilai wajar	9.879.111	345.390	-	10.224.501	Total assets measured at fair value
Aset yang nilai wajarnya diungkapkan					Assets for which fair value are disclosed
Kredit yang diberikan - neto	-	59.208.977	1.364.546	60.573.523	Loans - net
Dimiliki hingga jatuh tempo - neto	-	1.852.940	-	1.852.940	Held-to-maturity - net
Agunan yang diambil alih - neto	-	-	48.938	48.938	Foreclosed assets - net
Properti terbengkalai - neto	-	-	6.639	6.639	Abandoned property - net
Total aset yang nilai wajarnya diungkapkan	-	61.061.917	1.420.123	62.482.040	Total assets for which fair value are disclosed
Total	9.879.111	61.407.307	1.420.123	72.706.541	Total
Liabilitas yang diukur pada nilai wajar					Liabilities measured at fair value
Liabilitas derivatif	-	143.218	-	143.218	Derivatives liabilities
Total liabilitas yang diukur pada nilai wajar	-	143.218	-	143.218	Total liabilities measured at fair value
Liabilitas yang nilai wajarnya diungkapkan					Liabilities for which fair value are disclosed
Efek hutang yang diterbitkan - neto	-	2.587.690	-	2.587.690	Debt securities issued - net
Total liabilitas yang nilai wajarnya diungkapkan	-	2.587.690	-	2.587.690	Total liabilities for which fair value are disclosed
Total	-	2.730.908	-	2.730.908	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

39. Nilai Wajar Instrumen Keuangan (lanjutan)

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas: (lanjutan)

39. Fair Value of Financial Instruments (continued)

The tables below show the asset and liabilities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities: (continued)

	31 Desember 2014/ 31 December 2014				
	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total	
Aset yang diukur pada nilai wajar					Assets measured at fair value
Tagihan derivatif	-	238.965	-	238.965	Derivatives receivable
Efek-efek yang Diperdagangkan	400.563	-	-	400.563	Trading securities
Investasi keuangan tersedia untuk dijual	4.812.719	412.512	-	5.225.231	Financial investments available-for-sale
Total aset yang diukur pada nilai wajar	5.213.282	651.477	-	5.864.759	Total assets measured at fair value
Aset yang nilai wajarnya diungkapkan					Assets for which fair value are disclosed
Kredit yang diberikan - neto	-	54.195.615	1.637.255	55.832.870	Loans - net
Dimiliki hingga jatuh tempo - neto	-	1.401.952	-	1.401.952	Held-to-maturity - net
Agunan yang diambil alih - neto	-	-	51.437	51.437	Foreclosed assets - net
Properti terbengkalai - neto	-	-	159	159	Abandoned property - net
Total Aset Yang Nilai Wajarnya Diungkapkan	-	55.597.567	1.688.851	57.286.418	Total Assets for Which Fair Value are Disclosed
Total	5.213.282	56.249.044	1.688.851	63.151.177	Total
Liabilitas yang diukur pada nilai wajar					Liabilities measured at fair value
Liabilitas derivatif	-	255.593	-	255.593	Derivatives liabilities
Total liabilitas yang diukur pada nilai wajar	-	255.593	-	255.593	Total liabilities measured at fair value
Liabilitas yang nilai wajarnya diungkapkan					Liabilities for which fair value are disclosed
Efek hutang yang diterbitkan - neto	-	1.028.375	-	1.028.375	Debt securities issued - net
Total liabilitas yang nilai wajarnya diungkapkan	-	1.028.375	-	1.028.375	Total liabilities for which fair value are disclosed
Total	-	1.283.968	-	1.283.968	Total

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

40. Informasi Segmen Operasi

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

Tahun yang Berakhir pada tanggal 31 Desember 2015/Year ended 31 December 2015					
	Wholesale	Retail	Lainnya/ Others	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					Statement of Profit or Loss and Other Comprehensive Income
Pendapatan	1.443.571	1.128.658	5.312.650	7.884.879	Income
Beban	(92.597)	(858.420)	(5.636.241)	(6.587.258)	Expenses
Cadangan kerugian penurunan nilai	(476.547)	(179.396)	(3.306)	(659.249)	Allowance for impairment losses
Laba sebelum beban pajak	874.427	90.842	(326.897)	638.372	Income before tax expense
Beban pajak				(175.296)	Tax expense
Laba tahun berjalan				463.076	Income for the year
Laporan Posisi Keuangan					Statement of financial position
Jumlah aset	62.739.284	22.951.952	956.089	86.647.325	Total assets
Jumlah liabilitas	35.081.886	38.295.675	3.001.472	76.379.033	Total liabilities
Tahun yang Berakhir pada tanggal 31 Desember 2014/Year ended 31 December 2014					
	Wholesale	Retail	Lainnya/ Others	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					Statement of Profit or Loss and Other Comprehensive Income
Pendapatan	5.508.548	1.025.665	916.014	7.450.227	Income
Beban	(4.343.612)	(782.380)	(921.972)	(6.047.964)	Expenses
Cadangan kerugian penurunan nilai	(330.844)	(137.160)	(967)	(468.971)	Allowance for impairment losses
Laba sebelum beban pajak	834.092	106.125	(6.925)	933.292	Income before tax expense
Beban pajak				(249.180)	Tax expense
Laba tahun berjalan				684.112	Income for the year
Laporan Posisi Keuangan					Statement of financial position
Jumlah aset	53.618.828	21.102.540	5.328.237	80.049.605	Total assets
Jumlah liabilitas	36.996.777	31.002.643	2.066.016	70.065.436	Total liabilities

41. Penitipan Harta

Bank juga memberikan jasa penitipan harta. Total uang jasa yang diterima dari pemberian jasa ini selama tahun 2015 dan 2014 adalah masing-masing sebesar Rp5.234 dan Rp3.408. Pada tanggal 6 Juli 2010, Bank telah memperoleh Surat Keputusan Badan Pengawas Pasar Modal dan Lembaga Keuangan No. KEP-287/BL/2010, tentang Penetapan Penggunaan Persetujuan Bank Umum Sebagai Kustodian Atas Nama PT Bank UOB Indonesia.

41. Custodianship

The Bank engages in the provision of custodial services. Total fees received from custodial services during 2015 and 2014 amounted to Rp5,234 and Rp3,408, respectively. On July 6, 2010, the Bank has obtained a Decree of the Capital Market and Financial Institutions Supervisory Agency No. KEP-287/BL/2010 about the Stipulation of Use Approval of Commercial Bank as Custodian on behalf of PT Bank UOB Indonesia.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

42. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif

Standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan tahun berjalan diungkapkan di bawah ini. Bank berintensi untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif.

- Amandemen PSAK No. 1: Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan. Amandemen ini mengklarifikasi, bukan mengubah secara signifikan, persyaratan PSAK No. 1, antara lain, mengklasifikasi mengenai materialitas, fleksibilitas urutan sistematis catatan atas laporan keuangan dan pengidentifikasian kebijakan akuntansi signifikan.
- Amandemen PSAK No. 16: Aset Tetap tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi. Amandemen ini mengklarifikasi prinsip yang terdapat dalam PSAK No. 16 dan PSAK No. 19 Aset Takberwujud bahwa pendapatan mencerminkan suatu pola manfaat ekonomik yang dihasilkan dari pengoperasian usaha (yang mana aset tersebut adalah bagiannya) dari pada manfaat ekonomik dari pemakaian melalui penggunaan aset. Sebagai kesimpulan bahwa penggunaan metode penyusutan aset tetap yang berdasarkan pada pendapatan adalah tidak tepat.
- Amandemen PSAK No. 24: Imbalan Kerja tentang Program Imbalan Pasti: Iuran Pekerja. PSAK No. 24 meminta entitas untuk memperhatikan iuran dari pekerja atau pihak ketiga ketika memperhitungkan program manfaat pasti. Ketika iuran tersebut sehubungan dengan jasa, harus diatribusikan pada periode jasa sebagai imbalan negatif. Amandemen ini mengklarifikasi bahwa, jika jumlah iuran tidak bergantung pada jumlah tahun jasa, entitas diperbolehkan untuk mengakui iuran tersebut sebagai pengurang dari biaya jasa dalam periode ketika jasa terkait diberikan, daripada alokasi iuran tersebut pada periode jasa.

42. Accounting Standards Issued but not yet Effective

The standards and interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

- *Amendments to PSAK No. 1: Presentation of Financial Statements on Disclosures initiative. This amendments clarify, rather than significantly change, existing PSAK No. 1 requirements, among others, to clarify the materiality, flexibility as to the order in which they present the notes to financial statements and identification of significant accounting policies.*
- *Amendments to PSAK No. 16: Property, Plant and Equipment on Clarification of the accepted method for depreciation and amortization. The amendments clarify the principle in PSAK No. 16 and PSAK No. 19 Intangible Asset that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate the Property, Plant and Equipment.*
- *Amendment to PSAK No. 24: Employee Benefits on Defined benefit plans: employee contributions. PSAK No. 24 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.*

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

42. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan tahun berjalan diungkapkan di bawah ini. Bank berintensi untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif. (lanjutan)

- PSAK No. 5 (Penyesuaian 2015): Segmen Operasi. Penyesuaian ini mengklarifikasi:
 - Entitas mengungkapkan pertimbangan yang dibuat manajemen dalam penerapan kriteria agregasi PSAK No. 5 paragraf 12 termasuk penjelasan singkat segmen operasi yang digabungkan dan karakteristik ekonomi.
 - Pengungkapan rekonsiliasi aset segmen terhadap total aset jika rekonsiliasi dilaporkan kepada pengambil keputusan operasional, demikian juga untuk pengungkapan liabilitas segmen.
- PSAK No. 7 (Penyesuaian 2015): Pengungkapan Pihak-pihak Berelasi. Penyesuaian ini mengklarifikasi bahwa entitas manajemen (entitas yang menyediakan jasa personil manajemen kunci) adalah pihak berelasi yang dikenakan pengungkapan pihak berelasi. Dan entitas yang memakai entitas manajemen mengungkapkan biaya yang terjadi untuk jasa manajemennya.
- PSAK No. 16 (Penyesuaian 2015): Aset Tetap. Penyesuaian ini mengklarifikasi bahwa dalam PSAK No. 16 dan PSAK No. 19 aset dapat direvaluasi dengan mengacu pada data pasar yang dapat diobservasi terhadap jumlah tercatat bruto ataupun neto. Dan akumulasi penyusutan atau amortisasi adalah perbedaan antara jumlah tercatat bruto dan jumlah tercatat aset tersebut. Jumlah tercatat aset tersebut disajikan kembali pada jumlah revaluasiannya.
- PSAK No. 25 (Penyesuaian 2015): Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan. Penyesuaian ini memberikan koreksi editorial pada PSAK No. 25 paragraf 27.

42. Accounting Standards Issued but not yet Effective (continued)

The standards and interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective. (continued)

- PSAK No. 5 (2015 Improvement): Operating Segments. The improvement clarifies that:
 - An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of PSAK No. 5 including a brief description of operating segments that have been aggregated and the economic characteristics.
 - Disclose the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- PSAK No. 7 (2015 Improvement): Related Party Disclosures. The improvement clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.
- PSAK No. 16 (2015 Improvement): Property, Plant and Equipment. The improvement clarifies that in PSAK No. 16 and PSAK No. 19 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. Carrying amounts of the asset is restated by revaluated amounts.
- PSAK No. 25 (2015 Improvement): Accounting Policies, Changes in Accounting Estimates and Errors. The improvement provides editorial correction for paragraph 27 of PSAK No. 25.

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

42. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan tahun berjalan diungkapkan di bawah ini. Bank berintensi untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif. (lanjutan)

- PSAK No. 68 (Penyesuaian 2015): Pengukuran Nilai Wajar. Penyesuaian ini mengklarifikasi bahwa pengecualian portofolio dalam PSAK No. 68 dapat diterapkan tidak hanya kelompok aset keuangan dan liabilitas keuangan, tetapi juga diterapkan pada kontrak lain dalam ruang lingkup PSAK No. 55.

Bank sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan.

43. Penerapan PSAK No. 24 (Revisi 2013)

Sejak 1 Januari 2015, Bank menerapkan PSAK No. 24 (Revisi 2013), "Imbalan Kerja", yang mengatur perlakuan akuntansi dan pengungkapan atas imbalan kerja.

Penerapan PSAK No. 24 (Revisi 2013) diterapkan secara retrospektif sehingga laporan keuangan posisi 31 Desember 2014 dan 1 Januari 2014/31 Desember 2013 dan untuk tahun yang berakhir pada tanggal 31 Desember 2014 telah disajikan kembali dan disesuaikan dengan PSAK No. 24 (Revisi 2013).

Pengaruh penerapan pertama kali PSAK No. 24 (Revisi 2013) untuk laporan keuangan per tanggal 31 Desember 2014 dan 1 Januari 2014/31 Desember 2013, adalah sebagai berikut:

**Tanggal yang berakhir pada 31 Desember 2014/
As of year ended 31 December 2014**

	Sebelum Disesuaikan/ Before Adjustment	Penyesuaian Sehubungan Dengan Penerapan Awal PSAK No. 24 (Revisi 2013)/ Adjustment of First Implementation of PSAK No. 24 (Revised 2013)	Setelah Disesuaikan/ As Adjusted	
Laporan Posisi Keuangan				Statement of Financial Position
Liabilitas				Liabilities
Liabilitas pajak tangguhan - netto	132.169	(30.290)	101.879	Deferred tax liabilities - net
Liabilitas atas imbalan kerja	86.582	121.161	207.743	Liabilities for employee benefit
Ekuitas				Equity
Penghasilan komprehensif lain	(50.819)	(99.210)	(150.029)	Other comprehensive income
Saldo laba - belum ditentukan penggunaannya	5.540.146	8.339	5.548.485	Retained earnings - unappropriated

42. Accounting Standards Issued but not yet Effective (continued)

The standards and interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective. (continued)

- PSAK No. 68 (2015 Improvement): Fair value Measurement. The improvement clarifies that the portfolio exception in PSAK No. 68 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PSAK No. 55.

The Bank is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

43. Implementation of PSAK No. 24 (Revised 2013)

Starting 1 January 2015, the Bank adopted PSAK No. 24 (Revised 2013), "Employee Benefits", which regulates accounting treatment and disclosure on employee benefits.

The implementation of PSAK No. 24 (Revised 2013) is applied retrospectively so that the financial statements as of 31 December 2014 and 1 January 2014/31 December 2013 and for the year ended 31 December 2014 have been restated and adjusted in accordance with PSAK No. 24 (Revised 2013).

The effects of the implementation of PSAK No. 24 (Revised 2013) on the financial statements as of 31 December 2014 and 1 January 2014/31 December 2013, are as follows:

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2015
dan Untuk Tahun yang Berakhir
pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
As of 31 December 2015
and For the Year Then Ended
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

43. Penerapan PSAK No. 24 (Revisi 2013) (lanjutan)

Pengaruh penerapan pertama kali PSAK No. 24 (Revisi 2013) untuk laporan keuangan per tanggal 31 Desember 2014 dan 1 Januari 2014/ 31 Desember 2013, adalah sebagai berikut: (lanjutan)

Tanggal yang berakhir pada 31 Desember 2014/ As of year ended 31 December 2014				
	Sebelum Disesuaikan/ Before Adjustment	Penyesuaian Sehubungan Dengan Penerapan Awal PSAK No. 24 (Revisi 2013)/ Adjustment of First Implementation of PSAK No. 24 (Revised 2013)	Setelah Disesuaikan/ As Adjusted	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain				Statement of Profit or Loss and Other Comprehensive Income
Gaji dan kesejahteraan karyawan	(1.273.332)	5.704	(1.267.628)	Salaries and employee's benefit
Beban Pajak	(247.754)	(1.426)	(249.180)	Tax expense
Penghasilan Komprehensif Lainnya				Other Comprehensive Income
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified to profit or loss:
Kerugian aktuarial atas program manfaat pensiun	-	(58.402)	(58.402)	Actuarial loss on defined benefit plan
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	-	14.601	14.601	Income tax relating to components of other comprehensive income
1 Januari/ January 1, 2014 31 Desember/ 31 December 2013				
	Sebelum Disesuaikan/ Before Adjustment	Penyesuaian Sehubungan Dengan Penerapan Awal PSAK No. 24 (Revisi 2013)/ Adjustment of First Implementation of PSAK No. 24 (Revised 2013)	Setelah Disesuaikan/ As Adjusted	
Laporan Posisi Keuangan				Statement of Financial Position
Liabilitas				Liabilities
Liabilitas pajak tangguhan	39.589	(17.116)	22.473	Deferred tax liabilities
Liabilitas atas imbalan kerja	78.720	68.464	147.184	Liabilities for employee benefit
Ekuitas				Equity
Penghasilan komprehensif lain	(177.415)	(55.409)	(232.824)	Other comprehensive income
Saldo laba - belum ditentukan penggunaannya	4.885.312	4.061	4.889.373	Retained earnings - unappropriate

44. Penyelesaian Laporan Keuangan

Manajemen bertanggung jawab atas penyajian laporan keuangan yang telah diselesaikan dan diotorisasi untuk terbit oleh Direksi Bank pada tanggal 28 Januari 2016.

44. Completion of the Financial Statements

The management is responsible for the preparation of financial statements which were completed and authorized for issuance by the Bank's Board of Directors on 28 January 2016.

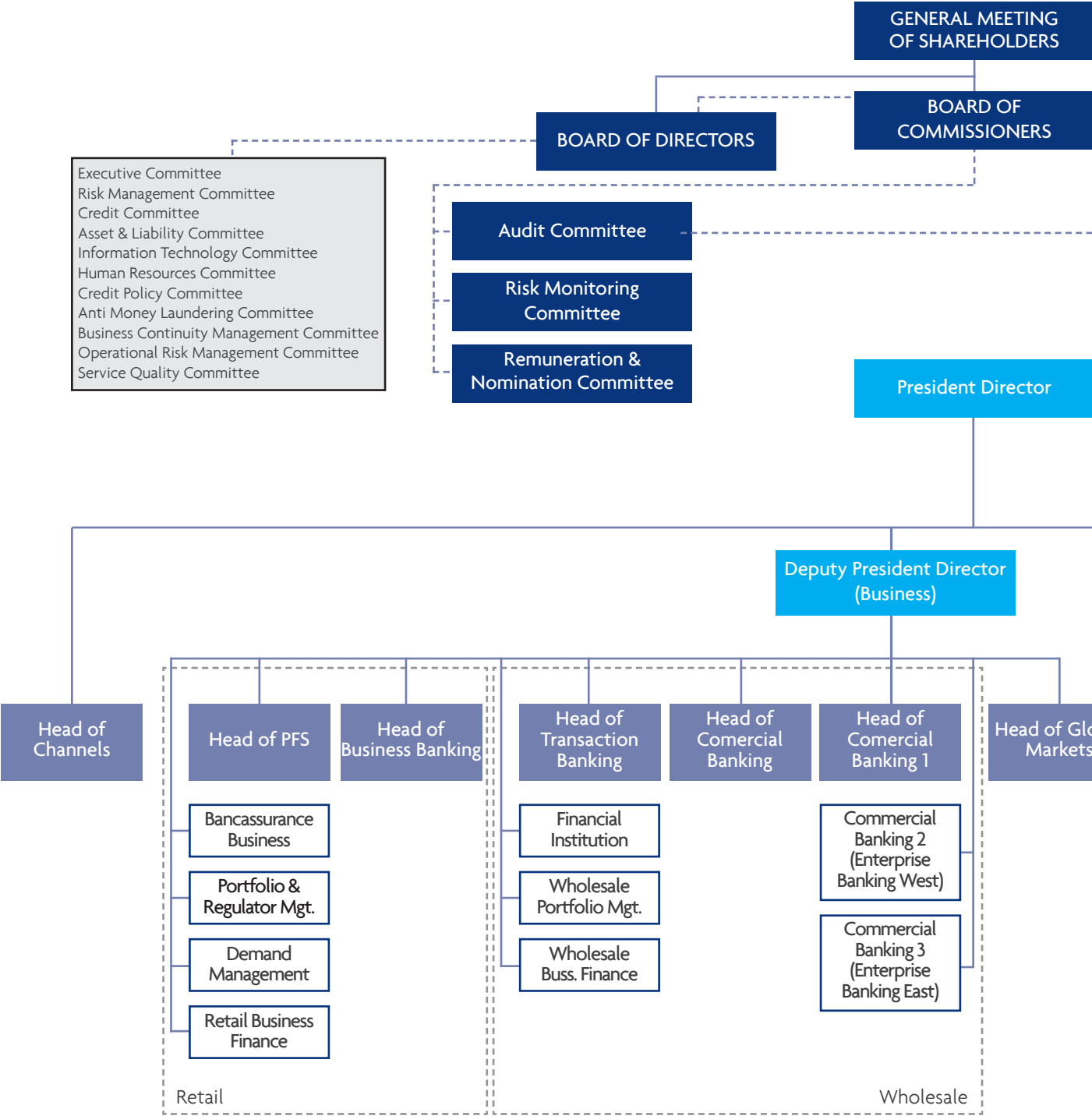
Corporate Information

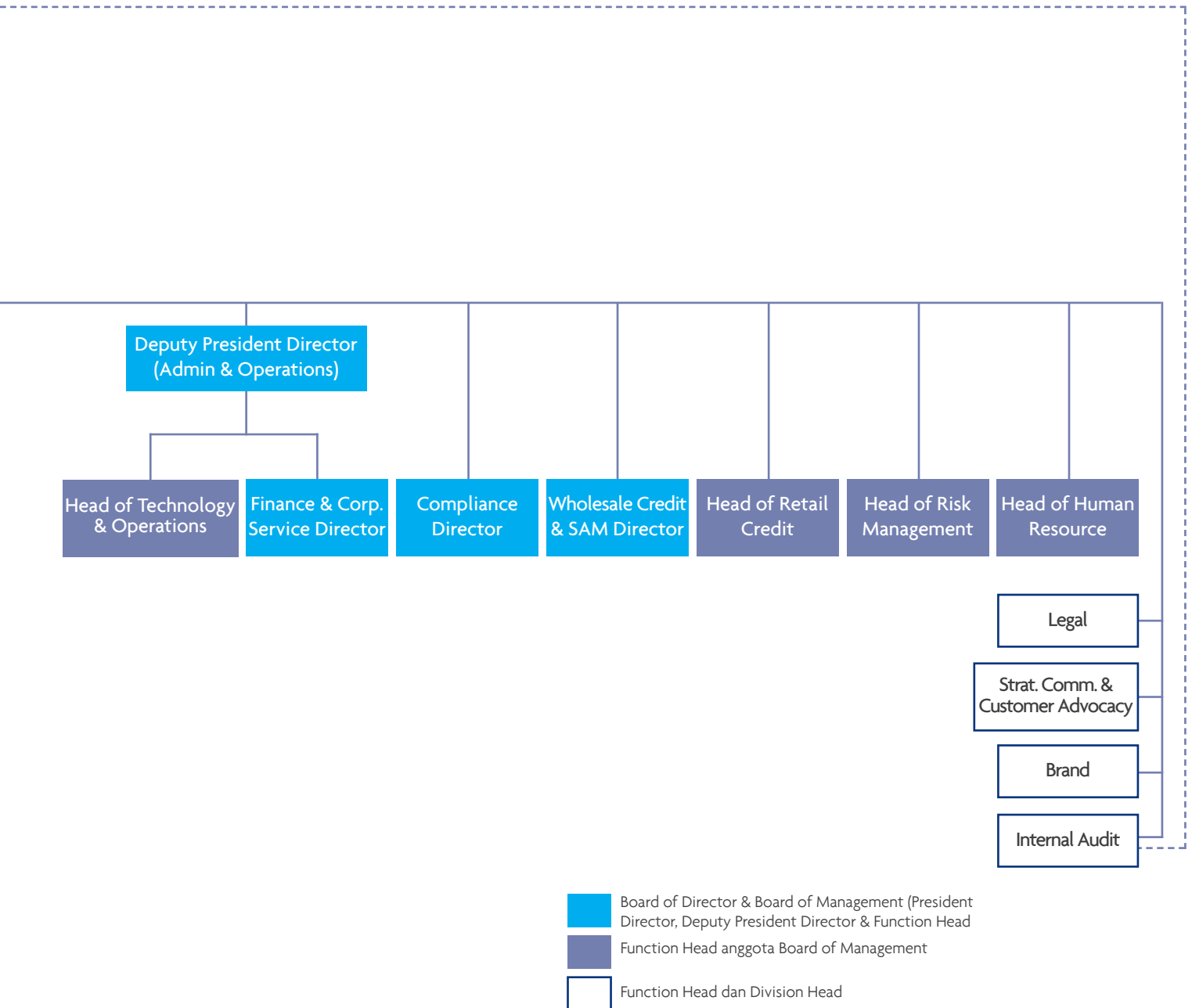
285	Corporate Identity
286	Organisational Structure
288	Name and Address of Stock Exchange Supporting Institutions
289	Line of Business
290	Profiles of the Board of Commissioners
293	Profiles of Board of Directors
296	Remuneration and Nomination Committee
297	Audit Committee
298	Risk Monitoring Committee
299	Profiles of Board of Management
302	Internal Audit
302	Corporate Secretary
303	Executive Officers
309	Shares Listing Chronology
309	Securities (Bonds) Listing Chronology
310	Office Network
311	Products and Services

Corporate Identity

Trading Name	PT Bank UOB Indonesia
Common Name	UOB Indonesia (UOBI)
Line of Business	Banking Industry
Legal Status	Limited Company
Address	Jl. MH Thamrin No. 10, Jakarta 10230, Indonesia
Phone	(021) 23506000 (Hunting)
Facsimile	(021) 29936632
Call Center	14008
Homepage	www.uob.co.id
E-mail	scca@uob.co.id
Establishment Date	31 August 1956
Operating Date	1 November 1956
Legal Basis	<ul style="list-style-type: none"> • Company Establishment Deeds No. 150 made in presence of Eliza Pondaag, SH, Notary in Jakarta, dated the 31st of August 1956. • Decree of Minister of Justice Republic of Indonesia (recently known as Minister of Law and Human Rights) No. J.A.5/78/4 dated the 24th of October 1956 • National Gazette No.96 dated the 30th of November 1956 • Appendix of National Gazette No. 1243/1956
Authorized Capital	IDR9,000,000,000,000 consists of 36,000,000,000 shares with par value IDR250 per share
Paid-in Capital	9,553,885,804 shares or equal to IDR2,388,471,451,000
NPWP	01.308.443.9.091.000
TDP	09.05.1.64.54940
SIUP	No. 13/318/dpip/Prz tanggal 20 Mei 2011
Office Network	1 Headquarter 41 Branch Offices 147 Supporting Branch Offices
Operational Area	Indonesian Region
Number of Employees	4,918 (2014) 4,650 (2015)
Shareholders	<ul style="list-style-type: none"> • United Overseas Bank Limited 30.0561% • UOB International Investment Private Ltd 68.9427% • Others 1.0012%

Organisational Structure





Name and Address of Stock Exchange Supporting Institutions

Public Accountant

Purwantono, Sungkoro & Surja (Ernst & Young Indonesia)
Gedung Bursa Efek Indonesia
Tower 2, Lantai 7,
Jl. Jend. Sudirman, Kav. 52-53
Jakarta 12910, Indonesia
Phone : (021) 5289 5000
Facsimile : (021) 5289 4100

Legal Counsellor

Hadiputranto, Hadinoto & Partners
The Indonesia Stock Exchange Building,
Tower II, Lantai 21
Jl. Jend. Sudirman Kav 52-53
Jakarta 12190, Indonesia
Phone : +62 21 2960 8888
Facsimile : +62 21 2960 8999

Public Notary

Kantor Notaris Fatiah Helmi SH
Graha Irama, Lantai 6, Ruang 6C
Jl. H. R. Rasuna Said X-1 kav1-2
Jakarta 12950, Indonesia
Phone : +62 21 5290 7304 - 06
Facsimile : +62 215261136

Share Registrar

PT Sirca Datapro Perdana
Wisma Sirca
Jl. Johar No. 18, Menteng
Jakarta 10340, Indonesia
Phone : (021) 3140032
Facsimile : (021) 3900652

Rating Agency

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

Line of Business

According to PT Bank UOB Indonesia Articles of Associations, the Bank's line of business includes:

- a. Collecting funds from the public in deposit form such as current accounts, time deposits, deposit certificates, savings accounts and/or other similar accounts;
- b. Disbursing loans;
- c. Issuing bonds;
- d. Purchasing, selling or guaranteeing on behalf of the Bank's risk or for the customers' interest and order:
 - 1. Bill letters including the bills accepted by the bank with amaturity no longer than the usual period for trading bills;
 - 2. Warrants and other equal letters with a maturity no longer than the usual period for trading warrants;
 - 3. State Treasury Bills and Government Certificates;
 - 4. Bank Indonesia Certificates (SBI);
 - 5. Bonds;
 - 6. Securities;
 - 7. Other securities instruments.
- e. Transferring cash both for the Bank or the customer's interest;
- f. Investing funds, borrowing funds or leasing funds to other Banks either under a letter, means of telecommunication or warrant, cheque or other instruments;
- g. Accepting payment of securities' bills and calculating compensation with or among third parties;
- h. Providing a place to deposit goods and securities;
- i. Performing custody activities for other parties' interests under a contract;
- j. Placing funds from the customers to other customers as securities which are not listed on the stock exchange;
- k. Disbursing financing and/or performing other activities including activity based on sharia principles, based on Bank Indonesia Regulations;
- l. Performing factoring, credit card business and Trustee activity;
- m. Performing activity on Foreign Currency by complying with Bank Indonesia Regulations;
- n. Entering a capital participation in bank or other financial institutions such as through leasing, venture capital, securities companies, insurance, clearing agencies as well as depository and settlement institutions based on the prevailing Law and Bank Indonesia Regulations;
- o. Performing temporary capital investment activity to overcome loan defaults, including sharia financing defaults under a term that the Bank has to divest its shares, based on prevailing Law and Bank Indonesia Regulation;
- p. Acting as a founder of the Pension Fund and Pension Fund Committee according to prevailing Law.
- q. Commencing other business which is usual to be carried by a commercial, conventional or Sharia bank both domestically and internationally.

Profiles of the Board of Commissioners



Wee Cho Yaw, 87
President Commissioner

Dr. Wee was appointed as President Commissioner of PT Bank UOB Indonesia since December 2005.

Dr. Wee is a veteran banker with more than 50 years' of banking experience with the UOB Group. He is the former Chairman and CEO of United Overseas Bank Limited (UOB) and is currently the Chairman Emeritus and Adviser of UOB, United Overseas Bank (Malaysia) and Far Eastern Bank.

He also chairs the board of United Overseas Bank (Thai) Public Company and is the Supervisor of United Overseas Bank (China). His other board chairmanships include United Overseas Insurance, Haw Par Corporation, UOL Group, Pan Pacific Hotels Group, United Industrial Corporation, Marina Centre Holdings and Wee Foundation. Dr Wee is a director of Chung Cheng High School. He is the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

Dr. Wee received Chinese high school education. He had served on numerous school management committees and the Councils of the Nanyang University and National University of Singapore. Since 2004, he has been the Pro-Chancellor of the Nanyang Technological University (NTU). He was conferred an Honorary Degree of Doctor of Letters by the National University of Singapore in 2008 and a second Honorary Degree of Doctor of Letters in 2014 by NTU. Both Honorary Degrees were conferred in recognition of his long standing support of education, community welfare and the business community.

Dr. Wee was named Businessman of the Year twice at the Singapore Business Awards in 2001 and 1990. He received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award in 2006 for his outstanding achievements in the Singapore business community and The Asian Banker's Lifetime Achievement Award in 2009.

He received the Distinguished Service Order, Singapore's highest National Day Award from the President of Singapore in 2011 for his outstanding contributions to the economic, education, social and community development fields in Singapore.



Wee Ee Cheong, 63
Deputy President Commissioner

Mr. Wee was appointed as a member of the Board of Commissioners in August 2007 and currently serves as its Deputy President Commissioner.

A career banker with more than 35 years of banking experience in the UOB Group, Mr. Wee joined United Overseas Bank, Singapore (UOBS) in 1979 and has been a director since 1990. He is currently the Deputy Chairman and Chief Executive Officer of UOBS and Chairman of United Overseas Bank (China). His other directorships include United Overseas Insurance, United Overseas Bank (Malaysia) and United Overseas Bank (Thai) Public Company.

Mr. Wee is the current Chairman of The Association of Banks in Singapore, the Vice-Chairman of The Institute of Banking and Finance (IBF) and Chairman of the IBF Standards Committee. In 2013, he was awarded the Singapore Public Service Star by the Singapore Government for his contributions to the financial industry.

He is an honorary council member of the Singapore Chinese Chamber of Commerce & Industry and a member of the Board of Governors of the Singapore-China Foundation, and Visa APCEMEA Senior Client Council. He was previously deputy chairman of the Housing & Development Board and a director of the Port of Singapore Authority, UOL Group, Pan Pacific Hotels Group and United International Securities.

A keen art enthusiast, Mr. Wee is the Patron of the Nanyang Academy of Fine Arts. He is also a director of the Wee Foundation.

Mr. Wee holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, DC



Lee Chin Yong Francis, 62
Commissioner

Mr. Lee, joined United Overseas Bank Malaysia (UOBM) in 1980 and has been appointed as a member of the Board of Commissioners of UOB Indonesia since December 2005. He currently leads the UOB Group's consumer and small business retail divisions. Prior to his appointment in Singapore in 2003, he was the CEO of UOBM. He holds a Malaysian Certificate of Education and has more than 30 years of experience in the financial industry.



Rusdy Daryono, 66
Independent Commissioner

Mr. Daryono, joined UOB Indonesia in 2006 and currently serves as the Independent Commissioner and Chairman of the Audit Committee.

He started his career at the public accounting firm of Drs. Utomo, Mulia & Co in 1973. He joined PT Salim Economic Development Corp in 1978, PT Hardy Trading in 1982 and the public accounting firm of Drs. Mulia Iskandar & Co in 1983. He served as a Partner and Division Head at the public accounting firm of Prasetio, Utomo & Co from 1987 to 2002, and was a Partner at Osman Ramli Satrio & Partner from 2003 to 2006.

He holds a Bachelor of Economics from the University of Indonesia and has more than 40 years of experience in the financial industry.

Profiles of the Board of Commissioners



Aswin Wirjadi, 68
Independent Commissioner

Mr. Wirjadi, joined UOB Indonesia in 2009 and currently serves as Independent Commissioner and Chairman of the Remuneration and Nomination Committee.

He started his career at PT IBM Indonesia in 1972. He joined Chase Manhattan Bank, NA, in 1977 and last held the position of Country Consumer and Private Banking Head at its Jakarta Branch in 1989. He was appointed as a Director of MIS at PT Indomobil Niaga International in 1989. He joined PT Bank Central Asia in 1990 and last held the position of Vice President Director in 2008. He has been the Chairman of Financial Wealth Pte Ltd since 2008.

He holds a Bachelor of Engineering from the Catholic University of Atma Jaya, Jakarta and has more than 37 years of experience in the banking industry.



Wayan Alit Antara, 68
Independent Commissioner

Mr. Antara, joined UOB Indonesia in 2009. He currently serves as the Independent Commissioner and Chairman of the Risk Monitoring Committee.

He started his banking career in Bank Rakyat Indonesia in 1976 and last held the position of Vice President Director in 2006. During his 30 years of Career at Bank Rakyat Indonesia, he served in several positions namely as Director of Treasury and International Banking, Chief Financial Officer and Micro and Retail Loan Director. He had been an Independent Commissioner of PT Bhakti Securities from 2007 to 2008 and a Commissioner of PT Sumber Abadi Tirtasentosa from 2008.

He holds a Bachelor of Agriculture Economy degree from the Agriculture Faculty of University of Gajah Mada, Yogyakarta and has more than 38 years of experience in the banking industry.

Profiles of the Board of Directors



Armand Bachtiar Arief, 64
President Director

Mr. Arief, joined UOB Indonesia in 2007 as President Director. He holds a Bachelor of Business Administration from Curry College, Milton, Massachusetts, USA, and a Master of Business Administration from Suffolk University, Boston, Massachusetts, USA. He has more than 27 years of experience in the banking industry.



Iwan Satawidinata, 48
Deputy President Director

Mr. Satawidinata, was appointed Deputy President Director of UOB Indonesia in 2010. Prior to his appointment, he joined with ex. PT Bank UOB Indonesia (previously United Overseas Bank Bali) from 1991 to June 2010 where he last held the position of President Director. He received a Bachelor of Science in Business Administration degree from University of Southern California, USA and has more than 24 years of experience in the banking industry.

Profiles of the Board of Directors



Tan Chin Poh, 58
Deputy President Director

Mr. Tan, joined UOB Indonesia in 2013 as Deputy President Director. Prior to his assignment in UOB Indonesia, he worked in UOB Singapore with his latest position being Managing Director Head of Finance. He earned his Bachelor of Science in Accounting degree from the National University of Singapore and has more than 30 years of experience in the field of banking.



Muljono Tjandra, 50
Director

Mr. Tjandra, joined UOB in 2015 as Finance and Corporate Services Head and currently serve as Finance and Corporate Services Director. He holds a Bachelor of Finance Accounting from Trisakti University. He has 20 years of experience in Banking Industry.

Profiles of the Board of Directors



Ajeep Rassidi Bin Othman, 55
Director

Mr. Rassidi, joined UOB Indonesia in 2006 and served as a Director. Prior to his appointment in UOB Indonesia, he served at UOB (Malaysia) Bhd from 1988 until 2006, with his last position being Head of the Commercial Credit Division. He holds a Bachelor of Science (Hons) degree from University of Reading, United Kingdom and has more than 26 years of experience in the financial service industry.



Soehadie Tansol, 57
Compliance Director

Mr. Tansol, joined UOB Indonesia in 1980 and was appointed Compliance Director in 2003. He participated in overseas banker programmes at the Pacific Bankers Management Institute at the University of Washington, USA and has more than 34 years of experience in the banking industry.

Remuneration and Nomination Committee



Rusdy Daryono, 66
Chairman

The profile of Mr. Daryono can be found on page 291.

Lee Chin Yong Francis, 62
Member

The profile of Mr. Lee can be found on page 291.

Roy Fahrizal Permana, 40
Member

Mr. Permana, joined UOB Indonesia in 2009. He currently serves as the Performance & Rewards Head and member of the Remuneration and Nomination Committee. He holds a Bachelor of Industrial Engineering from UPN Veteran, Surabaya and Magister of Industrial Engineering from the Institute of Technology Bandung and has 16 years of experience in human resources.

Audit Committee



Wayan Alit Antara, 67
Chairman

The profile of Mr. Antara can be found on page 292.



Thomas Abdon, 73
Member (Independent Party)

Mr. Abdon joined UOB Indonesia in 2001. He holds a Bachelor of Economics from the University of Indonesia and has 49 years of experience in finance & accounting as well as banking industry.



Winny Widya, 63
Member (Independent Party)

Mrs. Widya joined UOB Indonesia in 1981. She has 36 years of experience in banking industry and holds Bachelor of Economics in Accounting from the University of Indonesia.

Risk Monitoring Committee



Aswin Wirjadi, 66
Chairman

The profile of Mr. Wirjadi can be found on page 292.

Thomas Abdon, 73
Member (Independent Party)

The profile of Mr. Abdon can be found on page 297.

Hendry Patria Rosa, 49
Member (Independent Party)

Mr. Hendry joined UOB Indonesia in June 2015 as a member of Risk Monitoring Committee. He has more than 23 years of experience in banking industry and risk management and also active as a risk management lecturer and consultant. He holds a Bachelor of Geodesy Engineering from Gajah Mada University in Yogyakarta and currently attend a Islamic Finance Magister Program in Jakarta.

Profiles of Board of Management



Pardi Kendy, 57

Head of Human Resources & Channels Head

Mr. Kendy, joined UOB Indonesia in 1996 and currently serves as the Head of Human Resources. He is a certified Wealth Manager from the University of Greenwich, England and has more than 37 years of experience in the banking industry. He is also an active member of the Honorary member of Association Cambiste Internationale, Indonesia and Indonesian Banking Human Capital Forum.



Goh Seng Huat, 55

Head of Technology and Operations

Mr. Goh, joined UOB Indonesia in 2006 and currently serves as the Head of Technology & Operations. Prior to his appointment in Indonesia, he served as UOB First Vice President, International in 2005 after his tenure in UOB Malaysia from 1981 to 1994. He holds a Banking Diploma from the Associate Chartered Institute of Bankers, United Kingdom and has more than 33 years of experience in the banking industry.



Lynn Ramli, 42

Head of Personal Finance Service

Mrs. Ramli, joined UOB Indonesia in 2014 and currently serves as the Head of Personal Financial Service. She obtained a degree in Business Administration from the University of Washington, USA and a Master of Business Administration from the University of San Fransisco, USA. She has more than 20 years of experience in the banking industry.



Geoffry Nugraha, 44

Head of Corporate Banking

Mr. Nugraha, joined UOB Indonesia in 2014 and currently serves as the Head of Corporate Banking. He obtained a Bachelor of Science in Business Administration and a Master of Business Administration from Hawaii Pacific University, USA. He has more than 19 years of experience in the banking sector.

Profiles of Board of Management



Frederikus P. Weoseke, 52
Head of Global Market

Mr. Weoseke, joined UOB Indonesia in 2009 and currently serves as the Head of Global Market and Investment Management. He holds a BSC degree in Business Administration from Goldey Beacom College and a Master of Business Administration from Wilmington College, Wilmington Delaware, USA and has more than 22 years of experience in the banking industry.



Suryati Budiyanto, 49
Head of Commercial Banking

Mrs. Budiyanto joined UOB Indonesia in 2010 and currently serves as the Head of Commercial Banking. Prior to her appointment, she joined with ex. PT Bank UOB Indonesia (previously United Overseas Bank Bali) from 1994 to June 2010. She received a Bachelor Degree from California State University, USA and a Masters Degree from National University. She has more than 20 years of experience in the banking industry.



Rika Saskia, 55
Head of Retail Credit

Mrs. Saskia, joined UOB Indonesia in 2013 and currently serves as the Head of Retail Credit. She holds a Bachelor of Accountancy from the University of Indonesia and has more than 26 years of experience in finance & accounting and the banking industry in general.



Wong Kartyono, 38
Head of Transaction Banking

Mr. Kartyono, joined UOB Indonesia in 2010 and currently serves as the Head of Transaction Banking. He holds a bachelor of Engineering from the Tarumanegara University, Jakarta and has 16 years of experience in the banking industry.

Profiles of Board of Management



Ani Pangestu, 50
Head of Human Resources

Mrs. Pangestu, joined UOB Indonesia in 2015 and currently serves as the Head of Human Resources. She holds Master of Science in Management and Organization Development from Kennedy Western University in Wyoming, USA and has more than 25 years of human resources experiences in various industries.



Lawrence Darius Loh Wai Yin, 42
Head of Business Banking

Mr. Loh joined UOB Indonesia as Head of Business Banking. Prior to his current role he served as Group Head of Strategy, Portfolio and Sales Performance Management – UOB Business Banking, and Area Manager – UOB Privilege Banking. He holds a Business Management Bachelor of Commerce from University of Queensland. He has 15 years of experience in the banking industry.

Internal Audit



Ridwan Moezwir, 52
Internal Audit Head

Mr. Moezwir, joined UOB Indonesia in 2008 and was appointed as Internal Audit Head under BOD Decree No. 08/SKDIR/1326 dated the 12 of August 2008. He has 28 years of experience as an auditor in the financial services industry and holds a Bachelor of Economics in Accounting from the University of Padjajaran, Bandung and Master of Management from the University of Gajah Mada, Yogyakarta.

Corporate Secretary



Susilowati, 34
Corporate Secretary

Ms. Susilowati joined UOB Indonesia in 2014 and appointed as Corporate Secretary in June 2015. She obtained her bachelor of Economic's degree from University of Tarumanagara in 2003 and obtained a Master's degree in Accounting from University of Trisakti, Jakarta in 2009. She has more than 10 years of experiences in banking industry.

Executive Officers

Head Office

Abu Santosa Sudradjat

Global Markets Corporate & Institutional Sales Head

Joined UOB Indonesia in 2015 and has more than 19 years of experience in the banking industry.

Alexander Hansen

Electronic Channel Head

Joined UOB Indonesia on 01 September 2015 and has more than 12 years of experience in the banking industry.

Ali Marjono

Industry Group Head 1

Joined UOB Indonesia in 2012 and has more than 22 years of experience in the financial industry.

Ani Pangestu

Head of Human Resources

Joined UOB Indonesia in 2015, has more than 25 years experience in human resources management of various industries.

Aznovri Kurniawan

Sales Performance Management Head

Joined UOB Indonesia in 2014 and has more than 16 years of experience in various industries.

Bambang Eko Karjono Joewono

Portfolio & Liquidity Management/ Market Making Head/ Deputy Treasurer

Joined UOB Indonesia in 2007 and has more than 25 years of experience in the banking industry, especially treasury.

Bambang Harjono

Credit Analyst Head

Joined UOB Indonesia in 2015 and has more than 16 years of experience in the banking industry.

Bratha

Middle Market Credit Head

Joined UOB Indonesia in 2010, has more than 20 years experience in the financial industry.

Budi Sanjaya

Trade Product Management, Marketing & Strategy Head

Joined UOB Indonesia in 2011 and has more than 23 years of experience in the financial industry.

Candra Putra

Market & Balance Sheet Risk Management Head

Joined UOB Indonesia in 2011, has more than 10 years bank risk management experience.

Ciauciau Kusumawati

Wholesale Business Finance Head

Joined UOB Indonesia in 2010 and has more than 10 years of experience in the banking industry.

Dani Hasdani Yambo

Funding Sales Head

Joined UOB Indonesia in 2012 and has more than 20 years of experience in various industries.

Daniel Prabawa

Trade Sales Head

Joined UOB Indonesia in 2010 and has more than 21 years of experience in the financial industry.

Difi S. Damanik

Central Treasury Unit Head

Joined UOB Indonesia in 2009, has more than 19 years banking experience, especially in asset and liability management.

Dini Ayu Sunarti

People Development & Training Head

Joined UOB Indonesia in 2015 and has more than 19 years of experience in various industries.

Dwi Sari Suwarman

Corporate Wealth Management Head

Joined UOB Indonesia in 2011 and has more than 20 years of experience in the banking industry.

Dwi Susiyanto

Basel & Enterprise Risk Management Head

Joined UOB Indonesia in 2014, has more than 20 years experience in banking, especially enterprise risk management.

Edhy Susanto

Business Banking Sales Head - East

Joined UOB Indonesia in 1988 and has more than 30 years of experience in the banking industry.

Edisono Limin

Business Banking Sales Head - West

Joined UOB Indonesia in 2013 and has more than 17 years of experience in the financial industry, especially retail banking.

Edwin Kadir

Industry Group Head (Diversified)

Joined UOB Indonesia in 2015 and has more than 16 years of experience in the banking industry.

Efriel Lydia

Retail Credit Policy and Portfolio Management Head

Joined UOB Indonesia in 2013, has more than 12 years financial industry experience especially credit risk cycle.

Eko Sigit Cahyanto

Portfolio Management Head (Business Banking)

Joined UOB Indonesia in 2011 and has more than 14 years of experience in the banking industry, especially business planning.

Endang Prastiwi

Learning and Development Head

Joined UOB Indonesia in 2007 and has more than 17 years experience in the financial industry.

Endang Santi Santi

Global Markets Business Management Head

Joined UOB Indonesia in 2010 and has more than 13 years of experience in the banking industry, especially treasury support.

Erry Erawan Priolaksono

T&O Business Finance and Procurement Head

Joined UOB Indonesia in 2011, has more than 14 years experience in the financial industry and accounting.

Evilin Kumala Warangian

PFS Training Head

Joined UOB Indonesia in 2014 and has more than 15 years of experience in the financial industry, especially training.

Febian Satria Nugraha

Compliance Review and Testing Head

Joined UOB Indonesia in 2000 and has more than 15 years of experience in the banking industry.

Felicia Recisca Handojo

Industry Group Head 2

Joined UOB Indonesia in 2001 and has more than 24 years of experience in the financial industry, especially credit and marketing.

Fera Indratie Prajitno

Brand Head

Joined UOB Indonesia in 2010, has more than 25 years experience in Banking Industry, Corporate and Marketing

Fransisca Ririn Endang Diatri Nariratih

Client Servicing Head

Joined UOB Indonesia in 2011 and has more than 27 years of experience in the banking industry.

Fredricus Primus Pericoloso Weoseke

Head of Global Markets

Joined UOB Indonesia in 2009 and has more than 27 years of experience in the banking industry.

Fredy Soekendro

Mortgage & Secured Loan Head

Joined UOB Indonesia in 2014 and has more than 14 years of experience in the banking industry.

Geoffry Nugraha

Head of Corporate Banking

Joined UOB Indonesia in 2014 and has more than 19 years of experience in the banking industry.

Goh Seng Huat

Head of Technology and Operations

Joined UOB Indonesia in 2006, has more than 34 years experience in banking industry.

Grace Manuela

Cash Management Sales Head

Joined UOB Indonesia in 2015 and has more than 15 years of experience in the banking industry.

Gregorius Hany Budi Santoso

Product Head (Business Banking)

Joined UOB Indonesia in 2015 and has more than 20 years of experience in the banking industry.

Hardono Simka

Industry Group Head (Property & Infrastructure)

Joined UOB Indonesia in 2014 and has more than 21 years of experience in the financial industry.

Hendrik Komandangi

Sales Productivity Head

Joined UOB Indonesia in 2014 and has more than 12 years of experience in the banking industry.

Hendy Widjaja

Retail Operations Head

Joined UOB Indonesia in 2012, has more than 20 years experience in the financial industry.

Howard Lee

Industry Group Head (Mining, Oil & Gas)

Joined UOB Indonesia in 2009 and has more than 15 years of experience in the financial industry.

Inarti Tirta

Personal Financial Services Credit Head

Joined UOB Indonesia in 2015, has more than 18 years banking experience.

Irvan Gunardwi

Legal Head

Joined UOB Indonesia in 2014, has more than 21 years experience in the financial industry.

Irwan Sutjipto

Unsecured Business Head

Joined UOB Indonesia in 2014 and has more than 15 years of experience in the financial industry, especially marketing.

Jeanny Halim

Research & Credit Analyst Head

Joined UOB Indonesia in 2005 and has more than 23 years of experience in the financial industry, especially credit and marketing.

Jenny

Corporate Strategy Head

Joined UOB Indonesia in 2008, has more than 23 years experience in various industries.

Jenny

Special Asset Management Head

Joined UOB Indonesia in 2015, has more than 21 years banking experience.

Jieni

Business Technology Services Head

Joined UOB Indonesia in 1999, has more than 24 years banking experience.

Katarina Chitra

Industry Group Head 3

Joined UOB Indonesia in 2001 and has more than 21 years of experience in the financial industry, especially credit and marketing.

Laurentius Eko Purwatomoko

AML/CFT and Sanctions Head

Joined UOB Indonesia in 2001, has more than 14 years banking experience.

Lawrence Darius Loh Wai Yin

Head of Business Banking

Joined UOB Indonesia in 2015 and has more than 16 years of experience in the financial industry.

Liany Poedjiono

Wholesale & Global Markets Operations Head

Joined UOB Indonesia in 1993, has over 32 years experience in the banking industry.

Loo Hun Choy

Bancassurance Business Head

Joined UOB Indonesia in 2013 and has more than 15 years in Banking and Bancassurance.

Lynn

Head of Personal Financial Services

Joined UOB Indonesia in 2014 and has more than 17 years of experience in the financial industry.

M.A. Kartika Ayu

Middle Office (Commercial Banking) Head

Joined UOB Indonesia in 2012 and has more than 21 years of experience in the financial industry.

Marcio Apm Djatmiko

Financial Institution Head

Joined UOB Indonesia in 2015 and has more than 20 years of experience in the banking industry.

Maya Rizano

Strategic Communication and Customer Advocacy Head

Joined UOB Indonesia in 2015, has over 25 years experience in banking and various industries

Melani Misniwaty

Policy and Operations Assurance Head

Joined UOB Indonesia in 1999, has more than 31 years experience in the financial industry, especially in banking systems and procedure.

Nur Aisiah

Performance Management Head

Joined UOB Indonesia in 2006, has more than 9 years banking experience.

Pangestu Wibowo

PFS Marketing Head

Joined UOB Indonesia in 2014 and has more than 12 years of experience in various industries.

Pardi Kendy

Head of Channels

Joined UOB Indonesia on 01 Juni 1996 and has more than 38 years of experience in the banking industry

Putri Kusumatuanku Moeljo Soedjono

Compliance Advisory and Monitoring Head

Joined UOB Indonesia in 2010, has more than 6 years experience in banking.

Ratnasari Kartawiria

Corporate Credit Head

Joined UOB Indonesia in 2011, has more than 24 years banking experience.

R Andiona Boedisoejoto

Cash Product Management Head

Joined UOB Indonesia in 2010 and has more than 27 years of experience in the banking industry.

Ratri Setyorini

Middle Office & Support Head

Joined UOB Indonesia in 2015 and has more than 10 years of experience in the banking industry.

Rd. Ali Akbar

Property and General Services Head

Joined UOB Indonesia in 2013, has more than 19 years experience in the financial industry.

Ridwan Moezwir

Internal Audit Head

Joined UOB Indonesia in 2008, has more than 28 years banking experience and audit.

Rika Saskia

Head of Retail Credit

Joined UOB Indonesia in 2013, has more than 30 years experience in various industries.

Rita Gosal

Commercial Banking 2 Head (Enterprise Banking West)

Joined UOB Indonesia in 2013 and has more than 27 years of experience in the banking industry.

Ritaria Tjokromulio

Business Planning / Control & Enablement Head

Joined UOB Indonesia in 2005 and has more than 24 years of experience in the financial industry.

Ritawati

Financial Information Management Head

Joined UOB Indonesia in 1991, has more than 21 years banking experience.

Ronald

DII Product Head

Joined UOB Indonesia in 2014 and has more than 10 years of experience in the banking industry.

Rony Iskandar Kustendro

Information Security and Business Continuity Management Head

Joined UOB Indonesia in 2012, has more than 15 years experience in the financial industry.

Rony Teja Sukmana

Branch Operations Control and Development Head

Joined UOB Indonesia on 04 Nopember 2013 and has more than 27 years of experience in the banking industry

Roy Fahrizal Permana

Performance & Rewards Head

Joined UOB Indonesia in 2009, has 17 more than years experience in the human resources management experience of various industries.

Rudy Herjadi

Human Resources Operations, System and Service Head

Joined UOB Indonesia in 2009, has more than 27 years of experience in the banking industry.

Salvy Gunawan

Retail Business Finance Head

Joined UOB Indonesia in 2012 has more than 13 years banking experience.

Samuel Houten

Foreign Direct Investment Head

Joined UOB Indonesia in 2014 and has more than 13 years of experience in various industries.

Shirley

Commercial Wealth Management Head

Joined UOB Indonesia in 2009 and has more than 18 years of experience in the banking industry.

Saroso Hadi

Human Resources Industrial Relation Head

Joined UOB Indonesia in 1986, has more than 29 years experience in the banking industry.

Sigit Arnanto

Shared Infrastructure Services Head

Joined UOB Indonesia in 2011, has more than 25 years experience in the banking industry, especially infrastructure and operations.

Sri Tjendrawaty Gohan

Entity Reporting and Control Head

Joined UOB Indonesia in 1992, has more than 22 years banking experience.

Suryati Budiyanto

Head of Commercial Banking 1

Joined UOB Indonesia in 1994 and has more than 21 years of experience in the banking industry.

Susan Kwanto

TNO Service Management Head

Joined UOB Indonesia in 1992, has more than 23 years experience in the financial industry.

Susanto Lukman

Industry Group Head (Food & Beverages, Agribusiness, Fast Moving Consumer Goods)

Joined UOB Indonesia in 2002 and has more than 16 years of experience in various industries.

Susilowati

Corporate Services Head

Joined UOB Indonesia in 2014, has more than 11 years banking experience.

Susy Wulandari Muljanto

Portfolio and Regulatory Management Head

Joined UOB Indonesia in 2015 and has more than 17 years banking experience.

Tunggul Judanto

People Development Head

Joined UOB Indonesia on 24 July 2012 and has more than 19 years of experience in the banking industry

Thay Fong

Credit Risk Management Head

Joined UOB Indonesia in 2010, has more than 18 years experience in bank risk management.

Tippy Joesoef

Head of Risk Management

Joined UOB Indonesia in 2013, has more than 24 years experience in banking.

Valdy

Business Banking Credit Head

Joined UOB Indonesia in 2014, has more than 15 years banking credit experience.

Victor Teja

DII Sales & Distribution Head

Joined UOB Indonesia in 2014 and has more than 12 years of experience in the banking industry, especially banking products.

Virna Medina

Operational Risk Management Head

Joined UOB Indonesia in 2015, has more than 18 years banking industry experience.

Vera Hasan

Global Markets Commercial & Retail Sales Head

Joined UOB Indonesia in 2014 and has more than 18 years of experience in the banking industry, especially financial market.

Widyarini Utami

Human Resources Business Partner & Organisation Development Head

Joined UOB Indonesia in 2008, has more than 19 years human resources experience in the financial industry.

Wiradian

Demand Management Head

Joined UOB Indonesia in 2010, has more than 21 years experience in various industries

W Kartyono

Head of Transaction Banking

Joined UOB Indonesia in 2010 and has more than 16 years of experience in the banking industry.

Yutrizal Jacoub

MIS & Planning Head

Joined UOB Indonesia on 12 September 2011 and has more than 20 years of experience in financial industry

Regional Manager

Alexis Marzo Tan

Regional Manager 1

Joined UOB Indonesia on 4 January 2010 and has more than 28 years of experience in the banking industry

Amir Abidin

Regional Manager 5

Joined UOB Indonesia on 25 April 1981 and has more than 34 years of experience in financial industry, especially commercial and retail banking

Aries Dawami

Regional Manager 4

Joined UOB Indonesia on 17 January 2011 and has more than 22 years of experience in financial industry

Bontor Sitio

Regional Manager 3

Joined UOB Indonesia on 1 December 2010 and has more than 18 years of experience in financial industry, especially Human Resources Regional Management

Harri Thunardi

Regional Manager 2

Joined UOB Indonesia on 2 July 2012 and has more than 20 years of experience in the banking industry, especially Branch Manager

Area Manager

Agnes Kristina

Area Manager - Surabaya Manyar Kertoarjo

Joined UOB Indonesia on 15 September 2008 and has more than 14 years of experience in the banking industry

Aina Widjaja

Area Manager - UOB Plaza

Joined UOB Indonesia on 16 Mei 2011 and has more than 19 years of experience in the banking industry

Andi Kurniawan

Area Manager – Jambi

Joined UOB Indonesia on 2 July 2012 and has more than 11 years of experience in the banking industry

Bambang Siyono

Area Manager – Banyuwangi

Joined UOB Indonesia on 25 March 1998 and has more than 17 years of experience in the banking industry, especially Retail Banking

Ciayadi Senjaya

Area Manager - Bandar Lampung

Joined UOB Indonesia on 6 January 2014 and has more than 9 years of experience in the banking industry

Cindy Binuan

Area Manager – Bengkulu

Joined UOB Indonesia on 9 July 1984 and has more than 31 years of experience in the banking industry, especially Banking Operations

Daniel Irawan Ariesanto Winata

Area Manager – Surabaya

Joined UOB Indonesia on 18 November 2013 and has more than 17 years of experience in the banking industry

Dedy Indera Indah Gentania

Area Manager – Harmoni

Joined UOB Indonesia on 30 September 2011 and has more than 20 years of experience in the banking industry

Didi Hermawan

Area Manager – Bandung

Joined UOB Indonesia on 4 January 2010 and has more than 23 years of experience in the banking industry, especially retail banking

Ellen

Area Manager – Tasikmalaya

Joined UOB Indonesia on 1 July 2015 and has more than 16 years of experience in the banking industry

Eva Lie Hwa

Area Manager – Tegal

Joined UOB Indonesia on 2 January 2013 and has more than 14 years of experience in the banking industry

Fenny Djayasaputra

Area Manager - Jember

Joined UOB Indonesia on 10 December 1997 and has more than 18 years of experience in the banking industry, especially Retail Banking

Hartoyo

Area Manager – Semarang

Joined UOB Indonesia on 19 February 2007 and has more than 27 years of experience in the banking industry, especially Retail Banking

Indrianto

Area Manager – Solo

Joined UOB Indonesia on 4 January 2010 and has more than 23 years of experience in the banking industry, especially Retail Banking

Ira Christie Wisandha

Area Manager - Kelapa Gading

Joined UOB Indonesia on 2 January 2013 and has more than 11 years of experience in the banking industry

Irfan Iskandar

Area Manager – Malang

Joined UOB Indonesia on 11 March 2013 and has more than 13 years of experience in the banking industry

Janita Widjajani

Area Manager – Magelang

Joined UOB Indonesia on 10 September 2012 and has more than 19 years of experience in the banking industry, especially Branch Manager

Janty Wijaya

Area Manager – Pekanbaru

Joined UOB Indonesia on 27 March 2014 and has more than 16 years of experience in the banking industry as Branch Manager

July Liman Hermanto

Area Manager – Serang

Joined UOB Indonesia on 15 November 1993 and has more than 23 years of experience in the banking industry, especially Retail Banking

Junardi

Area Manager – Medan

Joined UOB Indonesia on 1 June 1992 and has more than 23 years of experience in the banking industry, especially Retail Banking

Ketut Suartini

Area Manager - Bali Renon

Joined UOB Indonesia on 2 July 2012 and has more than 23 years of experience in the banking industry, especially Area Business Manager

Latip Tanudjaja

Area Manager – Purwokerto

Joined UOB Indonesia on 4 May 2015 and has more than 8 years of experience in the banking industry

Lie Liu Tjin

Area Manager – Pontianak

Joined UOB Indonesia on 27 January 1986 and has more than 33 years of experience in the banking industry, especially retail banking and banking operation

Lilik Soesana

Area Manager - Bukit Darmo

Joined UOB Indonesia on 15 March 2010 and has more than 25 years of experience in the banking industry, especially Retail Banking

Lindawati Halim

Area Manager - Bandung Rivai

Joined UOB Indonesia on 1 October 1992 and has more than 23 years of experience in the banking industry, especially Banking Operations

Maria Natalia Ristianti

Area Manager - Green Garden

Joined UOB Indonesia on 05 October 1994 and has more than 21 years of experience in the banking industry, especially Retail Banking

Nugroho Santosa

Area Manager – Jombang

Joined UOB Indonesia on 22 August 2011 and has more than 18 years of experience in the banking industry, especially Commercial and Retail Banking

Ritawaty Mandata

Area Manager – Samarinda

Joined UOB Indonesia on 12 February 1990 and has more than 25 years of experience in the banking industry, especially Retail Banking

Romauli Ls Gultom

Area Manager - Radio Dalam

Joined UOB Indonesia on 1 May 2007 and has more than 25 years of experience in the banking industry

Rynaldo

Area Manager – Bogor

Joined UOB Indonesia on 23 July 2012 and has more than 12 years of experience in the banking industry

Soenji Harijanto

Area Manager – Yogyakarta

Joined UOB Indonesia on 1 June 2009 and has more than 22 years of experience in the banking industry, especially Retail Banking

Susi Riniwati

Area Manager – Asemka

Joined UOB Indonesia on 11 November 2013 and has more than 19 years of experience in the banking industry

Teddy Polandra

Area Manager – Denpasar

Joined UOB Indonesia on 4 January 2010 and has more than 19 years of experience in the banking industry, especially Retail Banking

Teguh Herri Waskito

Area Manager – Banjarmasin

Joined UOB Indonesia on 3 September 2012 and has more than 18 years of experience in the banking industry, especially Branch Manager

Theresia Sherry Tjoa

Area Manager - Batam Centre

Joined UOB Indonesia on 24 January 2005 and has more than 23 years of experience in the banking industry, especially Banking Operations

Wandy Bernardus Elias

Area Manager – Makassar

Joined UOB Indonesia on 4 August 2014 and has more than 21 years of experience in the banking industry, especially Branch Manager

Wong Bun Hock

Area Manager – Batam

Joined UOB Indonesia on 1 December 1999 and has more than 16 years of experience in the banking industry, especially Commercial Banking

Yopie

Area Manager – Cirebon

Joined UOB Indonesia on 28 August 1992 and has more than 23 years of experience in the banking industry, especially Retail Banking

Yusda Elfani

Area Manager – Balikpapan

Joined UOB Indonesia on 6 August 2012 and has more than 20 years of experience in the banking industry, especially Funding

Yusra

Area Manager - Medan Uniplaza

Joined UOB Indonesia on 6 October 2010 and has more than 23 years of experience in the banking industry, especially Branch Manager

Yustinus Oswari

Area Manager – Palembang

Joined UOB Indonesia on 2 February 2009 and has more than 6 years of experience in the banking industry

Shares Listing Chronology

The following is the details of the UOB Indonesia share listing chronology

Corporate Action	Distribution Date	New Shares (Shares)	Paid-in Capital	Par Value (Rp)
Initial Public Offering	20 July 2000	-	970,000,000	500
Shares Dividend	17 May 2002	223,689,754	1,193,689,754	500
Bonus Shares	17 May 2002	47,133,917	1,240,823,671	500
Limited Offering I	20 - 27 September 2002	248,164,734	1,488,988,405	500
Stock Split	23 December 2002	1,488,988,405	2,977,976,810	250
Limited Offering II	28 May - 5 June 2003	744,494,202	3,722,471,012	250
Shares Dividend	4 November 2003	306,091,338	4,028,562,350	250
Bonus Shares	4 November 2003	959,549,650	4,988,112,000	250
Shares Dividend	12 May 2005	410,821,132	5,398,933,132	250
Bonus Shares	12 May 2005	367,309,605	5,766,242,737	250
Limited Offering III	9 - 19 June 2006	887,114,267	6,653,357,004	250
Tender Offer	22 September - 21 October 2008	-	6,653,357,004	250
Delisting	20 November 2008	-	6,653,357,004	250
Merger	30 June 2010	2,900,528,800	9,553,885,804	250

Shares Option

During 2015, UOB Indonesia did not give any Share Options to either Commissioners, Directors or Employees.

Securities (Bonds) Listing Chronology

Type	Emission Date	Maturity	Value	Due Date	Coupon	Rating	Listing
Bank Buana Indonesia Self-Registration Bonds I	14 July 2004	10 years (5th year buy option)	IDR300 billion	14 July 2014 Buy Option 14 July 2009) – Initial Payment on 14 July	13,25% p.a (1st – 6th years) ; 22.05% p.a (6th – 10th)	id A+ (Stable) Pefindo	Indonesian Stock Exchange
Self Registration Bonds I	28 May 2014	7 years	IDR1 trillion	28 May 2021	11,35% p.a	AA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia - Seri A 2015	1 April 2015	370 days	IDR400 billion	11 April 2016	8,60% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia - Seri B 2015	1 April 2015	3 years	IDR600 billion	1 April 2018	9,40% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange
Senior Bonds I Bank UOB Indonesia - Seri C 2015	1 April 2015	5 years	IDR500 billion	1 April 2020	9,60% p.a	AAA(idn) Fitch Rating	Indonesian Stock Exchange

Office Network



Jakarta

1 Head Office
6 Branches
57 Sub-branches

Balikpapan

1 Branch
3 Sub-branches

Bandar Lampung

1 Branch
1 Sub-branch

Bandung

2 Branches
11 Sub-branches

Banjarmasin

1 Branch
1 Sub-branch

Banyuwangi

1 Branch

Batam

2 Branches
3 Sub-branches

Bengkulu

1 Branch

Bogor

1 Branch
4 Sub-branches

Cirebon

1 Branch
2 Sub-branches

Denpasar

2 Branches
4 Sub-branches

Jambi

1 Branch

Jombang

1 Branch
1 Sub-branch

Magelang

1 Branch
2 Sub-branches

Makassar

1 Branch
3 Sub-branches

Malang

1 Branch
2 Sub-branches

Medan

2 Branches
7 Sub-branches

Palembang

1 Branch
4 Sub-branches

Pekanbaru

1 Branch
2 Sub-branches

Pontianak

1 Branch
3 Sub-branches

Purwokerto

1 Branch
3 Sub-branches

Samarinda

1 Branch
2 Sub-branches

Semarang

1 Branch
6 Sub-branches

Serang

1 Branch
2 Sub-branches

Solo

1 Branch
5 Sub-branches

Surabaya

3 Branches
14 Sub-branches

Tasikmalaya

1 Branch
1 Sub-branch

Tegal

1 Branch

Yogyakarta

1 Branch
3 Sub-branches

Products and Services

Loan Products

- UOB Housing Loan (KPR)
- UOB Multi-Finance Loan (KMG)
- Current Account Loan (Rupiah & FX)
- Revolving Credit Facility
- Fixed Loan
- Fixed Asset Investment Loan
- Business Vehicle Financing
- Construction Investment Loan
- Heavy Equipment Financing
- Property Business Financing
- Installment Loan (Rupiah & FX)
- Micro Business Financing
- Import-Export Credit
- UOB Credit Card (Visa and MasterCard) for various types of non-cash transactions, such as:
 - UOB PRVI Miles
 - UOB Preferred Platinum
 - UOB Lady's Platinum
 - UOB One Card
 - Corporate Credit Card, such as:
 - Corporate Card, Purchasing/D-Card and Business
- Business Express
- Business Solution
- Supply Chain and Distributor Financing
- Invoice Financing
- Contract Financing
- Secured Back to Back

Funding Products

- Time Deposit (Rupiah & FX)
- UOB Rupiah Saving
- Tabungan UniPlus
- UniPlus Savings
- Tabungan UOB Gold
- UOB Gold Savings
- Tabungan UOB High Yield
- UOB High Yield Savings
- TabunganKu
- UOB Saving Plan
- Rekening Valas Produktif
- Productive Foreign Currency Account
- Giro (Rupiah & Valas)
- Current Account (Rupiah & FX)
- Giro UOB
- UOB Current Account
- Giro88
- TabunganBiz88
- Biz88 Savings
- UOB FlexiYield

Services

- L/C Facility
- Export Bills Negotiation and Discounting Facility
- Bank Guarantee
- Safe Deposit Box
- Fasilitas Wesel & Inkaso (Valas)
- Bills Collection Facility (FX)
- Bank Draft (FX)
- Inward & Outward Transfer (Rupiah & Valas)
- Clearing
- UOB Bill Pay: PLN, Telkom, Telkomsel, Indosat, XL, Esia, Fren and Indovision
- UOB ATM and Debit Card
- Bills Payment Autodebit
- 24 hours Call Centre (14008)
- Trust Receipt
- Escrow Account
- Cash Pick-up
- Cash sweeping and concentration
- UOB Virtual Account
- Business Internet Banking Plus
- Pembayaran Penerimaan Negara
- Bulk payment/Payroll
- Shipping guarantee
- Usance payable at sight (UPAS)
- FX electronic dealing system (FEDS)

Investment Products

- Mutual Fund Selling Agent
- Indonesia Retail Bond (ORI) and Retail Islamic Bond (SUKUK) Sales Agent
- UOB Maxi Yield

Insurance Products

- UOB Indonesia teams up with insurance companies to provide financial solution for customers by offering life and health insurance products with single or periodic premium payment

Treasury Products

- Transaksi Foreign Exchange (FX): Nilai Transaksi Today, Nilai Transaksi Tom dan Nilai Transaksi Spot.
- Forex Transactions: Value Today, Value Tom and Value Spot
- Transaksi Derivatif: Forward, Swap, Interest Rate Swap (IRS) dan Cross Currency Swap (CCS), Plain Vanilla FX Options.
- Derivative Transactions: Forward, Swap, Interest Rate Swap (IRS) and Cross Currency Swap (CCS), Plain Vanilla FX Options
- Structured Product: UOB MaxiYield
- Government Debt Paper Transactions: Primary Market and Secondary Market Transactions



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