



I Thought, We Can Stay Strong Like Stones
Chok Yue Zan

About This Report

PT Bank UOB Indonesia (UOB Indonesia) has been committed to creating long-term value for our customers, our colleagues and the community since 1956. We aim to provide continuous product and services excellence while generating positive contribution to the development of enterprise and economic growth, and returns to our stakeholders.

The format of this report follows the requirements of Indonesian Financial Services Authority (*Otoritas Jasa Keuangan - OJK*) and is in line with UOB Group's reporting practices.

This report and more information on UOB Indonesia can be found at www.uob.co.id.

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I Thought, We Can Stay Strong Like Stones

by Chok Yue Zan
Mixed media
120 x 180 cm

Mr Chok Yue Zan's *I Thought, We Can Stay Strong Like Stones* is the design inspiration for this Annual Report. Mr Chok reinterprets his family's portrait to show the depth, strength and unity of familial ties. It received the 2017 UOB Painting of the Year (Malaysia) award. He is also the recipient of the 2018 UOB-Fukuoka Asian Art Museum residency programme.

The rocks carved in the shape of the people closest to the artist symbolise the importance of nurturing trusted and deep relationships that last. Standing resilient amid swaying foliage, cloudy skies and rolling waters, the rocks reinforce the need for a firm foundation and fortitude to weather change and volatility. These reflect UOB's distinctive and disciplined approach to banking.

Creating sustainable value for our stakeholders and the communities in which we operate is also expressed through UOB's support of art. The UOB Painting of the Year Competition, in its 36th year in 2017, is the Bank's flagship art programme held across four Southeast Asian countries.



PT Bank UOB Indonesia at a Glance

PT Bank UOB Indonesia (UOB Indonesia) was founded on 31 August 1956 as PT Bank Buana Indonesia and started its commercial banking activities on 1 November 1956. In 2000, Bank changed its status into a public company with initial public offering of 194 million shares to public. In 2007, Bank changed its name into PT Bank UOB Buana Tbk. and in 2008, Bank's General Meeting of Shareholders has approved the change of Bank's status from publicly listed to private company and delisted the Bank's shares on Indonesia Stock Exchange (IDX). On 30 June 2010, Bank effectively accepted business merger of PT Bank UOB Indonesia and changed its name into PT Bank UOB Indonesia in May 2011.

UOB Indonesia is rated AAA (Idn) by the independent rating agency, Fitch Ratings. Bank focuses on creating values and determined to be a significant and trusted bank by providing a wide range of products and services to meet the customers' needs. The products and services offered range from personal financial services and investment management to treasury and cash management.

The Bank's extensive service network comprises 1 head office, 41 branch offices, 137 sub-branch offices and 160 ATMs across 30 cities in 18 provinces in Indonesia. The network of services is accompanied with accessible banking services through internet banking services for retail customers and corporate clients, as well as the ATM Prima, ATM Bersama, and Visa Networks.

UOB Indonesia aims to create innovative and sustainable value for the stakeholders through comprehensive suite of products and services, robust information technology systems, sound capital structure, highly qualified employees, and corporate social responsibility programme as our way to give back to the community. The programme focuses on art, children, and education. As part of this programme, we organise the annual UOB Painting of the Year Competition, and since 2011, we have donated more than IDR1.25 billion through our annual fundraising activity, UOB Heartbeat Run/Walk.

Vision

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

Mission

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

Our Values



Honourable

We act prudently to fuel our customers' success and maintain the highest standards in all we do.



Enterprising

We possess a forward-looking mindset and provide deep insight, taking the initiative to find solutions.



United

We reach our corporate and individual goals through cooperation, mutual respect, and loyalty.



Committed

We hold ourselves accountable for ensuring that UOB remains a source of stability, security, and strength.

PT Bank UOB Indonesia

Financial and Operational Highlights

Statement of Financial Position

| Description | 31 st December | | | | |
|---|---------------------------|---------------|---------------|---------------|---------------|
| | 2017 | 2016 | 2015 | 2014* | 2013* |
| Assets | | | | | |
| Cash | 398 | 536 | 516 | 591 | 662 |
| Current Accounts with Bank Indonesia | 6,072 | 5,724 | 5,454 | 5,328 | 4,760 |
| Current Accounts with Other Banks | 2,453 | 1,098 | 704 | 1,242 | 1,161 |
| Placements with Bank Indonesia And Other Banks | 3,416 | 3,321 | 2,856 | 5,238 | 3,120 |
| Trading Securities and Financial Investments – Net | 16,069 | 12,918 | 11,936 | 7,028 | 6,224 |
| Receivables on Securities Purchased with Agreements to Resell | 1,015 | 1,902 | - | - | - |
| Derivatives Receivable | 146 | 202 | 142 | 239 | 350 |
| Loans – Net | 61,998 | 64,699 | 60,573 | 55,833 | 51,871 |
| Acceptance Receivable – Net | 1,826 | 1,749 | 2,613 | 3,133 | 1,843 |
| Deferred Tax Assets – Net | 95 | 36 | - | - | - |
| Fixed Assets – Net Book Value | 1,063 | 1,093 | 1,135 | 989 | 984 |
| Other Assets – Net | 693 | 816 | 718 | 429 | 407 |
| Total Assets | 95,244 | 94,094 | 86,647 | 80,050 | 71,382 |
| Liabilities and Equity | | | | | |
| Current Liabilities | 149 | 101 | 62 | 68 | 68 |
| Demand Deposits | 11,258 | 9,488 | 6,887 | 7,247 | 5,336 |
| Savings Deposits | 14,850 | 16,144 | 12,624 | 9,834 | 9,289 |
| Time Deposits | 48,939 | 47,373 | 44,946 | 46,154 | 42,654 |
| Deposits from Other Banks | 2,315 | 3,642 | 5,507 | 1,000 | 1,598 |
| Taxes Payable | 65 | 145 | 211 | 120 | 131 |
| Derivatives Payable | 106 | 194 | 143 | 256 | 354 |
| Liabilities on Securites Sold Under Repurchase Agreements | - | 339 | - | - | - |
| Interests Payable | 226 | 211 | 243 | 218 | 196 |
| Acceptances Payable | 1,843 | 1,771 | 2,644 | 3,136 | 1,845 |
| Borrowings | 333 | - | - | 328 | - |
| Deferred Tax Liability - Net | - | - | 26 | 102 | 22 |
| Liabilities for Employee's Benefits | 328 | 209 | 186 | 208 | 147 |
| Other Liabilities | 496 | 471 | 412 | 401 | 525 |
| Debt Securities Issued – Net | 3,389 | 3,185 | 2,488 | 994 | - |
| Total Liabilities | 84,297 | 83,273 | 76,379 | 70,066 | 62,165 |
| Total Equity | 10,947 | 10,821 | 10,268 | 9,984 | 9,217 |
| Total Liabilities and Equity | 95,244 | 94,094 | 86,647 | 80,050 | 71,382 |

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

Statement of Profit or Loss and Other Comprehensive Income

| Description | 31 st December | | | | |
|--|---------------------------|---------|---------|---------|---------|
| | 2017 | 2016 | 2015 | 2014* | 2013* |
| Interest Income | 7,268 | 7,404 | 7,193 | 6,835 | 5,430 |
| Interest Expense | (3,757) | (3,867) | (4,116) | (3,819) | (2,584) |
| Interest Income – Net | 3,511 | 3,537 | 3,077 | 3,016 | 2,846 |
| Other Operating Income - Net | 794 | 792 | 681 | 542 | 559 |
| (Provision for) Reversal of Impairment Losses | (1,255) | (959) | (656) | (469) | 82 |
| Other Operating Expenses | (2,745) | (2,712) | (2,471) | (2,182) | (1,994) |
| Operating Income | 305 | 658 | 631 | 907 | 1,493 |
| Non Operating Income – Net | 4 | 12 | 7 | 26 | 49 |
| Income Before Tax Expense | 309 | 670 | 638 | 933 | 1,542 |
| Tax Expense | (231) | (191) | (175) | (249) | (394) |
| Income for Yhe Year | 78 | 479 | 463 | 684 | 1,148 |
| Other comprehensive Income for the Year | 43 | 74 | (43) | 83 | (241) |
| Total comprehensive income for the Year | 121 | 553 | 420 | 767 | 907 |
| Net Profit Attributable to: | | | | | |
| Owner Entity | 78 | 479 | 463 | 684 | 1,148 |
| Non-Controlling Interests | - | - | - | - | - |
| Total Comprehensive Income for the Year Attributable to: | | | | | |
| Owner Entity | 121 | 553 | 420 | 767 | 907 |
| Non-Controlling Interests | - | - | - | - | - |
| Net Income per Share | 8 | 50 | 48 | 72 | 120 |

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

PT Bank UOB Indonesia

Financial and Operational Highlights

Financial Ratios

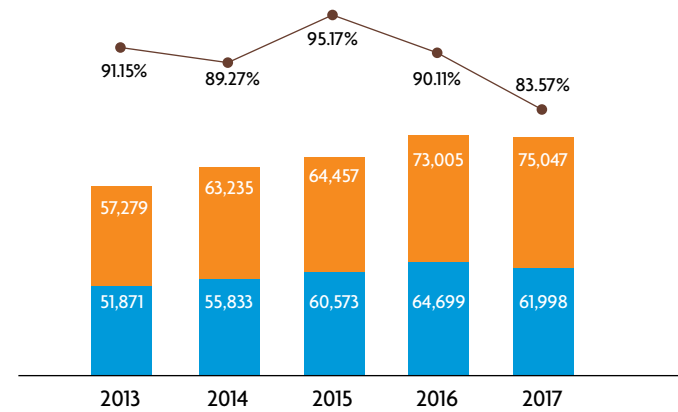
| Description | (in billion Rupiah unless otherwise stated) | | | | |
|---|---|--------|--------|--------|--------|
| | 31 st December | | | | |
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Capital | | | | | |
| Capital Adequacy Ratio (CAR) | 17.08% | 16.44% | 16.20% | 15.72% | 14.94% |
| CAR Tier I | 14.41% | 14.30% | 13.92% | 13.24% | 13.90% |
| CAR Tier II | 2.67% | 2.14% | 2.28% | 2.47% | 1.04% |
| Gross Fixed Assets to Capital | 16.81% | 16.47% | 16.44% | 15.92% | 18.70% |
| Gross Fixed Assets | 2,181 | 2,049 | 1,943 | 1,676 | 1,642 |
| Capital | 12,973 | 12,440 | 11,816 | 10,528 | 8,781 |
| Capital Adequacy Ratio (CAR) for Credit Risk* | 19.26% | 18.23% | 18.03% | 17.31% | 16.48% |
| Capital Adequacy Ratio (CAR) for Credit Risk and Market Risk* | 18.95% | 18.07% | 17.78% | 17.25% | 16.42% |
| Capital Adequacy Ratio (CAR) for Credit Risk, Market Risk and Operational Risk* | 17.08% | 16.44% | 16.20% | 15.72% | 14.94% |
| Assets Quality | | | | | |
| Non-Performing Earning Assets and Non Earning Assets to Total Earning Assets | 10.67% | 12.70% | 12.97% | 19.60% | 13.54% |
| Non-Performing Earning Assets | 0.80% | 2.50% | 2.13% | 3.10% | 1.34% |
| Allowance for Impairment Losses for Financial Assets to Earning Assets | 1.26% | 1.34% | 1.06% | 0.97% | 0.55% |
| Non-Performing Loans – Gross | 1.09% | 3.24% | 2.68% | 3.72% | 1.63% |
| Non-Performing Loans – Net | 0.93% | 2.61% | 2.17% | 2.85% | 1.15% |

*Calculated in accordance with Bank Indonesia/OJK Regulation

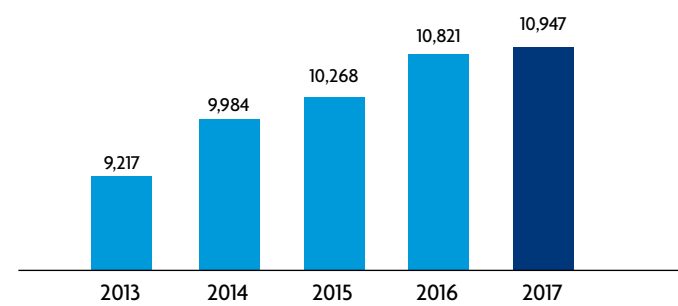
Financial Ratios

| Description | 31 st December | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | 2014* | 2013* |
| Earnings | | | | | |
| Return on Assets (ROA) | 0.32% | 0.77% | 0.77% | 1.24% | 2.39% |
| Return on Equity (ROE) | 0.70% | 4.49% | 4.82% | 7.57% | 14.31% |
| Net Interest Margin (NIM) | 3.85% | 4.31% | 3.97% | 4.21% | 4.55% |
| Operating Expense to Operating Income (BOPO) | 97.81% | 95.90% | 96.46% | 90.53% | 77.66% |
| Liquidity | | | | | |
| Loans to Deposit Ratio (LDR) | 83.57% | 90.11% | 95.17% | 89.27% | 91.15% |
| Low Cost Fund (CASA) Ratio | 34.79% | 35.11% | 30.27% | 27.01% | 25.53% |
| Compliance | | | | | |
| Violation of Legal Lending Limit | - | - | - | - | - |
| Lending in excess of the Legal Lending Limit | - | - | - | - | - |
| Minimum Reserve Requirement (GWM) – IDR | | | | | |
| Primary | 6.78% | 6.84% | 7.59% | 8.10% | 8.12% |
| Secondary | 19.48% | 14.79% | 15.45% | 9.62% | 9.06% |
| Minimum Reserve Requirement (GWM) – Foreign Currency | 8.18% | 8.85% | 8.10% | 8.10% | 8.22% |
| Net Open Positions (NOP) | 2.22% | 0.62% | 0.63% | 1.79% | 1.75% |
| Growth Ratios | | | | | |
| Net Interest Income | -0.74% | 14.95% | 2.02% | 5.97% | 1.46% |
| Operating Income | -53.65% | 4.28% | -30.43% | -39.25% | 5.36% |
| Net Income | -83.72% | 3.46% | -32.31% | -40.42% | 3.24% |
| Total Assets | 1.22% | 8.59% | 8.24% | 12.14% | 20.23% |
| Total Liabilities | 1.23% | 9.03% | 9.01% | 12.71% | 22.33% |
| Total Equity | 1.16% | 5.39% | 2.84% | 8.32% | 7.71% |
| Others | | | | | |
| Debt to Equity | 770.05% | 769.55% | 743.85% | 701.78% | 674.46% |
| Debt to Assets | 88.51% | 88.50% | 88.15% | 87.53% | 87.09% |
| Total issued and fully paid shares capital (full amount) | 9,553,885,804 | 9,553,885,804 | 9,553,885,804 | 9,553,885,804 | 9,553,885,804 |

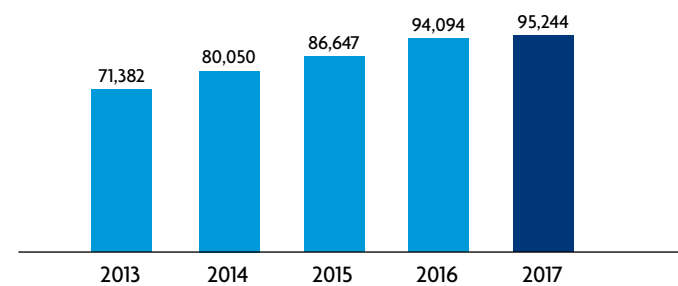
*After the restatement adjustments for adopting SFAS No 24 (Revised in 2013)



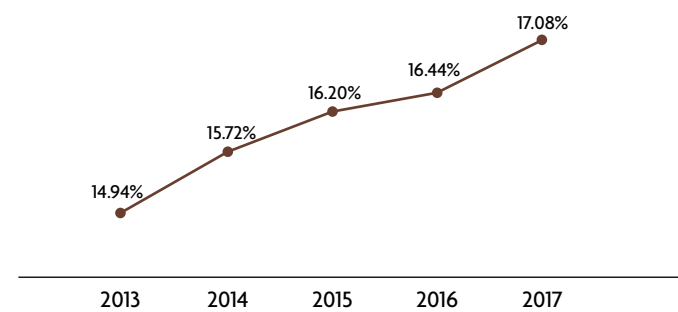
| | | |
|-------------|-------------------|--------|
| Deposits | IDR75,047 billion | ▲ 2.8% |
| Loans - Net | IDR61,998 billion | ▼ 4.2% |
| LDR | 83.57% | ▼ 6.5% |



| | | |
|--------------|-------------------|--------|
| Total Equity | IDR10,947 billion | ▲ 1.2% |
|--------------|-------------------|--------|



| | | |
|--------------|-------------------|--------|
| Total Assets | IDR95,244 billion | ▲ 1.2% |
|--------------|-------------------|--------|



| | | |
|------------------------------|--------|--------|
| Capital Adequacy Ratio (CAR) | 17.08% | ▲ 0.6% |
|------------------------------|--------|--------|

Share Listing Chronology

The details of share listing chronology of UOB Indonesia are as follows:

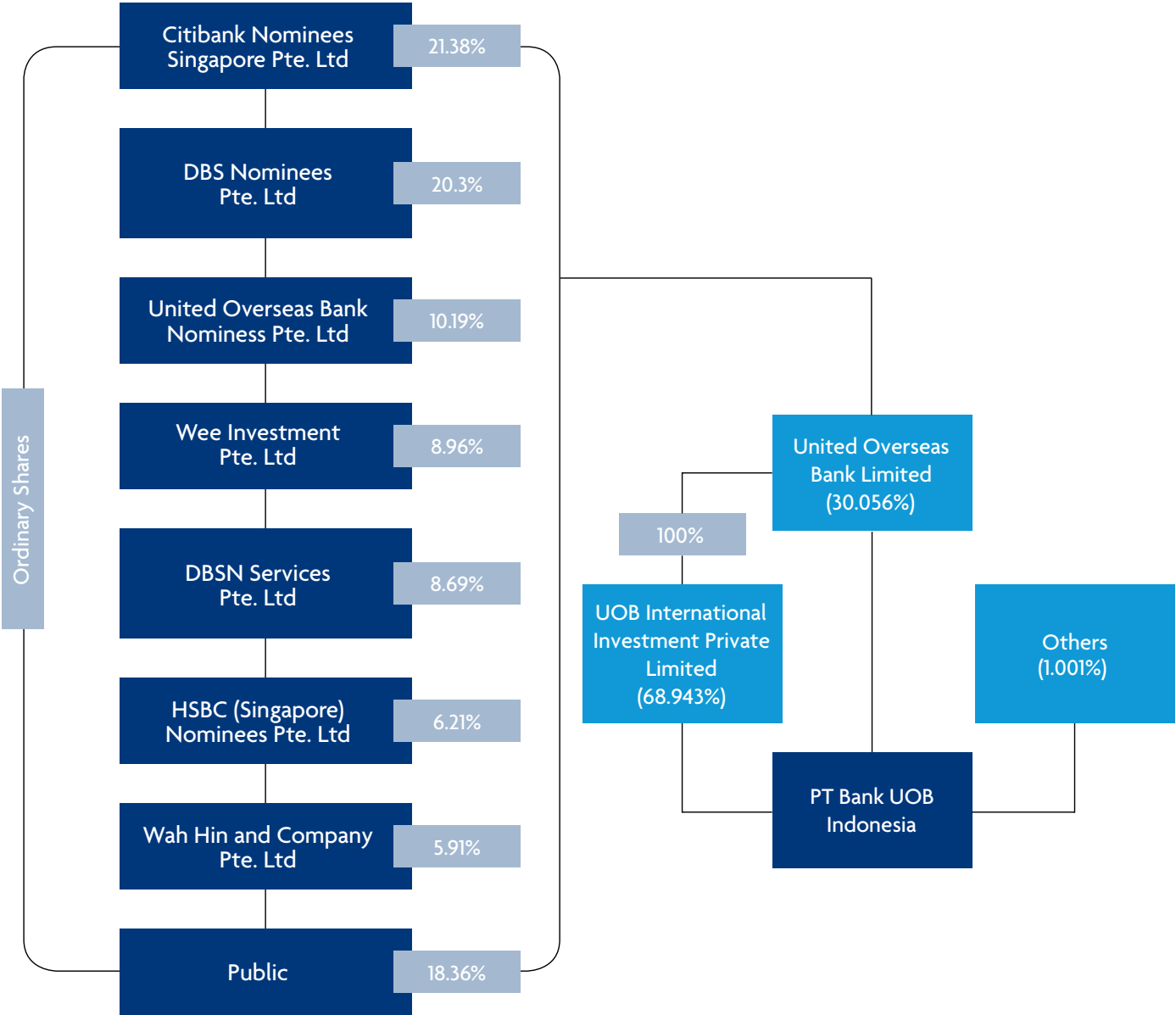
| Corproate Actions | Distribution Dates | New Shares (Shares) | Paid Up Capital (Shares) | Nominal Price (IDR) |
|--|--------------------------------|---------------------|--------------------------|---------------------|
| Shares Initial Public Offering | 20 July 2000 | - | 970,000,000 | 500 |
| Shares Dividend | 17 May 2002 | 223,689,754 | 1,193,689,754 | 500 |
| Shares Bonus | 17 May 2002 | 47,133,917 | 1,240,823,671 | 500 |
| Limited Public Offering I | 20 - 27 September 2002 | 248,164,734 | 1,488,988,405 | 500 |
| Shares Nominal Value | 23 December 2002 | 1,488,988,405 | 2,977,976,810 | 250 |
| Limited Public Offering II | 28 May - 5 June 2003 | 744,494,202 | 3,722,471,012 | 250 |
| Shares Dividend | 4 November 2003 | 306,091,338 | 4,028,562,350 | 250 |
| Shares Bonus | 4 November 2003 | 959,549,650 | 4,988,112,000 | 250 |
| Shares Dividend | 12 May 2005 | 410,821,132 | 5,398,933,132 | 250 |
| Shares Bonus | 12 May 2005 | 367,309,605 | 5,766,242,737 | 250 |
| Limited Public Offering III | 9 – 19 June 2006 | 887,114,267 | 6,653,357,004 | 250 |
| Tender Offer | 22 September - 21 October 2008 | - | 6,653,357,004 | 250 |
| Delisting of Shares Listed on Stock Exchange | 20 November 2008 | - | 6,653,357,004 | 250 |
| Business Merger | 30 June 2010 | 2,900,528,800 | 9,553,885,804 | 250 |

Securities (Bonds) Listing History

| Type | Date of Emission | Maturity | Value (IDR) | Due Date | Coupon | Rating | Listing |
|---|------------------|---------------------------------------|-------------|--|---|-------------------------|--------------------------|
| Shelf Registration Bonds I | 28 May 2014 | 7 years | 1 trillion | 28 May 2021 | 11.35% p.a | AA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bonds I Bank UOB Indonesia Series B 2015 | 1 April 2015 | 3 years | 600 billion | 1 April 2018 | 9.40% p.a | AAA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bonds I Bank UOB Indonesia Series C 2015 | 1 April 2015 | 5 years | 500 billion | 1 April 2020 | 9.60% p.a | AAA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 Series B | 25 November 2016 | 3 years | 600 billion | 25 November 2019 | 8.00% p.a | AAA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 Series C | 25 November 2016 | 5 years | 100 billion | 25 November 2021 | 8.25% p.a | AAA (idn) Fitch Ratings | Indoneisa Stock Exchange |
| Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 | 25 November 2016 | 7 years | 100 billion | 25 November 2023 | 9.40% p.a | AA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase II 2017 | 17 October 2017 | 7 years | 500 billion | 17 October 2024 | 9.25% p.a | AA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Matured | | | | | | | |
| Bank Buana Indonesia Subordinated Bonds I | 14 July 2004 | 10 years (5th years, purchase option) | 300 billion | 14 July 2014 (purchase option 14 July 2009) – early settlement on 14 July 2009 | 13.25% p.a (1st – 6th years); 22.05% p.a (6th – 10th) | Id A+ (Stable) Pefindo | Indonesia Stock Exchange |
| Bonds I Bank UOB Indonesia Series A 2015 | 1 April 2015 | 370 days | 400 billion | 11 April 2016 | 8.60% p.a | AAA (idn) Fitch Ratings | Indonesia Stock Exchange |
| Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 Series A | 25 November 2016 | 370 days | 300 billion | 5 December 2017 | 7.20% p.a | AAA (idn) Fitch Ratings | Indonesia Stock Exchange |

Shareholders Composition

As of 1 March 2018, UOB Indonesia's shareholders composition is as follows:



About
United Overseas Bank
Limited



Who We are

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

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

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

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

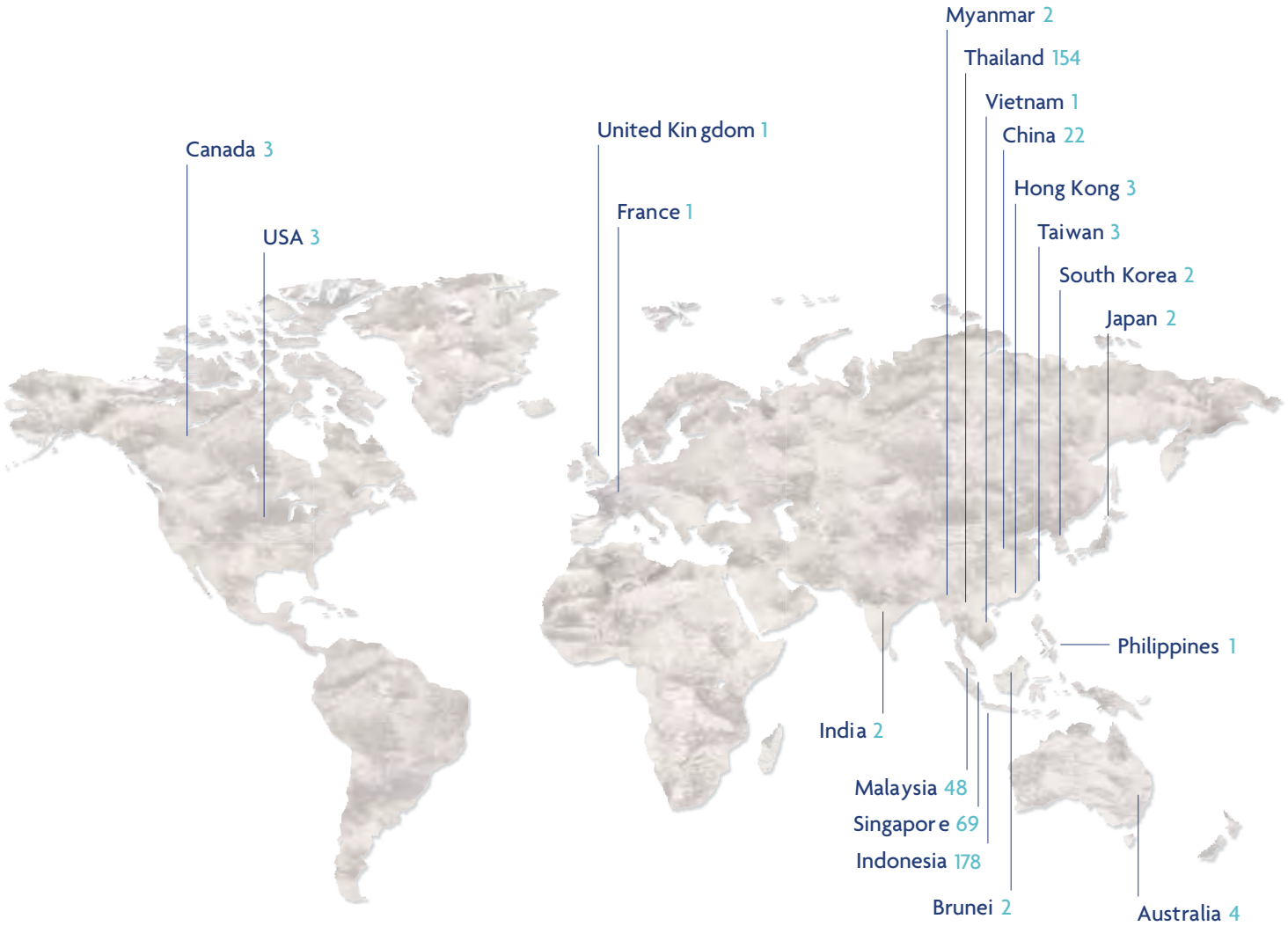
At UOB, we believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and grow their businesses, UOB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

What We Do

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

Where We Operate

>500
branches
and offices
in Asia Pacific, Europe
and North America



United Overseas Bank Limited

Financial Highlights

| Five-Year Group Financial Summary | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------|---------|---------|---------|---------|
| Selected Income Statement Items (\$ million) | | | | | |
| Total income | 6,720 | 7,457 | 8,048 | 8,061 | 8,851 |
| Total expenses | 2,898 | 3,146 | 3,597 | 3,696 | 4,027 |
| Operating profit | 3,822 | 4,311 | 4,451 | 4,365 | 4,824 |
| Net profit after tax ¹ | 3,008 | 3,249 | 3,209 | 3,096 | 3,390 |
| Selected Balance Sheet Items (\$ million) | | | | | |
| Net customer loans | 178,857 | 195,903 | 203,611 | 221,734 | 232,212 |
| Customer deposits | 214,548 | 233,750 | 240,524 | 255,314 | 272,765 |
| Total assets | 284,229 | 306,736 | 316,011 | 340,028 | 358,592 |
| Shareholders' equity ¹ | 26,388 | 29,569 | 30,768 | 32,873 | 36,850 |
| Financial Indicators (%) | | | | | |
| Expense/Income ratio | 43.1 | 42.2 | 44.7 | 45.9 | 45.5 |
| Non-performing loans ratio | 1.1 | 1.2 | 1.4 | 1.5 | 1.8 |
| Return on average ordinary shareholders' equity | 12.3 | 12.3 | 11.0 | 10.2 | 10.2 |
| Return on average total assets | 1.12 | 1.10 | 1.03 | 0.95 | 0.98 |
| Return on average risk-weighted assets | 1.97 | 1.94 | 1.74 | 1.51 | 1.63 |
| Capital adequacy ratios | | | | | |
| Common Equity Tier ¹ | 13.2 | 13.9 | 13.0 | 13.0 | 15.1 |
| Tier ¹ | 13.2 | 13.9 | 13.0 | 13.1 | 16.2 |
| Total | 16.6 | 16.9 | 15.6 | 16.2 | 18.7 |
| Per ordinary share | | | | | |
| Basic earnings (\$) | 1.84 | 1.98 | 1.94 | 1.86 | 1.99 |
| Net asset value (\$) | 15.36 | 17.09 | 17.84 | 18.82 | 20.37 |
| Net dividend (cents) ² | 75 | 75 | 90 | 70 | 100 |
| Dividend cover (times) ² | 2.54 | 2.70 | 2.22 | 2.73 | 2.04 |

1 Relates to the amount attributable to equity holders of the Bank.
2 Included a special dividend of 5 cents in 2013 and 2014 respectively and 20 cents in 2017. 2015 included UOB's 80th Anniversary dividend of 20 cents.

UOB Indonesia - Highlights in 2017



09 January
Open House Event
UOB Indonesia management and staff welcomed the year 2017 with an Open House event at UOB Plaza, Jakarta.



10 January
Cook With Love & Share the Happiness
UOB Indonesia Commercial Banking organized a Corporate Social Responsibility event with more than 70 employees to help renovating Ibdtidaiah Rabbani elementary school.



19 January
Service Culture Journey Kick Off
UOB Indonesia launched a new phase of Service Culture *A Journey of Transformation* to raise the service bar to the next level.



26 January
Consumer Choice Award 2017
UOB Indonesia was awarded The Best Bank in Premium Market on mortgage category from Rumah123.com.



27 January
MoU Signing between UOB Indonesia and Eurokars
UOB Indonesia signed a memorandum of understanding with Eurokars to support automotive business in Indonesia.



06 February
Lunar New Year
UOB Indonesia celebrated the Lunar New Year of the Monkey with the traditional Yu Sheng ceremony at UOB Plaza, Jakarta.



07 February
Extraordinary General Meeting of Shareholders
UOB Indonesia held an Extraordinary General Meeting of Shareholders at UOB Plaza, Jakarta.



22 February
Contact Center Service Excellence Award 2017
UOB Indonesia received Contact Center Service Excellence Award 2017 for Regular Credit Card and Regular Banking categories.



13 March
Launching of Lady's Card
Launch of the new revamped UOB Lady's Card, was exclusively designed to meet the lifestyle of Indonesia's financially independent women.

UOB Indonesia - Highlights in 2017



21 April

Kartini Day at UOB Plaza
In commemoration of National Women's Day Kartini, UOB Indonesia celebrated *Srikandi Negeri Dalam Kreasi*, as an appreciation of women's emancipation in Indonesia.



25 April

The Asset Triple A Awards 2017
UOB Indonesia received four awards from The Asset Triple A Awards, namely Best Cash Management Solution, Best SME Cash Management Solution, Best Structured Trade Finance Solution and Best Supply Chain Solution.



26 April

Annual General Meeting of Shareholders
UOB Indonesia held an Annual General Meeting of Shareholders at UOB Plaza, Jakarta.



10 July

Relocation of Medan Uni Plaza Branch Office
Relocation of UOB Indonesia branch from Medan Uni Plaza to Medan Djuanda Branch.



16 July

UOB Heartbeat
UOB Indonesia organized the UOB Heartbeat Run/Walk in Jakarta, to raise funds for children with special needs from Daya Pelita Kasih foundation and to promote financial literacy with Tunas Aksara foundation.



26 July

UOB Indonesia Economic Outlook Surabaya
UOB Indonesia held the Economic Outlook in Surabaya, themed East Java as the Economic Hub for Eastern Indonesia Development.



24 May

Fundraising for UOB Heartbeat
UOB Indonesia held an employee fundraising through artwork auctions from students with special needs from Daya Pelita Kasih Foundation.



05 June

Relocation of Asemka Branch Office
One of UOB Indonesia's earliest branch Asemka, was relocated to Gajah Mada Branch Jakarta.



07 June

Launching of UOB Agents
The launch of UOB Agents smartphone-app, the first mortgage linked app by a financial institution in Indonesia.



31 July

Opening of Privilege Banking Pantai Indah Kapuk, Jakarta Branch Office
The inauguration of Privilege Banking branch at Pantai Indah Kapuk, Jakarta



07 August

MoU signing with Population and Civil Registration Agency
A Memorandum of Understanding with General Directorate of Population and Civil Registration and witnessed by the Minister of Home Affairs of the Republic of Indonesia, Mr Tjahjo Kumolo.



09 August

Opening of Privilege Banking Djuanda, Medan Branch Office
UOB Indonesia open new Privillage Banking branch at Djuanda branch, Medan.



09 June

The Asian Banker Business Achievement Awards 2017
UOB Indonesia received an award from The Asian Banker Business Achievement Awards 2017 for 2 categories, namely Best Corporate Trade Finance Deal in Indonesia (for Fajar Surya Wisesa under Bank-Client partnership awards) and Best Supplier Relationship Management in Indonesia (for Huawei Technology Indonesia under FSCM awards).



22 June

Mudik Bareng 2017
UOB Indonesia offered a free transportation for staff homecoming to their cities and villages in view of Idul Fitri Celebration.



14 August

UOB Art Space at Art Jakarta
UOB Indonesia conducted a special exhibition for UOB Painting of the Year winners alumni to showcase their artwork at Art Jakarta 2017.



19 August

UOB Play Day
UOB Indonesia celebrated *Aku Anak Indonesia* with more than 600 children from Sahabat Anak foundation and UOB Indonesia credit card customers at Kidzania, Jakarta.



23 August

UOB Indonesia 61st Anniversary
UOB Indonesia celebrated with all employees its 61st anniversary of presence in Indonesia.

Awards



12 September

Smart Risks Grand Launch
UOB Indonesia launched Smart Risk, a risk-focused investment approach for its Privilege Banking customers in Indonesia



29 September

UOB Golf Invitational 2017
UOB Indonesia Commercial Banking held a UOB Golf Invitational 2017 as appreciation to loyal customers.



25 October

2017 UOB Painting of the Year Award Ceremony
UOB Indonesia continued to celebrate the 2017 UOB Painting of the Year Award, demonstrating its commitment to the art scene and community.



06 November

Launching of UOB One Account
UOB Indonesia launched UOB One Account, a savings product to help customers accumulating more growth.



14 November

UOB Indonesia Economic Outlook Jakarta
UOB Indonesia held the 2018 UOB Indonesia Economic Outlook in Jakarta, themed Navigating Your Business in Uncharted Waters.



21 November

Launching of UOB Card Sales Centre
The inauguration of new UOB Sales Centre was designed with a new look at UOB Plaza.



28 November

Launching of UOB Indonesia e-Payroll Solution with Doku
UOB Indonesia and Doku launched an e-payroll solution for Small and Medium-sized Enterprises.



29 November

Indonesia Best Banking Award 2017
UOB Indonesia received the Indonesia Best Banking Award 2017 for Special Mention, Promoting Credit Card on Women from Warta Ekonomi Magazine.



19 December

Christmas Celebration
UOB Indonesia celebrated Christmas jointly with all employees and Yayasan Bhakti Luhur Jakarta.



Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2017

The Assets
Best SME Cash Management Solution - Cash Centralization and Liquidity Solutions, Indonesia
Best Cash Management Solution - New Economy Solution, Indonesia
Best Structured Trade Finance Solution, Indonesia



The Asian Banker's Choice Awards 2017

The Asian Banker
Best Corporate Trade Finance Deal in Indonesia for Fajar Surya Wisesa Under Bank-Client Partnership Category
Best Supplier Relationship Management in Indonesia for Huawei Technology Indonesia Under FSCM Category



Contact Center Service Excellence Award 2017

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



Indonesia Best Banking Brand Award 2017

Warta Ekonomi Magazine
Winner of Best Banking Brand 2017 for Special Mention for Promoting Credit on Women



Property Developer Consumer Choice Award 2017

Rumah123.com, MARS, SWA, Kompas.com
The Best Bank in Premium Market

Milestones

1950

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

1970

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

1990

1998 Ranked as “A” category bank by Bank Indonesia

2000

2000 Initial Public Offering and share listing at the Jakarta Stock Exchange and the Surabaya Stock Exchange
2003 The entry of International Finance Corporation (IFC) as the first overseas shareholder through the Rights Issue II
2004

- The UOB International Investment Private Limited (UOBII) became the second largest shareholder after PT Sari Desa Karsa
- Issuance of Subordinated Bonds I

2005

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

2007

- Changed its name from PT Bank Buana Indonesia Tbk. to PT Bank UOB Buana Tbk.
- United Overseas Bank Limited (UOB), through UOBI, became the majority shareholder of the Bank

2008

- The Extraordinary General Meeting of Shareholders approved the change of status into a privately-held entity
- The share ownership of UOBI rose to 98.997 per cent following a tender offer for the publicly-held shares
- Delisting of the Bank’s shares from the Indonesia Stock Exchange

2009 Call option for the debt principal of Subordinated Bonds I
2010 The former PT Bank UOB Indonesia was merged into PT Bank UOB Buana
2011 Changed its name to PT Bank UOB Indonesia
2012 The Bank, along with the UOB Group, introduced a new regional-wide uniform for front-liners that convey an impression of professionalism, confidence and outlook of UOB Group
2013 Implementation of the Core Banking Standarisasi project from the development of infrastructure systems towards improved services by the Bank
2014 Issuance of Bank UOB Indonesia Subordinated Bonds I Year 2014
2015 Issuance of Bank UOB Indonesia Bonds I Year 2015
2016

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

2017

2017 Issuance of Bank UOB Indonesia Subordinated Debt Shelf Offering I Phase II Year 2017

Board of Directors of UOB Indonesia



Board of Directors and Senior Executive Officers of UOB Indonesia



Report of the Board of Commissioners



2017 marked a transformational year for UOB Indonesia as we sharpened our focus on achieving sustainable growth by strengthening the capital structure and improving productivity.

Dear distinguished shareholders,

UOB Indonesia kept its prudent stance by balancing growth with stability and in staying committed to developing and to providing sustainable and responsible financial solutions for our customers. We continued to invest in our people and capabilities for the long term and we deepened our long-term support for the community.

Amid the improved global economic conditions and more favourable commodity prices, the Indonesian economy grew by 5.07 per cent in 2017. Inflation remained subdued at 3.8 per cent despite improving domestic demand. All Gross Domestic Product components grew with exports of goods and services recovering from their slump in 2015-16 to post strong growth of 9.1 per cent in 2017. Confidence in the country's economy was supported further by the government's strong commitment to policy reforms and investment, particularly in the area of infrastructure.

UOB Indonesia reaffirmed its long-term stance of maintaining a prudent and disciplined management approach. We focused on strengthening our balance sheet. We lowered the Non-Performing Loan (NPL) gross ratio to 1.09 per cent, strengthened the Capital Adequacy Ratio (CAR) to 17.08 per cent and kept funding healthy with the Loans-to-Deposit Ratio (LDR) at 83.57 per cent. We also strengthened our funding base with the shelf-registration issuances of Bank UOB Indonesia Subordinated Bonds I Phase II Year 2017 in October 2017.

Sharpening Our Business Focus

2017 marked a transformational year for UOB Indonesia as we sharpened our focus on achieving sustainable growth by strengthening the capital structure and improving productivity.

Through the UOB Group's established regional footprint, we were able to help connect our Indonesian business clients to opportunities opening up across Asia. We also helped small- and medium-sized enterprises secure new avenues of growth and continued to serve the needs of our retail customers through their life stages.

By keeping abreast of the latest technological advancements, we continued to build upon our progress made in developing banking solutions to meet customers' needs.

UOB Indonesia remained committed to investing in and taking care of its people. During the year, we launched "UOB+you"- the UOB employee value proposition that is focused on attracting, engaging and retaining the right people. This unique UOB employment experience covers flexible-work arrangements, employee welfare benefits, training and development, and recognition programmes.

In seeing through its commitment to the community, UOB Indonesia pressed on with its Corporate Social Responsibility initiatives that focus on art, children, and education.

Good Corporate Governance Implementation

The Board of Commissioners is assisted by the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee. All Committees are chaired by an Independent Commissioner to ensure independence in performing their duties. Throughout 2017, the Committees saw increased participation and commitment among its members.

The Board of Commissioners supervised and guided the Board of directors on strategic matters in 2017. Strong communication

between the Board of Commissioners and Board of Directors through regular joint meetings enabled matters to be addressed efficiently and effectively. The Board of Commissioners is committed to best practices of Good Corporate Governance and requires the Board of Directors and Management to implement sound risk management practices, strong internal controls and strict compliance with all applicable laws, rules and regulations.

Changes in Board Membership

Throughout 2017, there was no change in membership and composition of the Board of Commissioners. As at 31 December 2017, the Board of Commissioners comprise myself, Wee Cho Yaw as President Commissioner, Mr Wee Ee Cheong as Deputy President Commissioner, Mr Lee Chin Yong Francis as Commissioner, Mr Rusdy Daryono as Independent Commissioner, Mr Wayan Alit Antara as Independent Commissioner, and Mr Aswin Wirjadi as Independent Commissioner.

Acknowledgements

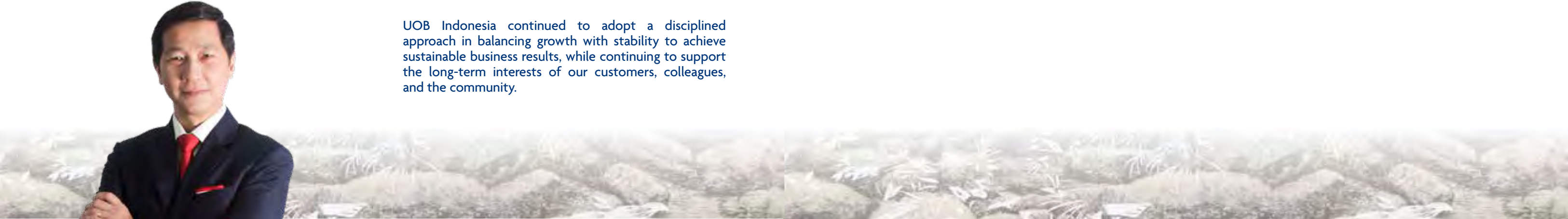
On behalf of the Board of Commissioners, I wish to thank UOB Indonesia's loyal customers for your support. I would also like to thank our Board of Directors, the Management and our employees for their contribution and for upholding UOB values.

Wee Cho Yaw

President Commissioner

April 2018

Report of the Board of Directors



UOB Indonesia continued to adopt a disciplined approach in balancing growth with stability to achieve sustainable business results, while continuing to support the long-term interests of our customers, colleagues, and the community.

On behalf of the Board of Directors, I am pleased to report the performance of PT Bank UOB Indonesia (“UOB Indonesia”) in 2017. UOB Indonesia continued to adopt a disciplined approach in balancing growth with stability to achieve sustainable business results, while continuing to support the long-term interests of our customers, colleagues, and the community.

The global economy continued to improve in 2017, as financial markets rebounded and commodity prices and manufacturing activities increased. These favourable global economic conditions boosted the Indonesian economy, particularly in the areas of private and public investments, covering the government’s infrastructure projects, mining, agriculture, and exports.

The Indonesian economy continued to strengthen in 2017 with Gross Domestic Product (GDP) growth at 5.07 per cent. Bank Indonesia showed its commitment to maintaining a healthy banking environment by lowering its interest rate to 4.25 per cent in September from 4.50 per cent in August 2017. The Rupiah was generally stable at IDR13,384 per USD in 2017 vis-à-vis IDR13,305 per USD in 2016.

Indonesia’s financial system remained stable despite facing certain issues such as increasing Non-Performing Loans (NPL) at 2.59 per cent gross. Both the Capital Adequacy Ratio (CAR) and Loans-Deposit Ratio (LDR) in the banking industry remained high at 23.18 per cent and at 90.04 per cent respectively

Building a Stronger Foundation for the Future

2017 saw UOB Indonesia make transformational changes and pick up the pace in building for sustainable growth.

We expanded our branch network across Indonesia from five to seven regions. In addition, we implemented the single captain model for each region, whereby each captain was made accountable for implementing and tracking performance and cross-segment collaboration to meet overall business

objectives. Such efforts resulted in a nine per cent increase in our branch productivity. In terms of growth engines, we focused on East Java region which represents the second largest contributor to Indonesia’s GDP, supported by the strategic national infrastructure projects such as the trans Java toll-road, high-speed rail and port revitalization projects.

We embarked on a series of internal customer service campaigns as we sharpened our focus on our customers. We reviewed and refined a number of end-to-end processes in order to improve the quality of our customer service.

We continued to provide our Retail Banking customers with the products and services most suitable for their needs. We also stepped up our support for our Wholesale Banking clients through specialisation in selected industry sectors. Among our initiatives to enhance the customer experience and in keeping with advances in technology, we established a Digital Bank Unit to develop digital banking solutions to meet our customers’ needs.

Strong collaboration with our Technology and Operations team contributed to the achievements of the Business segments. More than 80 per cent of the projects laid out in the 2017 Roadmap were successfully completed. In compliance with the regulations and provisions from the Indonesian government that require banks to bring onshore data centres, the Technology and Operations team successfully rolled out the on-shoring requirement of credit card and loan system.

Financial Performance in 2017

2017 was a challenging year for UOB Indonesia. Total income for the year was IDR4,305 billion. With operating expenses of IDR2,745 billion and increased allowance for impairment losses at IDR1,255 billion, net profit before tax after additional earnings from non-operating income stood at IDR309 billion. We have strengthened our provisions and our balance sheet is in a better position for future sustainable growth.

We managed our NPL gross ratio to 1.09 per cent down 2.15 per cent from the previous year. Following our prudent approach and risk appetite, credit growth was maintained at 1 per cent year on year while deposits grew by 2.80 per cent, achieving IDR75 billion. This has resulted in strong liquidity, reflected by a LDR of 83.57 per cent and CAR remaining healthy of 17.08 per cent versus the previous year’s 16.44 per cent.

During the year, a total of IDR39,526 billion was disbursed to Wholesale Banking segment across Commercial Banking, Corporate Banking and Financial Institution clients. We harnessed our expertise across the segments to focus on areas of specialisation for selected industries. We also widened our range of product and service offerings by cross-selling the products of our Global Markets team.

Keeping our Customers at the Heart of All We Do

We continued to grow our Retail Banking business by staying committed to helping customers grow their wealth through financial solutions essential to their lifestyles and life stages. During the year, we enhanced our saving, credit card, and mortgage products and services.

In wealth management, we remained focused on providing quality and appropriate advice and solutions aligned with our customers’ financial goals, investment objectives and risk appetites. We launched ‘A Smart Risk Approach to Managing Your Wealth’, an investment approach that helps UOB Indonesia’s Privilege Banking customers to achieve their financial goals by understanding the risks of an investment product first before considering its possible returns.

This new balanced approach of “Smart Risk” has significantly lifted our wealth fee income and relationship manager productivity. We also launched the UOB ONE Account, a savings account that helps customers to accelerate the growth of their savings, which works by rewarding customers based on their spending and saving habits.

We relaunched the UOB Lady’s Card with new features and benefits that support the lifestyle needs and aspirations of professional working women. To provide our customers with convenient services that answer their needs, we launched the UOB Agents, a smartphone application to help property agents nationwide to connect with mortgage bankers more effectively. It is the first mortgage-linked app by a financial institution in Indonesia which strengthens our service offering to customers.

In 2017, our Business Banking segment partnered DOKU, a local electronic payments provider to offer an e-Payroll solution for small and medium-sized enterprises (SMEs) to help improve payroll processing time.

Investing in Our People

We continued to invest in our people – our most important asset – by equipping them with the right skillsets and agile mindsets for the future. To help develop our talent to their fullest potential, we conducted training sessions comprising mandatory and other skills development programmes with 4,535 employees undertaking the equivalent of 27,311 hours of training.

Caring for the professional and personal growth of our people is part of our employee value proposition; UOB+you. Building on UOB’s values of Honour, Enterprise, Unity, and Commitment, UOB+you is the promise by which we attract, engage and retain the right individuals and teams to take us forward.

In 2017, we initiated a series of UOB values-based awards to recognise our role models for the year. The categories includes the Sales Award, Service Award and UOB Honours. The latter consists of Dedication for long service, cross-function Collaboration, the best innovation or Quantum and Productivity. All of these awards would be presented in 2018 at the inauguration night of the annual UOB Indonesia CEO Award, to recognise the colleague who demonstrated the

best skills and mind set, upholding the principles of honesty, innovation, productivity, capability, and collaboration. Through this award programme we hope to embed further the attitude and aptitude of individuals and teams we require for stability and long-term growth.

Recognition and Awards

Our aim is to give our best and contribute positively to our stakeholders. As a result of our commitment, we were granted accolades for excellence service, cash management, and corporate trade finance:

- 1. Contact Center Service Excellence Award 2017 from Service Excellence Magazine and Carre-Center for Customer Satisfaction and Loyalty:
 - Good Performance in Regular Banking Category.
- 2. Triple A Treasury, Trade, Supply Chain, and Risk Management Awards 2017 from The Asset:
 - Best SME Cash Management Solution in Indonesia, in the category of Cash Centralization and Liquidity Solutions
 - Best Cash Management Solution in Indonesia in the category of New Economy Solution
 - Best Structured Trade Finance Solution in Indonesia
 - Best Supply Chain Solution in Indonesia
- 3. The Asian Banker’s Choice Awards 2017 from The Asian Banker:
 - Best Corporate Trade Finance Deal in Indonesia for Fajar Surya Wisesa under Bank-Client partnership Category
 - Best Supplier Relationship Management in Indonesia for Huawei Technology Indonesia under FSCM Category
- 4. Indonesia’s Best Banking Brand Award 2017 from Warta Ekonomi:
 - Special Mention - Promoting Credit on Women (UOB Lady’s Card)

Good Corporate Governance Implementation

The Board of Directors is committed to Good Corporate Governance (GCG). UOB Indonesia upholds GCG best practices of transparency, accountability, responsibility, independence, and fairness principles across all its business activities. Our GCG Self-Assessment in 2017 resulted in a “good” rating.

To continue raising the quality of our GCG standards, we have embarked upon a series of initiatives including investment in technology systems to improve our risk management, prudent policy settings, and performance management processes.

Changes in Board Membership

At an Extraordinary General Meeting of Shareholders held on 7 February 2017, there were changes in board membership and the composition of the Board of Directors following the retirement of Mr Tan Chin Poh as Deputy President Director Non-Business, and the appointment of Mr Henky Sulisty as Director.

An Annual General Meeting of Shareholders subsequently held on 26 April 2017 saw the re-appointment of members of Board of Commissioners and Board of Directors.

As at 31 December 2017, the Board of Directors comprises:

| | |
|---------------------------|---------------------|
| President Director | : Lam Sai Yoke |
| Deputy President Director | : Iwan Satawidinata |
| Director | : Muljono Tjandra |
| Director | : Pardi Kendy |
| Director | : Henky Sulisty |
| Compliance Director | : Soehadie Tansol |

Performance of Committees under the Board of Directors

The Board of Directors is assisted by various committees ranging from Executive Committee, Assets and Liabilities Committee, Risk Management Committee, Credit Policy Committee, Human Resources Committee, Business Continuity Management Committee, Credit Committee, Information Technology Committee, and Anti-Money Laundering Committee.

The Board of Directors was also assisted by Working Groups, namely the Credit Management Working Group, Service Excellence Council, and Brand Implementation Working Group. There were a number of improvements made in the Committees and Working Groups throughout the year such as increased participation at meetings, providing deeper insights and making stronger recommendations on various internal policies and initiatives. The Committees and the Working Groups also acknowledged a few areas to be strengthened such as more effective implementation of policies and initiatives.

On behalf of the Board of the Directors, I would like to thank the Committees and Working Groups for providing constructive feedback and making strong recommendations to the Board of Directors.

Outlook in 2018

We maintain a cautiously optimistic view of the Indonesian economy in 2018 with a growth forecast of 5.3 per cent. Higher GDP growth in 2018 is likely to be supported by domestic demand, consumer spending, and sustained investment expenditure as result of the current infrastructure build-up programme. Other growth factors include regional local elections in 2018, the Asian Games, and International Monetary Fund and World Bank Annual Meetings in second half of 2018.

Government consumption is expected to accelerate in terms of higher manpower expenditure, capital expenditure, and social transfers due to progressive infrastructure projects. These indicators reflect a sustained investment expenditure growth, which will also contribute to overall GDP growth momentum in the near future.

We are positive about business prospects in 2018 and we are committed to improve our performance and growth through prudence and discipline. We will continue to focus on the key pillars of our strategic plan:

- To develop a ‘Best in Class’ risk management system
- To continue to sharpen our financial management process
- To sustain service excellence for superior customer experience
- To build a loyal, dedicated and talented pool of bankers, and
- To accelerate progress through technology and product development.

We believe that sustainable growth will arise from these foundational pillars, reinforced by our investment in infrastructure and human capital.

In 2018, we will continue to balance growth with stability and to maintain healthy key indicator ratios such as CAR and return on equity. We will also seek to lower the operational cost to revenue ratio. Maintaining our credit quality is also important and we target to keep our NPL gross ratio to below 3.0 per cent.

Corporate Social Responsibility

Giving back to the communities in which country we operate is fundamental to UOB’s business philosophy. We are steadfast in our support for social development, helping to open minds and hearts through art, children and education. Throughout 2017, UOB Indonesia held a series of art education programmes. This included art sharing sessions by a panel of experts at educational forums for university students and with art communities such as Bandung Institute of Technology, Indonesia Institute of the Arts, Yogyakarta, and Art Jakarta.

Our annual UOB Painting of the Year competition, which marked its seventh anniversary in 2017, has inspired more than 5,000 established and emerging artists to submit their artworks since its first year. To date, four Indonesian artists have won the UOB Southeast Asian Painting of the Year title, encouraging other artists to follow their artistic ambitions.

UOB Indonesia also encourages its employees to be involved in regular volunteer activities through the UOB HeartBeat Corporate Social Responsibility programme. This activity brings together more than 2,000 employees to give back to the community. The UOB HeartBeat programme comprises various fundraising and outreach activities, including the UOB Heartbeat Run/Walk event, the UOB Commercial Banking Lunar New Year outreach event and other UOB HeartBeat Employee Volunteerism programmes.

In 2017, UOB Indonesia employees contributed more than 1,000 volunteer hours to projects aligned to our CSR areas of art, children, and education, including fundraising programmes, financial literacy workshops, and festive activities.

Appreciation

On behalf of the Board of Directors, I would like to extend my warmest appreciation to all our customers for supporting UOB Indonesia as well as to our regulators for their continual efforts in ensuring a healthy banking and economic environment. I would like to thank the Board of Commissioners, Committees and Working Groups, colleagues and all stakeholders who have contributed to our achievements during the year. With your continued support, we believe we will achieve and continue to thrive in the future.

Lam Sai Yoke
President Director

April 2018

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Management Discussion and Analysis

2017 Macroeconomic Overview

With the broadening of the recovery in trade and exports across the world's major economies, the global economy continued to strengthen in 2017, growing by 3.7 per cent which was higher than the previous year's 3.2 per cent. The economic recovery led to an increased demand for commodities such as oil, gas and industrial metals. This in turn helped to improve the trade performance of commodity-exporting countries such as Indonesia.

Indonesia's Economic Performance in 2017

In 2017, Indonesia's economy strengthened by 5.1 per cent, driven by increased investment expenditure, rising exports and higher government spending. However, growth in household consumption remained sluggish, caused by higher electricity costs amid subsidy cuts and stagnant wages in some sectors of the economy. There is early evidence that behaviour is shifting towards leisure and experiential consumption. The rise of the digital economy is also benefitting sectors such as hotels, restaurants and transportation at the expense of the usual brick-and-mortar wholesale and retail businesses.

To support the domestic economy further, Bank Indonesia (BI) lowered its interest rate in August and September, each time by 25 basis points, bringing the interest rate down to 4.25 per cent. BI maintained an expansionary monetary policy and kept the foreign exchange rate relatively stable. The average exchange rate for the US dollar-Indonesian rupiah pair for 2017 was 13,384.

2017 Banking Performance Overview

In 2017, BI implemented macro-prudential regulations to maintain the stability of the country's financial system. As a result, the Capital Adequacy Ratio (CAR) of the banking industry remained high at 23.18 per cent, while the non-performing loans (NPL) ratio was 2.59 per cent (gross).

The implementation of BI's interest rate monetary policy bore fruit as banks continued to lower their deposit and lending rates. Nonetheless, the banking sector's credit growth in 2017 was weak, increasing by 0.3 percentage points to 8.2 per cent, while deposit growth was more distinct, rising from 6.3 per cent to 10.2 per cent. Capital markets financing, such as the issuance of stocks, bonds and medium-term notes, also increased by 45.5 per cent year on year in 2017.

Indonesia's Economic Outlook for 2018

We maintain a cautiously optimistic view of the economy in 2018 with a forecast of 5.3 per cent for gross domestic product (GDP) growth. Higher GDP growth will likely be underpinned by higher consumer spending and sustained investment expenditure from the government's infrastructure development plans. In particular, higher household consumption is expected to be driven partly by 2018 events such as local elections across the country, the Asian Games and the International Monetary Fund and World Bank annual meetings.

Government spending is also expected to accelerate in the areas of capital investment, manpower and social assistance disbursements. Following a recovery in the global commodity markets, we also expect more investments in this area.. The growing digital economy will also continue to contribute to the vibrancy of the domestic economy. In addition, we expect sustained momentum in terms of investment growth on the back of the government's infrastructure strategy. These factors will likely contribute to overall GDP growth in 2018 and in the following few years.

However, we see possible risks ahead. These include continued low growth in household consumption as consumers hold back their spending in light of less optimistic wage growth and uncertain business outlook, potential lower growth in public and private investments amid a tighter fiscal environment and a limited recovery in exports.

In terms of inflation, the average rate for 2017 was 3.8 per cent, which was at the lower end of the three to five per cent of BI's 2017 range. This was due largely to stable food prices, except that of rice. The subdued household consumption also contributed to moderate inflation, which may continue into the rest of 2018.

However, factors such as higher tobacco taxes, electricity and gas tariffs, an increase in the lower limit of air transportation charges and potentially higher gasoline prices may drive inflation higher in the second half of 2018.

As such, for 2018, we forecast inflation to be 4.2 per cent, which will be at the upper range of BI's 2.5 per cent to 4.5 per cent target range. Higher inflationary pressures in the second half of 2018 will affect BI's monetary policy decisions. We predict BI will increase its interest rate in 2018 by 25 basis points to 4.50 per cent.

Management Discussion and Analysis

Development Strategy

In the last three years, the Indonesian government has focused on economic development and productivity improvements, and on enhancing the country's investment climate through a series of economic reform packages. These efforts are in line with the government's objective to accelerate the equitable distribution of wealth and income growth across the country, including in the private sector. In this regard, the government has also carried out a series of deregulation measures to boost the performance of the private sector to enable more investment in various sectors and regions.

UOB Indonesia (UOB) is committed to supporting long-term economic development in the country through connecting customers and other stakeholders to business opportunities. We are focused on being a significant player in the financial industry. Through our prudent and disciplined business approach, we will continue to build on the trust our customers, colleagues, shareholders and regulators have placed in us, and to pursue sustainable business growth.

Key to this is our commitment to meeting our customers' needs and to doing what is right for them. This commitment is carried through our strategic priorities, which are:

- a. To develop a 'best in class' risk management platform
- b. To continue to sharpen our financial management process
- c. To sustain service excellence for a superior customer experience
- d. To build a loyal, dedicated and talented pool of bankers and
- e. To accelerate progress through the use of technology and product development.

Keeping Our Customers at the Heart of All We Do

We offer our customers a wide range of products and services that meet their needs, however simple or complex.

For retail customers, we re-launched the UOB Lady's Card with additional features and benefits to meet the lifestyle needs of Indonesia's financially independent working women. In recognition of Indonesians' increasing love for travel and to help them stretch their dollar, we offered year-end travel promotions for our credit cardholders.

We remain committed to helping our customers manage their personal finances through our deposits products such as UOB High Yield Account, U-Save, UOB Plus Saving and UOB ONE Account. In 2017, we also launched the UOB Smart Risk wealth management and investment approach to help our Privilege Banking customers achieve their financial goals by understanding the risks of an investment product first before considering its possible returns.

On the digital front, we continued to provide our customers with smarter, simpler and safer ways to conduct their banking activities by enhancing our Personal Internet Banking and Business Internet Banking Plus (BIBPlus) services.

As Indonesia's small- and medium-sized enterprises (SMEs) continue to grow, we focused on enhancing our capabilities and equipping our bankers with deeper skills in areas such as trade financing, cash management and foreign exchange hedging. Our relationship managers are adept at offering the most appropriate banking consultancy and services to support SME owners at every stage of their businesses. Since 2016, UOB Indonesia has partnered the School of Business and Management, Institut Teknologi Bandung (ITB), to conduct the UOB-ITB SME Banker's Executive Certificate programme. As at December 2017, 50 of our business bankers have graduated from this programme.

For our corporate clients, our deposit products such as Giro88 and Tabungan Bisnis88, which are current and savings accounts respectively, continued to offer competitive interest rates and transactional fee-free features based on the customer's account balance.

Operational Review

Retail

Personal Financial Services (PFS)

Our PFS business serves the needs of individual customers with products and services developed by our Deposits, Investments and Insurance (DII), Mortgage and Secured Loans (MSL) and Credit Cards and Payments teams. We also offer wealth management services for our affluent customers through UOB Privilege Banking.

In 2017 we continued to enhance our products and services in the areas of loans, credit cards and wealth management. With half of the Indonesian population below the age of 30, many of those purchasing properties are first-time home buyers. During the year, we expanded our housing loans to such first-time home buyers to help them plan their finances better. We relaunched our suite of UOB Lady's Cards with enhanced benefits and privileges that meet our customers' lifestyle preferences in fashion, dining and health. We also focused on deepening our wealth management capabilities, which in turn enabled us to increase our deposits, assets under management and fee-based income.

To ensure consistent, quality and distinctive service for our customers, we held regular product training sessions for our sales officers and conducted mystery shopping exercises. We also grew our team of personal bankers and client advisers to serve the financial needs of our growing base of customers.

In 2017, PFS recorded deposits of IDR25,954 billion and loans of IDR8,532 billion.

Deposits Investments Insurance (DII)

We offer a wide range of deposit products in Rupiah and foreign currencies, as well as mutual funds, bonds, treasury products and bancassurance to help our customers manage their finances. Our personal bankers and client advisers also provide advisory on wealth management and investment to help our customers grow and preserve their wealth.

In 2017, our wealth management revenue rose 20.2 per cent, while assets under management increased 67.8 per cent. For bancassurance, the annualised premium equivalent was up by 11.5 per cent.

In 2018, we will continue to focus on enhancing our DII capabilities and developing our people to ensure we uphold the quality of advisory, products and services provided to customers.

Mortgage and Secured Loans (MSL)

For landed properties and apartments, we provide home loans and home equity loans with competitive interest rates, flexible instalment payment plans and loan tenors of up to 20 years.

In 2017, we implemented a comprehensive rating system for property developers which enabled us to identify and to partner the most reputable developers in the country, thereby enabling prospective home buyers to have greater accessibility to our products. As a result, we saw a 49 per cent increase in the number of new loans we provided for direct home purchases from property developers.

As part of our service improvement, we also launched the UOB Agents mobile application (app) to enhance our business network with property agents and mortgage bankers. Thousands of property agents have since been using the app to gain access to instant referrals on potential home buyers and to connect with UOB Indonesia's mortgage bankers to follow up on potential loan applications.

During the year, we focused our sales efforts on the salaried/payroll segment and marketable residential areas to minimise credit risk. We also improved the quality of our credit portfolio through the sale of non-performing assets.

Our 2018 priorities include to:

- enhancing our due diligence and credit assessment process by strengthening our overall governance, risk assessment and risk monitoring processes and practices
- deepening our support for home buyers by increasing new loans for direct property purchases from property developers and expanding our relationships with reputable property developers and agents and
- launching bundled product solutions to acquire more low-risk customers.

Credit Cards and Payments

Through our Credit Cards and Payments business, we offer a variety of credit cards that are designed to provide customers with convenient payment and transaction options. This is in line with UOB Indonesia's aim to become one of the leading banks in payment services in the country.

While BI's policy to lower credit card interest rates to 2.25 per cent per month or 26.95 per cent per annum had some effect on our income, in 2017 we achieved 10.62 per cent growth in loans on credit cards and 13.00 per cent increase in transaction volume year on year. These led to a 3.24 per cent increase in total income.

In 2017, we also ensured that we fulfilled the regulatory requirements in the following areas:

- The National Payment Gateway (Gerbang Pembayaran Nasional – GPN) for domestic debit transactions
- The adjustment of debtor information reporting in accordance with Financial Information Service System (*Sistem Layanan Informasi Keuangan* – SLIK) guidelines
- The Financial Services Authority (Otoritas Jasa Keuangan – OJK) regulation that requires the bank to develop an onshore data centre (ODC) for the credit card system (Cardlink).

In 2018, Credit Cards and Payments will continue to strengthen our product offering to meet our customers' needs.

Privilege Banking

At Privilege Banking, we focus on serving affluent customers with assets of IDR1 billion and above. In managing our customers' wealth, we adopt a "Smart Risk Approach", which is a risk-first investment approach based on our deep understanding of our customers' affordability, risk appetite, present and long-term financial needs. We also help our customers achieve their financial goals by offering products such as the Privilege Account, a premium savings account specially designed for them.

Our Privilege Banking customers also enjoy the benefits and deals we offer through the UOB Privilege Banking ATM/Debit Card and the UOB PRVI Miles Credit Card.

In 2017, we established a Wealth Management Advisory team, consisting of product specialists and a research unit, to provide our customers with the latest local and global financial market updates and insights. We also launched a Wealth Planning Calculator to assist our customers in planning for their retirement and their children's education.

We will continue to strengthen our Privilege Banking wealth management products and services, and to enhance our digital channels and branch infrastructure to ensure quality and consistent customer experience.

Management Discussion and Analysis

Business Banking

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

In 2017, we continued to enhance our product offerings, including:

- Commercial property loans as a form of long-term investment financing
- Financing solutions to meet small businesses' short-term working capital needs, medium-term and long-term investments, and trade financing and foreign exchange hedging
- Business Express, a credit facility with cash collateral equal to 100 per cent of the credit facilities granted
- Transaction services in areas such as foreign exchange, cash management, trade services and bancassurance and
- Business Internet Banking Plus (BIBPlus) that enables our customers to manage their company finances efficiently and conveniently.

In 2017, we launched three SME business centres, "Sentra UKM", in Bandung, Jakarta and Semarang, to provide small businesses with advisory in business planning, to share industry insights through conversations with industry leaders and to create opportunities for business networking in the local community.

As at December 2017, 50 of our business bankers have graduated from our UOB-ITB SME Banker's Executive Certificate programme, which aims to equip our bankers with knowledge and skills in the areas of credit and risk management, trade financing and regulatory frameworks. Through the programme, our relationship managers will be better able to advise and to assist small businesses in their domestic and cross-border growth.

In 2018, Business Banking will continue to enhance our products, including current and savings accounts and time deposit accounts, and service capabilities. We will also establish a Business Banking Academy as part of our commitment to continuous training and development.

Wholesale Segments

Commercial Banking

Our Commercial Banking teams, comprising Enterprise Banking, Industry Group and Commercial Wealth Management, work closely with our clients to identify and to provide innovative solutions and services that enable them to grow their businesses. We serve medium-sized companies with loans valued at between IDR18 billion and IDR70 billion. Our Industry Group team serves larger Commercial Banking clients with loans valued at above IDR50 billion. We also offer non-bank deposit facilities to our Commercial Banking clients.

While we aim to be a prominent player in trade financing for clients in Jakarta and Surabaya, our Commercial Banking services are also available in major cities across Indonesia.

In 2017, we focused on growing our Current Account Savings Account (CASA) deposits through products such as Giro 88, CASA Blocked and CASA Special Rate for clients in various sectors, including fast-moving consumer goods, manufacturing, property and infrastructure.

To provide more targeted loan products to our clients, we restructured our financing services to cover several categories:

- Invoice financing is a short-term working capital loan for a company's receivables accounts.
- Heavy equipment financing is an investment loan tailored for the purchase of heavy equipment with repayments configured into instalments over a period of time.
- Commercial vehicle financing is used for the purchase of commercial vehicles such as car rental fleets, trucks, or buses for which repayment is also made in instalments.
- Construction financing is for new commercial property developments, property renovation, modernisation, expansion or relocation, based on mutually agreed disbursement and repayment schedules.
- Commercial property financing is provided for the purchase of readily available commercial properties based on agreed schedules of loan draw-downs and repayments.

In 2017, Commercial Banking's total deposits grew 11.6 per cent year-on-year to IDR14,395 billion. Outstanding loans reached IDR20,448 billion or 32.4 per cent of the Bank's total loans.

We achieved our 2017 performance through the implementation of strategic initiatives such as cross-selling of our solutions including Payroll, BIBPlus, foreign exchange products and consumer and corporate credit cards to our major Commercial Banking clients, and financing automotive distributors. We also helped a segment of our clients and their distributor companies to manage their cash flow.

In 2018, Commercial Banking will continue to build a sustainable portfolio through a more disciplined business approach. We will do this by focusing on industry sectors with stable and resilient growth, maximising product cross-selling, as well as increasing our support of cross-border trade and investment flows through our FDI Advisory Unit. We will also continue to enhance our clients' experience by collaborating closely with strategic partners to provide effective business and financial solutions.

Corporate Banking

Our Corporate Banking team serves the needs of large-sized companies, including government and government-linked companies, and listed and private companies. We provide comprehensive financial solutions including cash management services, short-term financing and trade financing to support our clients' domestic and international trade activities, long-term financing to support their capital expenditure and comprehensive hedging solutions to help them mitigate potential risks arising from foreign exchange and interest rate volatility.

In 2017, we served more than 600 clients, providing IDR15,801 billion in loans and with a healthy CASA mix.

In 2018, the Corporate Banking team will remained focused on maintaining a healthy CASA mix and increasing our portfolio of longer-term deposits. We will focus on helping our clients mitigate risk through hedging solutions. We will remain committed to growing our business, strengthening our expertise and staying relevant to the clients' needs.

Financial Institutions Group

The Financial Institutions Group offers a range of specialised financial services to banks and non-banks, including diversified financial institutions such as securities firms and financing companies, insurance companies, funds and investment management firms and public sector institutions.

We provide solutions for both short-term and long-term working capital in Rupiah and foreign currencies, and investment products. These solutions are paired with services from Transaction Banking and Global Markets to provide our clients with comprehensive financial services spanning cash management, capital market instrument transactions, foreign exchange and hedging.

In 2017, we focused on achieving balanced growth in loans and fee-based income and on maintaining funding stability through diversification in income sources, notably in insurance, asset management and pension funds, as well as from CASA products, virtual account services, e-tax services and BIBPlus. We also offer our services as a receiving bank for Initial Public Offerings.

In 2017, we recorded an 88 per cent increase in loans volume by IDR1,701 billion. We also continued to grow our non-interest income by synergising our efforts with Global Markets, Transaction Banking and across the UOB Group to provide products and services in foreign exchange, hedging, trading of securities and guarantee facilities.

In 2017, the Financial Institutions Group provided a loan of US\$100 million to PT Sarana Multi Infrastruktur (SMI), a government-owned entity, for infrastructure projects such as toll roads and power plants. Both parties collaborated on infrastructure financing, corporate financing and project financing to facilitate the national and provincial infrastructure projects. UOB's partnership with SMI deepens UOB's commitment to supporting Indonesia's economic growth.

In 2018, we will continue to achieve balanced growth in loans and deposits by enhancing our client relationships and supporting their business needs. We will also focus on utilising the digital services of BIBPlus and e-tax services to improve the total CASA mix.

In addition, we will continue to leverage the strengths of UOB Group's regional network to capture inbound and outbound business flows.

Transaction Banking

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

Transaction Banking offers end-to-end solutions for companies to manage their working capital and cash flow with solutions in payables, receivables, trade finance, as well as liquidity and financial supply chain management.

Management Discussion and Analysis

By providing relevant solutions and sharing our deep industry insights, we strengthen our client relationships and seek new opportunities in cash management and trade finance and services.

Cash Management

Our Cash Management services are designed to meet the specific needs of each client segment and to provide them with efficiency and convenience in managing their operational cash flows, such as settlement or payments, cash receipt or collection, and in managing liquidity.

These products and services aim to make daily transactions more convenient for our clients and to enable them to achieve better performance and cost-efficiency.

Trade Finance and Services

We offer our expertise in trade finance and services in both domestic and international markets. We provide innovative and seamless solutions to help our corporate clients facilitate trade transactions while managing market risks. We also provide our insights into domestic and international trade developments to help our clients be better informed in managing their businesses.

Transaction Banking performed strongly in 2017, with 36 per cent year-on-year growth in average CASA balance and a 21 per cent increase in the trade financing business. Our expertise and commitment to deliver the best-in-class solutions have been recognised by the industry. In 2017, we received Best Solution awards at The Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards, and Best Corporate Trade Finance Deal and Best Supplier Relationship Management at The Asian Banker The Bankers' Choice Awards. In addition we also received the Highly Commended - Best Supply Chain Finance Solution award at the Adam Smith Awards 2017.

Our 2017 achievements included:

- a. BIBPlus enhancement
We added new features on BIBPlus, including online account activation, password reset and bulk payments, such as for payroll and supplier payments.
- b. Increase in number of BIBPlus users
In 2017, we saw an increase in BIBPlus users from 13 per cent of our total client base a year ago to 44 per cent .
- c. Collaboration with strategic partners on virtual account payment solutions
We worked with financial technology (FinTech) partners to provide alternative, virtual account payment solutions, to enable greater convenience and a better experience for our customers.

In 2018, Transaction Banking will continue to focus on developing our cash management capabilities and products such as BIBPlus Global View, global liquidity management solutions, file transfer services and host-to-host services, and the addition of a financial supply chain management feature in BIBPlus.

Global Markets

Global Markets plays a fundamental role in managing the Bank's liquidity and portfolio management to achieve optimal profitability while managing risks effectively.

We provide product and service solutions that meet the needs of clients in the areas of foreign currency and interest rates, structured products, derivatives, securities investment and money market transactions. In managing liquidity, the Portfolio and Liquidity Management unit ensures that liquidity instruments fulfil the clients' needs.

In 2017, Global Markets launched three new products, namely Premium Forward Deposit (PFD), Call Spread Option (CSO) and Retail Corporate Bonds, which are alternative investment and hedging instruments. We also launched a phone indemnity facility that enables clients to provide their transaction instructions over the phone.

In 2018, Global Markets will continue to support UOB Indonesia's strategy to achieve sustainable growth. Global Markets will continue to ensure excellence in the products and services we provide and to expand the Bank's network by tapping the strengths of the Group across borders. We will also continue to deepen our collaboration with other business functions across the Bank. In addition, we will continue to strengthen our capabilities in IDR-denominated products to support the needs of UOB Group's clients across the region.

Distribution Channels

We are committed to optimising our distribution channels through strategic investments to strengthen our capabilities in serving our customers' needs.

In 2017, we integrated our service networks through the implementation of a Single Captain model in which the Regional Heads play an increasing role to grow the business in their respective regions. We have opened two 'non-operational' regional offices and relocated two main branches and two sub-branches. Our branch network as at December 2017 comprised 178 branches in 30 cities across Indonesia.

In addition to the branch services, our banking services can be accessed through ATM networks including the ATM Bersama network with more than 76,000 ATMs and the Prima Network with 107,000 ATM terminals across Indonesia. Internationally, our customers can also access the Singapore NETS network of 15,000 ATMs and the Visa network of more than two million ATMs in more than 200 countries.

As an improvement of our service to the customers, in 2017 we have enabled the electricity bill payment of Perusahaan Listrik Negara (PLN) processed via our ATM networks.

Moving forward, UOB Indonesia will continue to expand and optimise our distribution channels, including digital channels, to provide enhanced services to our customers and to increase the efficiency of business activities and operating costs for the Bank.

We will also continue to partner with The FinLab, a start-up accelerator within the UOB Group, to identify potential start-ups with which we can offer innovative financial solutions. In addition, we will seek cooperation with other FinTech ecosystem partners and technology companies to enhance our digital network for our customers.

Ensuring Excellent Service Quality for Our Customers

We are committed to providing excellent service to our customers. As part of this commitment, in 2017, we launched the UOB Branded Service programme, the second phase of the UOB Service Journey initiative.

The UOB Branded Service programme is the Bank's initiative to provide excellent customer service in accordance with UOB values and to fulfil commitments we make to our customers, namely Treating You Fairly, Knowing You Personally, Providing You with the Right Solution and Being There When It Matters. In 2017, we rolled out a series of Branded Service training sessions for our colleagues to reinforce the importance of service excellence. We also implemented various initiatives to ensure consistency in service standards across our branches and to improve our workflow processes to meet customer expectations. In 2017, the Branded Service training programme was attended by our Board of Directors and 2,190 employees.

We also measured our customers' satisfaction by using the Net Promoter Score (NPS), which is an established worldwide metric used to measure customer loyalty and to predict business growth. We also conducted mystery shopping and service quality benchmarking exercises to evaluate and to continue improving our service level.

In 2018, we will continue to motivate our colleagues, from front to back office, to provide better service. We will conduct the NPS measurement, mystery shopping and benchmarking exercises periodically. We will also continue to encourage our colleagues to adopt values-based behaviour of the role models who are celebrated at our annual Customer Commitments Awards event.

Management Discussion and Analysis

Colleagues

UOB Indonesia is committed to the professional and personal development of our colleagues. Guided by our values of Honour, Enterprise, Unity and Commitment, we are dedicated to building a culture where our colleagues are empowered to make a positive contribution to the workplace, customers and the community. We strive to foster an inclusive, prudent, progressive and high-performing organisation of professional and principled individuals.

Our Employee Commitments

Our values give us a shared sense of identity and belonging, and our four employee commitments encourage us to keep raising the standards of our behaviour and performance in service of our customers.

Honourable: Do What is Right

We do what is right for all of our stakeholders and make decisions that are in the best interests of our organisation, our people and our customers.

Enterprising: Build Meaningful Careers

We encourage enterprise and ambition at all levels. We believe in bringing out the best in everyone through professional development and empowering people to take ownership of their career paths.

United: Make a Real Difference

Our unwavering commitment to upholding the UOB values is reflected in how our colleagues serve our customers and our communities with passion. We are here to make a real difference to shape our future and to add value to the lives we touch.

Committed: Lead by Positive Example

Our leaders act as role models, guiding teams to take on challenges and to take ownership of their actions. Together, we focus on enabling the success and advancement of individuals and teams.

Doing What is Right

Our commitment to fairness

UOB is committed to building a safe, nurturing and inclusive workforce where all colleagues are treated respectfully and professionally and are given equal opportunity based on merit. We promote work-life harmony and a workplace free from discrimination, bullying or harassment.

The UOB Code of Conduct states the expectations of our people and the policies by which we expect them to abide. All new colleagues are informed of and sign up to their obligations and rights under this code.

All existing colleagues are also required to refresh their knowledge and to renew their commitment to our Code of Conduct through completing an e-learning module every year.

Maintaining a Risk-Focused Organisational Culture

UOB Indonesia has a comprehensive framework of policies, processes, methodologies and tools in place to identify, to measure, to monitor and to manage material risks and opportunities faced by the Bank. Where applicable, employees' key performance indicators also include risk control metrics.

Ongoing training is an essential part of our efforts to ensure a risk-focused organisation. Anti-money laundering, countering the financing of terrorism, assessing and addressing operational risks, ensuring Fair Dealing outcomes, fraud prevention, IT security and cyber risk awareness and the UK Bribery Act are some of the mandatory training topics. We also monitor and maintain the Risk Management Certification for our employees to comply with the OJK regulation on risk management.

Encouraging Employee Feedback

We value feedback from our people on our workplace culture and on how well we are upholding our values. In 2017, we invited all colleagues to participate in an online employee survey to tap their feedback when designing our people-focused programmes.

Through our whistleblowing policy we also ensure our people have the ability to raise matters of potential concern in a secure manner without fear of adverse consequences. All reported cases are swiftly investigated and resolved. The status of all whistleblowing cases is tracked by Internal Audit and reported to the Audit Committee every quarter.

Upholding Human Rights

We are committed to supporting internationally-accepted human rights principles, including those relating to non-discrimination, child labour, forced labour and freedom of association and collective bargaining.

Ensuring Freedom of Association

We recognise the importance of strong communications and industrial relations among management, our colleagues and the labour union. To ensure good collaboration, awareness of their rights and responsibilities and job certainty, we have a Collective Work Agreement in place to regulate each party's rights and obligations. The Agreement aims to foster a common objective to improve the company's performance and productivity, while ensuring the welfare of our colleagues. In May 2017, UOB Indonesia held an annual meeting with the UOB Labour Union to discuss the Collective Work Agreement for 2017 to 2019.



Signing of Collective Working Agreement with UOB Workers Union

Building Meaningful Careers

Offering a Distinctive Employee Value Proposition

In 2017, we launched the UOB Employee Value Proposition (EVP) programme, UOB+You. This is an integrated approach to attract, to engage and to retain the best talent. Our distinctive employee value proposition is built upon our values of being Honourable, Enterprising, United and Committed. UOB+you captures the essence of UOB's employment experience and is supported by a wide range of programmes that cover flexible work arrangements, health and wellness, employee welfare benefits, training and development courses and recognition programmes.



UOB Indonesia President Director – Mr Kevin Lam at the Launch of UOB EVP, UOB+you



Senior Leaders at the EVP Launch

Various actions are necessary to ensure the effective implementation of UOB+You. It includes amplifying or enhancing existing initiatives in the areas of recruitment, training and development, and employee welfare. It also includes effectively and consistently communicating through a variety of channels about what the company is and what it stands for as an employer

Developing Our Colleagues

Setting rewarding career paths, offering educational opportunities and coaching are essential components of our approach to creating a dynamic and engaged workforce. We run numerous training and development programmes to equip our colleagues with the right skillsets to serve our customers and to realise their own full potential.

Management Discussion and Analysis

We are highly committed to developing our colleagues through structured training programmes to deepen the competencies of our people.

In 2017, 4,535 of our colleagues completed a total of 27,311 training hours.



SEED Training



SEED Training

Our competency framework – Strategise, Engage, Execute and Develop (SEED) – is the basis for a suite of courses to equip our people with the core competencies and skills they need to perform and to excel in their current roles. Under the SEED programme, employees are able to learn using tools and frameworks that they can refer to easily for their daily work.

The 7 Habits of Highly Effective People is a basic programme for all grade officers to senior managers. It focuses on character- and behaviour-building for participants to develop effective habits.

We also conducted the Toward UOB Greatness programme for employees working in teams. With a total of 112 employees participating in 2017, the programme emphasised developing harmony and teamwork.

Leadership Development and Succession Planning

Leadership development continues to be a key focus for UOB Indonesia. As part of our continual efforts to build our bench strength, the Human Resources Committee manages the Organisation and People Review (OPR) programme to identify and to plan effectively for talent development at middle and senior management levels. Individual Development Plans are created for each of our identified talents and are updated on an annual basis. In 2017, we moved the OPR process online to enable the Committee and business leaders to plan and to track development activities more efficiently.

Succession planning is an integral part of our OPR and we have succession plans in place for key positions across the Bank. Successors to critical roles are provided opportunities in various working committees across the Bank to broaden their exposure and learning. The Board of Directors regularly reviews our succession plans through the Nominating Committee. The segment and function heads have the responsibility for their respective talent pools. The Human Resources Committee manages the Bank's collective talent pool.

The process of identifying talented colleagues is accompanied by individual development plans. Talent development is conducted through various programmes such as international assignment, domestic and project assignment, coaching and mentoring, as well as leadership training and technical training. In 2017, there were eight senior managers who participated in executive development programmes conducted at various international universities and institutions such as Harvard University (Mobius Leadership), Cambridge University, IMD Business School, University of Michigan – Ross School of Business and Euromoney Executive Learning.

We also provide financial assistance to our colleagues for their executive education, Bachelor's and Master's degrees and professional certification. We conduct a selection process for outstanding employees to be granted such employee scholarships. In 2017, there were 15 employees who received Bachelor's and Master's degree scholarships for programmes at highly reputable universities in Indonesia, such as the University of Indonesia, the Bandung Institute of Technology (Institut Teknologi Bandung - ITB), Prasetiya Mulya University, Trisakti University, Pelita Harapan University and the PERBANAS Institute.

Grooming Young Talent

Our UOB Management Associate Programme (MAP) aims to attract high-calibre, early-career talents from leading local and international universities. The MAP includes classroom learning, on-the-job training, leaders' experience sharing and mentoring in general banking knowledge and non-technical skills. Our management associates also have the opportunity to participate in the Bank's domestic and cross-border initiatives. One of the region-wide MAP training sessions that was conducted in 2017 was a community engagement programme, in which MAP participants from Singapore, Malaysia, China, Hong Kong and Indonesia collaborated to help improve the educational facilities for less privileged children in Vietnam.

Through the MAP recruitment activities, we also raised the awareness of financial literacy in collaboration with well-known universities such as Prasetiya Mulya University and the School of Business and Management, ITB. Such financial education activities provided an opportunity for students to learn more about banking and to participate in focus group discussions to learn more about business management.

For talented fresh graduates, we also have the General Development Programme (GDP) which aims to increase their competencies in general banking knowledge and in the fields of risk management, loans and sales. We have collaborated with the Indonesia Banking Development Institute since 2016 to develop the GDP curriculum in soft skills and technical skills. The 26 GDP participants in 2017 are now with Personal Financial Services, Commercial Banking, Business Banking and Retail Credit for on-the-job training.

Since 2016, UOB Indonesia has partnered with School of Business and Management Institut Teknologi Bandung (SBM ITB), to conduct the UOB-ITB SME Banker's Executive Certificate programme, to sharpen the Business Banking bankers' skills in serving small businesses. As at December 2017, 50 of our business bankers have graduated from this programme.

In 2017 we held an apprenticeship programme for fresh university graduates to experience working as front-liners at the Bank.

UOB Indonesia also has an internship programme for high-performing students. We accepted 20 students from domestic and international universities as interns in various functions and roles, from strategy to research, in 2017.

Managing Employee Performance

UOB is committed to fostering a meritocratic, performance excellence culture in the workplace. Our integrated performance management framework, which comprises four stages namely Plan, Engage, Appraise and Keep Track (PEAK), is designed to assess and to reward performance in an objective and fair manner and to support career development.

Using the PEAK framework, colleagues establish their business and personal development goals at the start of the year in consultation with their managers. Performance Improvement Plans are also developed for the weaker performers. Managers are encouraged to hold discussions with their team members throughout the year to review their progress and to address their challenges.

At year's end, all eligible permanent employees are assessed through performance appraisals against agreed key performance indicators and job-related competencies. The performance assessment structure also includes a values component to reinforce the importance of upholding our UOB values.

Making a Real Difference

Caring for Our Colleagues

In caring for the well-being of our colleagues, we offer a range of benefits to encourage eligible permanent employees to achieve better work-life harmony. These benefits include annual leave, parental leave, staff loans, special allowances and reimbursements, healthcare, social security equivalent contributions, life insurance and accident insurance.

In 2017, we introduced new flexible work options to help our colleagues balance their work and personal commitments.

Examples of our flexible work options are:

- Staggered work hours giving employees greater flexibility in managing their daily work schedule and
- Two hours of paid time off (Flexi2) every month for full-time permanent employees to attend to personal matters.

Engaging Our Colleagues

We actively engage with our colleagues through a wide range of employee engagement programmes in 2017:

- Mudik Bareng (homecoming) (June) – Commemorating Idul Fitri (Eid al Fitr) and its traditions by providing a mudik (homecoming) facility for employees
- Day Care (July) – Providing activities for employees' children on 3 to 5 July 2017 for the holiday programme after Hari Raya or Idul Fitri
- Independence Day and UOB's 61st Anniversary (August) – Celebrating the Independence Day of the Republic of Indonesia and the 61st anniversary of UOB Indonesia at the head office for employees and holding a branch decoration competition to encourage creativity
- UOB Honours (July to November) – Recognising employees who successfully implemented initiatives with collaboration, innovation and productivity themes and also long-serving employees with 10, 20, 25 and 30 years of service
- UOB Get Active (September to December) – Promoting healthy lifestyles among our colleagues through sports activities which were conducted every day at UOB Plaza.

Management Discussion and Analysis



UOB Heartbeat Run/Walk 2017



UOB Indonesia Mudik Bareng 2017

Enhancing Employee Management

With regulatory approval, UOB Indonesia enhanced our human resource (HR) information system with the launch of the Global Employee Management System (GEMS). This new HR system enables the Bank to be more efficient in our administrative process, such as organisation and job post management, employee administration, employee learning and development, employee performance appraisal and payroll administration



2018 UOB Indonesia Recognition Night, Jakarta



Get Active Wellness Programme 2017 Launch at UOB Plaza



Colleagues' children having a fun time at UOB Indonesia Idul Fitri Day Care



Cheerful colleagues at Independence Day and UOB Indonesia 61st Anniversary Celebration event

Diversity of Our People

In 2017, UOB Indonesia had a total of 4,028 employees. The following tables give the breakdown of our colleagues by gender, age, position, education level, length of service, function and type of employment:

Employee Composition by Gender

| Description | 2017 | 2016 | 2015 |
|-------------|-------|-------|-------|
| Women | 2,182 | 2,306 | 2,345 |
| Men | 1,846 | 2,043 | 2,305 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition by Age

| Description | 2017 | 2016 | 2015 |
|----------------|-------|-------|-------|
| < 25 years old | 153 | 171 | 184 |
| 25 - 29 | 665 | 784 | 735 |
| 30 - 34 | 886 | 1,006 | 1,102 |
| 35 - 39 | 944 | 986 | 1,007 |
| 40 - 45 | 711 | 738 | 699 |
| > 45 | 669 | 664 | 923 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition by Position

| Description | 2017 | 2016 | 2015 |
|-------------------|-------|-------|-------|
| Senior Management | 128 | 121 | 113 |
| Middle Management | 292 | 273 | 262 |
| Junior Management | 1,744 | 1,756 | 1,747 |
| Other Staff | 1,864 | 2,198 | 2,332 |
| Non Staff | 0 | 1 | 196 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition by Education Level

| Description | 2017 | 2016 | 2015 |
|----------------------------|-------|-------|-------|
| Master and Doctoral Degree | 258 | 277 | 248 |
| Bachelor Degree | 2,853 | 3,117 | 3,117 |
| Diploma | 449 | 463 | 519 |
| Others | 468 | 492 | 766 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition by Length of Service

| Description | 2017 | 2016 | 2015 |
|---------------|-------|-------|-------|
| < 1 years | 759 | 523 | 391 |
| 1 - 4 years | 1,251 | 1,664 | 1,740 |
| 5 - 9 years | 742 | 816 | 917 |
| 10 - 14 years | 425 | 456 | 494 |
| 15 - 19 years | 338 | 349 | 395 |
| >20 years | 513 | 541 | 713 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition by Function

| Description | 2017 | 2016 | 2015 |
|---------------------------|-------|-------|-------|
| Channels | 1,352 | 1,409 | 1,697 |
| Corporate Support | 335 | 357 | 365 |
| Global Markets | 56 | 55 | 55 |
| Retail | 1,459 | 1,692 | 1,639 |
| Technology and Operations | 542 | 564 | 592 |
| Wholesale Banking | 284 | 272 | 302 |
| Total | 4,028 | 4,349 | 4,650 |

Employee Composition based on Employment Type

| Description | 2017 | 2016 | 2015 |
|-------------|-------|-------|-------|
| Contract | 277 | 323 | 298 |
| Permanent | 3,751 | 4,026 | 4,352 |
| Total | 4,028 | 4,349 | 4,650 |

Management Discussion and Analysis

Looking ahead

We will continue to support the Bank's strategy and push for sustainable growth by ensuring a pool of talented individuals through recruitment and people development. To do this, we will stay committed to our mission to deepen our colleagues' capabilities and to empower them to take ownership of their careers. Our 2018 objectives are:

- Ensuring the availability of talented individuals for the Bank's workforce through Strategic Workforce Planning and enhancing our colleagues' competencies, productivity and engagement
- Supporting organisational transformation and change management to enable people and business growth
- Developing our colleagues' competencies by encouraging them to learn and to innovate continually
- Improving our HR analytics and systems by harnessing technology and digital solutions
- Improving organisational resilience by nurturing an innovative and entrepreneurial culture to stay competitive and
- Ensuring succession planning for key positions.

Technology and Operations

UOB Indonesia recognises the importance of the effective use of technology as an enabler for the Bank's business growth and in providing excellent customer service. We continue to invest in our technology capabilities to stay relevant to our customers and to stay ahead of the competition.

The ongoing investments we have made include building and maintaining a robust technology system, automating more business processes and harnessing technology to develop better products and services in service of our growing customer base.

In 2017, Technology and Operations provided support in areas such as:

ONE Account

The enhancements to the CASA system enabled the One Account to offer customers interest bonuses which are computed based on the account balance, debit or credit card transactions.

Centralised Cheque/Giro Processing

Cheque/giro processing centres were centralised at several branches within each region to increase efficiency and productivity.

Cooperation with the Citizenship and Civil Registration Agency (*Dukcapil*)

The digital connection to the Citizenship and Civil Registration Agency or *Kependudukan dan Pencatatan Sipil* (*Dukcapil*) enables the Bank to improve our Know Your Customer process through an e-KTP (electronic-Citizenship Identity Card - *Kartu Tanda Penduduk* or *KTP*) data cross-checking with *Dukcapil*. In

addition, this initiative will enable the Bank to be more effective when onboarding new customers on digital channels.

UOB Indonesia's Public Website

The Bank's website was enhanced to be more responsive and was optimised for viewing using different internet browsers.

Global Employee Management System (GEMS)

In 2017, the Bank implemented GEMS, which enables the Bank to conduct the following:

- a. Manage operational processes more effectively and in line with the organisational structure and
- b. Integrate the administrative processes for our colleagues with their performance assessment and individual development plans.

SMS Automation to Credit Card Customer

We enhanced our systems to automate the sending of SMS messages to credit card customers to remind them to make their outstanding payments in a timely manner.

Credit Card System Relocation and Loan Origination and Application for Credit Cards and Mortgages

We completed the onshoring of a credit card system (*Cardlink*) and loan origination (*PLCE*) systems in compliance with relevant regulations.

Information Technology and Operations Human Resources Development

With rapid advancements in technology, it is crucial to improve the skills and competencies of our colleagues continually to ensure safe, smooth and efficient banking operations and to minimise service interruption. We are committed to ongoing training and development through internal and external workshops and on-the-job coaching.

Board Supervision on Information Technology Implementation

UOB Indonesia's IT Committee conducts regular meetings to discuss IT-related issues, to provide insights and to oversee IT matters with the supervision of the Board of Directors. This Board committee is headed by the Bank's President Director. The IT Committee has the following responsibilities:

1. To determine priorities in IT development
2. To approve the IT development plan and
3. To approve policies related to IT strategy and optimisation.

2018 Plans

In 2018, our focus areas will include:

- Supporting business process improvement, such as loan origination and alternate delivery channels, by developing additional features for our existing internet banking platforms and digital banking initiative

- Improving and developing the centralised management and regulatory reporting system, such as the online Know Your Customer and anti-money laundering process
- Supporting the design and development of new products and services for treasury, trade, loans, credit cards, deposit products, investment and insurance, cash management, payment, remittances, bill payments and other areas to serve the Bank's customers
- Developing a system for customer relations management
- Supporting Channel Operations with an application system for branch office services and a front-end switch system
- Providing digital banking services and transactions for customers in business administration
- Implementing a sales portfolio and product information system to create a product catalogue and to monitor sales portfolios and performance
- Developing a Decision Management System for more accurate credit assessment and scoring
- Utilising cloud computing technology to reduce the demand for hardware and the requirements on our data centre, and in turn improving the turnaround time for service delivery to our customers and
- Enhancing IT security through a data loss prevention system to protect customer information and implementing a security protection system to prevent malware and other unauthorised programmes that can be found in computer networks.

Wholesale Operations

Wholesale and Global Market Operations provides support and services to the Wholesale Banking and Global Markets businesses in areas including cash management, trade operations and wholesale lending processing and control, as well as Global Markets product settlement and custodian services.

Email transaction processes, which were previously handled by the Channels team, were centralised to the Cash Management Operations team in February 2017 to support business alignment and to improve customer service. Our Cash Management Operations team also supported bulk services payment processing as a new feature in *BIBPlus* since April 2017, and in September 2017 we successfully shortened the processing time of payment transactions to less than one hour.

We also managed the user acceptance testing process for the system enhancement on international payment transactions as part of the Bank's Cash Road Map project in 2017, and we will continue to provide support in 2018.

As the Wholesale and Global Market Operations team focused on providing services in support of business volume growth, it also had a dedicated team for dealer financing services to ensure a shorter turnaround time.

In addition, the Global Markets Operations team supported settlement processing for new Global Markets products launched in 2017 such as premium forward deposits.

To maintain operational service excellence, another priority in 2017 was on people management, training and recruitment of the right people to fill key positions in the our operations teams.

In 2018, Wholesale and Global Market Operations will continue to elevate the quality of our services, support and involvement in system enhancements related to the Cash and Trade Road Map and Credit Master System to achieve sustainable process improvement, to reduce operational risk and to increase automation in regulatory reporting.

Retail Operations

Retail Operations consists of five operations centres, including the Retail Loan Operations Centre, Channel Operations Centre, Cards Operations and Processing Centre, Retail Operations Readiness Centre and Contact Centre, which support the Bank's Retail and Business Banking segments.

In 2017, the Retail Loan Operations and Cards Operations and Processing Centres conducted process improvement initiatives to enhance customer service and work efficiency. These initiatives include the enhancement of our credit assessment system and processes.

The Channel Operations and Retail Operations Readiness Centres developed compliance processes, such as better security features for transfer forms, in line with regulatory requirements. We also automated our reporting processes for the Financial Information Service System or *Sistem Layanan Informasi Keuangan* (*SLIK*), Commercial Bank Monthly Report or *Laporan Bank Umum* (*LBU*) and Commercial Bank Head Office Report or *Laporan Kantor Pusat Bank Umum* (*LKPBU*).

The Contact Centre remained as one of the best Contact Centres in Indonesia and won fourth place in the Credit Card Category and the Banking Category at the Contact Centre Service Excellence Awards.

Management Discussion and Analysis

Retail Operations regularly conducts training to improve our people's skills through on-the-job training and e-learning. We also share information on relevant policies and processes with our colleagues across the Bank to increase their awareness and understanding. Retail Operations is also part of the Bank's Service Excellence Council and the Operations Risk Management Committee which focuses on customer service improvement by managing and reducing operational risks.

In 2018, Retail Operations will remain committed to continual service improvement and will contribute to the retail loan origination and credit checking system development, participate in the National Payment Gateway Project and support new credit card product launches.

Financial Review Comprehensive Analysis of Financial Performance

This financial performance review is prepared based on the Financial Statements of PT Bank UOB Indonesia (UOB Indonesia) which has been prepared and presented in accordance with the Indonesian Financial Accounting Standards issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI). The entire information in the financial statements has been presented completely and accurately.

The Financial Statements of UOB Indonesia has been audited by an independent auditor of Public Accounting Firm Purwantono, Sungkoro & Surja (member of Ernst & Young Global Limited), with audit unmodified opinion, which stated that the financial statements present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of 31 Desember 2017 and 2016, and its financial performance and cash flows for the years then ended, in accordance with Indonesian Financial Accounting Standards.

Statement of Profit or Loss and Other Comprehensive Income

| Statement of Profit or Loss and Other Comprehensive Income (in million Rupiah) | For the Year Ended 31 st December | |
|---|--|----------------|
| | 2017 | 2016 |
| Operating Income and Expenses | | |
| Interest Income and Expenses | | |
| Interest Income | 7,268,027 | 7,404,292 |
| Interest Expense | (3,756,802) | (3,867,144) |
| Interest Income - Net | 3,511,225 | 3,537,148 |
| Other Operating Income | | |
| Administration Fees and Commissions - Net | 252,963 | 218,478 |
| Realized and Unrealized Gain on Securities Sold and From Changes in Fair Value of Trading Securities - Net | 184,492 | 191,718 |
| Gain from foreign currency transactions - Net | 166,565 | 179,696 |
| Others - Net | 189,650 | 202,171 |
| Total Other Operating Income - Net | 793,670 | 792,063 |
| (Provision for) reversal of impairment losses: | | |
| Financial Assets | (1,255,990) | (958,431) |
| Foreclosed Assets | 960 | (238) |
| Total Provision for Impairment Losses | (1,255,030) | (958,669) |
| Other Operating Expenses | | |
| Salaries and Employees' Benefits | (1,581,303) | (1,572,475) |
| General and Administrative Expenses | (1,163,980) | (1,139,992) |
| Total Other Operating Expenses | (2,745,283) | (2,712,467) |
| Operating Income | 304,582 | 658,075 |
| Non-Operating Income | | |
| Gain on Sale of Fixed Assets, Abandoned Property and Foreclosed Assets - Net | 3,921 | 11,449 |
| Others - Net | - | 213 |
| Total Non-Operating Income | 3,921 | 11,662 |
| Income Before Tax Expense | 308,503 | 669,737 |
| Tax Expense | (230,982) | (190,464) |
| Income For The Year | 77,521 | 479,273 |
| Other Comprehensive Income for The Year – Net of Tax | 43,484 | 73,505 |
| Total Comprehensive Income For The Year | 121,005 | 552,778 |

Income for the year of UOB Indonesia in 2017 was IDR78 billion, decreased by 83.8 per cent or IDR402 billion compared to IDR479 billion in 2016. Comprehensive Income of UOB Indonesia in 2017 was IDR121 billion, decreased by 78.1 per cent or IDR432 billion compared to IDR553 billion in 2016.

Decrease in Comprehensive Income was due to a decrease in Bank’s interest income and an increase in provision for impairment losses of Bank’s financial assets. Interest income of UOB Indonesia in 2017 decreased by 1.8 per cent or IDR136 billion compared to 2016. Other reason was provision for impairment losses of UOB Indonesia’s financial assets in 2017 increased by 31.0 per cent or IDR298 billion compared to 2016.

Interest Income

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

| Interest Income (in million Rupiah) | Year Ended 31 st December | |
|--|--------------------------------------|-----------|
| | 2017 | 2016 |
| Loans | 6,342,615 | 6,566,049 |
| Financial Investments and Placements with Bank Indonesia | 867,830 | 753,608 |
| Placements with Other Banks | 29,154 | 32,379 |
| Current Accounts with Bank Indonesia and Other Banks | 28,428 | 52,256 |
| Total | 7,268,027 | 7,404,292 |

Interest income of UOB Indonesia in 2017 was IDR7,268 billion, decreased by 1.8 per cent or IDR136 billion compared to IDR7,404 billion in 2016.

Interest income from loans was the major contributor with a portion of 87.3 per cent of total interest income. Interest income from loans decreased by 3.4 per cent or IDR223 billion compared to previous year. The decrease was due to a decrease in annual average contractual interest rate for loans. In Rupiah, annual average contractual interest rate in 2017 was 10.73 per cent and in 2016 was 11.68 per cent. In foreign currency, annual average contractual interest rate in 2017 was 3.91 per cent and in 2016 was 4.42 per cent. In addition, loans portfolio also decreased by 4.2 per cent or IDR2,758 billion, from IDR65,789 billion in 2016 to IDR63,031 billion in 2017.

Interest income from current accounts with Bank Indonesia and other banks as well as interest income from placements with other banks decreased compared to previous year.

Interest Expense

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

| Interest Expense (in million Rupiah) | Year Ended 31 st December | |
|---|--------------------------------------|-----------|
| | 2017 | 2016 |
| Time deposits | 2,563,282 | 2,916,425 |
| Demand deposits | 405,737 | 272,566 |
| Debt securities issued | 305,105 | 242,367 |
| Savings deposits | 272,737 | 264,948 |
| Premium on government guarantee | 154,842 | 124,594 |
| Deposits from other banks | 47,728 | 41,908 |
| Others | 7,371 | 4,336 |
| Total | 3,756,802 | 3,867,144 |

Interest expense of UOB Indonesia in 2017 was IDR3,757 billion, decreased by 2.9 per cent or IDR110 billion compared to IDR3,867 billion in 2016.

This decrease was mainly due to a decrease in interest expense from time deposits. The decrease in interest expense from time deposits was due to a decrease in annual average interest rate for time deposits in Rupiah, from 7.66 per cent in 2016 to 6.59 per cent in 2017.

Other Operating Income

| Other Operating Income (in million Rupiah) | Year Ended 31 st December | |
|---|--------------------------------------|---------|
| | 2017 | 2016 |
| Administration Fees and Commissions - Net | 252,963 | 218,478 |
| Realised and Unrealised Gain on Securities Sold and From Changes in Fair Value of Trading Securities- Net | 184,492 | 191,718 |
| Gain From Foreign Currency Transactions | 166,565 | 179,696 |
| Others - Net | 189,650 | 202,171 |
| Total Other Operating Income - Net | 793,670 | 792,063 |

Other operating income in 2017 was IDR794 billion, increased by 0.2 per cent or IDR2 billion, compared to IDR792 billion in 2016.

This increase was mainly due to administration fees and commissions that increased by 15.8 per cent or IDR34 billion, from IDR218 billion in 2016 to IDR253 billion in 2017.

Operating Expense

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

| Operating Expense (in million Rupiah) | Year Ended 31 st December | |
|--|--------------------------------------|-------------|
| | 2017 | 2016 |
| (Provision for) Reversal of Impairment Losses: | | |
| Financial Assets | (1,255,990) | (958,431) |
| Foreclosed Assets | 960 | (238) |
| Total Provision for Impairment Losses | (1,255,030) | (958,669) |
| Other Operating Expenses | | |
| Salaries and Employees’ Benefits | (1,581,303) | (1,572,475) |
| General and Administrative Expenses | (1,163,980) | (1,139,992) |
| Total Other Operating Expenses | (2,745,283) | (2,712,467) |
| Total | (4,000,313) | (3,671,136) |

Operating expense in 2017 was IDR4,000 billion, increased by 9.0 per cent or IDR329 billion, compared to IDR3,671 billion in 2016.

This increase was mainly due to an increase in provision for impairment losses of financial assets by 31.0 per cent or IDR298 billion, from IDR958 billion in 2016 to IDR1,256 billion in 2017. This increase was in accordance with prudent principle implementation of UOB Indonesia to anticipate and mitigate the risk of default on loans portfolio.

In addition, there was an increase in other operating expenses comprises of salaries and employees’ benefits and general and administrative expenses. Salaries and employees’ benefits increased by 0.6 per cent or IDR9 billion, from IDR1,572 billion in 2016 to IDR1,581 billion in 2017. General and administrative expenses increased by 2.1 per cent or IDR24 billion, from IDR1,140 billion in 2016 to IDR1,164 billion in 2017.

Management Discussion and Analysis

Increase in salaries and employees' benefits was mainly due to an increase in gratification by 154.4 per cent or IDR51 billion; employee benefits by 62.7 per cent or IDR28 billion; and taxable allowance PPh 21 by 19.9 per cent or IDR24 billion. However, there was a decrease in salaries, wages, and “*Lebaran bonus*” by 7.0 per cent or IDR79 billion due to a decrease in total employees in 2017, from 4,349 employees to 4,028 employees in 2017.

Increase in general and administrative expenses was mainly due to an increase in advertising and promotion by 32.5 per cent or IDR32 billion and repairs and maintenance by 14.9 per cent or IDR20 billion.

Income Before Tax Expense

Income before tax expense decreased by 53.9 per cent or IDR361 billion, from IDR670 billion in 2016 to IDR309 billion in 2017.

Tax Expense

Tax expense increased by 21.3 per cent or IDR41 billion, from IDR190 billion in 2016 to IDR231 billion in 2017.

Comprehensive Income for the Year

Comprehensive income for the year decreased by 78.1 per cent or IDR432 billion, from IDR553 billion in 2016 to IDR121 billion in 2017.

Statement of Financial Position

Assets

| Assets (in million Rupiah) | As of 31 st December | |
|---|---------------------------------|------------|
| | 2017 | 2016 |
| Cash | 398,298 | 535,517 |
| Current Accounts with Bank Indonesia | 6,071,513 | 5,724,310 |
| Current Accounts with Other Banks | 2,452,901 | 1,098,294 |
| Placements with Bank Indonesia and Other Banks | 3,416,404 | 3,321,154 |
| Trading Securities | 1,118,020 | 945,104 |
| Financial Investments-Net | 14,951,354 | 11,972,771 |
| Derivatives Receivables | 146,399 | 202,112 |
| Loans-Net | 61,998,204 | 64,698,998 |
| Receivables on Securities Purchased with Agreements to Resell | 1,015,168 | 1,902,219 |
| Acceptances Receivables-Net | 1,826,050 | 1,748,937 |
| Deferred Tax Assets-Net | 95,212 | 35,906 |
| Fixed Assets | 1,062,874 | 1,093,316 |
| Other Assets - Net | 691,716 | 815,210 |
| Total | 95,244,113 | 94,093,848 |

Total assets of UOB Indonesia increased by 1.2 per cent or IDR1,150 billion, from IDR94,094 billion in 2016 to IDR95,244 billion in 2017. This increase was mainly due to an increase in financial investments net by 24.9 per cent or IDR2,979 billion; and current accounts with other banks by 123.3 per cent or IDR1,355 billion.

The majority of UOB Indonesia's assets were derived from loans with a portion of 65.1 per cent of total assets.

Current Assets

Current assets consist of cash, current account with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, trading securities, financial investments, derivative receivables, loans, receivables on securities purchased with agreements to resell, and acceptance receivables.

In 2017, current assets of UOB Indonesia was IDR93,394 billion, increased by 1.4 per cent compared to IDR92,149 billion in previous year. These increases were mainly due to increase in current accounts with other banks and financial investments.

Current accounts with other banks was increase by 123.3 per cent to IDR2,453 billion in 2017 compared to IDR1,098 billion in 2016. As for financial investments, increased by 24.9 per cent to IDR14,951 billion in 2017 compared to IDR11,973 billion in 2016.

Non-Current Assets

Non-current assets consist of fixed assets and other assets. Non-current assets of UOB Indonesia in 2017 was IDR1,755 billion, decreased by 8.1 per cent compared to IDR1,909 billion in previous year. This was due to a decrease in fixed assets by 2.8 per cent and other assets by 15.1 per cent.

Loans

Loans portfolio in 2017 decreased by 4.2 per cent or IDR2,758 billion, from IDR65,789 billion in 2016 to IDR63,031 billion in 2017. Loans portfolio has the largest contribution of the total assets by 66.2 per cent. The Bank's biggest exposure was in working capital loan with proportion of 49.7 per cent from total loans portfolio of the Bank.

The following is the loans portfolio based on loans type:

| Type of Loans (in million Rupiah) | As of 31 st December | |
|--------------------------------------|---------------------------------|------------|
| | 2017 | 2016 |
| Working Capital | 31,323,358 | 33,700,044 |
| Investment | 12,047,060 | 13,399,419 |
| Housing | 4,677,211 | 4,816,176 |
| Multi Purposes | 1,965,765 | 2,100,870 |
| Credit Card | 1,653,587 | 1,494,835 |
| Motor Vehicles | 23,923 | 25,630 |
| Others | 11,339,948 | 10,252,090 |
| Total | 63,030,852 | 65,789,064 |

The following is loans portfolio based on loans segmentation:

| Segment (in million Rupiah) | As of 31 st December | |
|--------------------------------|---------------------------------|------------|
| | 2017 | 2016 |
| Commercial Banking | 20,447,885 | 23,731,824 |
| Corporate Banking | 15,801,039 | 16,029,664 |
| Business Banking | 14,972,396 | 15,789,325 |
| Personal Financial Services | 8,532,037 | 8,661,955 |
| Financial Institution | 3,277,495 | 1,576,296 |
| Total | 63,030,852 | 65,789,064 |

Based on segmentation, decrease in loans was mainly due to a decrease in loans portfolio of Commercial Banking segment by 13.8 per cent or IDR3,284 billion, from IDR23,732 billion in 2016 to IDR20,448 billion in 2017. In addition, loans portfolio of Corporate Banking, Business Banking, and Personal Financial Services (PFS) segments was also declining.

However, loans portfolio of Financial Institution segment increased by 107.9 per cent or IDR1,701 billion, from IDR1,576 billion in 2016 to IDR3,277 billion in 2017.

Management Discussion and Analysis

The following is loans portfolio based on currency:

| Loans (in million Rupiah) | As of 31 st December | |
|------------------------------|---------------------------------|------------|
| | 2017 | 2016 |
| Rupiah | 45,918,562 | 49,691,552 |
| Foreign Currency | 17,112,290 | 16,097,512 |
| Total | 63,030,852 | 65,789,064 |

The majority of the loans were derived from loans denominated in Rupiah with portion of 72.9 per cent of total Bank's loans portfolio.

Loans in Rupiah in 2017 decreased by 7.6 per cent or IDR3,773 billion, from IDR49,692 billion in 2016 to IDR45,919 billion in 2017. Otherwise, loans in foreign currency in 2017 increased by 6.3 per cent or IDR1,015 billion, from IDR16,098 billion in 2016 to IDR17,112 billion in 2017.

The following is loans portfolio based on economic sector:

| Economic Sector (in million Rupiah) | As of 31 st December | |
|--|---------------------------------|------------|
| | 2017 | 2016 |
| Wholesale and Retail | 16,441,583 | 15,824,643 |
| Processing Industry | 16,304,959 | 20,108,402 |
| Household | 8,523,094 | 8,694,936 |
| Real Estate and Business Service | 4,073,655 | 4,554,721 |
| Agriculture, Hunting, and Forestry | 4,060,070 | 3,072,565 |
| Financial Intermediaries | 3,361,627 | 1,703,839 |
| Transportation, Warehousing, and Communication | 3,205,832 | 2,983,740 |
| Accommodation Provider | 2,613,535 | 3,747,499 |
| Construction | 2,393,871 | 3,599,893 |
| Mining and Excavation | 1,246,460 | 701,837 |
| Electricity, Water, and Gas | 427,772 | 374,177 |
| Social Service | 160,100 | 209,617 |
| Health Service | 85,677 | 77,853 |
| Educational Service | 55,110 | 57,483 |
| Fishery | 48,088 | 55,359 |
| Personal Service | 3,160 | 7,094 |
| Others | 26,259 | 15,406 |
| Total | 63,030,852 | 65,789,064 |

Loans of UOB Indonesia majority came from wholesale and retail sector and processing industry sector with portion of 26.1 per cent and 25.9 per cent respectively of UOB Indonesia's total loans portfolio.

Based on economic sector, the decrease was mainly due to a decrease in loans portfolio of processing industry sector by 18.9 per cent or IDR3,803 billion, from IDR20,108 billion in 2016 to IDR16,305 billion in 2017.

Allowance for impairment losses on loans decreased by 5.3 per cent or IDR57 billion, from IDR1,090 billion in 2016 to IDR1,033 billion in 2017. The decrease in CKPN was mainly due to settlement of allowance related to loans sold by IDR649 billion and loans written-off during the year 2017 by IDR774 billion.

On 27 December 2017, Bank sold its loans. Net proceeds obtained by UOB Indonesia from the sale of loans amounted to IDR1,975 billion and USD41,041,102 (full amount), and the transfer of the assigned right was effective from the effective date of the transaction.

Net Financial Investments

Net financial investments in 2017 increased by 24.9 per cent or IDR2,979 billion from IDR11,973 billion in 2016 to IDR14,951 billion in 2017. This increase of financial investments was mainly due to a significant increase of Certificates Deposit of Bank Indonesia by 1,695.3 per cent or IDR5,072 billion from IDR299 billion in 2016 to IDR5,371 billion in 2017.

Placement on financial investments was a temporary placement to channel the excess liquidity of the Bank.

Liabilities

| Liabilities (in million Rupiah) | As of 31 st December | |
|---|---------------------------------|------------|
| | 2017 | 2016 |
| Current Liabilities | 149,371 | 101,348 |
| Deposits | 75,046,863 | 73,004,901 |
| Demand Deposits | 11,257,957 | 9,488,201 |
| Savings Deposits | 14,849,647 | 16,143,894 |
| Time Deposits | 48,939,259 | 47,372,806 |
| Deposits from Other Banks | 2,314,828 | 3,641,664 |
| Interests Payable | 225,648 | 211,247 |
| Taxes Payable | 65,202 | 145,351 |
| Derivatives Payable | 105,770 | 194,328 |
| Acceptances Payable | 1,843,428 | 1,770,688 |
| Liabilities on Securities Sold Under Repurchase Agreement | - | 339,412 |
| Borrowings | 333,138 | - |
| Liabilities for Employees' Benefits | 328,451 | 209,164 |
| Other Liabilities | 496,159 | 469,547 |
| Debt Securities Issued - Net | 3,388,604 | 3,185,128 |
| Total | 84,297,462 | 83,272,778 |

Total liabilities of UOB Indonesia increased by 1.2 per cent or IDR1,025 billion, from IDR83,273 billion in 2016 to IDR84,297 billion in 2017. The increase was mainly due to an increase of deposits by 2.8 per cent or IDR2,042 billion. In addition, there was an increase in debt securities issued by 6.4 per cent or IDR203 billion and in 2017 UOB Indonesia has borrowings amounted to IDR333 billion.

Bank's liabilities were dominated from deposits with portion of 89.0 per cent of UOB Indonesia's total liabilities.

Deposits

Deposits increased by 2.8 per cent or IDR2,042 billion, from IDR73,005 billion in2016 to IDR75,047 billion in 2017.

Demand deposits increased by 18.7 per cent or IDR1,770 billion, from IDR9,488 billion in 2016 to IDR11,258 billion in 2017. Time deposits also increased by 3.3 per cent or IDR1,566 billion, from IDR47,373 billion in 2016 to IDR48,939 billion in 2017. However, saving deposits decreased by 8.0 per cent or IDR1,294 billion, from IDR16,144 billion in 2016 to IDR14,850 billion in 2017.

The majority of the Deposits were derived from time deposits with a portion of 65.2 per cent from total deposits. And, an increase in time deposits in foreign currency is in line with the increase of its average interest rate from 0.84 per cent to 1.15 per cent in 2017.

Borrowings

In 2017, UOB Indonesia has borrowings amounted to IDR333 billion.

Management Discussion and Analysis

Debt Securities Issued

Debt securities issued increased by 6.4 per cent or IDR203 billion, from IDR3,185 billion in 2016 to IDR3,389 billion in 2017.

This increase occurred due to the public offering of Bank UOB Indonesia Subordinated Debt Shelf Offering I Phase II Year 2017 with principal value of IDR500 billion and interest rate of 9.25 per cent per annum that is paid quarterly and maturity of seven years and will be matured on 17 October 2024. The bonds was listed in Indonesia Stock Exchange and stated effective based on OJK Decision Letter dated 18 October 2017.

UOB Indonesia has paid the principal on Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 Series A with a nominal value of IDR300 billion maturing on 4 December 2017.

Equity

| Equity (in million Rupiah) | As of 31 st December | |
|----------------------------------|---------------------------------|------------|
| | 2017 | 2016 |
| Share Capital | 2,388,471 | 2,388,471 |
| Additional Paid-in Capital - Net | 2,106,818 | 2,102,242 |
| Other Comprehensive Income | (76,041) | (119,525) |
| Retained Earnings | | |
| Appropriated | 111,424 | 106,631 |
| Unappropriated | 6,415,979 | 6,343,251 |
| Total | 10,946,651 | 10,821,070 |

Total equity of UOB Indonesia increased by 1.2 per cent or IDR126 billion, from IDR10,821 billion in 2016 to IDR10,947 billion in 2017. In 2017 there was additional paid-in capital adjustment amounted to IDR5 billion.

In 2017, there was no dividend payment. There were no changes on objectives, policies or processes in 2017 and 2016. UOB Indonesia's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

Statement of Cash Flows

Statement of Cash Flows is categorised based on operations, investment, and financing activities.

Cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks as well as financial investments maturing within 3 (three) months from the date of acquisition, as long as not being used as collateral for borrowings nor restricted.

| Statement of Cash Flows (in million Rupiah) | As of 31 st December | |
|--|---------------------------------|-------------|
| | 2017 | 2016 |
| Net Cash Provided by Operating Activities | 4,557,110 | 3,696,109 |
| Net Cash Used in Investing Activities | (2,663,242) | (1,777,087) |
| Net Cash Provided by Financing Activities | 192,159 | 1,029,736 |
| Net Increase (Decrease) in Cash And Cash Equivalents | 2,086,027 | 2,948,758 |
| Net Effect on Exchange Rate on Cash and Cash Equivalents | 95,083 | (86,361) |
| Cash and Cash Equivalents at Beginning of the Year | 12,627,387 | 9,764,990 |
| Cash and Cash Equivalents at The End of the Year | 14,808,497 | 12,627,387 |

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased by 23.3 per cent or IDR861 billion, from IDR3,696 billion in 2016 to IDR4,557 billion in 2017. Cash in-flow provided by operating activities is from interest received, other operating income received, sale of foreclosed assets, recovery of written-off loans, and proceeds from sale of loans.

Net Cash Used in Investing Activities

Net cash used in investing activities increased by 49.9 per cent or IDR886 billion, from IDR 1,777 billion in 2016 to IDR2,663 billion in 2017. This increase was due to an increase in purchase of financial investments in 2017.

Cash usage for investment activities consist of purchase of financial investment and acquisitions of fixed assets.

Net Cash Provided by Financing Activities

Net cash provided by financing activities decreased by 81.3 per cent or IDR838 million, from IDR1,030 billion in 2016 to IDR192 billion in 2017. Decrease of cash flow from financing activities was due to repayment of principal on Senior Bonds I Bank UOB Indonesia Phase I Year 2016 Series A with nominal amount of IDR300 billion that was matured and a decrease in principal value of Subordinated Bonds I Bank UOB Indonesia Phase II Year 2017 issued in 2017 amounted to IDR500 billion compare to IDR1,100 billion in 2016.

Financial Ratios

| Financial Ratio | As of 31 st December | |
|---|---------------------------------|--------|
| | 2017 | 2016 |
| Capital Adequacy Ratio | 17.08% | 16.44% |
| NPL - Gross | 1.09% | 3.24% |
| NPL - Net | 0.93% | 2.61% |
| Return on Asset (ROA) | 0.32% | 0.77% |
| Return on Equity (ROE) | 0.70% | 4.49% |
| Net Interest Margin (NIM) | 3.85% | 4.31% |
| Operational Expenses to Operational Income (BOPO) | 97.81% | 95.90% |
| Loan to Deposit Ratio (LDR) | 83.57% | 90.11% |
| Minimum Statutory Reserves (GWM): | | |
| Primary Rupiah | 6.78% | 6.84% |
| Secondary Rupiah | 19.48% | 14.79% |
| Foreign Currency | 8.18% | 8.85% |
| Net Open Position (NOP) Aggregate | 2.22% | 0.62% |

Capital Adequacy Ratio (CAR)

In 2017, Capital Adequacy Ratio (CAR) increased by 0.64 per cent from 16.44 per cent in 2016 to 17.08 per cent in 2017. It showed an improvement on UOB Indonesia's capital structure. The required CAR in accordance to Bank's risk profile is 9.00 per cent.

Non Performing Loan (NPL)

In 2017, NPL gross ratio decreased by 2.15 per cent from 3.24 per cent in 2016 to 1.09 per cent in 2017.

A decrease also occurred on net NPL ratio by 1.68 per cent from 2.61 per cent in 2016 to 0.93 per cent in 2017. That NPL ratio showed good performance since it was still below the maximum of 5 per cent required by Bank Indonesia, as well as it reflects UOB Indonesia's commitment to manage credit risk by continuously implementing banking prudent principle.

NPL in 2017 and 2016 was IDR685 billion and IDR2,131 billion respectively. Net NPL ratio is calculated based on Bank Indonesia Regulation. In accordance to Bank Indonesia regulation No. 15/2/PBI/2013 dated 20 May 2013, net NPL ratio of commercial bank is maximum 5 per cent of a Bank's total loans.

Management Discussion and Analysis

Return on Asset (ROA)

In 2017, Return on Asset (ROA) ratio decreased by 0.45 per cent from 0.77 per cent in 2016 to 0.32 per cent in 2017. This decrease of ROA was due to a decrease in income before tax expense by 53.9 per cent or IDR361 billion.

Return on Equity (ROE)

This also occurred on Return on Equity (ROE) ratio that decreased by 3.79 per cent in 2017, from 4.49 per cent in 2016 to 0.70 per cent in 2017. This decrease in ROE was due to a decrease in Income for the year by 83.8 per cent or IDR402 billion.

Net Interest Margin (NIM)

NIM in 2017 and 2016 was 3.85 per cent and 4.31 per cent respectively. A decrease in net interest margin in 2017 was due to a decrease in net interest income. The decrease in net interest income was due to a decrease in average contractual interest rate for loans and loans portfolio.

Operational Expenses to Operational Income (BOPO)

BOPO ratio increased to 97.81 per cent in 2017 compared to 95.90 per cent in previous year. This increase was due to an increase in salaries and employees’ benefits, general, and administrative expenses, and provision for impairment losses.

Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR), is loan ratio funded by customer’s deposits that was 83.57 per cent in 2017, compared to 90.11 per cent in 2016. Such decrease was due to an increase in deposits by 2.8 percent and a decrease in loans by 4.2 per cent. UOB Indonesia will continuously maintain the LDR in a soundness range.

Other Financial Ratios

Giro Wajib Minimum (GWM)

UOB Indonesia is required to maintain GWM in Rupiah for conventional banking and statutory reserves in foreign currencies for foreign exchange transactions.

Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve is the minimum reserves that should be maintained by the Bank, comprised of *Sertifikat Bank Indonesia (SBI)*, *Sertifikat Deposito Bank Indonesia (SDBI)*, *Surat Utang Negara (SUN)*, *Surat Berharga Syariah Negara (SBSN)*, and/or excess reserve which represent the excess reserve of the Bank’s Current Accounts in Rupiah over the Primary Minimum Statutory Reserve and the Minimum Statutory Reserve on Loan to Funding Ratio (LFR).

The Minimum Statutory Reserve on LFR is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank’s LFR is below the minimum of LFR targeted by Bank Indonesia (80 per cent) or if the Bank’s LFR above the maximum of LFR targeted by BI (92 per cent) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14 per cent.

Net Open Position (NOP)

In accordance with Bank Indonesia regulation, the maximum NOP of Banks should be 20 per cent 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 UOB Indonesia in 2017 and 2016 is in compliance with BI regulations, i.e. 2.22 per cent and 0.62 per cent, respectively.

Batas Maksimum Pemberian Kredit (BMPK)

In 2017 and 2016, UOB Indonesia is in compliance with the *BMPK* regulations, both for the related and non-related party borrowers.

Capital Expenditure

Material Bonds and Investment on Capital Goods

Total capital expenditure decreased by 42.3 per cent or IDR116 billion, from IDR275 billion in 2016 to IDR159 billion in 2017. This decrease was due to a decrease in additional infrastructure and office equipment by 35.1 per cent and decrease in construction in progress by 65.0 per cent.

Investment on capital expenditure is used to develop information technology infrastructure, addition of office equipment for UOB Indonesia’s operational needs.

| Description (in million Rupiah) | As of 31 st December | |
|------------------------------------|---------------------------------|---------|
| | 2017 | 2016 |
| Infrastructure & Office Equipment | 135,271 | 208,272 |
| Construction in Progress | 23,300 | 66,519 |
| Total Capital Goods | 158,571 | 274,791 |

Other Financial Information

Target Achievement of 2017

- Realization of net profit before tax in 2017 reaching 126.8 per cent of the target, that was driven by other operating income that increased and the success in managing the expenses of employees, promotions and others.
- Total assets in 2017 was recorded at IDR95,244 billion, or reaching 95.9 per cent of the target. Total loans were recorded 86.4 per cent of the target and realisation of NPL in 2017 was 1.09 per cent.
- Realisation of total liabilities in 2017 was 95.5 per cent of the target, mainly was influenced by realisation of Third Party Funds that was 96.7 percent. Ratio of loans to DPK was 83.57 per cent.
- Realisation of capital structure as shown in the Capital Adequacy Ratio (CAR) was 17.08 per cent, or increased by 1.86 per cent of the target.

Financial Projection 2018

In 2018, UOB Indonesia targets its loans growth of 10 to 12 per cent and deposits growth of 3 to 4 per cent. The focus of deposit growth is on current and saving account volume growth. UOB Indonesia expects CASA to be 40 per cent in 2018. UOB Indonesia targets its NPL gross ratio to be at the level of 2.25 per cent.

In addition, UOB Indonesia will also focus on profitability growth. UOB Indonesia will improve not only its interest income but also other operating income that was taken by optimizing cross selling. UOB Indonesia will also improve its loans portfolio level, productivity, cost efficiency, and maintain its CAR at 16.37 per cent.

Capital Policy

Capital Structure

UOB Indonesia has a policy to maintain its capital structure and CAR at a level sufficient to anticipate all the major risks that can arise in the management of UOB Indonesia’s business. The main risks that are meant to include are credit risk, market risk and operational risk and other risks. At the end of 2017, the CAR stood at 17.08 per cent which is above the minimum CAR standard based on the Bank’s risk profile set by Bank Indonesia of 9 per cent - <10 per cent.

UOB Indonesia manages its capital structure and makes adjustments as economic conditions change. UOB Indonesia may adjust the dividend payment to shareholders, issue new shares or seek financing through loans. There were no changes on objectives, policies or processes in 2017 and 2016. UOB Indonesia’s policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

Material Information on Investment, Expansion, Divestment, Acquisition or Debt/Capital Restructuring

Throughout 2017, UOB Indonesia did not conduct any material transaction or activities related to investment, expansion, divestment, or acquisition.

Management Discussion and Analysis

Information of Utilization of Public Offering Proceeds

In 2017, UOB Indonesia has conducted public offering of Subordinated bonds UOB Indonesia Phase 2 year 2017. The issuance of IDR 500 billion is aimed to strengthen Bank's capital and support productive assets growth .

Impact of Market Interest Rate Movement to Bank's Performance

Bank Indonesia and US Federal reserve interest rate basically are the reference rate of Indonesia banking Industry, that directly and indirectly affects the movement of loan and deposit rate.

Along 2017, Bank Indonesia has decreased its 7 Days Reverse Repo rate, from 4.75 per cent on December 2016 to 4.25 per cent on September 2017.

In order to mitigate the interest rate risk in 2017, Bank has adjusted the interest rate in accordance to the movement of market interest rate. Furthermore, UOB Indonesia has consistently managed its rate sensitive assets and liabilities to align to market rate movement and bank's risk appetite. System, Policy and limit set in place are collaboratively aimed for a precautions monitoring of interest rate risk exposure. These three supporting tools for interest rate risk management is being periodically reviewed by risk management.

Impact of Change of Laws on Bank Performance

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

Accounting Standard Ratified But Not Yet Effective

The accounting standards that issued by Financial Accounting Standard Board (FASB) Indonesia, but not yet effective for current year financial statements and relevant to Bank:

- a. SFAS 71: Financial Instruments, adopted from IFRS 9, effective 1 January 2020 with earlier application is permitted.
- b. SFAS 73: Leases, adopted from IFRS 16, effective 1 January 2020 with earlier application is permitted, but not before an entity applies SFAS 72: Revenue from Contracts with

Customers.

- c. IAS No. 33 - Foreign currency Transaction and Advance Consideration, effective 1 January 2019 with earlier application is permitted.
- d. Amendments to SFAS No. 2: Statement of Cash Flows on the Disclosures Initiative, effective 1 January 2018 with earlier application is permitted.
- e. Amendments to SFAS No. 46: Income Taxes on the Recognition of Deferred Tax Assets for Unrealized Losses, effective 1 January 2018 with earlier application is permitted.
- f. Amendments to SFAS No. 62: Insurance Contract on Applying SFAS No. 71 Financial Instruments with SFAS No. 62 Insurance Contract, effective 1 January 2020.

Financial Information on Extraordinary Events

UOB Indonesia did not experience any extraordinary events throughout 2017 and 2016, which has material impact to financial performance.

Material Information on Transaction with Conflict of Interest and/or Material Transaction with Related Parties

Throughout 2017, UOB Indonesia has no transactions that can be categorised in transaction with conflict of interest.

In 2017, in carrying out its business activities, UOB Indonesia conducted several transactions with related parties, namely loans and deposits distribution, which the detail of total, type, and nature of transaction with related parties can be seen on Notes No. 36 in Notes on Audited Financial Statements.

Dividend Policy on Net Profit Usage

Dividend distribution is conducted based on decision taken in Annual General Meeting of Shareholders, by considering financial condition and UOB Indonesia's capital needs attributed with business development, especially loans growth, as well as taking into account other relevant factors for shareholders.

PT Bank UOB Indonesia

31 December 2017

Good Corporate Governance

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| 108 | The Implementation of Compliance, Internal Audit, and External Audit Functions | | |
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| 115 | Financial and Family Relationship between Board of Commissioners, Board of Directors, and/or Controlling Shareholders of the Bank | | |
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Good Corporate Governance

The need for a company to sustain its growing performance every year, is not only supported by its good operational capability but also from the implementation of Good Corporate Governance (GCG). PT Bank UOB Indonesia (UOB Indonesia) is committed to achieving long-term and stable growth that create sustainable value for our stakeholder.

The Bank believes that consistent implementation of GCG will create a good process and structure in making decisions to improve the performance and value of the bank. As part of its goal of increasing value, a set of policies and guidelines, as well as monitoring and evaluation of GCG have been carried out during 2017.

I. Good Corporate Governance Structure

Referring to the Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies, the Bank has a governance structure consisting of Main and Supporting Corporate Organs. Main Organs of the Company include General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. The Corporate Supporting Organs include Remuneration and Nomination Committee, Audit Committee, Risk Monitoring Committee, Executive Committee (EXCO), Asset and Liability Committee (ALCO), Risk Management Committee, Credit Policy Committee, Human Resources Committee, Business Continuity Management Committee (BCM), Credit Committee, Information Technology Committee, Anti Money Laundering Committee, Corporate Secretary and Internal Audit.

| Resolution and Realisation of EGM 2017 | | | | |
|--|---|---------------|------------------|-------------|
| Agenda | EGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
| 1. Change in the Composition of Members of the Board of Directors of the Company | 1. To accept the resignation of Mr Tan Chin Poh as Deputy President Director of the Company, in accordance with his resignation letter dated 30 December 2016 which shall be effective as of the adjournment of this Meeting; subsequently release and discharge Mr Tan Chin Poh off his duties and responsibilities in managing the Company in his capacity as Deputy President Director of the Company for Financial Year 2016 and from 1 January 2017 to 7 February 2017; insofar as the actions are reflected in the Annual Report and Financial Statements for Financial Year 2016 and Financial Year 2017 insofar as the said Annual Report and Financial Statements for Financial Years 2016 and 2017 have been approved and ratified at the Annual General Meeting of Shareholders for the relevant Financial Year. | 100% | - | Realised |

A. General Meeting Of Shareholders

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

General Meeting of Shareholders 2017

Throughout 2017, the Bank convened 1 (one) EGM and 1 (one) AGM.

EGM 2017

The EGM 2017 was held on 7 February 2017 in UOB Plaza, at Jl. M.H. Thamrin No. 10, Central Jakarta 10230. The EGM was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.999 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

| Agenda | EGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
|--------|--|---------------|------------------|-------------|
| | 2. To Appoint Mr Henky Sulistyo as Director of the Company as of the adjournment of this Meeting until the adjournment of the 4th Annual General Meeting of Shareholders of the Company following his appointment. This appointment shall be effective upon approval of the Financial Services Authority. In the event that the said approval is not obtained, the appointment shall automatically become void without requiring the approval of the General Meeting of Shareholders. | 100% | - | Realised |
| | 3. To authorise the Board of Directors of the Company with substitution right to restate the resolutions of the Meeting in relation to the change in membership of the Board of Directors of the Company in a notarial deed and notify the competent authorities of such change, and in relation thereto, to take any actions necessary in accordance with the prevailing laws and regulations. | 100% | - | Realised |

AGM 2017

The AGM 2017 was held on 26 April 2017 in UOB Plaza, at Jl. M.H. Thamrin No. 10, Central Jakarta 10230. The AGM was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.999 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

| Resolution and Realisation of AGM 2017 | | | | |
|---|---|---------------|------------------|-------------|
| Agenda | AGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
| 1. Approval of Annual Report of the Company including Oversight Report of the Board of Commissioners, and ratification of the Financial Statements of the Company for the financial year ended 31 December 2016 | To approve the Annual Report of the Company for financial year ended 31 December 2016 including oversight report of the Board of Commissioners of the Company, also ratify Financial Statements of the Company for financial year ended 31 December 2016 as audited by Public Accounting Firm of Purwantono, Sungkoro & Surja according to report No. RPC-2965/PSS/2017 dated 24 Januari 2017 with Unqualified Opinion, therefore providing release and discharge of responsibilities (acquit et decharge) to members of the Board of Directors over their management and to the Board of Commissioners of the Company over their oversight duties during financial year 2016, provided such actions are reflected in the Annual Report and Financial Statements of the Company for the financial year of 2016. | 100% | - | Realised |

Good Corporate Governance

| Agenda | AGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
|---|---|---------------|------------------|-------------|
| 2 Allocation of Net Profit of the Company for Financial Year ended 31 December 2016. | To approve the use of net profit of the Company for financial year ended 2016 with details as follows: 1. A sum of IDR 4,792,730,245,- shall be booked as general reserve to comply with the provision of Article 70 of the Limited Liability Company Law and Article 20 of the Articles of Association of the Company. 2. To book the entire net profit earned in financial year 2015 after general reserve and dividends as Retained Earnings amounting IDR474,480,294,326 and for the year of 2016, Company does not distribute dividend. | 100% | - | Realised |
| 3 Appointment of Public Accountant Firm to audit company books for financial year of 2017 and provision of authority to Board of Directors to decide upon the fee for the Public Accountant and other requirements for its appointment. | To authorise the Board of Commissioners of the Company to appoint a Public Accounting Firm registered with the Financial Services Authority (OJK) to audit the Financial Statements of the Company for financial year 2017 in observance of the recommendations of the Audit Committee and authorise the Board of Directors of the Company to sign the engagement contract and decide upon the fee for the audit service and other requirements in relation to such appointment | 100% | - | Realised |
| 4 Change in members of the Board of Commissioners and Board of Directors of the Company. | 1. To approve the re-appointment of members of 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 Effective from the adjournment of this AGM until the adjournment of AGM which will be convened in 2019. 2. To approve the re-appointment of Board of Directors: President Director : Lam Sai Yoke Deputy President Director : Iwan Satawidinata Director : Muljono Jandra Director : Pardi Kendy Director : Henky Sulistyo Compliance Director : Soehadie Tansol Effective from the adjournment of this AGM until the adjournment of AGM which will be convened in 2021. And to align the term of office with the other members of Board of Directors, it was proposed to re-appoint Mr Henky Sulistyo as Director from the adjournment of this Meeting until the adjournment of Annual General Meeting of Shareholders which will be convened in 2021. 3. To authorise the Board of Directors of the Company to state the re-appointment of members of the Board of Commissioners and the Board of Directors of the Company in a separate deed drawn up before a Notary (where necessary) and arrange delivery of a notification to that effect to the Ministry of Law and Human Rights of the Republic of Indonesia. | 100% | - | Realised |

| Agenda | AGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
|--|--|---|------------------|--|
| 5 Provision of honorarium, facility, allowance and tantiem for members of Board of Directors and Board of Commissioners. | 1. To authorise the Majority Shareholder of the Company, UOBII, to determine the amount of honorarium, facility, allowance and bonus for financial year 2017 for all members of the Board of Commissioners of the Company considering the recommendation to be provided by Remuneration and Nomination Committee. 2. To authorise the Board of Commissioners of the Company to determine the amount of salary, facility, and allowance, as well as bonus for financial year 2017 for all members of the Board of Directors of the Company considering the recommendation to be provided by Remuneration and Nomination Committee. | 100% | - | Realised |
| 6 Report on the realisation of the use of funds from the issuance of Shelf Registration of Senior Bond I and Subordinated Bond I Bank UOB Indonesia Phase I Year 2016. | Given that the Agenda was a report, there was no resolution on this Agenda. | There was no questioner on the sixth agenda of the meeting. | - | For the sixth agenda, the Company submitted the report on the realisation of the use of funds from the issuance of Shelf Registration of Senior Bond I and Subordinated Bond I Bank UOB Indonesia Phase I Year 2016. |

Good Corporate Governance

General Meeting of Shareholders 2016

Throughout 2016, UOB Indonesia convened 1 (one) AGM.

| Resolution and Realisation of AGM 2016 | | | | |
|---|---|---------------|------------------|-------------|
| Agenda | AGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
| 1. Approval of Company's Annual Report for financial year ended 31 December 2015 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners. | Approved the Company's Annual Report for financial year ended 31 December 2015 including the annual report of the Board of Directors and report on the supervisory duties of the Company's Board of Commissioners, as well as ratified the Company's Financial Statements for financial year ended 31 December 2015 audited by Public Accounting Firm Purwantono, Sungkoro and Surja pursuant to report Number: RPC-244/PSS/2016 dated 28 January 2016 with an Unqualified Opinion, hence granting full release and discharge of liabilities (acquitt 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 financial year of 2015, insofar as the actions are reflected in the Annual Report and Financial Statements for financial year 2015. | 100% | - | Realised |
| 2. Determination of the appropriation of net profits for financial year ended 31 December 2015. | Approved the appropriation of net profits for financial year ended 31 December 2015 in the amount of Rp463,075,478,330.- (four hundred and sixty three billion seventy five million four hundred and seventy eight thousand three hundred and thirty Rupiah) as follows 1. A total of Rp4,630,754,783.- (four billion six hundred thirty million seven hundred fifty-four thousand seven hundred and eighty-three Rupiah) booked as reserves in order to meet the requirements of Article 70 of the Company Law and Article 20 of the Articles of Association of the Company. 2. Booked the entire net profit earned in 2015 after mandatory reserves as Retained Earnings in the amount of Rp458,444,723,547.- (four hundred fifty-eight billion four hundred and forty-four million seven hundred twenty-three thousand five hundred and forty-seven Rupiah). | 100% | - | Realised |
| 3. The appointment of Public Accounting Firm to audit the Financial Statements of the Company for financial year 2016 and granting of authority to the Board of Directors of the Company to determine the audit service fees and other requirements in relation to the appointment. | Authorised the Board of Commissioners of the Company to appoint a Public Accounting Firm registered with the Financial Services Authority (OJK) to audit the Financial Statements of the Company for financial year 2016 in view of the recommendations of the Audit Committee and authorised the Board of Directors of the Company to sign a cooperation agreement and determine the audit service fees and other requirements in relation to the appointment. | 100% | - | Realised |

| Agenda | AGM Resolution | Agreed (in %) | Disagreed (in %) | Realisation |
|--|---|---|------------------|--|
| 4. Determination of the amount of salary and benefits for financial year 2016 for all members of the Board of Commissioners and Board of Directors of the Company. | 1. Approved the action of UOB International Investment Private Limited (UOBII) as majority shareholder based on the authority granted in the AGM held on 28 April 2015 to determine the amount of salaries and benefits for financial year 2015 for all members of the Board of Commissioners of the Company 2. Authorised the majority shareholder of the Company, namely UOBII to determine the amount of salary and benefits for financial year 2016 for all members of the Board of Commissioners of the Company. 3. Authorised the Board of Commissioners of the Company to determine the amount of salary, remuneration and benefits for financial year 2016 for all members of the Board of Directors of the Company | 100% | - | Realised |
| 5. Report on realisation of appropriated proceeds of Bonds I of PT Bank UOB Indonesia Year 2015. | Given that the Agenda was a report, there was no resolution on this Agenda. | There was no questioner on the fifth agenda of the meeting. | - | For the fifth agenda, the Company submitted to AGM the report on realisation of appropriated proceeds of Bonds I of PT Bank UOB Indonesia Year 2015. |

Good Corporate Governance

B. Board Of Commissioners

Duties and Responsibilities of the Board of Commissioners

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

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

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

Generally, the Board of Commissioners assumes the following responsibilities pursuant to the Board of Commissioners’ Work Guidelines and Regulations:

- a. Supervise the implementation of duties, responsibilities and policies conducted by the Board of Directors as well as advising the Board of Directors.
- b. Direct, supervise and evaluate the implementation of the Bank’s strategic policies conducted by the Board of Directors. It is not involved in any decision making on the Bank’s operational activities, unless otherwise required under applicable regulations.
- c. Examine and approve the Bank’s business plan.
- d. Provide directions to the Board of Directors with regard to Corporate Governance and ensure that Corporate Governance has been implemented in all business activities of the Bank at all levels of the organisation.
- e. Provide directions and recommendations for the Bank’s strategic development plan as well as evaluate the implementation of the Bank’s strategic policies.
- f. Ensure that the Board of Directors has followed-up audit findings and recommendations provided by internal auditor and external auditor, and results of supervision by regulators and other authorised institutions.
- g. Analyse and approve the Bank’s risk management framework.
- h. Inform the appropriate regulator no later than 7 (seven) work days following any finding of:
 - violation of any laws in the financial and banking industry and
 - Situation or presumed situation which may jeopardise the business continuity of the Bank.

- i. The Board of Commissioners must establish at least:
 - an Audit Committee
 - a Risk Monitoring Committee
 - a Remuneration and Nomination Committee
- j. Convene Meetings of the Board of Commissioners on a regular basis, at least once in 2 (two) months, at which all members of the Board of Commissioners must be physically present at least 2 (two) times a year.
- k. Convene Joint Meetings with the Board of Directors at least once in 4 (four) months.

Execution of Duties and Responsibilities of the Board of Commissioners

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

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

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

Throughout 2017, in order to implement the supervision function, Board of Commissioners have provided recommendations to Board of Directors, such as:

- a. Related Bank’s Business Plan;
 - Approved the revised 2017 – 2019 Business Plan and 2018 – 2020 Bank’s Business Plan
 - Approved Supervisory Report of Bank Business Plan for 2nd Half of 2016 and 1st Half of 2017
- b. Based on recommendation from Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee;
 - Approved the Work Guidelines And Regulations of Risk Monitoring Committee
 - Approved the Work Guidelines And Regulations of Audit Committee
 - Approved the Work Guidelines And Regulations of Remuneration and Nomination Committee
 - Approved the recommendation of New Member of Remuneration and Nomination
 - Approved the extension of the term of office a Senior Executive Officer
 - Approved the appointmet of Internal Audit Head to join the Bank in January 2018

- Accepted the recommendation of Remuneration and Nomination Committee’s candidacy of Candidate Independent Commissioner
- Approved the Risk Management Director as the Chairman of Credit Policy Committee
- Approved the appointment of EY Indonesia as the Public Accountant Firm and Mr Danil Setiadi Handaja as Public Accountant, to perform audit services for the financial year 2017
- Noted the recommendation on the nomination of Board of Commissioners’ members for the term of 2017 – 2019 and Board of Directors’ members for the term of 2017 – 2021 to be proposed at the Annual General Meeting of Shareholders which will be held at the latest in June 2018.
- Approved the Remuneration and Nomination Committee recommendation on the remuneration for members of Board of Directors and total remuneration framework for Senior Executive Officers
- c. Risk Management Framework and Policies, Risk Appetite Statement:
 - Approved the General Credit Policy versi 6.0.
 - Approved the Consumer Credit Policy versi 6.0

- Approved the Risk Management Policy Update
- Approved the Risk Management Policy Structure
- Approved the Operational Risk Management Framework
- Approved the Risk Management Policy Update
- Approved the Risk Appetite Framework version 2.0
- Approved the Technology Risk Management Framework Version 6.0.
- d. Annual Report
 - Approved the Annual Report of the Bank including ratifying the Financial Statements of the Bank, Report from Board of Directors, and Oversight Report of the Board of Commissioners for the financial year ended 31 December 2016.
- e. Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders
 - Approved the schedule and agenda of the Annual General Meeting of Shareholders dated 26 April 2017 and Extraordinary General Meeting of Shareholders dated 7 February 2017.
- f. Miscellaneous:
 - Approved the Recovery Plan proposed in the report on 2016 BCM Attestation
 - Agreed to participate in Tax Amnesty Program.

Composition, Criteria and Independence of the Board of Commissioners

Following are members of the Board of Commissioners of UOB Indonesia as of 31 December 2017:

| Name | Position | Effective Date | | Re-Appointment | Expiry of Tenure |
|-----------------------|-------------------------------|--------------------|-----------------|----------------|------------------|
| | | Regulator Approval | GMS | | |
| Wee Cho Yaw | President Commissioner | 26 December 2005 | 14 October 2005 | 26 April 2017 | 2019 |
| Wee Ee Cheong | Deputy President Commissioner | 31 August 2007 | 22 June 2007 | 26 April 2017 | 2019 |
| Lee Chin Yong Francis | Commissioner | 19 December 2005 | 14 October 2005 | 26 April 2017 | 2019 |
| Rusdy Daryono | Independent Commissioner | 12 June 2006 | 22 May 2006 | 26 April 2017 | 2019 |
| Wayan Alit Antara | Independent Commissioner | 8 January 2009 | 20 June 2008 | 26 April 2017 | 2019 |
| Aswin Wirjadi | Independent Commissioner | 29 June 2009 | 12 June 2009 | 26 April 2017 | 2019 |

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

Independence of the Board of Commissioners

Article 2 paragraph (18) of the Work Guidelines and Regulations of the Bank’s Board of Commissioners states that “a majority of members of the Board of Commissioners are prohibited

from having up to second-degree family relationship with fellow members of the Board of Commissioners and/or members of the Board of Directors”. All members of the Board of Commissioners do not have up to second-degree family relationship with fellow members of the Board of Commissioners and/or members of the Board of Directors except for Wee Cho Yaw, the President Commissioner, and Wee Ee Cheong, the Deputy President Commissioner.

None of the Independent Commissioners of the Bank has financial, management, shareholding, and/or up to second-

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degree family relationship with fellow members of the Board of Commissioners, members of the Board of Directors and/ or majority shareholders that may affect his ability to act independently.

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

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

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

Fit and Proper Test Information Disclosure

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

Frequency of the Board of Commissioners Meetings

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

- a. Meetings are held at least once in 2 (two) months or when deemed necessary by a member of the Board of Commissioners or upon written request from the Board of Directors or upon the request of 1 (one) or more shareholders holding 1/10 (one tenth) of the total number of shares issued by the Company with valid voting rights.
- b. Board of Commissioners Meetings may be held via teleconference, even so, meetings are to be physically attended by all the members of Board of Commissioners at least 2 (two) times in a year.

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

During 2017, the Board of Commissioners convened a meeting once every 2 (two) months, during which the Board of Commissioners sought explanation from the Directors regarding their duties and responsibilities in the previous 2 (two) months, as well as discussed the Bank’s performance in general.

During 2017, the Board of Commissioners held 6 (six) Board of Commissioners meetings and 4 (four) Joint Meetings with Board of Directors. Of the 6 (six) Board of Commissioners meetings, 2 (two) were physically attended by all member of Board of Commissioners and the remaining 4 (four) were conducted via teleconference.

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

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

The following is the recapitulation of Commissioners’ attendance at meetings held in 2017:

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

The table below sets out the attendance at Board of Commissioners Joint Meetings with Board of Directors in 2017:

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

Performance Appraisals for the Commissioners

UOB Indonesia has a policy regarding Guidelines on Commissioners’ Evaluation and Directors’ Performance Appraisals effective from February 2017 which provides technical guidance to Commissioners in conducting appraisals and standardises the performance criteria to be applied. The policy governs the following:

Performance Evaluation

Each member of the Board of Commissioners will conduct a self-assessment of his performance 1 (one) time a year.

Performance Criteria

Members of the Board of Commissioners are appraised based on the following:

- 1. Independence of the Commissioner
- 2. Fit and proper criteria which comprise honesty, integrity, reputation, competency and financial soundness and
- 3. Performance of the Commissioner.

Evaluation Result

Result of self-assessment is reported to the Remuneration and Nomination Committee.

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

The following are the recommendation of the Board of Commissioners on matters relating to the provision of funds and the authority of the expenditure of goods and services

- a. Approved the Proposal to build MRT link tunnel to connect to UOB Thamrin Nine Office
- b. Approved the Renewal Microsoft License Enterprise Agreement for 3 (three) years from 2017 until 2019
- c. Approved yearly payment related to Renewal Microsoft License Enterprise
- d. Approved the enhancement of current standardized systems
- e. Approved the selling of 3 property assets.
- f. Approved the Renewal of IBM Software License
- g. Approved the budget for office relocation from Harmoni Building to UOB Plaza and the rental expense budget
- h. Approved the Proposal for Sale of NPL.

C. Board of Director

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

Duties and Responsibilities of the Board of Directors

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

- a. Manage the Bank pursuant to his authority and responsibilities as stated in the Articles of Association and prevailing laws and regulations
- b. Take full responsibility of the Bank's management
- c. Representing the Bank legally and directly inside and outside the Court on all matters and in any event, binding the Bank with other parties and other parties with the Bank, and carrying out all good actions concerning stewardship and ownership, but with restrictions as regulated in Bank's Articles of Association
- d. The President Director and Deputy President Director are justified and authorised to act for and on behalf of the Board of Directors and UOB Indonesia
- e. In the event that the President Director and Deputy President Director are unavailable due to any cause whatsoever, for which third-party evidence is not required, then 2 (two) members of the Board of Directors are justified and authorised to act for and on behalf of the Board of Directors and UOB Indonesia

- f. Implement business strategies recommended by the Board of Commissioners
- g. Perform internal monitoring in an effective and efficient manner
- h. Establish the following work functions:
 - Internal Audit Function
 - Risk Management Function and Risk Management Committee and
 - Compliance Function
- i. Follow up audit findings and recommendations from the Internal Auditor and External Auditor, and results of assessments by Bank Indonesia and/or other authorities/regulators as well as other authorised institutions
- j. Implement principles of Good Corporate Governance in every business activity of the Bank at all levels of organisation
- k. Provide complete, accurate, relevant and timely data and information to the Board of Commissioners
- l. Monitor and manage risk encountered by the Bank
- m. Maintain a favorable work condition so as to improve productivity and professionalism
- n. Manage and develop employees and maintain organisational sustainability
- o. Disclose strategic employment policies of the Bank to employees. The disclosure must be done through appropriate means which are known to or which are easily accessible to employees and
- p. Report the implementation of his duties to shareholders in the General Meeting of Shareholders.

Furthermore, in carrying out his duties and responsibilities, each member of the Board of Directors shall refer to the distribution of work, responsibility and authority which is based on the Board of Directors Decision No.17/SKDIR/0025 on the Duties and Authorities of members of the Board of Directors, with the following details:

President Director

- Justified and authorised to act on behalf of the Board of Directors and to represent UOB Indonesia
- Coordinate UOB Indonesia's management
- Determine UOB Indonesia'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 but not limited to direct oversight of Channels, Finance and Corporate Services, Compliance, Risk Management, Technology and Operations, Human Resources, Middle Market Credit, Corporate Credit, Retail Credit, Legal, Internal Audit, Fraud Management, Strategic Communications & Customer Advocacy, CEO Office and Digital Bank, as well as indirect oversight of Business Function Units of the Bank through Deputy President Director – Business.

Deputy President Director of Business

- In the event that the President Director is unavailable due to any reason whatsoever, the Deputy President Director shall act on behalf of the Board of Directors and represent UOB Indonesia
- Assists the President Director in directing UOB Indonesia's policies and strategies, in accordance with the scope of coordinated area
- Provides direction and guidance for UOB Indonesia's business development
- The scope of responsibility includes but not limited to oversight of the business units such as Corporate Banking, Commercial Banking, Business Banking, Personal Financial Services, Global Markets, Transaction Banking, Financial Institution, Wholesale Portfolio Management, Wholesale Business Finance, Client Fulfillment & Services, Portfolio & Regulatory Management, Demand Management and Retail Business Finance.

Finance & Corporate Services Director

- Responsible for financial report of UOB Indonesia as well as formulate the Bank's financial management strategy to support Bank's performance
- Ensure the integrity of financial data and provide financial report analysis on the performance of the Bank to support the decision taken by the management of UOB Indonesia
- Develop financial system and procedure as well as lead, direct and monitor the implementation on corporate actions conducted by UOB Indonesia and
- The scope of responsibility includes but not limited to supervision of Finance, Central Treasury Unit, Corporate Services, and Corporate Real Estate Services and Economic Research.

Channels Director

- Responsible for formulating and implementing Channels strategy, including to formulate the overall Branch network development strategy and plan the overall development of Branch network, including location and human resource planning
- Responsible for improving efficiency and effectiveness as well as conducting risk and procedures management in Branches in order to ensure the target achievement of Branch Offices
- Responsible for the quality of services to customers in Branches and coordinating with business segments to align business interests with Branch services and operations
- To develop a profitability model of Branch network and manage business strategy for electronic banking including internet banking, mobile banking and self-service banking (ATM)
- Responsible for the achievements of Branch sales, referral, cross sales and monitor Branch performance in achieving

the targets of sales and services delivered by Branch Offices and

- The scope of responsibility includes but not limited to oversight of Regional Channels, Customer Experience & People Development, Network Planning & Control, Branch Operation Control & Development, Digital Engagement, Business Performance Monitoring.

Risk Management Director

- Formulate the overall risk management strategy of UOB Indonesia
- Develop risk management system, rules and procedures covering Operational Risk, Credit Risk and Market Risk
- Ensure the mechanism, identification, and mitigation of risk have provided and implemented according to the prevailing laws and regulations
- Coordinate with related function to increase risk awareness of UOB Indonesia
- Provide recommendation in relation to risk management
- Ensure the management and development of human resources
- Responsible for managing the portfolio of bad loans for the wholesale segment and ensuring recovery and assurance management strategies
- Scope of responsibility includes but not limited to oversight of Operational and Enterprise Risk Management, Credit Risk Management, Market & Balance Sheet Risk Management, and Special Asset Management.

Compliance Director

- Formulates strategies in order to build a culture of compliance in UOB Indonesia
- Proposes compliance policies or principles for approval by the Board of Directors
- Implements compliance system and procedures to be used to prepare internal provisions and guidelines of the Bank
- Ensures that all policies, guidelines, systems, and procedures as well as business activities conducted by the Bank comply with the requirements of regulators and applicable provisions of laws and regulations
- Perform oversight over the implementation of Anti-Money Laundering and Combating the Financing of Terrorism
- Minimize UOB Indonesia's compliance risk and provide recommendations on compliance-related issues
- Perform preventive measures so that the policies and/or decisions taken by the Board of Directors of the Bank do not violate the provisions of regulator as well as other prevailing regulations.

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Composition, Criteria and Independence of the Board of Directors

Members of the Board of Directors of UOB Indonesia as of 31 December 2017 are:

| Name | Position | Effective Date | | Re-Appointment | Expiry of Tenure |
|-------------------|---------------------------|--------------------|------------------|----------------|------------------|
| | | Regulator Approval | GMS | | |
| Lam Sai Yoke | President Director | 2 May 2016 | 2 November 2015 | 26 April 2017 | 2021 |
| Iwan Satawidinata | Deputy President Director | 10 June 2010 | 15 April 2010 | 26 April 2017 | 2021 |
| Muljono Tjandra | Director | 12 May 2015 | 28 April 2015 | 26 April 2017 | 2021 |
| Pardi Kendy | Director | 21 March 2016 | 2 November 2015 | 26 April 2017 | 2021 |
| Soehadie Tansol | Compliance Director | 31 December 2002 | 25 November 2002 | 26 April 2017 | 2021 |
| Henky Sulistyo | Director | 18 April 2017 | 7 February 2017 | 26 April 2017 | 2021 |

On February 7, 2017, UOB Indonesia held Extraordinary General Meeting of Shareholders (EGM) which the only meeting agenda is Change in the Composition of the Board of Directors of the Company. The EGM by way of deliberation to reach a consensus accepted the resignation of Tan Chin Poh as Deputy President Director of the Company and approved the appointment of Henky Sulistyo as Director of the Company.

On 26 April 2017, UOB Indonesia held Annual General Meeting of Shareholders (AGM) which one of the meeting agendas is Change in members of the Board of Commissioners and Board of Directors of the Company. The AGM by way of deliberation to reach a consensus approved the re-appointment of members of the Board of Commissioners and Board of Directors.

Upon the result of the Annual General Meeting of Shareholders held on 26 April 2017, following is the current composition of Bank’s Board of Directors:

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

Term of office for Bank’s Board of Directors as abovementioned is up to the closing of the Annual General Meeting of Shareholders of the Company to be held in 2021

Independence of the Board of Directors

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

Fit and Proper Test Information Disclosure

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

Frequency of Board of Directors Meetings

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

- a. Meetings are to be held at least once a month, and when deemed necessary by one of the members of the Board of Directors, or upon written request from one or more members of the Board of Commissioners, or upon written request from one or more of the shareholders representing 1/10 (one tenth) of the total shares allocated by the Company with valid voting rights.
- b. The Board of Directors holds a joint meeting with the Board of Commissioners on a periodic basis at least once in 4 (four) months.
- c. The Board of Directors schedules the meeting of the subsequent year prior to the conclusion of a financial year.
- d. The Board of Directors’ meeting is valid and authorised to make binding decisions if more than ½ (half) of the total number of members of the Board of Directors are present at the meeting.
- e. The decisions at the Board of Directors’ meetings should be based on deliberation to reach consensus. If a decision could not be reached through deliberation, the decision will

- be made through voting based on supporting votes of more than ½ (half) of the total valid votes of members of the Board of Directors present at the meeting.
- f. In the event of equality of votes, the Chairman of the Board of Directors meeting has the deciding vote.
- g. The results of the Board of Directors meeting are recorded in minutes of meeting and properly documented.

During 2017, Board of Directors held 16 (sixteen) meetings, of which 12 (twelve) were Board of Directors meetings and 4 (four) were Joint Meetings with Board of Commissioners.

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

Based on the above, the Bank has met the prevailing regulations related to Board of Directors meetings.

The following is the attendance of Board of Directors at meetings held in 2017:

| Name | Position | Number of Meetings | Frequency of Attendance | Percentage |
|-------------------|---------------------------|--------------------|-------------------------|------------|
| Lam Sai Yoke | President Director | 12 | 12 | 100% |
| Iwan Satawidinata | Deputy President Director | 12 | 11 | 92% |
| Muljono Tjandra | Director | 12 | 11 | 92% |
| Pardi Kendy | Director | 12 | 11 | 92% |
| Henky Sulistyo*) | Director | 12 | 8 | 67% |
| Soehadie Tansol | Compliance Director | 12 | 12 | 100% |

*) Henky Sulistyo’s appointment as Director became effective upon receiving regulatory approval on 18 April 2017

The table below sets out Directors’ attendance at Joint Meetings with Board of Commissioners in 2017:

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

*) Henky Sulistyo’s appointment as Director became effective upon receiving regulatory approval on 18 April 2017

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Performance Appraisal for the Directors

UOB Indonesia has a policy regarding Guidelines on Commissioners’ Evaluation and Directors’ Performance Appraisals effective from February 2017 which provides technical guidance to the members of Board of Directors in conducting the evaluation and standardises the performance criteria to be applied. The policy governs the following:

Performance Appraisal

Each member of the Board of Directors will conduct a self-assessment of his performance 1 (one) time a year.

Performance Criteria

Members of the Board of Directors are assessed based on the following:

Members of the Board of Commissioners are assessed based on the following:

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

Appraisal Result

Result of self-assessment will be submitted to the Supervisor which will report to the Board of Commissioners with recommendation from the Remuneration and Nomination Committee. Thereafter, the final result of the appraisal will be delivered to each Director

Workshop/Training/Seminar Attended by the Board of Directors

| Name | Workshop/Training/Seminar | Venue |
|-------------------|--|--|
| Lam Sai Yoke | The CEO & Executive Breakthrough Program | Egon Zehnder & Mobius Executive Leadership |
| Iwan Satawidinata | High Performance Leadership | IMD |
| Muljono Tjandra | APEX Capabilities Workshop | UOB Singapore |
| | Employee Value Proposition Kick Off Workshop | Employee Value Proposition Kick Off Workshop |
| | Branded Service Culture for Senior Leaders Batch 2 | Branded Service Culture for Senior Leaders Batch 2 |
| | UOB Budget Workshop Sustainable Growth Plan (Alignment Program (Rembug & Nyekrup) | UOB Indonesia |
| | Group CFO Offsite Meeting | UOB Singapore |
| | IFRS 9 Update | PwC & KPMG |
| Pardi Kendy | Retail Banking Forum | EY Indonesia |
| | Asean Bankers Association Workshop: Blockchain by The Association of Banks in Singapore – COFIT Chairman | PERBANAS |
| Henky Sulistyo | ASEAN Global Leadership Programme 2017 | SRW & Co - University of Cambridge |
| | Benchmarking | UOB Malaysia |
| | APEX Capabilities Workshop | UOB Singapore |
| | Group Risk Management Offsite Meeting | UOB Singapore |
| | Employee Value Proposition Kick Off Workshop | UOB Indonesia |
| | 12th Edition of The Global Risks Report Forum | Marsh & McLennan |
| | Branded Service Culture for Senior Leaders Batch 2 | UOB Indonesia |
| | UOB Budget Workshop Sustainable Growth Plan (Alignment Program (Rembug & Nyekrup) | UOB Indonesia |
| | Indonesian Risk Management Outlook 2018 " Through Great Challenge" & Refreshment Risk Management Certification | Indonesian Banking Development Institution (LPPI) |

| Name | Workshop/Training/Seminar | Venue |
|-----------------|--|--|
| Soehadie Tansol | Indonesian Banking Expo Seminar | PERBANAS |
| | Socialization of POJK “Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in Financial Services Sector” | Financial Services Authority |
| | Socialization of gratification control | Corruption Eradication Commission (KPK). |
| | Internalization of the National Risk Assessment (NRA) of TPPU/TPPT in the Strengthening of the Application of Risk-based PPU APT Program in Financial Services Sector | Financial Services Authority. |
| | International “Central Bank’s Role in the Macprudential Policy” Seminar | Bank of Indonesia |
| | Socialization of the Principal of Bank Indonesia regulation related to Integrated Licensing Service related to Operational Relationship of commercial bank with Bank Indonesia | Bank of Indonesia |
| | Launching of National Payment Gateway | Bank of Indonesia |

II. Completeness and Implementations of Committees' Duties

A. Board of Commissioners Committees

1. Remuneration And Nomination Committee

Based on Board of Directors’ Decision No. 17/SKDIR/0032 dated 2 August 2017 on the Appointment of Members of the Remuneration and Nomination Commiittee, following is the composition of the Remuneration and Nomination Committee:

| Remuneration and Nomination Committee Members as of 31 December 2017: | |
|---|---|
| Rusdy Daryono | Chairman (Independent Commissioner) |
| Lee Chin Yong Francis | Member (Commissioner) |
| Herman Cahyadi | Member (Executive Officer responsible for Human Resource) |

Profile of Remuneration and Nomination Committee members can be found under Profile section on page 356 of this Annual Report

Duties and Responsibilities

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

- a. On Remuneration Policy:
 - Perform evaluation of remuneration policy by taking into consideration on performance, risk, peer group, target, and Bank’s long-term strategy, fulfillment of general reserve as stipulated in the regulations and Bank’s potential income in the future and
 - Provide evaluation and recommendations to the Board of Commissioners concerning
 - i. Remuneration policy for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders

- ii. Remuneration policy for Senior Executive Officers, Executive Officers and employees as a whole to be submitted to the Board of Directors
- iii. Remuneration structure for members of the Board of Commissioners, the Board of Directors and Senior Executive Officer
- iv. Amount of remuneration for members of the Board of Commissioners and the Board of Directors
- v. Assisting the Board of Commissioners in conducting performance appraisal in accordance with remuneration received by each member of the Board of Directors and the Board of Commissioners.
- Provide evaluation and recommendation to Board of Directors concerning the amount of remuneration for members of the Senior Executive.

- Ensuring that remuneration policy is in accordance with applicable regulations.

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- b. On Nomination Policy
- Formulate and provide recommendation on the system and procedure for selection and/or replacement of:
 - Board of Commissioners and Directors to the Board of Commissioners for submission to the GMS
 - Senior Executive Officer to be submitted to Board of Commissioners.
 - Analyse and provide recommendation to the Board of Commissioners concerning candidate of the Board of Commissioners and/or the Board of Directors to be submitted to the General Meeting of Shareholders.
 - Committee member who has a conflict of interests with the recommendation shall disclose the condition in the recommended proposal.
 - Provide recommendation on the appointment of Senior Executive Officers including the extension of term of service of the Senior Executive Officers which exceeding their normal pension age limit to the Board of Commissioners.
 - Recommend Independent Parties to be appointed members of the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee to the Board of Commissioners.
 - Provide recommendation to the Board of Commissioners on:
 - Composition of positions of members of the Board of Directors and/or the Board of Commissioners.
 - Policies and criteria required in the Nomination process of members of the Board of Directors, the Board of Commissioners and Senior Executive Officers
 - Performance policy and evaluation for members of the Board of Directors, members of the Board of Commissioners and/or Senior Executive Officers.
 - Assist the Board of Commissioners in appraising the performance of members of the Board of Directors, members of the Board of Commissioners based on the benchmark determined as evaluation material.
 - Provide recommendation to the Board of Commissioners on personal development programs for members of the Board of Directors and/or members of the Board of Commissioners.

Term of Office

The term of office of Remuneration and Nomination Committee

members is 2 (two) years and will expire on 2019. Remuneration and Nomination Committee members whose term of office has expired may be re-appointed.

Independence of Remuneration and Nomination Committee Members

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

Frequency of Meetings

Remuneration and Nomination Committee meetings are held on a periodical basis at least 1 (one) time in 4 (four) months. During 2017, the Remuneration and Nomination Committee held 6 (six) meetings, including via teleconference, and were attended by more than 51 per cent of the members including one Independent Commissioners and executive officer overseeing Human Resources.

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

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

Realisation of Work Programme

The Work Program of the Remuneration and Nomination Committee

and its realisation in 2017 included but was not limited to:

| No | Work Programme | Realisation |
|----|--|---|
| 1 | Provide recommendation to the Board of Commissioners on performance policy and evaluation for members of the Board of Directors and members of the Board of Commissioners. | Remuneration and Nomination Committee has recommended a proposal of Commissioners' Evaluation and Directors' Performance Management to Board of Commissioners on 20 January 2017. |
| 2 | Provide recommendation on the Independent Party appointed to be members of the Audit Committee, Risk Monitoring Committee and Integrated Governance Committee to the Board of Commissioners. | Remuneration and Nomination Committee has recommended candidacy of the new member of Remuneration and Nomination Committee on the Remuneration and Nomination Committee's meeting dated 20 January 2017 and 21 June 2017. |
| 3 | Assist the Board of Commissioners in appraising the performance of members of the Board of Directors, members of the Board of Commissioners based on the benchmark determined as evaluation material. | Remuneration and Nomination Committee has recommended Board of Commissioners and Board of Directors Performance Evaluation on the meeting dated 21 March 2017. |
| 4 | Provide evaluation and recommendations to the Board of Commissioners regarding the Remuneration structure for members of the Board of Commissioners, the Board of Directors and Senior Executive Officer and also the amount of remuneration for members of the Board of Commissioners and the Board of Directors. | Remuneration and Nomination Committee has provided recommendation regarding amount of remuneration for members of the Board of Commissioners and the Board of Directors as well as the remuneration structure for members of Senior Executive Officers on the meeting dated 21 March 2017. |
| 5 | Formulate and provide recommendation on the system and procedure of selection and/or succession of Board of Commissioners and the Board of Directors to the Board of Commissioners to be submitted to General Meeting of Shareholders | Remuneration and Nomination Committee has provided recommendation on the reappointment of Board of Commissioners and Board of Directors to Board of Commissioners to be conveyed in Annual General Meeting of Shareholders. |
| 6 | Provide recommendation on the appointment of Senior Executive Officers including the extension of term of service of the Senior Executive Officers which exceeding the normal pension age limit to the Board of Commissioners. | Meeting was held on 17 May 2017 to discuss and provide recommendation on the extension of term of service of the member of Senior Executive Officer. |
| 7 | Evaluate and provide input to current policies and update on matters related to Human Resources, not just limited to Board of Commissioners, Board of Directors but for all employees. | Remuneration and Nomination Committee has convened meeting to discuss regarding Human Resource on the meeting dated 21 June 2017 and to provide recommendation on RNC Work Plan 2018 for BOC Approval and also renewal of RNC Work Guidelines and Regulations for BOC Approval on the meeting dated 21 November 2017. |
| 8 | Analyse and provide recommendation of qualified candidate members of the Board of Commissioners and/or Directors to the Board of Commissioners to be submitted to General Meeting of Shareholders. | Remuneration and Nomination Committee has conveyed meeting on 26 September 2017 to discuss regarding succession plan for Independent Commissioner for Board of Commissioner's approval. |

Good Corporate Governance

2. Audit Committee

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

| Audit Committee Members as of 31 December 2017: | |
|---|-------------------------------------|
| Wayan Alit Antara | Chairman (Independent Commissioner) |
| Winny Widya | Member (Independent Party) |
| Thomas Abdon | Member (Independent Party) |

Profile of Audit Committee members can be found under Profile section on page 357 of this Annual Report

Double Position

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

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

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

Duties and Responsibilities

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

- a. Reviewing the financial information to be issued by the Bank to the public and/or other authorities, financial statements, projections and other reports pertaining to the Bank’s financial information.
- b. Analysing the Bank’s level of compliance towards laws and regulations pertaining to the Bank’s activities.
- c. Providing an independent opinion in the event of disagreement between the management and the Public Accountant for services rendered.
- d. Perform evaluation on the last year audit services provided by the prior Public Accountant (“AP”) and/or Public Accounting Firm (“KAP”), by assessing :
 - i. Conformity of audit services conducted by AP and KAP with the prevailing regulations
 - ii. adequacy of fieldwork time
 - iii. assessment on the adequacy of audit scope and the adequacy of the sampling testing and
 - iv. recommendation for improvement provided by AP and/ or KAP
- e. Providing recommendation to the BOC pertaining to the appointment of AP and KAP with consideration as follow:
 - i. independence of KAP, AP and persons in KAP
 - ii. audit scope
 - iii. audit fee

- iv. the expertise and experience of AP, KAP and Audit Team
- v. audit methodologies, techniques, and facilities used by KAP
- vi. fresh eye perspective benefit to be obtained through the change of AP, KAP and audit team
- vii. potential of risk from the use of the same KAP for consecutive period and/or
- viii. the results of evaluation on the last year audit services provided by the prior AP and KAP, if any
- f. Monitoring, analysing and evaluating audit planning and implementation as well as monitoring follow-up actions to the internal audit results in order to assess the adequacy of internal control, including the adequacy of financial reporting process.
- g. The Committee shall at least monitor and evaluate:
 - i. The implementation of tasks of the Internal Audit
 - ii. Consistency between audit implementation by the Public Accounting Firm and the prevailing auditing standards
 - iii. Consistency between the financial reports and the prevailing accounting standards and
 - iv. Implementation of follow-up actions by the BOD on findings made by the Internal Audit Work Unit, Public Accountant, and the results of supervision by Bank Indonesia and/or the Financial Services Authority, in order to provide recommendations to the BOC.
- h. Recommending any appointment, resignation or dismissal of the Internal Audit Head and to provide inputs on the annual assessment of his/her performance and remuneration.
- i. Preparing the Annual Work Program and reviewing the Committee’s Scope of Functions and its own effectiveness as well as recommending any necessary change to the BOC.
- j. Analysing complaints received by the Audit Committee about the Bank’s accounting and financial reporting processes, as well as ensuring the follow-up to such complaints.
- k. Analysing and providing recommendations to the Board of Commissioners concerning the existence of potential conflicts of interest of the Bank.
- l. Maintaining strict confidentiality of documents, data and information of the Bank.

Term of Office

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

The term of office of Audit Committee members is 2 (two) years. Audit Committee members whose term of office has expired may be re-appointed. Independent Commissioners serving as Audit Committee members may only be reappointed into the Audit Committee for 1 (one) other term of office of the Audit Committee.

Independence of Audit Committee Members

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

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

Realisation of Work Programme

Audit Committee’s work programme and realisations in fiscal year 2017 included but were not limited to:

| No | Work Programme | Realisation |
|----|---|--|
| 1 | Monitoring and evaluation on planning and implementation of audits as well as monitoring on the follow-ups to audit findings in order to assess the adequacy of internal control. | There were 5 (five) meetings with Internal Audit as invitee throughout 2017. |
| 2 | Evaluation on the implementation of the duties of Internal Audit. | The meeting was attended by Internal Audit as invitee to discuss: <ul style="list-style-type: none">• The results of case investigations carried out by Internal Audit. |
| 3. | Evaluation on 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 on the implementation of audit plan by external auditor. | The meeting was held to discuss interim audit progress by External Auditor with the Finance Division and External Auditor of the Bank as invitees. |

Good Corporate Governance

| No | Work Programme | Realisation |
|-----|---|--|
| 5. | Evaluation on follow-up by the Board of Directors to findings of Internal Audit, external auditor and supervision result of the Financial Services Authority (OJK). | The meeting was held with Compliance Division as invitee to discuss report on the implementation of Bank's Compliance Function to Board of Directors for further response and action and to evaluate the implementation of the follow-up taken by Management on the results of supervision by Bank Indonesia and/or the Financial Services Authority as a recommendation to the Board of Commissioners. In this case, the discussion was about the Implementation Report of Bank Compliance Function Semester II-2016 and Semester I-2017. |
| 6. | Analysing the Bank's level of compliance towards laws and regulations pertaining to the Bank's activities. | The meeting was held with Internal Audit Division as invitee to discuss revisions to the Internal Audit Charter and also revisions to the Audit Committee Charter. |
| 7. | Recommendation on the appointment of Public Accountant and Public Accounting Firm pursuant to prevailing provisions. | The meeting was held with the Finance Division as invitee to discuss the recommendation on the appointment of Public Accounting Firm to perform audit for financial year ending 2017 by taking into consideration: <ul style="list-style-type: none">• Independency of Public Accounting Firm in performing audit• Scope of work and• Audit fee proposed by the Public Accounting Firm. |
| 8. | Evaluation on audit implementation conducted by Public Accounting Firm in accordance with prevailing audit standards. | The meeting was held to discuss interim audit and general audit progress with the Finance Division and External Auditor as invitees. |
| 9. | Providing an independent opinion in the event of disagreement between the management and the Public Accountant for services rendered. | The meeting was held with Finance and External Auditor to discuss regarding additional service from external auditor. |
| 10. | Recommending any appointment, resignation or dismissal of the Head of Internal Audit and to provide inputs on the annual assessment of his/her performance and remuneration | The meeting was held on 11 September 2017 to discuss the resignation of Internal Audit Head and to recommend the candidacy of the new Internal Audit Head . |
| 11. | Preparing the Annual Work Program and reviewing the Committee's Scope of Functions and its own effectiveness as well as recommending any necessary change to the BOC. | The meeting was held to prepare the Annual Work Programme and to conduct annual review toward the Committee's Scope of Functions and its own effectiveness as well as recommending any necessary change to the BOC. |

3. Risk Monitoring Committee

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

| Risk Monitoring Committee Members as of 31 December 2017: | |
|---|-------------------------------------|
| Aswin Wirjadi | Chairman (Independent Commissioner) |
| Hendry Patria Rosa | Member (Independent Party) |
| Thomas Abdon | Member (Independent Party) |

Profile of Risk Monitoring Committee members can be found under Profile section on page 358 of this Annual Report

Duties and Responsibilities

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

- a. Performing evaluation on the compatibility between risk management policy and the implementation of risk management policies
- b. Performing monitoring and evaluation on the implementation of duties of the Risk Management Committee and
- c. Performing monitoring and evaluation on the implementation of duties of the Risk Management Function Unit.

Term of Office

The term of office of Risk Monitoring Committee members is 2 (two) years. Risk Monitoring Committee members whose term of office has expired may be reappointed.

All members of the Risk Monitoring Committee have high integrity and good moral character, in keeping with the

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

Frequency of Meetings

The meetings of the Risk Monitoring Committee were held based on the needs of the Bank and were attended by members of the Committee and Risk Management Work Unit as invitees (if necessary). During 2017, 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.

Realisation of Work Programme

The Work Programme of the Risk Monitoring Committee and its realisation in 2017 included but was not limited to:

| No | Work Programme | Realisation |
|----|--|---|
| 1. | Performing evaluation on the compatibility between risk management policy and the implementation of risk management policies | Meeting was convened to discuss the Bank's risk profile for the period of 4th quarter of 2016, and first, second, and third quarter of 2017. |
| 2. | Monitoring and evaluating the implementation of duties and responsibilities of the Risk Management Committee and Risk Management work unit | Meeting was held to discuss the implementation of duties of Risk Management Working Unit. In addition, the Chairman of Risk Monitoring Committee has attended Risk Management Committee's meeting to provide input regarding the implementation of risk management in the Bank. |

Good Corporate Governance

Performance Appraisal for Committees under the Board of Commissioners

Throughout 2017, Board of Commissioners’ Committees have implemented their respective duties and responsibilities in accordance with their respective Work Guidelines and Regulations. Board of Commissioners’ Committees have effectively contributed by evaluating and providing constructive recommendations on the implementation of various internal policies and initiatives of the Bank. The realisation of Board of Commissioners’ Comittees work program during 2017 can be found in the table of work program and realisation on respective Board of Commissioners’ Committees.

B. Board of Directors Committee

1. Executive Committee (EXCO)

Pursuant to Board of Directors’ Decision No. 17/SKDIR/0061 dated 27 November 2017 regarding Executive Committee (EXCO), the composition as well as the duties and responsibilities of the EXCO are as follows:

- a. Strategic Policies
 - i. Submitting proposals and recommendations to the Board of Commissioners regarding medium- and long-term objectives, strategic directions, goals and priorities of the Bank
 - ii. Formulating and reviewing policy matters, with a view towards the overall planning and development of strategies to achieve medium- and long-term objectives of the Bank.
- b. Expense for Properties Purchase/Other Capital Expense
 - Analyzing and deciding or approving proposals or requests concerning:
 - i. Purchase or sale of the Bank’s Fixed Assets.

- ii. Purchase or sale of the Bank’s inventory, including computer hardware and software.
- iii. Procurement of other goods and services conforming to applicable regulations.
EXCO approval is provided according to the applicable authority limits.
- c. Treasury & Investment Activities
 - Determining relevant policies and guidelines for all dealers, officers and relevant committees involved in the Treasury & Investment activities of the Bank.
- d. Credit Decision
 - To provide credit decision in accordance with its discretionary limit that includes on all types of exposures, direct and/or contingent, such as exposures to counterparties and customers arising from lending/financing, underwriting/syndication, securities (loan replacement), derivative instruments, settlement risks, interbank limit, End Financing (EF) mortgages limit and other product program.
- e. Others
 - i. Deciding on urgent and important business of a confidential nature or requiring immediate and/or prudent decision, but this delegation to the EXCO requires the attention and decision of the Board of Directors.
 - ii. Deciding on business matters which are of unusual or extraordinary nature or which have strategic or significant impact (financial or otherwise) on the Bank.
 - iii. Performing such other functions as may be delegated to it from time to time by the Board of Directors.

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

Frequency of Meetings

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

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

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

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

Realisation of Work Programme

The Work Program of EXCO and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|--|---|
| 1 | Formulating and reviewing the issue on policies by taking into consideration all planning and implementation of strategy to achieve the Bank’s medium and long term goals. | EXCO members have reviewed the issue on policies by taking into consideration all planning and implementation of strategy to achieve the Bank’s medium and long term goals. |
| 2 | Analysing and making decisions for proposals or requests on the purchase or sales of the Bank’s fixed assets, Bank’s inventories, goods and services procurement, to be in line with the prevailing regulation. | Evaluated and approved the proposal to build MRT link tunnel to connect to UOB Thamrin Nine office, the selling of 3 property assets, the budget for office relocation from Harmoni Building to UOB Plaza (Swing Building) and the rental expense budget, renewal on several license agreements and its annual payment, and enhancement of current standardized system. |
| 3. | To provide credit decision in accordance with its discretionary limit that includes on all types of exposures, direct and/or contingent, such as exposures to counterparties and customers arising from lending/financing, underwriting/syndication, securities (loan replacement), derivative instruments, settlement risks, interbank limit, End Financing (EF) mortgages limit and other product program. | EXCO has provided credit decision in accordance with its discretionary limit. |

| Executive Committee Members as of 31 December 2017 | |
|--|--|
| Chairman and acting Permanent Member | President Director |
| Vice Chairman and acting Permanent Member | Deputy President Director – Business |
| Permanent Member | <ul style="list-style-type: none">• Non-Credit Related:<ul style="list-style-type: none">- Finance & Corporate Services Director as permanent member for all non-credit issues• Credit Related:<ul style="list-style-type: none">- Risk Management Director (does not have voting right, to recommend only)- Head of Related Credit Approval as permanent member |
| Secretary | <ul style="list-style-type: none">• Non-Credit Related: Corporate Services Head• Credit Related: Related Credit Approval Division. |

Good Corporate Governance

2. Assets and Liabilities Committee (ALCO)

Based on Board of Directors’ Decision No. 17/SKDIR/0041 dated 29 September 2017, the composition of Asset & Liability Management Committee is as follows:

| Assets and Liabilities Committee Members as of 31 December 2017 | |
|---|--|
| Chairman | President Director |
| Deputy Chairman | Deputy President Director – Business |
| Secretary | Market & Balance Sheet Risk Management Head |
| Permanent Members | <div><ul style="list-style-type: none">Finance & Corporate Services DirectorRisk Management DirectorHead of Global MarketsHead of Personal Financial ServicesHead of Business BankingHead of Commercial BankingHead of Corporate BankingHead of Transaction BankingHead of Financial InstitutionsCentral Treasury Unit Head</div> |
| Permanent Invitee | Economist |

Duties and Responsibilities

Duties and responsibilities of the ALCO are as follows:

- a. Grant approval for the following:
 - Market Risk Management Policy, Interest Rate Risk Management Policy, Liquidity Risk Management Policy, and Fund Transfer Pricing Policy and related model/methodologies and assumptions used in the asset and liabilities management.
 - Delegation of Risk appetite limits, Risk control limits and risk limit concerning Market Risk, Banking Book Interest Rate Risk and Liquidity Risk
 - Ratification of limits excesses by businesses
 - Granting of temporary limits by businesses
 - Limits should be review at least once a year
 - Strategic Pricing, FTP, and Prime Lending Rate
 - Funding strategies (Target Balance Sheet Mix, debt issuance), and market risk valuation reserve.

b. Provide endorsement for the following:
 - Framework related to Balance Sheet Risk Management (Interest Rate Risk on Banking Book and Liquidity Risk).
 - Review and recommend Internal Model related initiatives (when ready) used in regulatory reporting

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

Frequency of Meetings

The ALCO meeting shall be held according to necessity of the Bank, at least once a month.

Realisation of Work Programme

The ALCO Work Program and its realization during 2017 includes but not limited to:

| No | Work Programme | Realisation |
|----|--|--|
| 1 | To conduct ALCO meeting at least 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 2017, ALCO held 17 (seventeen) meetings, and there was one urgent matter to be approved between ALCO meetings and can be dealt through circulation of a resolution in writing outside the ALCO meetings, i.e. reviewed and approved 1 proposal on 27 January 2017 regarding the approval of CTU Guidelines and VBM (FTP Methodology and Parameters Guide) |

3. Risk Management Committee

Based on Board of Directors’ Decision No. 17/SKDIR/0019 dated 12 May 2017, the composition of Risk Management Committee (RMC) is as follows:

| Risk Management Committee Members as of 31 December 2017 | |
|--|--|
| Chairman | Risk Management Director |
| Deputy Chairman | Finance & Corporate Services Director |
| Secretary | Operational & Enterprise Risk Management Head |
| Permanent Members | <div><ul style="list-style-type: none">Deputy President Director - BusinessCompliance DirectorChannels DirectorHead of Technology & OperationsHead of Human ResourcesInternal Audit HeadLegal HeadCEO Office HeadFraud Management HeadRegional Head – Jakarta 1</div> |
| Permanent Invitee | <div><ul style="list-style-type: none">President DirectorPortfolio & Regulatory Management HeadClient Fulfillment & Services HeadBranch Operational Control & Development Head</div> |

Duties, Authorities and Responsibilities

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

- a. Recommend or approve Bank-wide risk management strategies, model and methodologies, policies, frameworks, and guidelines.

b. Endorse or approve the improvement and development plans of risk management of the Bank based on the risk management implementation evaluation result.

c. Ensure an effective risk management implementation through proper risk measurement methodologies.

d. Recommend and approve Risk Appetite and tolerable risk thresholds or limits, as well as monitor and manage risk portfolio of the Bank to be within the prescribed risk limit.

e. Evaluate and approve the result of self-assessment on the Bank soundness rating (Risk Based Bank Rating), including the self-assessment on the risk profile rating of the Bank.

f. Assess and evaluate the internal capital adequacy of the Bank, to ensure the Bank has an adequate capital based on
- its risk profile.

g. Provide forum for discussion and decision on issues, matters, and Regulatory changes impacting the risk and capital of the Bank, including approval on exceptional business decisions from established risk management policy & procedures, including taking position or risk exposure beyond tolerable risk thresholds or limits

h. Monitor and evaluate fraud investigation reports including follow up actions.

i. Review and endorse Bank-wide stress test scenarios, assumptions, parameters, result, and impact on Bank’s capital, as well as the reasonableness of actions and contingent plans, if needed.

j. Develop Bank-wide risk awareness culture and foster commitment in managing risk, including enforcement of consequence management through the performance appraisal and sanction, if needed.

Good Corporate Governance

Frequency of Meetings

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

Realisation of Work Programme

The Work Programmes of RMC and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|--|--|
| 1 | Conduct RMC meeting periodically, with minimum of 10 (ten) meetings a year. | During 2017, RMC meetings were conducted 12 (twelve) times. |
| 2 | The topic discussed in RMC meeting are as follows, but are not limited to: a. Risk Profile b. Bank Soundness Rating c. Risk Appetite d. Risk Management policy, guidance and procedure e. Capital Adequacy assessment f. Stress Test g. Key Operational Risk Indicators (KORI) and potential or incident of Operational Risk which are deemed significant to the Bank's risk profile. h. Issues related to Fraud i. Issues that are significant to the Bank's position j. And other matters, including discussion regarding the Bank's main risks that are not covered in other Committees such as Operational, Compliance, Legal and Reputational Risk. | <ul style="list-style-type: none">Quarterly, RMC discuss related to Bank's Risk Profile, and semi annually, discuss related to Bank Soundness Rating.During 2017, several policies that has been approved through RMC are Risk Appetite Framework, Technology Risk Management Framework, Operational Risk Management Framework, Risk Management Policy Strategic Risk Management Policy, Reputational Risk Management Policy, etc.Discussion related to significant issues to the Bank's position has been discussed through Operational Risk Management agenda, and RMC provide inputs on the significant issues. |

4. Credit Policy Committee

Based on Board of Directors' Decision No. 17/SKDIR/0048 dated 19 October 2017 the composition of Credit Policy Committee (CPC) is as follows:

| Credit Policy Committee Members as of 31 December 2017 | |
|--|---|
| Chairman | Risk Management Director |
| Deputy Chairman | Head of Retail Credit |
| Secretary | Credit Risk Management Head |
| Permanent Members | <ul style="list-style-type: none">Head of Related Credit Approval (according to CPC topic)Function Head of related business (according to CPC topic)Head of Technology and OperationsInternal Audit HeadCredit Risk Management Head |

Roles and Responsibilities

Roles and responsibilities of the CPC are:

Roles:

- Provide recommendation and initial approval of Credit Policy that will be approved by Board of Directors and/or Board of Commissioner.
- Oversee so that the Bank's Credit Policy can be applied and executed properly.
- Formulate solutions to address issues arising from the implementation of Credit Policy.
- Conduct regular review of Bank's Credit Policy and provide suggestion to Board of Directors if are needed changes and improvements.

- Monitor and evaluate the compliance with the prevailing Credit Policy, regulations and other rules in the implementation of fund provision.
- Monitor and evaluate the overall development and quality of credit portfolio (including rating grade distribution, migration and exposure reports).
- Monitor and evaluate the effectiveness of credit risk management structure.
- Monitor and evaluate the correctness of authority implementation of credit discretionary limit.
- Provide input to Board of Directors in determining authority of credit discretionary limit for Bank's officers.
- Monitor and evaluate the correctness of process, development, and quality of fund provision to the Bank's

related parties and certain big debtors.

- Monitor and evaluate the correctness of the implementation of Legal Lending Limit (LLL) regulation.
- Monitor and evaluate the solution of non-performing loans in accordance with Credit Policy
- Monitor and evaluate the Bank's efforts to fulfill the adequacy of General Provision.
- Monitor and evaluate the adequacy of credit infrastructure owned by Bank.
- Approve, monitor and evaluate the implementation and execution of Internal Rating Based (IRB) Credit Risk parameter, models and scorecard.

Responsibilities

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

Frequency of Meetings

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

Realisation of Work Programme

The Work Programme of CPC and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|--|---|
| 1 | Monitoring and evaluation on credit portfolio quality, stress-testing and other significant issues related to credit business. | CPC periodically monitor Bank's credit portfolio. Bank's credit growth will be monitored for each division, which are Unsecured Business, Mortgage and Secured Loan, Business Banking, Commercial Banking, Corporate Banking, and Financial Institutions. CPC also monitor other limits such as top 25 debtors, foreign currency loan concentration, and provision made by the Bank. This action will help CPC to give the right direction for Bank's credit portfolio growth. |
| 2 | Review and provide recommendations on the revised credit policy | <p>CPC also updated for several matters such as rating model review, review of stress test, and credit policy revision.</p> <p>During 2017, CPC held 29 (twenty-nine) meetings and endorsed General Credit Policy and Consumer Credit Policy. The major changes on General Credit Policy are:</p> <ol style="list-style-type: none">Changes on Environmental, Social, and Governemtn provision andAdditional control for credit facilities to related partieschanges on credit variation. <p>While the major changes for Consumer Credit Policy are:</p> <ol style="list-style-type: none">Changes on provision for borrower's quality with facility repayment of quarterly, semi-annual, and longer periodic repayment andAdditional control for credit facilities to related parties. <p>Other than that, CPC approved credit policies such as:</p> <ol style="list-style-type: none">Business Banking Lending ProductEnd Financing (EF) Framework andFinancial Supply Chain Management (FSCM) Underwriting Framework. |

Good Corporate Governance

5. Human Resources Committee

Based on Board of Directors’ Decision No. 17/SKDIR/0010 dated 1 March 2017 concerning Human Resources Committee for Head Office, the composition of Human Resources Committee (HR Committee) is as follows:

| Human Resources Committee Members as of 31 December 2017 | |
|--|---|
| Chairman | President Director |
| Secretary | OD & Talent Management Head |
| Permanent Members | <div><ul style="list-style-type: none">Deputy President Director - BusinessChannels DirectorHead of Human Resources</div> |
| Invitees | Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting |

Duties and Authorities

The duties and authorities of HR Committee are:

- a. Duties
 - Ensure the availability of HR strategy to support the Company’s strategy and objectives.
 - Ensure the alignment between HR strategy and policy with Company’s strategy which covers:
 - Organisation Development
 - Recruitment and assessment
 - Learning and development
 - Employee Performance Management
 - Talent Management
 - Reward and recognition
 - Corporate values
 - Industrial Relations
 - Ensure the execution of HR strategy and HR policies.
 - Provide guidance and make decisions regarding organisational issues, employee morale, productivity, culture and industrial relations.
 - Approve and ensure risk mitigation related to Human Resources based on issue escalation or internal audit findings.

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

Frequency of Meetings

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

Realisation of Work Programme

The Work Program of HR Committee and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|---|---|
| 1 | Conduct meetings at least once every 3 (three) months or adjusted as the Bank deems necessary. | During 2017, Human Resources Committee has conducted 17 (seventeen) meetings. |
| 2 | Scope or topic discussed in HR Committee meeting includes but not limited to: <div><ul style="list-style-type: none">Organisation developmentManpower planningTraining and developmentEmployee performance managementTalent managementReward and recorgnitionCorporate valuesIndustrial relationEngagement programmeDevelopment of HR service and system</div> | <div><ul style="list-style-type: none">In 2017, HR committee meeting has ensured that bankwide calibration has aligned with guidelines and grant approval for employee performance score in 2016 and promotion recommendation. HR Committee has stipulated guidelines in implementation of employee salary and performance bonus increment for 2017.HR Committte has discussed violation of ethic and corporate values or fraud or indisciplinary which has been decided previously in the ethic panel and decision has been made as follow-up on these cases.Discussion on succession and establishment of talent pool has been carried out in 2017 whereby HR Committee has decided to ensure that succession is carried out for critical position on Function Head, Division Head and Branch Head level.HR Committee approved development programs for potential employees, among others approved scholarship for 15 employees, launching of professional certification program, mentoring, career development for Management Associate and General Development Program employees.HR Committee approved strategic program for employee training, staff engagement, leadership programme, and implementation of learning technology (mobile learning).HR Committee has stipulated several benefit program, pension benefit management, salary scale, and development of HR information system.Related to organisation improvement and development of work culture in UOB, HR Committee has stipulated Bank UOB Indonesia Employee Value Proposition (EVP), the supporting programmes such as flexible working arrangement, employer branding, employee recognition program.HR Committee has approved the execution of employee survey to evaluate certain areas covering vision and mission, employee value proposition, employee engagement, leadership, business driver, innovation, change and digital. Employee survey has been performed in October 2017.HR Committtee has approved UOB Honours Recognition Programme executed in 2017 and 2018.</div> |

Good Corporate Governance

6. Business Continuity Management (BCM) Committee

Based on Board of Directors’ Decision No. 17/SKDIR/0014 dated 30 Maret 2017 the composition of Business Continuity Management (BCM) Committee is as follows:

| Business Continuity Management Committee Members as of 31 December 2017 | |
|---|---|
| Chairman | Head of Technology & Operations |
| Deputy Chairman (Alternate Recovery Director) | Channels Director |
| Secretary | Information Security and Business Continuity Management Head |
| Permanent Members | <div><ul style="list-style-type: none">Finance & Corporate Services DirectorCompliance DirectorHead of Retail CreditHead of Global MarketsHead of Human ResourcesOperational Risk Management HeadStrategic Communications & Customer Advocacy HeadCEO Office HeadPortfolio & Regulatory Management HeadClient Fulfillment & Service HeadCorporate Real Estate Services Head</div> |
| Permanent Invitee | Shared Infrastructures Services Head |

Duties and Responsibilities

The duties and responsibilities of BCM Committee are:

- a.

Drive BCM implementation within the Bank.
- b.

Ensure effectiveness of BCM capability within the Bank.
- c.

Support the policy, guidelines and strategy of BCM.
- d.

Approve list of critical functions.
- e.

Manage BCM particularly as related to risk management matters.
- f.

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

Review annual BCM Assessment within the Bank.

Frequency of Meetings

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

Realisation of Work Programme

The Work Program of BCM Committee and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|---|--|
| 1 | BCM handover processfrom RMG-ORM to T&O/ ISTOA-BCM. | Starting 1 July 2017, handover process from RMG-ORM to T&O/ISTOA-BCM have been effected. Handover Note Approved by Head of Technology & Operations and Risk Director effective 1 July 2017. |
| 2 | Conduct BCM Committee meeting in semi-annual basis. | 1st BCM Committee meeting 2017 conducted on 1st August 2017 and 2nd BCM Committee 2017 conducted on 19 December 2017. |
| 3. | Conduct following actiivities in annual basis: <div><div>a.</div><div>BCP Exercise</div></div> <div><div>b.</div><div>Call Tree exercise</div></div> <div><div>c.</div><div>ICM (Intergrated Crisis Management) table top exercise</div></div> <div><div>d.</div><div>BCM annual attestation</div></div> <div><div>e.</div><div>Evacuation Drill.</div></div> | These activities have been conducted as per follow: <div><div>a.</div><div>BCP Exercise have been conducted twice on 11 November 2017 (Critical unit at UOB Wahid and Harmoni) and 9 December 2017 (Critical unit at UOB Plaza) with success result</div></div> <div><div>b.</div><div>Call Tree Exercise Bank Wide have been implemented on 9 December 2017 with success result</div></div> <div><div>c.</div><div>ICM (Intergrated Crisis Management) table top exercise have been conducted on 18 September 2017</div></div> <div><div>d.</div><div>BCM annual attestation have been conducted on 19 December 2017 during BCM Committee 2nd meeting</div></div> <div><div>e.</div><div>Evacuation Drill have been conducted on 15 December 2017 for UOB Plaza and 6 December 2017 for UOBI Wahid Hasyim.</div></div> |

7. Credit Committee

Based on Board of Directors’ Decision No. 17/SKDIR/0059 dated 21 November 2017 concerning Executive Committee – Credit (EXCO) and Credit Committee (CC), the composition of the Credit Committee is as follows:

| Credit Committee Members as of 31 December 2017 | |
|---|--|
| Chairman | Deputy President Director – Business |
| Member | <div><ul style="list-style-type: none">Risk Management Director (does not have voting right, but to recommend only)Head of Related Credit Approver<ul style="list-style-type: none">Corporate Credit Head^aCommercial Credit Head1^bCommercial Credit Head2^bHead of Retail Credit^c</div> |
| Secretary | Related Credit Approval Division |

a For Corporate Banking and FI & NBFI credit proposal (until definitive Head of FI & NBFI Credit has been appointed)

b For Commercial Banking credit proposal

c For BB & PFS credit proposal

Duties and Responsibilities

Discretionary authority of CC is to provide credit decision in accordance with its discretionary limit that includes on all types of exposures, direct and/or contingent, such as exposures to counterparties and customers arising from lending/financing, underwriting/syndication, securities (loan replacement), derivative instruments, settlement risks, interbank limit, End Financing (EF) mortgages limit and other product programme.

In 2017, 553 credit proposals were submitted to the Credit Committee, consisting of 135 proposals from Corporate Banking segment, 401 proposals from the Commercial Banking segment, and 17 proposals from the Retail Credit segment.

Frequency of Meetings

CC meetings are held as necessary.

Good Corporate Governance

8. Information Technology Committee

Based on Board of Directors’ Decision No.17/SKDIR/0016 dated 18 April 2017 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 2017 | |
|---|---|
| Chairman | President Director |
| Deputy Chairman | Head of Technology & Operations |
| Secretary 1 | Business Technology Services Head |
| Secretary 2 | Shared Infrastucture Services Head |
| Member | <div><ul style="list-style-type: none">Channels DirectorFinance & Corporate Services DirectorRisk Management DirectorCompliance DirectorCEO Office HeadDigital Bank Head</div> |
| Invitee | The IT Committee may invite other Directors, Function Heads, and/or other parties that have relevance to the subject of the meeting |

Duties and Responsibilities

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

- a. Duties and Responsibilities
- Assist the Bank in deciding and supervising the Bank’s investment in the field of IT and be responsible for developing infrastructure and strategic plans for information technology, while ensuring that everything is in line with the business strategy of the Bank
 - Discuss specifically about plans on information technology development, either currently applied by the Bank or new technology
 - Discuss a policy format in relation to the utilisation of information technology that is fundamental such as utilisation of software, hardware, and professional service to be engaged
 - Assist the Bank in directing, overseeing and managing information technology security risk in accordance with technology security policies
 - Review the progress of IT key activities periodically in order to ensure sufficient Bank resources to support the IT key activities and to resolve issue arising from those IT key activities
 - Responsible for duties and authorities which have been delegated as established in Board of Directors’ Decision No.17/SKDIR/0016.

b. Authorities

- Approve information technology development plans, either currently applied by the Bank or new technology

Note :
Cost expense will still refering to SOP for Requisition, Procurement and Payment through Procurement and Expense Management System (PEMS).

- Approve policies in relation to strategy or utilisation of information technology such as utilisation of software, hardware, and professional services to be engaged
- Set priorities for IT developments which are strategic, compliance, business or customer service in nature
- Approve based on prevailing guidelines of IT security, any risk deviation from standard policy in utilisation of technology as a result of security risk assessment report.

Frequency of Meetings

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

Realisation of Work Program

The Work Programme of IT Committee and its realisation in 2017 includes but is not limited to:

| No | Work Programme | Realisation |
|----|--|--|
| 1 | Conducted routine meetings to review and approve IT investment (for purchase of equipment and IT projects implementation), monitoring of IT strategic projects, and approve strategic IT policy. | <div>IT Committee conducted (nine) meetings to review and approve IT investments, with details of schedule & agenda of discussion as follows:</div> <div><ol style="list-style-type: none">UOBI GEB: Underlying document validation for TT TransactionVisa & Master Card Compliance 2017BIBPlus Global View (GV): To enable BIBPlus feature (Global View feature) to support to have a single, consolidated view of account summary (globally) for customer globalEnhancement of Current Standardized System (to Support 3 Years Cash Product Roadmap)Microsoft License RenewalLaunch New Card Type – YOLO: To purchase stacked embossing module to personalize YOLO card with four tier stacked card numberProcessing (Debit Card): To enhance current system to support regulatory requirement to route the domestic debit transaction/merchant transaction to local switch provider instead of through VISA netNetwork and Endpoint Security EnhancementKYC Phase 2 Project: To enhance KYC system to support customer risk ranking and online customer screeningChanging Branch Status: To enhance system to change the status of Tomang Elok from sub branch to main branch and status of Medan UniPlaza from main branch to sub branchIFRS9 for group reporting (Phase 1): To procure storage and to implement the calculating engine only (no reporting engine) in order to provide IFRS9 report (manual submission)ATM Security Baseline: To improve ATM security with centralised ATM endpoint security management (monitoring/alert) and deploy software distribution to supportNetwork device refreshmentDUKCAPIL ProjectApplication and Data Security EnhancementRequest for Terminal Access Control Access Control Server (TACACS) Project approvalIFRS9 for group reporting (phase 2): To implement the IFRS9 reporting engine with more details info (no manual submission)Bureau (SLIK) process improvement: To implement additional environment to support the scrubbed database for portfolio management for card & mortgageVisa & MasterCard October complianceCustomer Relationship Management (CRM) for non individual customer projectAdditional enhancement for Cash Product Roadmap phase 1 projectBureau (SLIK) Universal Aggregator & Datamart using CBASDigibankCentralised File SharingDR Infra Virtualization: - phase 1 - phase 2Video Conference Solution.</div> |

Good Corporate Governance

9. Anti-Money Laundering Committee

Based on Board of Directors’ Decision No. No.17/SKDIR/0021 dated 13 June 2017 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 2017 | |
|--|---|
| Chairman (also act as member) | Compliance Director |
| Deputy Chairman | Head of Commercial Banking |
| Secretary | AML/CFT & Sanctions Head |
| Member | <div><ul style="list-style-type: none">Head of Technology & OperationsHead of Personal Financial ServicesHead of Business BankingHead of Corporate BankingHead of Financial InstitutionOperational & Enterprise Risk Management Head</div> |
| Invitee | Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting to provide input |

Duties, Authorities and Responsibilities

Duties, authorities and responsibilities of AMLC are to:

- a.

Review and endorse changes to core tenets of, and deviations from, the Bank’s Policy on the Anti-Money Laundering and Countering of Terrorism Financing and Sanctions (AML/CFT & Sanctions)
- b.

Review and endorse Sanction Directives, in line with the applicable AML/CFT & Sanctions framework
- c.

Approve the on-boarding of prospective or the continuation of an existing relationship with specific customers deemed to pose higher reputation and ethical risks to the Bank
- d.

Manage, arbitrate and decide on conflicts arising from differing views between Business Work Function and Compliance Function on customer acceptance of specific new customers, and the retention of existing customer
- e.

Approve account closure arising from the associated AML/ CFT & Sanctions compliance risk exposure associated with specific existing customers
- f.

Approve any significant AML/CFT & Sanctions related matters that increase money laundering or terrorist financing risk exposure to the Bank
- g.

Approve any AML/CFT & Sanctions controls implementation that pose high AML/CFT risks and approve the compensating AML/CFT controls for implementation
- h.

Provide a forum for the Board of Directors discussion and decision on any reputational and regulatory compliance issues relating to money laundering, terrorist financing and sanctions
- i.

Review and provide guidance on significant weakness in process and inspection/audit issues noted in the Bank.

Frequency of Meetings

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

Realisation of Work Program

During 2017, AMLC held 7 (seven) meetings and granted approval via circulation 5 (five) times, and there were no significant AML/ CFT & Sanctions case escalated to AMLC.

Pursuant to the regulation as stipulated in OJK Circular Letter No.30/SEOJK.04/2016 dated 3 August 2016 regarding Annual Report Form and Content of the Issuer or Public Company, the followings are information of the Directors Committees as of 31 December 2017.

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|-------------------|-------------|-----|--|---|
| 1 | <div><ul style="list-style-type: none">President DirectorChairman of EXCOChairman of ALCOChairman of HR CommitteeChairman of Credit CommitteeChairman of IT Committee</div> | Lam Sai Yoke | Singapore | 49 | 1989 - 1992, Bachelor of Business Administration, National University of Singapore | <div><ul style="list-style-type: none">1992 – 1999, Citibank Singapore as Sales Development Director1999 – 2001, Ebiz Solution as Regional Sales Manager2001 – 2003, Citibank Singapore as Sales Director, Personal Banking2004 – 2005, Standard Chartered Singapore as Head of Customer Experience2005 – 2010, UOB Ltd Singapore as Managing Director, Head of Sales & Distribution, PFS2011 – 2013, UOB Malaysia as Managing Director dan Country Head of Personal Financial Services2013 – 2016, Deputy CEO UOB Malaysia, responsible for UOBM Head of Wholesale Bank, and supervise Technology and Operations (T&O), Special Asset Management (SAM), Customer Service Quality (CASQ) and Brand and Corporate Communications (BPCC)2016 – present, UOB Indonesia as Presiden Director</div> <div>Has more than 25 years of experience in banking.</div> |
| 2 | <div><ul style="list-style-type: none">Deputy President Director - BusinessVice Chairman of EXCODeputy Chairman of ALCOPermanent Member of RMCPermanent Member of HR CommitteePermanent Member of Credit Committee</div> | Iwan Satawidinata | Indonesia | 49 | 1990, Bachelor of Science in Business Administration, University of Southern California, USA | <div><ul style="list-style-type: none">1990 – 1991, Assistant Regional Manager for Southern California Banking Group pada United Savings Bank FSB, USA1991 – present, UOB Indonesia as Deputy President Director</div> <div>Has more than 27 years of experience in banking</div> |

Good Corporate Governance

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|-----------------|-------------|-----|--|--|
| 3 | <ul style="list-style-type: none">Finance & Corporate Services DirectorPermanent Member of EXCOPermanent Member of ALCOPermanent Member of BCM CommitteeDeputy Chairman of RMCMember of IT Committee | Muljono Tjandra | Indonesia | 52 | <ul style="list-style-type: none">1984 - 1989, Bachelor of Economics, Trisakti UniversityCPA Indonesia from Indonesian Institute of Accountants | <ul style="list-style-type: none">1990 – 1998, Public Accountant Firm KPMG Hanadi, Sudjendro & Rekan as Senior Manager concentrating in banking industry1998 – 2003, Public Accountant Firm Pricewaterhose Coopers as Senior Manager concentrating in banking industry2003 – 2012, PT Bank Danamon Indonesia, Tbk as Executive Vice President2012 – 2015, PT Asuransi Adira Dinamika as Chief Financial Officer2015 – present, UOB Indonesia as Finance & Corporate Services Director <p>Has more than 27 years of experience in banking industry.</p> |
| 4 | <ul style="list-style-type: none">Compliance DirectorPermanent Member of RMCPermanent Member of BCM CommitteePermanent Member of IT CommitteeChairman of AML Committee | Soehadie Tansol | Indonesia | 58 | Pacific Rim Bankers Program, University of Washington, USA | <ul style="list-style-type: none">1980 – 1990, Bank Buana Indonesia Pontianak Branch as Current Account Department Head, Bookkeeping Department Head, and Special Authorization Official1990 – 1999, Bank Buana Indonesia as Sub-branch Manager in Pontianak, Branch Manager in Batam, Pontianak and Palembang1999 – 2001, Bank Buana Indonesia as Procedure, Research and Development Division Head2001 – 2002, Bank Buana Indonesia as Associate Director2003 – present, UOB Indonesia as Compliance Director <p>Has more than 37 years of experience in banking</p> |

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|----------------|-------------|-----|--|---|
| 5 | <ul style="list-style-type: none">Channels DirectorPermanent Member of RMCMember of HR CommitteeMember of IT CommitteeDeputy Chairman of BCM Committee | Pardi Kendy | Indonesia | 59 | Certified as Wealth Manager from University of Greenwich Business School | <ul style="list-style-type: none">1977 – 1986, HSBC Jakarta as Treasury Director, TNO, Electronic Banking and Consumer Credit1987 – 1988, Bangkok Bank Limited Jakarta as Chief Treasury Dealer1993 – 1996, Bank Mitsubishi Buana Treasury as General Manager1996 – 2006, UOB Indonesia as Treasury Director, TNO, Electronic Banking and Consumer Credit2006 – 2012, UOB Indonesia as Human Resources Director2012 – 2015, UOB Indonesia as Head of Human Resources2016 – present, UOB Indonesia as Channels Director <p>Has more than 40 years of experience in banking</p> |
| 6 | <ul style="list-style-type: none">Risk Management DirectorPermanent Member of ALCOChairman of RMCChairman of CPCDeputy Chairman of BCM CommitteeMember of IT Committee | Henky Sulistyو | Indonesia | 43 | <ul style="list-style-type: none">Bachelor Degree, Parahyangan Catholic UniversityMaster Degree, La Trobe University, Australia | <ul style="list-style-type: none">1998 - 2008, American Express Bank, Regional Market Risk Management2008, Standart Chartered Bank, Group Credit Risk2008 - 2010, PT Bank DBS Indonesia, Risk Management Group (Vice President)2010 - 2012, DBS Bank Singapore, Corporate Treasury (Vice President)2012 - 2014, PT Bank CIMB Niaga, Head of Risk Management2014 - 2016, PT Bank Maybank Indonesia, Chief Risk Officer2016 - present, PT Bank UOB Indonesia, Risk Management Director <p>Has more than 19 years of risk management experience in the banking industry</p> |

Good Corporate Governance

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|--------------------------|-------------|-----|--|---|
| 7 | <ul style="list-style-type: none">Head of Global MarketsPermanent Member of ALCOPermanent Member of BCM Committee | Frederikus | Indonesia | 54 | <ul style="list-style-type: none">1981 - 1986, Bachelor Degree, Goldey Beacom College1986 - 1988, Master Degree, Wilmington College | <ul style="list-style-type: none">1988 - 1993, PT Bank BII as Senior Trader1993 - 2004, ABN Amro Bank NV as Vice President Head Interbank FX and Money Market2004 - 2009, PT Bank BII as Kadiv FM Trading Acting Treasure2009 - 2009, PT ICB Bumiputera, Treasure2009 - 2010, PT Bank UOB Indonesia as Global Markets & Investment Management Group Head2010 - 2015, PT Bank UOB Indonesia as Head of Global Markets & Investment Management2015 - present, PT Bank UOB Indonesia as Head of Global Markets |
| 8 | <ul style="list-style-type: none">Head of Business BankingPermanent Member of ALCOMember of AML Committee | Denny Setiawan Hanubrata | Indonesia | 45 | 1991 - 1996, Bachelor Degree, Parahyangan Catholic University | <ul style="list-style-type: none">1992 - 1996, Natalia Cosmetics as Sales Manager1996 - 2002, Bank Bali as Senior Account Officer Commercial Banking2003 - 2003, Chinatrust as RM Corporate Banking2003 - 2007, Bank Permata as Head of SME2007 - 2016, Bank DBS Indonesia as Head of IBG 42016 - present, UOB Indonesia as Head of Business Banking |
| 9 | <ul style="list-style-type: none">Head of Commercial BankingPermanent Member of ALCOMember of AML Committee | Tonny Timor Basry | Indonesia | 43 | 1997, Bachelor Degree, Indiana State University | <ul style="list-style-type: none">1997 - 2004, OCBC Bank Ltd Singapore as Assistant Vice President2004 - 2006, Standard Chartered Bank China as Head of Sales2006 - 2009, Standard Chartered Bank Indonesia as General Manager for SME Banking2009 - 2011, UOB Singapore Commercial Banking - Industry Group 42012 - 2012, UOB Singapore Commercial Banking - Industry Group 32013 - 2013, UOB Singapore Commercial Banking - Enterprise Banking2013 - 2015, UOB Singapore as Industry Group Head 12016 - present, UOB Indonesia as Head of Commercial Banking |

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|--------------------|-------------|-----|---|--|
| 10 | <ul style="list-style-type: none">Head of Corporate BankingPermanent Member of ALCOMember of AML Committee | Geoffry Nugraha | Indonesia | 46 | <ul style="list-style-type: none">1994 - 1995, Bachelor Degree, Hawaii Pacific University1994 - 1999, Master Degree, Hawaii Pacific University | <ul style="list-style-type: none">1996 - 1999, Bank Danamon as Relationship Manager1999 - 2000, Rabobank International as Risk Management Credit Analyst2003 - 2005, HSBC Indonesia as Vice President2007 - 2008, Standard Chartered Bank Country Head Transaction Banking2012 - 2013, Bank ANZ Indonesia as Head of Corporate & Institutional Banking2014 - present, UOB Indonesia as Head of Corporate Banking |
| 11 | <ul style="list-style-type: none">Head of Transaction BankingPermanent Member of ALCO | W. Kartyono | Indonesia | 39 | 1995 - 1999, Bachelor Degree, University of Tarumanegara | <ul style="list-style-type: none">1999 - 2005, Bank Central Asia, Trade & Payment Specialist at International Banking Divison2005 - 2010, Bank DBS Indonesia as Head of Trade Finance Sales2010 - 2010, ANZ Panin Bank as Head of Trade & Supply Chain Sales (SVP)2010 - 2012, UOB Indonesia as Trade Sales Head2013 - present, UOB Indonesia as Head of Transaction Banking |
| 12 | <ul style="list-style-type: none">Head of Financial InstitutionsPermanent Member of ALCOMember of AML Committee | Marcio Apm Jatmiko | Indonesia | 45 | 1991 - 1995, Master Degree, Business Studies/ administration/ Management | <ul style="list-style-type: none">1995 - 1998, Bank Dagang Nasional Indonesia as Regional Officer1998 - 2000, Indover Bank as Senior Credit Analyst2000 - 2001, Lippo Bank as Senior Product Management - FI2001 - 2005, HSBC Bank as Vice President - Institutional Banking2005 - 2006, HSBC Bank as Vice President - Commercial Banking2006 - 2010, Standard Chartered Bank as Director of Financial Institution2010 - 2015, Bank ANZ Indonesia as Head of Financial Institution Group2015 - present, UOB Indonesia as Head of Financial Institutions |

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| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|---------------|-------------|-----|---|---|
| 13 | <ul style="list-style-type: none">• Head of Retail Credit• Permanent Member of EXCO• Deputy Chairman of CPC• Permanent Member of BCM Committee• Member of Credit Committee | Rudy Widjaja | Indonesia | 46 | 1990 - 1992, Bachelor Degree, Iowa State University | <ul style="list-style-type: none">• 1992 - 1995, Seagate Technology Singapore as Industrial Engineer• 1995 - 1996, PT Indo Airo Sugih Indonesia as Business Development Manager• 1996 - 2001, Citibank Indonesia - Various Role in Credit Operations• 2001 - 2003, Citibank Indonesia as Credit Ops Strategy and Control Head• 2003 - 2006, Citibank Indonesia as Country Collections Head• 2006 - 2008, Citifinancial Japan, Collections Head• 2008 - 2014, Citibank Phillipines & Guam, Credit Operations Director• 2014 - 2016, Citibank Indonesia, Credit Operations Director• 2016 - present, UOB Indonesia as Head of Retail Credit |
| 14 | <ul style="list-style-type: none">• Head of Technology & Operations• Permanent Member of RMC• Chairman of BCM Committee• Deputy Chairman of IT Committee• Member of AML Committee | Goh Seng Huat | Malaysia | 56 | 1989, Bachelor Degree Associate Chartered Institute of Bankers UK | <ul style="list-style-type: none">• 1981 - 1994, UOB (Malaysia) (THEN CHUNG KHIAW BANK Ltd. AND LEE WAH BANK Ltd. Various position• 1994 - 1995, Hong Leong Bank, Training Manager• 1995 - 2005, EON Bank, Head of Banking Operation• 2005 - 2008, United Overseas Bank Ltd, First Vice President, International• 2005 - 2010, UOB Indonesia as Technology & Operations Director• 2010 - present, UOB Indonesia as Head of Technology & Operations |

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|--|----------------|-------------|-----|---|---|
| 15 | <ul style="list-style-type: none">• Head of Human Resources• Permanent Member of RMC• Member of HR Committee• Permanent Member of BCM Committee | Ani Pangestu | Indonesia | 52 | <ul style="list-style-type: none">• 1989 - 1990, Bachelor Degree, Kennedy Western University, Wyoming, USA• 1990 - 1991, Master Degree, Kennedy Western University (Distance Learning), Wyoming, USA | <ul style="list-style-type: none">• 1991 - 2000, Asia Pulp & Paper, Senior Human Resources Manager• 2000 - 2002, HM Sampoerna, Head of Human Resources & Development Surabaya• 2002 - 2003, Bentoel Prima Indonesia, GM Human Resources Development• 2003 - 2008, Dexa Medica, Head of Human Resources• 2008 - 2010, Lippo Bank, Head of HR Strategy• 2010 - 2011, Bank Permata, HR Merger & Acquisition• 2011 - 2012, Bank Permata, HR, Legal & Compliance Director• 2012 - 2015, BII Maybank, Human Capital Director• 2015 - present, UOB Indonesia, Head of Human Resources |
| 16 | <ul style="list-style-type: none">• Internal Audit Head• Permanent Member of RMC• Permanent Member of CPC | Ridwan Moezwir | Indonesia | 54 | 2003 - 2005, Master Degree, Gajah Mada University | <ul style="list-style-type: none">• 1987 - 1990, Dep of Finance as Tax Inspector• 1991 - 2003, Bank Niaga as Operations Div Head• 2003 - 2006, Bank Permata acting as Division Head• 2006 - 2007, Bank Agroniaga as Operation Audit Div Head• 2008 - 2017, UOB Indonesia as Internal Audit Head |
| 17 | <ul style="list-style-type: none">• Legal Head• Permanent Member of RMC | Irvan Gunardwi | Indonesia | 46 | 2003 - 2005, Master Degree, University of Indonesia | <ul style="list-style-type: none">• 1994 - 1995, Shipping Line Company, Export Dep Officer• 1995 - 1998, Bank Bali, Legal Officer in Corp Legal Dept• 1999 - 2000, Bank Bali, Legal Manager in Corp Legal Dept• 2000 - 2000, Bank Bali, Coordinator in Corp Legal & Compliance Dept• 2000 - 2003, Bank Bali, Dept Head in Corp Legal & Compliance Dept• 2000 - 2003, Bank Permata, Secretary to Board of Directors• 2002 - 2003, Bank Permata, Member of Corporate Secretary• 2003 - 2003, Bank Permata, Head of Advisory & Monitoring• 2003 - 2009, BII, Legal Division Head• 2009 - 2010, BII, General Legal Counsel & Corp Secretary Div Head• 2010 - 2014, Bank DBS, Head of Legal - CBG• 2014 - 2017, UOB Indonesia, Legal Head |

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| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|---|-------------------------|-------------|-----|---|---|
| 18 | <ul style="list-style-type: none">Market & Balance Sheet Risk Management HeadCompliance Advisory & Monitoring HeadSecretary of ALCO | Candra Putra | Indonesia | 38 | <ul style="list-style-type: none">1997 - 2001, Bachelor Degree, Gajah Mada University2007 - 2009, Master Degree, Gajah Mada University | <ul style="list-style-type: none">2001 - 2005, Bank Central Asia, Associate Officer in Risk Management Dept2005 - 2006, Bank Mizuho Indonesia, Officer in Credit Risk Management Dept2006 - 2006, Citibank NA, Assistant Manager in Credit Risk Management Head2006 - 2008, Bank DBS, Risk Management Unit Manager in Risk Management Unit Dept2008 - 2011, Bank Permata, head of Quality Assurance & Operational Risk Manager2011, UOB Indonesia, Operational Risk Portfolio Management2011 - 2014, UOB Indonesia, Operations Risk Management Head2015 - 2016, UOB Indonesia acting sebagai Head of Risk Management2016 - 2017, UOB Indonesia, Market & Balance Sheet Risk Management Head2017 - sekarang, UOB Indonesia, Compliance Advisory & Monitoring Head |
| 19 | <ul style="list-style-type: none">Operational & Enterprise Risk Management HeadSecretary of RMCMember of AML Committee | Jemy Kristian Soegiarto | Indonesia | 41 | Master Degree, Institut Teknologi Sepuluh Noverber | <ul style="list-style-type: none">2000 - 2007, PT Bank Central Asia, Senior Audit Officer2007 - 2010, PT Bank Danamon, Audit Development Head2010 - 2015, PT Bank CIMB Niaga, Audit Group Head2015 - 2017, PT Bank Maybank Indonesia, Non-Retail Credit QA, Policy, and Portfolio Monitoring2017 - present, PT Bank UOB Indonesia, Operational & Enterprise Risk Management Head |
| 20 | <ul style="list-style-type: none">Credit Risk Management HeadSecretary of CPC | Foengky Santoso | Indonesia | 45 | 1991 - 1996, Bachelor Degree, University of Pembangunan Nasional (Veteran) | <ul style="list-style-type: none">1997 - 2003, Bank Bali, Operational Development2003 -2010, Bank Permata, Risk Analytic Head2010 - present, UOB Indonesia, Credit Risk Management Head |

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|--|----------------|-------------|-----|---|--|
| 21 | <ul style="list-style-type: none">Operational Risk Management HeadPermanent Member of BCM Committee | Virna Medina | Indonesia | 42 | 1998 - 2001, Master Degree, Bandung Institute of Technology | <ul style="list-style-type: none">1997 - 2006, Bank Permata, Operational Risk Officer2006 - 2012, BII Maybank, Divisional OR & Policy Head2012 - 2014, OCBC NISP, Quality Assurance and Control Head - Retail Credit2014 - 2015, Standard Chartered Bank, Quality Assurance and Control Head - Retail Credit2015 - 2016, UOB Indonesia, Operational Risk Management Head2016 - 2017, UOB Indonesia, Operational Risk & Anti Fraud Management Head2017, UOB Indonesia, Operational Risk Management Head |
| 22 | <ul style="list-style-type: none">HR Shared Service HeadMember of Remuneration & Nomination Committee | Herman Cahyadi | Indonesia | 38 | <ul style="list-style-type: none">Bachelor Degree, University of TarumanegaraMaster Degree, University of Tarumanegara | <ul style="list-style-type: none">2002 - 2008, PT Bank Maybank Indonesia, HR Organization Design and Rewards (Assistant Vice President)2008 - 2012, CIMB Niaga, Human Resources, HR Planning & Services, Rewards Operations (Senior Assistant Vice President)2012 - 2017, PT Bank International Indonesia, Human Capital (Senior Vice President)2017 - present, PT Bank UOB Indonesia, HR Shared Service Head |
| 23 | <ul style="list-style-type: none">Business Technology Services HeadSecretary of IT Committee | Jieni | Indonesia | 44 | 1992 - 1996, Bachelor Degree, STMIK BINA NUSANTARA | <ul style="list-style-type: none">1992 - 1999, Bank Kharisma, Deputy in IT Div1999 - 2008, UOB Indonesia, Business System Dev 1 Subdiv Head2010 - 2011, UOB Indonesia, Business Technology Solutions 1 Head2013 - present, UOB Indonesia, Business Technology Services Head |
| 24 | <ul style="list-style-type: none">Shared Infrastructure Services HeadSecretary of IT Committee | Sigit Arnanto | Indonesia | 55 | 1981 - 1987, Bachelor Degree, University of Indonesia | <ul style="list-style-type: none">1988 - 1990, Swadharma Duta Data, Technology Analyst1991 - 2011, CIMB Niaga, Regional Infrastructure2011 - 2013, UOB Indonesia, Technical Support Head2013 - present, UOB Indonesia, Shared Infrastructure Services Head |

| No | Position | Name | Nationality | Age | Education Background | Work Experience |
|----|--|--------------------------|-------------|-----|---|---|
| 25 | <div><div>• CEO Office Head</div><div>• Permanent Member of RMC</div><div>• Permanent Member of BCM</div><div>• Member of IT Committee</div></div> | Jenny Hadikusuma | Indonesia | 43 | 1993 - 1997, Bachelor Degree, University of Surabaya | <div><div>• 1992 - 1996, Colliers Jardine International, Marketing Executive</div><div>• 1996 - 1997, Mal Galaxy, Marketing & PR Executive</div><div>• 1997 - 1999, Jones Lang La Salle, Assistant Manager</div><div>• 2000 - 2001, Hyatt Regency Surabaya, Manager</div><div>• 2001 - 2005, PT Broadband Multimedia, Corp Sales & Customer Manager</div><div>• 2008 - 2009, UOB Indonesia, Call Center & Mobile Banking Dept Head</div><div>• 2009 - 2010, UOB Indonesia, Contact Center Dept Head</div><div>• 2010 - 2011, UOB Indonesia, Call Center Head</div><div>• 2011 - 2012, UOB Indonesia, IFS Business Finance Manager</div><div>• 2012 - 2014, UOB Indonesia, IFS Portfolio Management Head</div><div>• 2014 - 2015, Wholesale Portfolio Management Head</div><div>• 2015 - present, UOB Indonesia, CEO Office Head</div></div> |
| 26 | <div><div>• AML/CFT & Sanctions Head</div><div>• Secretary of AMLC</div></div> | Laurentius E. Purwاتمoko | Indonesia | 50 | 1987 - 1995, Bachelor Degree, Sanata Dharma University | <div><div>• 1996 - 2001, Notre Dame High School, Teacher</div><div>• 2001 - 2010, UOB Indonesia, User System Support Dept Head</div><div>• 2010 - 2011, UOB Indonesia, Centralised System Adm Head</div><div>• 2011 - 2013, UOB Indonesia, Operations Control Review Head</div><div>• 2013 - 2013, UOB Indonesia, Operations Control Analysis & Reporting Manager</div><div>• 2013 - 2013, UOB Indonesia, Targeted Control Review Manager</div><div>• 2013 - present, UOB Indonesia, AML/CFT & Sanctions Head</div></div> |
| 27 | <div><div>• OD & Talent Management Head</div><div>• Secretary of Committee HR</div></div> | Triagung Wibawa | Indonesia | 33 | <div><div>• Bachelor Degree, Gajah Mada University, Yogyakarta</div><div>• Master Degree, University of Indonesia</div></div> | <div><div>• 2006, Surabaya Stock Exchange, Staff</div><div>• 2007 - 2011, CIMB Niaga, Recruitment II in Recruitment</div><div>• 2011 - present, PT Bank UOB Indonesia, OD & Talent Management Head</div></div> |

Note :

- EXCO

: Executive Committee
- ALCO

: Assets & Liabilities Committee
- RMC

: Risk Management Committee

- CPC

: Credit Policy Committee
- BCM

: Business Continuity Management
- AMLC

: Anti-Money Laundering Committee

III. Corporate Secretary

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

A. Appointment of Corporate Secretary

The Corporate Secretary is appointed by the Board of Director. Currently, the office of the Corporate Secretary is held by

B. Development of Competencies of Corporate Secretary

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

In addition, she attended various trainings/seminars/workshops in 2017 as set out in the following table:

| Workshop/Training/Dissemination | Organizer |
|--|--|
| Workshop on the Assessment of Fit and Proper Test | Lembaga Pengembangan Perbankan Indonesia (LPPI) |
| SEED Foundation Programme Tier 2 | UOB Indonesia |
| Workshop on Financial Services Authority Regulation No. 07/POJK.04/2014 concerning Procedures for Billing of Administrative Sanction in The Form of Fines in The Financial Services Sector | Indonesian Stock Exchange Indonesian Corporate Secretary Association |
| Seminar on Financial Services Authority Regulation No. 21/POJK.04/2015 regarding Good Corporate Governance Implementation on Public Companies through Comply or Explain | Indonesian Stock Exchange Indonesian Corporate Secretary Association |

C. Duties and Responsibilities of Corporate Secretary

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

1.

To stay abreast with the developments of Capital Market, particularly the laws and regulations applicable in the field of Capital Market
2.

To provide inputs to the Board of Directors and Board of Commissioners of the Issuing Company or Public Company in order to comply with the provisions of laws and regulations in the field of Capital Market
3.

To assist the Board of Directors and the Board of Commissioners in implementing Good Corporate Governance, which includes

i.

Information transparency to the public, including availability of information on the website of the Issuing Company or Public Company

ii.

Submission of reports to the Financial Services Authority in a timely manner

Susilowati, who has officially served since the date of 25 June, 2015 by virtue of Board of Directors' Decision No.15/DIR/0021. In the organizational structure of UOB Indonesia, the Corporate Secretary reports directly to the Director of Finance and Corporate Services.

Susilowati is domiciled in Jakarta and graduated with a Bachelor Degree in Management from Tarumanegara University Jakarta in 2003 and a Master Degree in Accounting from Trisakti University Jakarta in 2009. Susilowati started her career in 2004 at PT Bank Victoria International Tbk and last held the position of Corporate Secretary.

- iii.

Conduct and documentation of General Meeting of Shareholders
- iv.

Conduct and documentation of Board of Directors and/or Board of Commissioners meetings and
- v.

Implementation of corporate orientation programme for the Board of Directors and the Board of Commissioners.
4.

To act as a liaison between UOB Indonesia and the shareholders of the Issuing Company or Public Company, the Financial Services Authority and other stakeholders.

D. Realisation of Duties and Responsibilities of Corporate Secretary

Activities carried out by the Corporate Secretary throughout 2017 in relation to her duties and responsibilities include:

1.

Preparing and publishing the Annual Report for financial year 2016 which contains information on the Company's performance
2.

Convening the Extraordinary General Meeting of Shareholders on 7 February 2017
3.

Convening the Annual General Meeting of Shareholders on 26 April 2017

Good Corporate Governance

- Submitting the Annual Report for financial year 2016 and Financial Statements for financial year 2016 to related stakeholders.
- Attending and preparing minutes of Board of Commissioners meeting, Board of Directors meeting, as well as meetings of Committees reporting to the Board of Commissioners.
- Assisting the Board of Directors and the Board of Commissioners in implementing good corporate governance among others by ensuring smooth communication between the company and the stakeholders, ensuring the availability of information accessible to stakeholders as reasonably required by stakeholders as well as by conveying information about corporate action to the regulator concerned.
- Coordinating with Compliance function in preparing data related to Self-Assessments on Good Corporate Governance for the Board of Directors, Board of Commissioners as well as Committees reporting to the Board of Commissioners.
- Coordinating with related function in preparing the issuance of Subt Debt I Phase II Bank UOB Indonesia 2017

IV. Corporate Communications

Corporate Communications function plays a key role in maintaining the corporates positive image. The communications strategy is well focused to gain public trust and maintain good reputation through year-long activities that are focused on internal and external communications. The function also takes part in supporting sustainable business for the long term.

Annual Report

Since year 2016, Corporate Communications and Corporate Secretary are jointly responsible to prepare and publish the Annual Report that discloses UOB Indonesia's business performance.

New Release

UOB Indonesia understands the importance to get closer to public by profiling its positive image and reputation through publication of strategic activities. We continuously conducted a series of media activities including press conference, interview with UOB Indonesia's spokespersons and other media engagements.

Throughout 2017, UOB Indonesia had distributed new release with various topics, including: new products and services launching, corporate social responsibility programme, UOB Indonesia contribution to small-medium enterprises (SMEs), seminar on economic outlook.

New release of UOB Indonesia is distributed and covered through main medias, such as Antara, Bisnis Indonesia, Detik.com, InfoBanknews.com, Kompas, Koran Kontan, Koran Sindo, Jawa Pos, Media Indonesia, Metrotvnews.com, and Okezone.com.

The following is the topic list of UOB Indonesia's press release throughout 2017:

- UOB Indonesia employees help paint a brighter future for students from Madrasah Ibtidiah Alam Robbani 11 January
- Indonesians plan to spend most on travel this Lunar New Year: UOB survey, 26 January
- UOB Indonesia updates the UOB Lady's Card to suit the lifestyle needs of Indonesia's financially independent working women, 13 March
- UOB Indonesia launches its 2017 Painting of the Year competition and a series of art education programmes to nurture Indonesian artists, 30 May
- UOB Indonesia launches UOB Agents smartphone app – the first mortgage-linked app by a financial institution in Indonesia, 7 June
- UOB survey: 76 per cent of Indonesian enterprises are optimistic the ASEAN Economic Community will lead to business growth, 21 June
- UOB Indonesia employees run to raise IDR250 million to improve the lives of underprivileged children, 16 July
- UOB Indonesia remains optimistic about Indonesia's economic growth in 2017, 26 July
- UOB Indonesia celebrates “Aku Anak Indonesia” with more than 600 children at Kidzania, 19 August
- UOB Indonesia launches “Smart Risk”, a risk-focused investment approach for its Privilege Banking customers in Indonesia, 12 September
- A Depiction of Civilisation in Crisis takes the 2017 UOB Painting of the Year Indonesia Award, 26 October
- UOB Indonesia launches award-winning UOB ONE Account to help customers grow their savings faster, 6 November
- UOB Indonesia forecasts the economy to grow by 5.3 per cent in 2018, 14 November
- UOB Indonesia launches ‘Blast of Surprise’ year-end promotion for its credit card members, 16 November
- UOB Indonesia and DOKU team up to make SMEs' payroll processing more efficient, 28 November

V. The Implementation Of Compliance, Internal Audit, And External Audit Functions

A. Compliance Function

1. The Role of Compliance Function

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

Following are the roles and responsibilities of the Compliance Function:

- Create steps in order to support the creation of a culture of compliance in UOB Indonesia'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 Bank
- Assess and evaluate in a strict manner and in collaboration with the Business/Support Functions 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 UOB Indonesia to ensure compliance with the regulations issued by regulators and prevailing legislation
- Make efforts to ensure that the policies, provisions, systems and procedures, as well as UOB Indonesia's business activities are in compliance with the regulations issued by regulators 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 Programmess and to protect UOB Indonesia against sanctions
- Identify, assess and document the compliance risks associated with the business activities of UOB Indonesia including new products, services, business practices and material changes to existing business and customer relationships, etc
- Provide regulatory advice and updated information related to the prevailing regulations to all business and support units including Board of Directors and Senior Executive Officers
- Together with business functions develop compliance manuals and guidelines related to the applicable regulations issued by regulators, other regulations and key business conduct for use by Executive Officers, line managers and staff of the Bank
- Identify and maintain an inventory of all prevailing regulations issued by regulators and other regulations with the support of internal/external legal counsel where needed
- Assist the Board of Directors and Senior Executive Officers in educating relevant staff on compliance issues
- 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 UOB Indonesia's compliance manuals, internal code of conduct and guidelines
- Advise the business support units and/or Board of Directors and Senior Executive Officers on CLRS, the implications of regulatory changes, and provides guidance on the proper and prompt implementation of procedures to comply with the regulatory requirements

- Monitor, test and report compliance implementation according to Compliance Framework and internal policies or procedures to the Senior Executive Officers and Board of Directors/Board of Commissioners, if required, to regulators. However, the responsibility for ensuring day-to-day compliance remains within each respective work function
- Make enquiries into compliance incidents and complaints, and carry out further investigations as deemed appropriate
- Act as the key liaison body with relevant internal and external parties, including regulators, regarding the Bank's compliance issues
- Perform responsibilities according to compliance plans and procedures developed in accordance with its compliance framework including conducting compliance reviews using a risk-based approach.

2. Actions to Prevent Breaches of Prevailing Regulations

The Compliance Director through the Compliance Function always monitors and controls UOB Indonesia's business activities, so that they do not violate the prevailing regulations by ensuring compliance to regulators provisions and prevailing legislation is in place.

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

- Support the creation of a compliance culture UOB Indonesia at all levels of the organisation through the establishment of:
 - Compliance Charter
 - Compliance Organisational Structure
 - Compliance Guidance
 - Compliance Standard Operational Procedures and
 - Compliance Culture Campaign Posters.
- Identify, measure and monitor Compliance Risk and implement control processes through:
 - Compliance Review Procedure
 - Supervision of sanctions imposed by regulation.
- Establish the Compliance Review and Testing Division to manage compliance risk through the Compliance Review Programme, so that Bank can ensure conformity and adequacy of policy, guidelines, systems and procedures of the Bank with prevailing legislation through:
 - Reports of Compliance Review Results
 - Regulatory Risk Assessment Reports.
- Provide Opinions on Compliance.
- Monitor and report Follow-Ups to Regulator's Audit Inspection Results.
- Socialise regulatory provisions and provide information on compliance related matters, either through face-to-face socialisation activities or through Compliance News.

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

3. The Implementation of Good Corporate Governance

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

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

The three governance aspects are:

- a) Governance Structure, refers to OUB Indonesia's governance structure and infrastructure adequacy to ensure that the outcome of the implementation of the GCG principles meet the expectations of the Bank's stakeholders.
- b) Governance Process, refers to the effective implementation of the GCG principles, supported by adequate governance structure and infrastructure, in order to produce an outcome that meets the expectations UOB Indonesia stakeholders.
- c) Governance Outcome, refers to the result of the implementation of the GCG principles that meets the expectations of UOB Indonesia'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 UOB Indonesia Management as a part of Soundness Rating Report (Risk-Based Bank Rating)

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

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

Function implementation, as stipulated in Board of Directors' Decision No. 17/SKDIR/0071 dated 27 December 2017 on Compliance Guidance of PT Bank UOB Indonesia.

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

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

B. The Implementation of Internal Audit Function

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

Internal Audit Head (Has effectively retired on 21 November 2017)

Ridwan Moezwir, serving as Internal Audit Head, 55 years old, domiciled in Indonesia, has joined with UOB Indonesia since 2008. His appointment as Internal Audit Head is pursuant to Directors' Decree No.08/SKDIR/1326 dated 12 August 2008. He holds Bachelor Degree of Economic majoring in Accounting from Padjajaran University, Bandung, and Master Degree of Management from Gajah Mada University, Yogyakarta, and has experience more than 30 years as auditor financial industry.

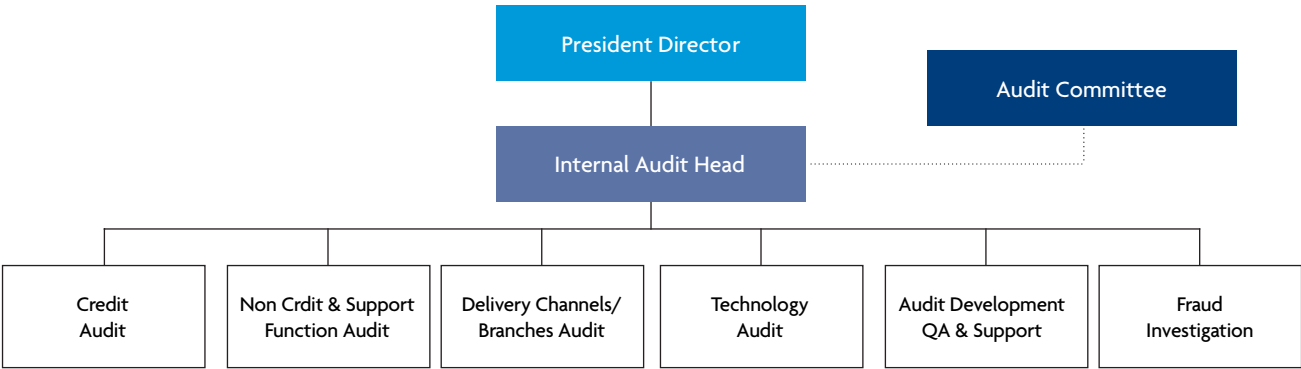
Internal Audit Head (Acting of Internal Audit Head effectively on 21 November 2017)

Nofrizal, serving as Acting of Internal Audit Head, 44 years old, domiciled in Indonesia, has joined with UOB Indonesia since 2011. His appointment as Acting of Internal Audit Head is pursuant to Directors' Decree No.17/SKDIR/0056 dated 20 November 2017. He holds Bachelor Degree of Accounting from Andalas University, Padang, and has experience more than 5 years as auditor in Public Accounting Firm and 15 years as auditor in financial industry.

Competency Improvement of Internal Audit Head

During 2017, the Internal Audit Head has joined bank's Internal Auditor Association National Conference, Institute of Internal Auditor (IIA) National Conference, Risk Management Certification Level 5, and UOB Leadership Signature Level 3.

Structure of Internal Audit Function



Duties and Responsibilities of Internal Audit Function

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

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

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

Internal Audit has an evaluation programme on the quality performance of internal audits, comprising of ongoing performance monitoring reviews, internal quality assessment and external quality assessment.

Competency Improvement of Acting Internal Audit Head

During 2017, the Acting of Internal Audit Head holds Certified Assessor for Banking IA, Certified Public Accountant and Risk Management Certification Level 4.

Internal Audit Professional Qualification/Certification

UOB Indonesia's Internal Auditor holds internal audit professional qualification and certification , including:

1. Competency Certification as an Assessor (Manager Level on Internal Audit Division) from a National Professional Certification Agency (BNSP).
2. International Certification such as CISA, CCNA, CPA, CEH, CHFI, CBA, ISO27001/Information Security Management System Lead Auditor.
3. Risk Management Certification Level 1 – 4.

Disclosure of Internal Audit Practice in 2017

All internal audit findings have been addressed and rectification actions are on track to completion date.

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

Key Initiatives of Internal Audit in 2018

The Key Initiatives of Internal Audit on 2018 are prepared to increase value added, by always striving to meet the expectations and needs of the stakeholders, by focusing on the following activities:

1. Learning and growth perspective through Internal Audit Staff development such as Develop Subject Matter Expertise, Staff Certification and training for specific product.
2. Internal process perspective through cross functional audit staff and develop IT learning environment for auditors.
3. Customer perspective by building impact and influence through guest auditor programme and promote bank-wide

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internal control awareness through Internal Audit News.

4. Financial perspective through Computer Assisted Audit Techniques (CAAT) development to increase effectiveness and efficiency.

C. The Implementation of External Audit Function

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

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

Public Accountant Firm Purwantono, Sungkoro & Surja, according to OJK Regulation No.13/POJK.03/2017 on Use of

Public Accountant and Public Accountant Firm in Financial Services Activities, has engaged in communication with OJK to request information on the condition of the Bank, as well as provide information on the audit process from beginning to end.

VI. The Implementation of Risk Management Including Internal Control System

For further details about the implementation of risk management including internal control system, please see in page 125.

VII. Related Party Funding And Large Exposure

UOB Indonesia has policies on and procedures for Legal Lending Limits (LLL) and allocation of funds to related parties and large exposures as part of its prudential principles.

The following are loans to related parties and large exposures as of 31 December 2017:
(in million Rupiah)

| No. | Funding | Total | |
|-----|--------------------|--------|------------|
| | | Debtor | Nominal |
| 1 | To Related Parties | 164 | 2,451,825 |
| 2 | To Core Debtors | 25 | 20,858,895 |
| | a) Individual | 1 | 465,944 |
| | b) Group | 22 | 20,392,950 |

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

VIII. The Bank's Strategic Plan

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

In 2018-2020, UOB Indonesia has made long term, medium term and short term target, as follows:

- Long Term Plan:
1. Undertake capital management and examine the possibility of raising core capital. This is to ensure that UOB Indonesia has strong capital in support of its business development strategy and complies with the capital adequacy requirements set by the Regulator.
 2. Issue financial instruments and use the funds obtained to support the growth of productive assets and develop the uor business. In planning for the issuance of financial instruments, UOB Indonesia always considers the economic conditions particularly the interest rate movements.
 3. Grow alternative sources of funding and improve the liquidity profile to provide stable USD funding over a fairly long period.
 4. Manage Non-Performing Loans (NPL), including through loan restructuring, aggressive collection and collateral execution.
 5. Recruit and mobilise talented people to support development and strengthen the organisational structure by increasing bench strength, retention and productivity.
 6. Implement a technology roadmap to build the right platform to support sustainable growth.
 7. Embrace digitalisation by promoting awareness of technological developments and building the required capabilities.
 8. Continue to focus on improving UOB Indonesia's performance through the the “Single Captain” concept, which will be reinforced by redefining tasks and responsibilities and setting reporting matrices.
 9. Continue to focus on sectoral solutions strategy, build banking industry/developer industry and increase productivity in wealth management to improve performance as part of the five-year strategic initiative plan.
 10. Grow the retail banking segment and improve the Return on Risk Weighted Asset.

- Medium Term Plan:
1. Examine the possibility of raising core capital that is expected to increase Capital Adequacy Ratio (CAR).
 2. Issue Subordinated Loans in 2020 for long-term capital management.
 3. Obtain net profit before tax of IDR 1,950 billion by the end of 2020.
 4. Achieve average loan growth (CAGR) of 11.08 per cent.
 5. Achieve average TPF growth (CAGR) of per cent.
 6. Increase CASA mix ratio to 41.50 per cent by the end of 2020.
 7. Achieve ROE of 10.06 per cent and ROA of 1.61 per cent.
 8. Maintain Operating Cost Income ratio of 90.48 per cent by the end of 2020.
 9. Maintain Loan to Deposit Ratio (LDR) at 89.74 per cent.
 10. Achieve Liquidity Coverage Ratio (LCR) of >100 per cent by the end of 2020.

- Short Term Target:
1. Undertake capital management to ensure that UOB Indonesia has strong capital in support of its business development strategy and complies with the capital adequacy requirements set by the Regulator.
 2. Issue financial instruments to diversify sources of funding and improve UOB Indonesia's funding structure while taking into account economic conditions, particularly interest rate developments to achieve maximum results for the Bank's performance.
 3. Net Profit Before Tax (NPBT) of IDR 750 billion in 2018.
 4. Increase loan growth for 10.54 per cent in 2018.
 5. Increase Third Party Fund (TPF) growth for 3.45 per cent in 2018.
 6. Increase Current Account Saving Accounts (CASA) mix ratio from 34.67 percent to 39.29 per cent in 2018.
 7. Maintain CAR at 16.37 per cent by the end of 2018.
 8. Achieve ROE of 4.81 per cent and ROA of 0.73 per cent.
 9. Maintain gross NPL ratio at 2.25 per cent and maintain Impairment ratio to total NPL at 93 per cent.
 10. Maintain Loan to Deposit Ratio (LDR) at 89.81 per cent.
 11. Maintain short term liquidity by achieving Liquidity Coverage Ratio (LCR) of >100 per cent in 2018.
 12. Maintain Operating Cost Income Ratio at 94.91 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 willgrow and provide benefits to all stakeholders.

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IX. Transparency of UOB Indonesia’s Financial and Non Financial Condition Not Yet Disclosed in Other Reports

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

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

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

| No. | Name | Position in PT Bank UOB Indonesia | Company Name (domestic & overseas) | Ownership Percentage per 31 December 2017 (%) |
|--------------|-----------------------|-----------------------------------|------------------------------------|---|
| Commissioner | | | | |
| 1 | Wee Cho Yaw | President Commissioner | C Y Wee & Company Pte Ltd | 30.00 |
| 2 | Wee Ee Cheong | Deputy President Commissioner | Kheng Leong Company Pte Ltd | 23.67 |
| | | | Eastern Century Limited | 10.40 |
| | | | KIP Industrial Holdings Ltd | 13.00 |
| | | | Phoebus Singapore Holdings Pte Ltd | 26.67 |
| | | | Portfolio Nominees Ltd | 26.01 |
| | | | Supreme Island Corporation | 26.00 |
| | | | UIP Holdings Ltd | 10.00 |
| | | | Wee Investments (Pte) Ltd | 26.01 |
| | | | Wee Venture (Overseas) Ltd | 26.01 |
| | | | E.C. Wee Pte Ltd | 98.00 |
| | | | C Y Wee & Company Pte Ltd | 30.00 |
| | | | | |
| 3 | Lee Chin Yong Francis | Commissioner | Kemaris Development Sdn Bhd | 50.00 |
| | | | Kemaris Holdings Sdn Bhd | 50.00 |
| | | | Kemaris Industrial Sdn Bhd | 50.00 |
| | | | Kemaris Residences Sdn Bhd | 50.00 |
| | | | Kemaris Construction Sdn Bhd | 50.00 |
| 4 | Rusdy Daryono | Independent Commissioner | NIL | |
| 5 | Wayan Alit Antara | Independent Commissioner/ | PT Citra Indah Prayasa Lestari | 5.00 |
| 6 | Aswin Wirjadi | Independent Commissioner | NIL | |
| Director | | | | |
| 1 | Lam Sai Yoke | President Director | NIL | |
| 2 | Iwan Satawidinata | Deputy President Director | NIL | |
| 3 | Pardi Kendy | Director | NIL | |
| 4 | Muljono Tjandra | Director | NIL | |
| 5 | Henky Sulistyo | Director | NIL | |
| 6 | Soehadie Tansol | Compliance Director | NIL | |

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

| Board of Commissioners and Board of Directors | Family Relation With | | | | | | Family Relation With | | | | | | Remarks |
|---|------------------------|----|--------------------|----|--------------------------|----|------------------------|----|--------------------|----|--------------------------|----|--|
| | 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 | - | - | - | - | - | - | - | - | - | - | √ | - | Head of Group Retail, United Overseas Bank Limited |
| Rusdy Daryono | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Wayan Alit Antara | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Aswin Wirjadi | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Lam Sai Yoke | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Iwan Satawidinata | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Muljono Tjandra | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Pardi Kendy | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Henky Sulistyo | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Soehadie Tansol | - | - | - | - | - | - | - | - | - | - | - | - | None |

XI.Disclose of Remuneration Policy

Preparation Process of Remuneration Policy

In reference to Financial Services Authority (OJK) Regulation No.45/POJK.03/2015 concerning Implementation of Governance in Granting Remuneration for Commercial Bank, the Bank has prepared Policies and Structure of Remuneration as approved by the Board of Commissioners and stated in Board of Directors’ Decision No.16/SKDIR/0071 dated 16 December 2016 on Policies and Structure of Remuneration. Such policies and structure of remuneration was devised to support organisational capability development which take into consideration the risk aspect and to provide competitive excellence for business as well as flexibility on responding the Bank’s needs and dynamic external market. HR Committee has reviewed the remuneration policy and is of view that the policy continues to be relevant.

Scope of Remuneration Policy

The above remuneration Policy has come into effect and has been implemented in every business unit and regional.

Granting of Remuneration associated with Performance and Risks

In determining the risks associated with variable remuneration, the Bank has considered the risks that have significant influence to business activities as the key risks in accordance to OJK Regulation concerning implementation of risk management for commercial bank. Key risks are the risks associated with business activities and have significant impact to the Bank’s risk profile, which come from 8 (eight) risks in the Bank’s business activities, i.e. credit risk, market risk, liquidity risk, operational risk, legal risk, reputational risk, strategic risk, and compliance risk.

Parties who have duties and responsibilities with significant impact to the Bank’s risk profile, are determined as Material Risk Taker (MRT). Considering the duties and responsibilities in decision making which significantly impact the Bank’s risk profile, it was decided that the Material Risk Taker (MRT) of the Bank is the Board of Directors with total number of 6 people.

The Bank has governed the granting of variable remuneration especially for Material Risk Taker position. The granting of remuneration may be deferred according to the prevailing regulations by taking into consideration the individual performance, business unit performance, and Bank’s performance in general.

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Performance Measurement Associated with Remuneration

The granting of variable remuneration is exercised to align the remuneration with the taken risk in a proper manner and cover the conformation that reflect:

- (i) size of employee performance
- (ii) size of financial and non-financial business performance
- (iii) risks associated with the business activities, if relevant and
- (iv) necessary time to effectively measure the business activities results.

Performance appraisal is performed in accordance with the Key Performance Indicator (KPI) which has been determined according to the role and function of the work and the grant of variable remuneration is done by keep observing the objectivity and independency and executed by the HR Committee Panel.

A weak or negative financial performance may leads to decrease or defer of performance-based variable remuneration, thus impact to the total compensation. The provision on Granting of Remuneration associated with Performance and Risks started to be implemented in 2017.

Remuneration Adjustment Associated with Performance and Risk

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

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

External Consultant

In establishing the remuneration policy, UOB Indonesia did not use any external consultant services.

C. Variable Remuneration

Align with the Remuneration Policy and Structure established, variable remuneration for the Board of Commissioners and Board of Directors includes bonus in cash.

Number of Directors, Commissioners and employees who receive variable remuneration in 1 (one) year and the total amount can be seen in the the following table.

(in million Rupiah)

| Variable Remuneration | Total Received in 1 (one) Year | | | | | |
|-----------------------|--------------------------------|-------|--------------------|-------|----------|---------|
| | Board of Commissioners | | Board of Directors | | Employee | |
| | Person | Total | Person | Total | Person | Total |
| Total | 3 | 223 | 6 | 9,446 | 4,028 | 169,830 |

D. Position and Number of Material Risk Takers

| No. | Position | Number of Person |
|-----|------------------------|------------------|
| 1 | Board of Commissioners | - |
| 2 | Board of Directors | 6 |
| 3 | Employees | - |

E. Shares Option

During 2017, PT Bank UOB Indonesia did not grant Share Options to Commissioners, Directors or Employees.

F. Highest and Lowest Salary Ratio

| Description | Ratio | |
|--|-----------|-----------|
| | 2016 | 2017 |
| Ratio of the highest & lowest salary of the employees | 1 : 89.20 | 1 : 93.18 |
| Ratio of the highest & lowest salary of the Board of Directors | 1 : 2.46 | 1 : 1.64 |
| Ratio of the highest & lowest salary of the Board of Commissioners | 1 : 8.30 | 1 : 8.30 |
| Ratio of the highest salary of the Board of Directors & highest salary of the employee | 1 : 1.79 | 1 : 1.79 |

G. Number of Recipient and Total Amount of Unconditional Variable Remuneration Provided by the Bank to Candidates of the Board of Directors, Candidates of the Board of Commissioners and/or Employee Candidates for the first 1 (one) Year of Work

| Unconditional Variable Remuneration | Total Received in 1 (one) Year | | | | | |
|-------------------------------------|--------------------------------|-------|--------------------|-------|----------|-------|
| | Board of Commissioners | | Board of Directors | | Employee | |
| | Person | Total | Person | Total | Person | Total |
| Total | - | - | - | - | - | - |

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

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

(in million Rupiah)

| Funding | 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 | 2,578 | 6 | 44,964 |
| Other benefits in kind (housing, transportation, health insurance, etc.) which *) | - | - | - | - |
| a. can be owned | - | - | - | - |
| b. cannot be owned | - | - | 6 | 810 |

*) 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 Rp 2 Billion | - | 6 |
| Above Rp 1 Billion up to Rp 2 Billion | - | - |
| Above Rp 500 million up to Rp 1 Billion | 3 | - |
| Under Rp 500 million | 3 | - |

*) Received in Cash

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H. Service Terminated and Total Amount of Severance Paid

| Total Severance Paide per Person in 1 (one) Year | Number of Employee |
|---|--------------------|
| Above Rp1 billion | - |
| Between Rp500 million until Rp1 billion | - |
| Rp500 million below | 30 |
| Nil | 23 |

I. Total Amount of Deferred Variable Remuneration which Consist of Cash

(in million Rupiah)

| Deferred Variable Remuneration | Board of Commissioners | | Board of Directors | | Employee | |
|--------------------------------|------------------------|-------|--------------------|-------|----------|-------|
| | Person | Total | Person | Total | Person | Total |
| Total | - | - | 6 | 8,576 | - | - |

J. Number of Recipient and Total Variable Remuneration with Deferred Payment for 1 (one) Year

(in million Rupiah)

| Deferred Variable Remuneration | Board of Commissioners | | Board of Directors | | Employee | |
|--------------------------------|------------------------|-------|--------------------|-------|----------|-------|
| | Person | Total | Person | Total | Person | Total |
| Total | - | - | - | - | - | - |

K. Detail Amount of Remuneration Provided in 1 (one) Year

A. Fixed Remuneration*)

| | | |
|---|--|--------|
| 1 | Cash | 15,277 |
| 2 | Shares/Shares-based Instruments Issued by the Bank | - |

B. Variable Remuneration*)

| | | Not Defer | Deferred |
|---|--|-----------|----------|
| 1 | Cash | 9,466 | 8,576 |
| 2 | Shares/Shares-based Instruments Issued by the Bank | - | - |

*) Only for MRT in million Rupiah

L. Quantitative

| Type of Variable Remuneration*) | Remaining Deferred Amount | Total Deductions during Reporting Period | | |
|---|------------------------------|--|--------------------------------------|------------------|
| | | Due to Explicit Adjustment (A) | Due to Implicit Adjustment (B) | Total (A)+(B) |
| 1. Cash | 8,576 | - | - | - |
| 2. Shares/Shares-based Instruments Issued by the Bank | - | - | - | - |

*) Only for MRT in million Rupiah

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

The number of fraud cases in 2017 is shown in the table below.

| Internal Fraud in 1 (one) Year | Total Cases Conducted By | | | | | |
|---|--|------------------------|-------------------------|------------------------|---|------------------------|
| | Board of Directors’ Member & Board of Commisioners’ Member | | Permanent Employee | | Non Permanent Employee and Outsourcing Staff | |
| | Previous year (2016) | Current year (2017) | Previous year (2016) | Current year (2017) | Previous year (2016) | Current year (2017) |
| Total number of fraud case | 0 | 0 | 3 | 10 | 0 | 0 |
| Has been settled | 0 | 0 | 3 | 8 | 0 | 0 |
| In settlement process in internal Bank | 0 | 0 | 0 | 0 | 0 | 0 |
| Settlement has not yet been attempted | 0 | 0 | 0 | 0 | 0 | 0 |
| Has been followed up through legal process | 0 | 0 | 0 | 2 | 0 | 0 |

XIV. Number of Legal Cases And Bank’s Effort To Settle The Cases

As of 31 December 2017, the Bank still has some legal cases detailed in the table below:

| Legal Cases | Number of cases | | |
|-------------------------------------|------------------------------------|------------------------------------|--------------|
| | Civil Law | | Criminal Law |
| | Bank UOB Indonesia as plaintiff | Bank UOB Indonesia as defendant | |
| Settled (has permanent legal power) | 0 | 6 | 0 |
| In settlement process | 3 | 45 | 0 |
| Total | 3 | 51 | 0 |

XV. Legal Cases Faced By The Board Of Commissioners And Board Of Directors

Throughout 2017 there were no important cases faced by the Bank involving members of the Board of Commissioners and/or Board of Directors.

XVI. Administrative Sanctions

During 2017, there were no significant administrative sanctions. Most of the administrative sanctions imposed were caused by error and lateness in transactional reports. The Bank has followed-up improvement action in reporting, as well as the risk mitigation such as by conducting training and improving systems and controls.

XVII. Transactions Involving Conflict Of Interest

During 2017, there were no transactions within the Bank that can be classified as conflict of interest transactions.

XVIII. Bank’s Share And Bond Buybacks

During 2017, the Bank did not perform any share or bond buyback.

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XIX. Donation for Social and Political Activities During The Period of 2017

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 2017:

| Category | Type of Activity | Description | Total Fund (in IDR) |
|--------------------------------|---|---|---------------------|
| Social and Community Relations | Cook With Love & Share The Happiness 2017 | UOB Indonesia's Commercial Banking organised a Corporate Social Responsibility event. More than 70 employees rolled up their sleeves to renovate the Islamic School of Madrasah Ibtidaiah Rabbani | 50,000,000 |
| | | UOB Indonesia raised funds from its employees to support the empowerment of kindergarten teachers through Tunas Aksara Foundation. | 100,000,000 |
| | UOB Heartbeat | UOB Indonesia raised funds from its employees to help children with special needs through Daya Pelita Kasih Foundation | 150,000,000 |
| | | | |
| Religious | Sacrificial Livestock Event | To celebrate Islamic Day of Sacrifice 1438 H, we made qurban offering distributed to neighbours around the office. | 203,400,000 |
| | Giving Staple Food Package | To celebrate Idul Fitri, UOB Indonesia gave staple food vouchers to UOB non permanent employees, i.e. Cleaning Service, Office Boy, Driver, Security, Technician, and Messenger throughout Indonesia. | 291,629,195 |
| | Mudik Bersama, Day Care and Tajil | To celebrate Idul Fitri 1438 H, UOB Indonesia gave staple food packages to more than 2,000 UOB employees and "Mudik Bersama" for 232 employees and their family, and provide daycare facility to employees' children 3 days after Idul Fitri. | 761,211,988 |
| | UOB Christmas Celebration | UOB Indonesia staff organised an annual event and raised funds to help Bhakti Luhur foundation for which focuses on providing services for the disabled, poor and disadvantaged people. | 38,900,000 |
| | | | |
| Education | Scholarship for Employees' Children | Education donations for 133 employees' children with outstanding achievements. | 157,400,000 |
| | Scholarship for Employees | Education donations for 18 employees with outstanding achievements to seek higher education. | 227,214,500 |
| | Internship | Provided an opportunity for final-year students to have an experience in the work environment. | 95,475,000 |

| | | | |
|--------------------|--|--|---------------|
| Financial Literacy | UOB Inspiration | Provided financial education through UOBI Inspiration "Digitalization Workshop & Business Plan Competition" for students of Bandung Institute of Technology | 12,125,000 |
| | Financial Education and Workshop | Organized talkshow seminar entitled "UOB Indonesia Economic Outlook 2018: Navigating your business in uncharted waters" to focus in building relationship with customers and give information regarding Economic Outlook 2018 to UOBI's customers | 1,157,964,450 |
| | Financial Education and Workshop | Organized talkshow seminar entitled "UOB Indonesia Economic Outlook 2017: East Java as the Next Economic Hub for Eastern Indonesia Development" to focus in building relationship with customers and give information regarding Economic Outlook 2017 to UOBI's customers | 1,000,000,000 |
| | Financial Education PB Activation | Through "PB Activation" event, UOB provided education in general financial planning and solution available in the bank | 470,000,000 |
| | SME Business Center | Through SME Business Center event, provided financial education in investment, loans and cash management in general with entrepreneur and expert in culinary business, fashion, travel & SME financing, and digital marketing as speakers | 12,774,000 |
| | SME Bankers Certification Program | Provided education in investment, loans and cash management in general for university in Bandung through SME Bankers Certification | 10,000,000 |
| Art | Transaction Banking Experience Center (TBEX) | Provided education resources, tips and knowledge to complement customer experience in performing transaction of Transaction Banking products. This program was conducted in several cities including Jakarta, Semarang, Surabaya, Solo, Medan, Bandung, Batam, Balikpapan. | 205,290,000 |
| | Bazzar Art Jakarta | UOB Indonesia conducted a special contribution to the UOB Painting of the Year alumni to showcase their artwork at Art Jakarta 2017. | 127,499,999 |
| | Painting competition | UOB Indonesia continued to celebrate the 2017 UOB Painting of the Year Awards, in view of marking our footprint in the art scene. | 560,000,000 |
| | UOB Painting of the Year Road Show | UOB Indonesia held a series of workshops by bringing Executive Director of Fukuoka Asian Art Museum in 2 cities, Bandung and Yogyakarta. | 146,035,927 |
| | Pre-Heartbeat campaign | UOB Indonesia held an employee fundraising through artworks auctions of students with special needs from Daya Pelita Kasih Foundation. | 23,837,000 |
| Total Contribution | | | 5,790,757,059 |

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XX. Code of Conduct

A. Code of Conduct

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

B. Coverage of Code of Conduct Implementation

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

C. Main Points of the Code of Conduct

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

1. **Responsibilities to the Bank**

UOB Indonesia is obliged to cooperate with external and internal investigators, the obligation to safeguard the interests of the Bank in terms of intellectual property rights, the use of information technology tools for Banks, recording and accurately, in accordance with the document storage and the prohibition to influence employees or other parties related to business relationships (non-solicitation).

2. **Responsibilities at the Work Place**

UOB Indonesia is responsible to create a conducive working environment and non-discriminative.

3. **Responsibilities to the Customers and Other External Parties**

The Code of Conduct contains provisions which prohibit employees from accepting any gift or money from external parties, and require employees to exercise appropriate business judgement when selecting third-party business associates. An employee may participate in political activities if he or she has obtained prior approval from Human Resources function.

4. **Confidentiality**

Every employee shall protect the privacy of customers as well as the confidentiality of customers' data.

5. **External Investment and Activities**

UOB Indonesia prohibits insider trading, avoid involvement in transactions that contain conflict of interest and prohibit any activities outside the Bank which directly or indirectly may interfere the performance of that employee and/or Bank.

6. **Legal Provisions and Other Major Compliance**

UOB Indonesia's provisions prohibit any violation of the prevailing anti-trust law and oblige employees to comply with all prevailing laws and regulations.

D. Dissemination of Enforcement and Sanctions of Code of Conduct

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

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

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

XXI. Corporate Culture

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

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

The core values of the Bank are as follows:

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

XXII. Whistleblowing System

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

A. Whistleblowing Procedure

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

B. Protection for Whistleblower and Reported Party

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

- Followed up by proper party according to the roles and responsibilities as stated in Bank's Whistleblowing Policy.
- Referred to the police if needed based on decision of HR Committee.
- Reported to President Director, Board of Commissioners and Audit Committee.

The policy implementation is not limited to the complaint severity, credibility and the extent to which it can be verified by existing sources.

C. Result of Whistleblowing

During 2017, there were 4 (four) cases reported through whistleblowing hotline and all cases have been resolved.

XXIII. Internal Communications

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

- UOB Intranet Portal
An online intranet portal containing important information to support Bank's services and daily operations.
- CEO Message
Containing information about Bank's strategic plan and achievement, also congratulatory messages on religious and cultural activities presented by the President Director.
- E-learning
Conducted as a refreshment of implementing the Bank's policy information in which all UOB staff must participate in. The information provided includes policies on Know Your Customer, Anti-Money Laundering, IT Security Awareness, Fair Dealing, Insider Trading and other policies related to banking operations.
- Daily News
Sent on a daily basis to all staff which containing news summaries associated to financial institution and UOB Indonesia coverage in various printed and online media.
- HR News
Sent to all staff which containing information on policies related to human resources in the Bank's environment.
- PFS News
Containing information related to promotional activities carried out bu Personal Financial Services Work Function on privilege banking, savings, time deposits, credit cards, housing loans and other internal events held by PFS.
- TSB News
Containing information on activities conducted by Transaction Banking Work Function.
- CASQ News
Containing routine publication on information associated to customers services.
- IT News
Containing information related to policies implemented in information and technology system within the Bank's environment.
- Risk Management
Containing information on risk implementation policies in the Bank.
- Poster
The Bank created posters which contain information related to the Bank's policies, and strategically placed in staff's offices, both in head office and branch offices.
- Screen Saver
The Bank utilise the employees' computer screen saver to provide the latest information about programmes related to the employees' personal development.

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XXIV. Corporate Social Responsibility

UOB Indonesia is dedicated in helping customers to manage their personal and business financial, and in conducting the Bank’s business activities, we are committed in empowering the community where we operate. On that, the Bank is actively participating in the community through Corporate Social Responsibility.

In addition to children, art, and education, UOB Indonesia also conducted Corporate Social Responsibility programmes in the environmental and labor sectors. Within the scope of the environment, UOB Indonesia implemented Green Office Campaign programme that focuses on the efficient use of electricity, paper, and printing machine in 2017. As for labor sector, we provided high performance employees with opportunities to receive scholarships to continue their higher education. Through UOB Heartbeat, we remained committed to develop a better social environment for our employees. For further details on donations and other social activities, please see page 120.

Table of Customer Complaint of 2017

| Period | Within SLA | | > SLA | Remarks | | | Completion Ratio (%) |
|-------------|------------|-----------|----------|-----------|-------------|-------|----------------------|
| | <5 days | 5-20 days | >20 days | Completed | In progress | Total | |
| 1st Quarter | 156 | 60 | 5 | 221 | 90 | 311 | 71.06% |
| 2nd Quarter | 166 | 62 | 1 | 229 | 118 | 347 | 65.99% |
| 3rd Quarter | 165 | 71 | 8 | 244 | 123 | 367 | 66.49% |
| 4th Quarter | 189 | 65 | 6 | 260 | 133 | 393 | 66.16% |
| Total | 676 | 258 | 20 | 954 | 464 | 1,418 | 67.28% |

SLA : Service Level Agreement

XVI. 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 2017.

The Bank is rated by comparing its Good Corporate Governance implementation against the minimum criteria set by Financial Services Authority (OJK).

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

UOB Indonesia believes that Good Corporate Governance should be achieved with high standards in order to support business (for business growth, profitability, and value-added for

XXV. Customer Protection

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

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 Half of 2017, 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.

UOB Indonesia has conducted a self-assessment of the implementation of Good Corporate Governance principles for the period of January to December 2017. 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.

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

- In the assessment of Governance Outcome aspect, the Bank has consistently met the expectation of stakeholders, namely:
- Adequacy of report transparency
 - Compliance with laws and regulations
 - Customer protection
 - Objectivity in performing assessment/audit
 - Bank performance (in earnings, efficiency, and capital) and
 - Improvement of compliance with prevailing provisions.

- From the aspect of strategic plan achievement, here are the Bank’s performance in 2017 which is reflected from:
- Capital Adequate Ratio (CAR) at 17.08 per cent
 - Net Profit Before Tax achieved IDR 308.5 billion and
 - The decline in gross NPL ratio to 1.08 per cent from the revised 2017-2019 Bank Business Plan target of 3.87 per cent by performing sale of non-performing loan of IDR 3.2 trillion.

Moreover, as a form of the Bank’s participation on supporting the Government’s program to achieve economic independence, by the end of 2018 the Bank aims to provide loans to MSME for 20.08 per cent, tourism for 5.37 per cent, infrastructure for 2.06 per cent, maritime for 1.80 per cent and agriculture for 7.54% from the total Bank loans at the end of 2018.

- Based on the assessments results of the governance aspects, a few areas for enhancement have been identified as follows:
- 1) Improvements are still required in the Bank’s internal control system, i.e. related to administrative sanctions imposed by regulators due to error in regulatory reporting, which was generally caused by human error and lack of control from supervisor. As form of improvement actions and prevention of similar incidents from occurring, the Bank has form task force to analyse potential errors in regulatory reporting and other necessary improvements.
 - 2) With the updating of risk management policies in line with the development of business strategy, internal and external factors, and employee turnover, the socialization of these policies needs to be continuously improved to ensure consistency of implementation.

Risk Management

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

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

- In order to achieve the risk management vision, UOB Indonesia determines risk management mission as follows:
- Promoting of sustainable long-term growth through embracing sound risk management principles and business practices.
 - Continousl improvement of risk discovery capabilities and establishment of appropriate value-creating risk controls.
 - Facilitating business development within a prudent, consistent, and efficient risk management framework that balances risks and returns.

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

Risk management is also the responsibility of every employee within UOB Indonesia. Risk awareness and accountability are embedded in our culture through an established framework that ensures appropriate oversight and accountability for the effective management of risk throughout UOB Indonesia and across risk types. This is executed through an organisational control structure that provides three “lines-of-defence” as follows:

Risk Management

1. First Line of Defence – The Risk Owner

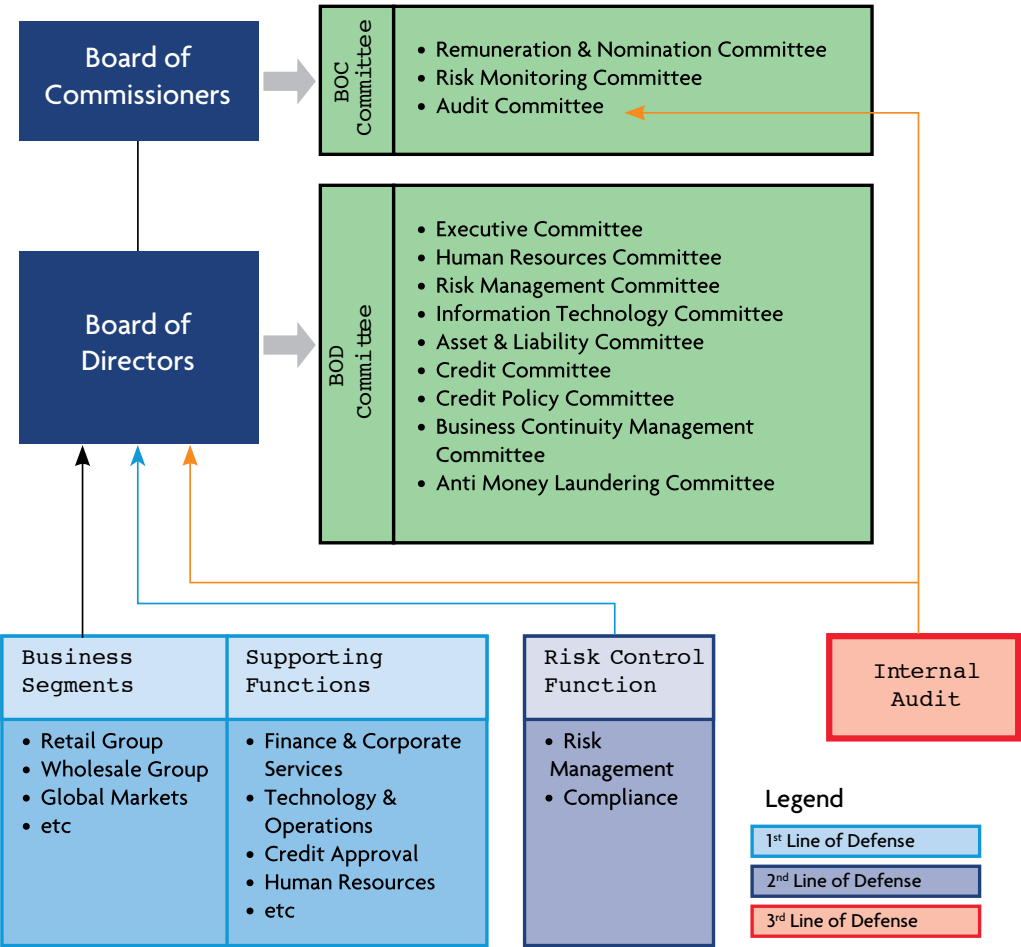
The business and support functions have primary responsibility for implementing and executing effective controls for the management of risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with approved risk policies, appetite, limits and controls and to highlight control breakdowns, inadequacy of processes, and unexpected risk events.
2. Second Line of Defence - Risk Oversight

The risk and control oversight functions (such as Risk Management, Compliance, and Fraud Management), the Chief Risk Officer (CRO) and the senior management committees provide the second line of defence.
3. Third Line of Defence – Independent Audit:

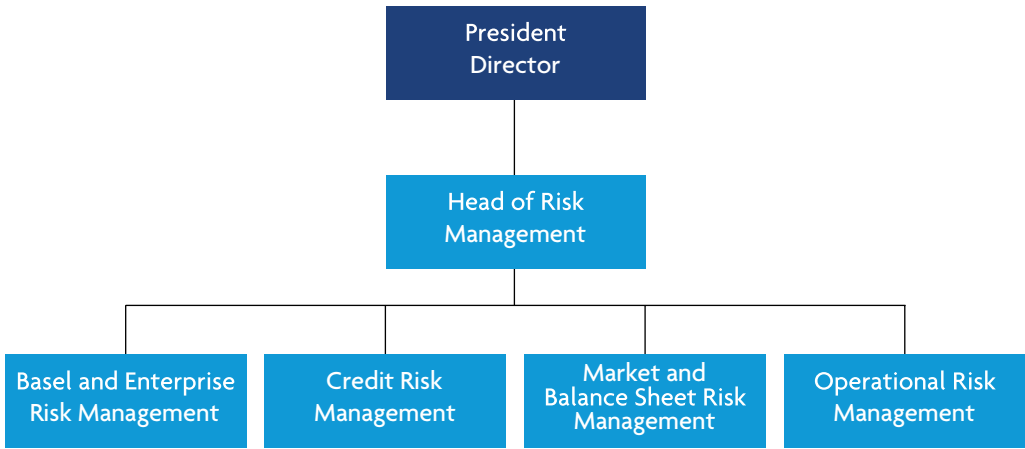
UOB Indonesia's internal and external auditors conduct risk-based audits covering all aspects of the first and second lines of defence to provide independent assurance to the President Director and Board of Commissioners through Audit Committee on the effectiveness of the risk management and control structure, policies, frameworks, systems and processes.
- The risk and control oversight functions support UOB Indonesia's strategy of balancing growth with stability by establishing risk frameworks, policies, appetite, and limits within which the business functions must operate. The risk

and control oversight functions are also responsible for the independent review and monitoring of the Bank's risk profile and highlighting any significant vulnerabilities and risk issues to the respective management committees.

The independence of risk and control oversight functions from business functions ensures the necessary checks and balances are in place.



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



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

Risk Management aims to improve the quality of managing UOB Indonesia 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, UOB Indonesia continues 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 promptly and accurately.

A. General Risk Management Implementation

UOB Indonesia implements Risk Management Framework which covered the implementation of four pillars of Risk Management in accordance with the Financial Services Authority (Otoritas Jasa Keuangan - OJK Regulation No.18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks which consists of:

- Active supervision of the Board of Commissioners and Directors
- Adequacy of policies, procedures, and limits
- Risk Management processes and Risk Management information system
- Internal control system

with brief explanations as follows:

A.1 Active Supervision by Board of Commissioners & Directors

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

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

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

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

Risk Management

A.2 Adequacy of Policy, Procedure, and Limit

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

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

A.3 Risk Management Process and Risk Management Information System

UOB Indonesia implements Risk Management through four stages; which consists of:

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

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

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

A.4 Internal Control System

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

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

B. Risk Management Implementation for Each Risk Type

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

B.1 Credit Risk

Credit Risk is defined as the risk of loss arising from any failure by a debtor or a counterparty to fulfill its financial obligations as and when they fall due. Credit Risk is the single largest risk that UOB Indonesia 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 UOB Indonesia to counterparty and issuer Credit Risks. UOB Indonesia believes a disciplined approach towards credit risk measurement is essential to the effective understanding and management of credit risk.

Credit Risk Management Governance Structure

Board of Commissioners, Directors, and Senior Executive Officers are responsible to ensure governance follows:

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

To support the above responsibilities related to Credit Risk Management, UOB Indonesia has several committees at Director level such as Credit Committee (CC) to give approval decision for credit proposal and Credit Policy Committee (CPC) to give approval for credit policies within.

To manage credit risk better, UOB Indonesia conducted a loan sold strategy in the fourth quarter of 2017. The strategy succeeded in increasing the NPL Coverage Ratio while maintaining the capital level required by the Regulator and maintaining compliance in UOB Indonesia's Risk Appetite Statement applicable in 2017, especially with regards to credit risk.

In line with FSA policy concerning Application of Responsible Financing, the Bank will continue to apply Environmental, Social, and Governance (ESG) regulations for wholesale banking segment debtors, which aims to direct customers to conduct their business practices with due regard for the environment.

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

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

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

Credit Risk Management Policies

UOB Indonesia established the various following policies to manage Credit Risk:

- a. General Credit Policy for Corporate, Comercial, Bank (including Non-Bank Financial Institution) and Sovereign that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages Credit Risk. This policy also includes the Credit Classification rule that governs the assessment of credit quality based on five credit grades of

- Pass, Special Mention, Substandard, Doubtful and Loss
- b. Consumer Credit Policy that governs the principles of credit extension, the credit principles, and standards by which UOB Indonesia undertakes and manages Credit Risk for the consumer segment
- c. Credit Concentration Risk Management Policy that manages Credit Concentration Risk
- d. Credit Restructuring Policy (Non-Retail) provides guidance on restructuring credit facilities to borrowers who are facing difficulties in meeting their financial obligation to UOB Indonesia
- e. Green Banking Guidelines, on UOB Indonesia'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
- 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 and Override Rating Policy, contains UOB Indonesia's override policies and guidelines for adjusting the rating output
- j. The Workflow for Basel II (ECAI) External Credit Assessment Institutions (ECAI) 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

Credit Risk Management Framework

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

Credit Risk Mitigation

As a basic principle of credit activity, the Bank does not grant credit facilities based solely on the 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 and 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.

Risk Management

Credit Assessment and Approval

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

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

Credit Management and Special Asset Management

UOB Indonesia 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 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 the regulatory provisions. Account grading must be supported by a credit assessment based on the repayment capability, cash flows and financial position of the borrower.

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

Impairment

- Credit facilities are downgraded to impaired/non-performing loan status when any of the following criterias are met:
- a. The principal and/or interest are in past due more than 90 days
 - b. The outstanding amount, including interest of a revolving credit facility is in excess for more than 90 days
 - c. The credit facility exhibits weaknesses that render a classification appropriate, although the amount past due or in excess is less than 90 days.

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

Credit Exposures under Basel II

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

- Under the Standardized Approach, UOB Indonesia'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, UOB Indonesia only recognizes credit ratings from Fitch Ratings, Moody's Investors Service and Standard and Poor's.

B.2Market Risk

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

Market Risk Management Governance Structure

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

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

We 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 UOB Indonesia. These roles and responsibilities are governed in the Market Risk Management Policy.

Market Risk Management Policy

UOB Indonesia established Market Risk Management Policy as a guidance for Market Risk Management implementation. Market Risk Management Policy is reviewed at least annually to conform with business strategy, management directives, and regulatory requirements, approved by ALCO.

Market Risk Management Framework

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

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

- UOB Indonesia's Market Risk measurement methods are able to:
- 1) Measure the sensitivity and Market Risk exposures under normal and stress conditions
 - 2) Provides the actual data for potential profit and loss on a daily basis
 - 3) Perform mark to market valuations and
 - 4) To accomodate the increase in volume of activities, changes of valuation techniques, changes in methodology and new products.

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

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book is defined as the risk of potential reduction in net interest income and the economic value of UOB Indonesia's capital due to changes in interest rates environment.

Interest Rate Risk Management Governance Structure

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

Interest Rate Risk Management Framework

The primary objective of interest rate risk management is to protect and enhance economic value of capital and maintain a stable and positive growth in net interest income through the management of the repricing gap in the balance sheet.

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.

The approach to changes in the Net Interest Income (NII) or delta NII and the Economic Value of Equity (EVE) is applied to measure interest rate risk from interest rate changes using various interest rate scenarios, such as changes in interest rate curves, which include the changes scenario of highest rates and lowest rates.

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

B.3Liquidity Risk

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

Liquidity Risk Management Governance Structure

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

Risk Management

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

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

Liquidity Risk Management Policies

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

Liquidity Risk Management Framework

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

UOB Indonesia strategies focus on the business development within the Liquidity Risk framework which is performed prudently, consistently and efficiently in order to balance the risk and returns. Bank has determined clear duties and responsibilities on every level positions related to the Liquidity Risk Management implementation tailored with the objectives, business policy, size and complexity of the Bank.

The key measures used by the Bank for managing Liquidity Risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, and also by monitoring liquidity ratios as an early warning indicator i.e. decreased in non-bank deposits, LDR, Top 50 and 20 non-bank depositors ratios, swap funding ratio, undrawn facility ratio, Interbank Funding Mix ratio, and Top 20 bank depositors ratio. In addition, Bank also monitors the stability of its 'core deposits' which consist of non-bank stable deposits such as current

account, savings account, and fixed deposit by analyzing their volatility overtime. Balance Sheet Risk Management Unit is responsible to enhance, implement, maintain, review, develop and communicate assumptions, methodologies, sources of data, delegation of authority, stress testing and procedures that used to measure the Liquidity Risk.

Several strategic actions have been taken to manage Liquidity Risk. On the funding side, UOB Indonesia conducts an in-depth evaluation of its funding capacity focusing on funding sources, concentration, tenor, and access to other funding sources in the market. Meanwhile from the asset side, UOB Indonesia conduct analysis of the type and composition of asset 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 prior to its initiation.

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

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

UOB Indonesia performs calculation and monitoring of Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), where both ratios are reported in ALCO meeting.

Contingency Funding Plan

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of our operational or daily liquidity management policy. The CFP describes the actions that should be taken by UOB Indonesia in the event of a liquidity crisis, whether occurring in a bank-specific or a general market. The CFP serves to identify and recognize a liquidity crisis, define the appropriate management

responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick, precise, and effective decision-making. The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products, and organisational structure, in order to determine the most relevant indicators for managing liquidity and funding. In addition, UOB Indonesia also established a Liquidity Task Force (LTF) which responsible to evaluate liquidity position and decide actions to be taken when crisis occurs.

B.4 Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The purpose of grouping those risk types is to align the perception and understanding throughout the organization and set the basis for Operational Risk identification, measurement, mitigation, monitoring, and reporting. The main objective is to manage operational risk (identification, measurement, evaluation, mitigation, monitoring and reporting) at appropriate and tolerable level relative to the markets in which the businesses operate.

Operational Risk Governance

Operational risk is managed through a framework of policies and procedures by which business and support units identify, assess, monitor, mitigate, and report their risks. The Operational Risk Management Committee (ORMC), which is a sub-section of the Risk Management Committee meets on a monthly basis, and aims to improve the effectiveness of UOB Indonesia's overall Operational Risk Management. The Operational Risk Governance structure adopts the Three Lines of Defence Model. The business and support units, as the first line of defence, are responsible for establishing a robust control environment as part of their day-to-day operations. Each business/support unit is responsible for implementing the operational risk framework and policies, embedding appropriate internal controls into processes and maintaining business resilience for key activities.

The Operational Risk Management (ORM) Division, as the second Line of Defense is supported by Operational Risk Management policies, procedures and tools that are tailored to the Bank's business activities. Our limit and policies are reviewed at least annually to comply with conditions. ORM also ensures that operational risks and incidents are escalated to Senior Management and management committees including the follow-up completion of Internal and External Audit findings.

Independent reviews of the implementation of the Operational Risk Management programme was also carried out by Internal Audit as the third Line of Defense on a regular basis.

Operational Risk Management Framework & Policies

UOB Indonesia established an Operational Risk Management Framework & Policies to ensure 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 effective market best practices. In general, the Operational Risk control strategy is carried out through the principal and methodology of Three Lines of Defense.

Operational Risk Management Framework and policies are reviewed annually to align with the Bank's internal and external conditions, and approved by the Board of Directors through the Risk Management Committee and Board of Commissioners.

The update of Operational Risk Management Framework and policies have been performed through the following:

1. Changes in Operational Risk Management strategy and tools.
2. Assessment of new product and activities.
3. Assessment of outsourcing activities in order to comply with the prevailing regulations.
4. Assessment of Business Continuity Management implementation strategy.
5. Assessment of Operational Risk Management monitoring process and reporting.

Operational Risk Management Programme

The main focus of Our Operational Risk Management programme is to strengthen the Operational Risk Management infrastructure and governance. UOB Indonesia's Operational Risk Management framework includes:

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

Operational Risk Management is the responsibility of all employees in the Bank. Various Operational Risk Management initiatives and programmes have been implemented to increase risk awareness and effectiveness of Operational Risk Management implementation, as follows:

Risk Management

1. To ensure operations are aligned with the level of risk tolerance, appointed Line Risk & Control Manager (LRCM) as the person in charge (PIC) for the implementation of operational risk management in each working unit as the 1st Line of Defense. To upskill the LRCMs, ORM Division collaborates with HR – Learning & Development Division holds regular training and socialization sessions on Operational Risk Management for the LRCMs.
2. Conducts Crisis Management Team (CMT) simulation on an annual basis.
3. Continues and conducts regular reviews on the implementation of Operational Risk programmes, such as Operational Risk Incident Reporting, Key Risk and Control Self Assessment (KRCSA), Key Operational Risk Indicator (KORI), Outsourcing Management and Insurance Management.
4. Develops Operational Risk Management culture in all working units through socialisation and training (such as an email blast, workshop, training, e-learning, and others).
5. Strengthens Business Continuity Management (BCM) Policy implementation, through developing Regional and Local Command Center, establishing Regional Command Center Procedures, forming Emergency Response and Recovery Team, and conducting simulation, training and testing to ensure readiness.
6. Established Technology Risk Management Framework to manage technology risks in a systematic and consistent manner.

Business Continuity Management

UOB Indonesia established and regularly updates BCM Policy and Guideline that cover Business Impact Analysis (BIA), Operational Risk assessment, recovery strategy for each type of disruption, documentation of disaster recovery and contingency plan, and evaluation of BCM programme effectiveness.

UOB Indonesia will continue to increase its capability to minimize the likelihood and impact of identified disaster. We have initiated a strategy to manage a wide-area disruption, especially for Jakarta area. In order to support and improve BCM readiness, several BCP exercises are conducted on a regular basis. The exercises include BCP Exercise, Disaster Recovery Exercise for IT system and Management Call Tree Exercise. In addition, We have also established Crisis Management Plan and conduct Integrated Crisis Management Simulation exercise to ensure readiness of Crisis Management Team in executing the plan when crisis occurs.

Fraud Management

UOB Indonesia actively implements anti-fraud strategy, which consists of four pillars i.e. (1) prevention, (2) detection, (3) investigation, reporting, and sanction, and (4) monitoring, evaluation, and follow up. Anti-fraud strategy is regulated in the Anti-Fraud Policy, which is based on Bank Indonesia Circular Letter No.13/28/DPNP dated 9 December 2011 on Implementation of Anti-Fraud Strategy For Commercial Banks.

The Bank's fraud prevention efforts and communication of fraud zero tolerance include, among others, improvement of policy and procedures, anti-fraud socialization and workshop to Bank's employees, and internal coordination in order to increase the effectiveness of anti-fraud strategy implementation.

B.5 Compliance Risk

Regulatory Compliance Risk is defined as:

- The risk of regulatory sanctions, financial loss, or damage to UOB Indonesia reputation that may arise when the Bank fails to comply with laws, regulations, rules, standards, or codes of conduct (established by industry associations) applicable to the Bank's regulated business activities.
- The risk that a change in laws and regulations, can increase the cost of operation and the cost of capital for UOB Indonesia thereby impacting earnings or returns.

In line with Indonesia its Financial Services Authority Regulation (*Otoritas Jasa Keuangan OJK*) No.46/POJK.03/2017 concerning the Implementation of Compliance Function for Commercial Banks, one of the Compliance Function strategies is the Management of Compliance Risk, through compliance culture on all working levels of the organization and to ensure that all policies and business activities are in line with the prevailing regulations.

Compliance Risk Management Governance Structure

Stakeholders involved in managing Compliance Risk are as follows:

- Board of Commissioners evaluates the implementation compliance function at least twice a year.
- Board of Directors approves the Compliance Charter and ensures the implementation of compliance culture at all levels of the organization and Bank's business activities.
- Senior Executive Officers is responsible to foster and ensure the implementation of compliance culture at all level of The organisation and business activities, as well as ensuring the implementation the 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 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 implementation of inline compliance with our commitment to the regulator, and take steps to institute a compliance culture in all business activities.
- Compliance Review and Testing Division identifies, measures, monitors, and manages compliance risk with reference to the Regulators' regulations concerning the risk management implementation for commercial banks. This

is performed by coordinating with the business/support function to ensure that policies, provisions, systems, and procedures, as well as business activities are in accordance with the regulations from Regulators and other applicable regulations.

- AML/CFT and Sanctions Division formulates and institutionalizes an Anti Money Laundering and Countering the Financing of Terrorism framework that is robust to manage our exposure to money laundering and terrorist financing risks.
- Risk Management Function is responsible to develop and implement the risk management frameworks/infrastructure, strategy, policies, and processes to manage all risks of the Bank.
- Internal Audit function independently evaluates the reliability, adequacy, and effectiveness of governance proves, internal controls, and risk management processes; assesses the extent to which the Bank's objectives, corporate governance, and management directives are achieved through the review of systems and operations; determines whether UOB Indonesia complies with laws and regulations and adheres to established policies, plans, and procedures, and whether Management is taking the appropriate steps to address control deficiencies; and provides objective assurance to add value and improve operations.
- Legal Function is responsible to provide advice by referring to the prevailing Laws and Regulations. Legal Function is also responsible to provide legal policies, procedures, guidelines ,and standards legal documents related to product or activities.
- Line Managers and Staffs are accountable for Compliance Risk and responsible to ensure compliance with all applicable regulations and policies within UOB Indonesia.

Compliance Risk Management Policies and Guidelines

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

- Compliance Framework
- Compliance Code of Conduct
- Compliance Review Procedure
- Monitoring the implementation of Commitment Monitoring and Follow-Up on Request from Related Regulator Procedure
- Escalation and Reporting of Compliance Risk Incident Procedure
- Provisions related to Compliance Function
- Compliance Risk Assessment

Compliance Charter and Compliance Guidance are reviewed annually to ensure an adequate and timely compliance function implementation in all level of the organisation and thus, facilitate UOB Indonesia harmony to better between commercial interest and compliance towards prevailing regulations. For such policy and procedure to be implemented effectively, the most fundamental aspect that must be in place

is compliance culture, which drives the value, behavior and action that supports Bank's compliance interest towards the prevailing laws and regulations.

Compliance Risk Management Framework

In order to strengthen our internal control system framework, especially for Compliance Function as the 2nd line of Defense, we developed 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 compliance function are through aspects of compliance function governance, compliance risk management, as well as the implementation of compliance culture.

Compliance function framework on the compliance risk governance aspects are reflected in the Compliance organisational structure which is independent off business and other supporting units, where the Compliance Director reports directly to the President Director. Thus, enabling the compliance function to be handled independently.

In respect of Compliance Risk Management, fulfillment of commitment to compliance and regulatory obligations is monitored through several compliance tools such as Compliance Review, corrective action plans for regulatory inspection findings, internal monitoring and breaches, and others.

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

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

B.6 Strategic Risk

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

Strategic Risk Management Governance Structure

Related parties involved in managing Strategic Risk are as follows:

- Board of Commissioners and Directors: formulate and approve strategic plan and business plan, including the communication to all employees within organisation.
- Risk Management Committee supports Board of Directors in monitoring Strategic Risk management implementation, and providing information related to material risk exposures, issues, and action plans.
- Business and support functions monitor and manage Strategic Risk in their respective areas, and responsible

Risk Management

- for ensuring all material risks that arise from the business activities and implementation of strategy are reported in a timely manner to the related Directors or Senior Executive Officers.
- Risk Management Function, together with Finance Division, conducts evaluation on the realization of Bank's Business Plan.

Strategic Risk Management Policies

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

Strategic Risk Management Framework

UOB Indonesia adheres to prudent principles in all its business decisions so as to minimize and mitigate any risks involved. In managing Strategic Risk, We 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.

We set strategic plan in a proper and realistic manner, as well as considering the prudential principles and risk management implementation. our strategic plans are prepared by the Board of Directors, and upon approval of the Board of Commissioners, communicated to all employees. Each Function Head is responsible to ensure the alignment of the annual work plans in their respective functions with the work plan established by the Board of Directors.

On an on-going basis, UOB Indonesia perform periodic reviews on the achievement of financial targets and realized strategies. The Board of Commissioners and Directors also conduct review periodically towards our achievement on financial targets and its realisation through various forum and meeting coordination, such as Board of Directors meeting. All functions are also responsible for monitoring their Strategic Risks and reporting promptly to the related Directors and/or Senior Executive Officers on any potential issues or problems that has strategic implications to UOB Indonesia.

B.7 Legal Risk

Legal risks are risks to UOB Indonesia's financial position, operations or reputation arising out of:

- (a) Unenforceable/unfavourable/defective/unintended contracts
- (b) Lawsuits or claims
- (c) Developments in laws and regulations or
- (d) Non-compliance with applicable laws, rules and professional standards.

Legal Risk Management Governance Structure

- Related parties involved in managing legal risk are as follows:
- Board of Commissioners and Directors (through Risk Management Committee and Risk Monitoring Committee) are responsible to supervise and to manage legal risks arising from business activities.
 - Risk Management Committee supports the Board of Directors in monitoring legal risk management in the Bank, providing information of material risk related to exposure, issues, and action plans.
 - Business and support functions are responsible for monitoring and managing Legal Risk and its impact in their respective areas.
 - Subject matter specialists, such as Compliance, Legal, Human Resources, Technology and Operations, Property and General Services, and Corporate Services functions are responsible for providing guidance related to their respective areas of expertise.

Legal Risk Management Policies

UOB Indonesia has a Policy on Management of Legal Risk which governs the Legal Risk Management Governance Structure and sets out the duties and responsibilities of each party in implementing Legal Risk Management.

Legal Function has established various guidelines related to Legal Risk Management, such as Guidelines on Managing Intellectual Property Risk, Guidelines on Engageent of External Lawyers, and Guidelines on Managing Contractual Risk.

Legal Risk Management Framework

Risk measurement for Legal Risk is conducted by using indicators such as potential losses due to litigation, cancellation of contracts due to unenforceability of engagement, and changes of regulations. Every Legal Risk incident and its potential loss numbers must be documented and reported.

- The Legal function provides legal advice and guidance to all units, as and when needed. This includes the oversight and periodic review of:
- (a) All standard contracts/agreements and
 - (b) All standard loan agreements and standard Letters of Offers; between UOB Indonesia and other parties.

The Legal Function is also responsible for highlighting new or emerging legal risk, and managing significant litigation involving the Bank.

B.8 Reputation Risk

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

Reputation Risk Management Governance Structure

- Related parties involved in managing Reputation Risk are as follows:
- Board of Commissioners and Directors are responsible for managing Reputation Risk.
 - Risk Management Committee assists the Board of Directors in the oversight of the management of Reputation Risk, keeping them apprised of the material risk exposures, issues, and resolution plans.
 - Reputation Risk Management panel is a sub-committee of the Risk Management Committee which is responsible to confirm the impact of high reputational risk events, determine the appropriate action plan, appoint relevant task force and approve the closure of the case.
 - Business and support functions are responsible for monitoring and managing the various types of risks which deemed potentially impact to the reputation risk.
 - Risk Management function is responsible for developing and maintaining Risk Management policies and procedures, also training and advising the business and support functions in managing its risks, including reputation risk.
 - Subject matter specialists, from the various functions of Brand, Strategic Communications and Customer Advocacy, Compliance, Legal, Human Resources, Technology and Operations, and Corporate Services.

Reputation Risk Management Policies

Bank established Reputation Risk Management Policy that governs the Reputation Risk Management Governance Structure, methodology, and toolkits for managing the Reputation Risk, including its communication process, escalation process, establishment of Reputation Risk Management Panel, Reputation Risk issue owner, and others.

Reputation Risk Management Framework

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

Risk monitoring for Reputation Risk is conducted on a regular basis in accordance with UOB Indonesia's policies, procedures, and guidelines, as well as Bank's past experiences.

- Risk controlling for Reputation Risk is conducted through:
- a. Prevention of events that can lead to Reputation Risk, for example by monitoring, conducting periodic communications to stakeholders in order to create a positive reputation, and a series of activities such as corporate social responsibility.
 - b. Restoration of UOB Indonesia's reputation after a Reputation 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 losses resulting from the incident shall be noted and tracked, for closure.

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

C. Risk Based Bank Rating (RBBR)

In a regular basis, UOB Indonesia conducts assessment on the Risk Based Bank Rating according to OJK Regulation No.4/POJK.03/2016 and BI Circular Letter No.13/24/DPNP regarding the Assessment of Bank's Soundness Rating for Commercial Banks. The assessment of RBBR is conducted toward 4 (four) factors namely Risk Profile, Good Corporate Governance, Earnings, dan Capital.

The self assessment result of RBBR for semester II – 2017 was as follows:

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

Risk Management

Based on the self assessment, UOB Indonesia assessed its soundness rating in the 2nd semester of 2017 at “2 or in a good condition”, means that the Bank is able to encounter significant negative effects and changes in business conditions and other external factors reflected in assessment factors rating, namely, Risk Profile, Good Corporate Governance Implementation, Earnings, and Capital. The weaknesses identified in the assessment factors do not significantly affect the soundness rating of the Bank.

D. Risk Management System Implementation

The applied Risk Management System aims to conduct analysis of current or future risks and/or potential risks faced by the UOB Indonesia and to determine mitigation measures for these risks. Risk Management System is regularly evaluated in order to measure its effectiveness level. Through this evaluation, the Bank is expected able to re-analyze whether these strategies are in line with the established target.

Evaluation of the Risk Management System is conducted internally and externally. Internally, Risk Monitoring Committee and Audit Committee review and evaluate the Bank’s Risk Management policies and implementation, as well as provides inputs and recommendations to the Board of Commissioners in order to carry out the oversight function. Internal Audit function regularly reviews and conducts audit on risk management implementation based on risk based audit principles, with the purposes not only as an internal control, but also to continuously improve risk management implementation. Externally, the evaluation of risk management implementation is performed by the external auditor and Regulator.

E. Basel Implementation

In line with the implementation of regulatory provision, UOB Indonesia adopts Standardised Approach (SA) for Credit and Market Risk, and Basic Indicator Approach (BIA) for Operational Risk. Furthermore, UOB Indonesia has also adopted Credit Valuation Adjustment (CVA) as Capital charge for counterparty credit risk (CCR) for OTC Derivatives transaction.

UOB Indonesia continues to prepare a foundation to establish Basel II and Basel III implementation supported with sufficient information system and tailored with the development of banking architecture and prevailed regulation.

Related to the implementation of Basel III particularly for Liquidity Risk, we has reported Liquidity Coverage Ratio (LCR) to Regulator in monthly basis starting June 2016 and published LCR in our website on a quarterly basis starting September 2016. In addition, related to Net Stable Funding Ratio (NSFR) calculation, UOB Indonesia has conducted NSFR simulation in monthly and quarterly basis and submitted the simulation result to regulator. Official NSFR reporting and publication in quarterly basis as accordance to OJK regulation no.50/POJK.03/2017 will be commenced on March 2018.

UOB Indonesia also continues to improve the implementation of Pillar 2 “Internal Capital Adequacy Assessment Process” (ICAAP) to assess the overall capital adequacy associated with risk profile and strategy to maintain the level capital. In ongoing basis, We improve implementation of Pillar 3 “Market Discipline” to ensure the transparency of our financial and non-financial information.

Disclosure of Pillar 3

Credit Risk

1. Disclosure of Credit Risk - Net Claims by Region - Bank only

(in million Rupiah)

| No | Portfolio Category | 31 December 2017 | | | | | | |
|-------|---|---------------------|------------------|------------|-----------------------|-----------|-----------|------------|
| | | Net claim by region | | | | | | |
| | | Central Java | East Java & Bali | Jakarta | Kalimantan & Makassar | Sumatera | West Java | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | Claims on sovereigns | - | - | - | - | - | - | - |
| 2 | Claims on public sector entities | - | - | 336,267 | - | - | - | 336,267 |
| 3 | Claims on multilateral development banks and international institutions | - | - | - | - | - | - | - |
| 4 | Claims on banks | 2,017 | 4 | - | - | 2,996 | - | 5,017 |
| 5 | Claims secured by residential property | 163,308 | 304,397 | 2,386,860 | 61,259 | 213,334 | 404,567 | 3,533,725 |
| 6 | Claims secured by commercial property | 396,827 | 311,521 | 1,817,155 | 196,765 | 215,263 | 142,711 | 3,080,242 |
| 7 | Claims on employees/retirees | - | - | - | - | - | - | - |
| 8 | Claims on Micro, Small business and retail portfolio | 106,860 | 188,926 | 2,319,600 | 119,962 | 220,040 | 149,679 | 3,105,067 |
| 9 | Claims on corporations | 4,596,490 | 4,231,772 | 32,412,448 | 2,088,931 | 5,764,433 | 3,144,167 | 52,238,241 |
| 10 | Past due loans | 81,343 | 50,838 | 213,880 | 18,373 | 17,935 | 41,440 | 423,809 |
| 11 | Other assets | - | - | - | - | - | - | - |
| Total | | 5,346,845 | 5,087,458 | 39,486,210 | 2,485,290 | 6,434,001 | 3,882,564 | 62,722,368 |

(in million Rupiah)

| No | Portfolio Category | 31 December 2016 | | | | | | |
|-------|---|---------------------|------------------|------------|-----------------------|-----------|-----------|------------|
| | | Net claim by region | | | | | | |
| | | Central Java | East Java & Bali | Jakarta | Kalimantan & Makassar | Sumatera | West Java | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | Claims on Sovereigns | - | - | - | - | - | - | - |
| 2 | Claims on Public Sector Entities | - | - | 197,576 | - | - | - | 197,576 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - |
| 4 | Claims on Banks | 2,915 | 323 | - | - | 3,536 | - | 6,774 |
| 5 | Claims Secured by Residential Property | 153,918 | 341,121 | 2,437,799 | 78,627 | 223,080 | 422,604 | 3,657,149 |
| 6 | Claims Secured by Commercial Property | 678,136 | 469,152 | 2,533,991 | 336,226 | 306,136 | 236,188 | 4,559,829 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 116,380 | 195,601 | 2,138,832 | 138,725 | 269,740 | 171,348 | 3,030,626 |
| 9 | Claims on Corporations | 5,074,031 | 4,625,007 | 30,508,370 | 2,213,116 | 7,271,407 | 2,990,298 | 52,682,229 |
| 10 | Past Due Loans | 381,501 | 115,924 | 816,912 | 111,730 | 109,355 | 119,459 | 1,654,881 |
| 11 | Other Assets | - | - | - | - | - | - | - |
| Total | | 6,406,881 | 5,747,128 | 38,633,480 | 2,878,424 | 8,183,254 | 3,939,897 | 65,789,064 |

Disclosure of Pillar 3

2. Disclosure of Credit Risk - Net Claims by Remaining Contract Period - Bank only

(in million Rupiah)

| No | Portfolio Category | 31 December 2017 | | | | | |
|-------|---|---|-------------------|--------------------|------------|----------------|------------|
| | | Net Claims by Remaining Contract Period | | | | | |
| | | < 1 year | 1 year to 3 years | 3 years to 5 years | > 5 years | Non Cotractual | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Claims on Sovereigns | - | - | - | - | - | - |
| 2 | Claims on Public Sector Entities | 336,267 | - | - | - | - | 336,267 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - |
| 4 | Claims on Banks | 5,017 | - | - | - | - | 5,017 |
| 5 | Claims Secured by Residential Property | 196,955 | 251,316 | 443,700 | 2,641,754 | - | 3,533,725 |
| 6 | Claims Secured by Commercial Property | 390,890 | 922,725 | 618,193 | 1,148,434 | - | 3,080,242 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 1,014,820 | 739,810 | 769,503 | 580,934 | - | 3,105,067 |
| 9 | Claims on Corporations | 33,113,070 | 6,055,741 | 6,501,105 | 6,568,325 | - | 52,238,241 |
| 10 | Past Due Loans | 215,402 | 37,001 | 37,730 | 133,676 | - | 423,809 |
| 11 | Other Assets | - | - | - | - | - | - |
| Total | | 35,272,421 | 8,006,593 | 8,370,231 | 11,073,123 | - | 62,722,368 |

(in million Rupiah)

| No | Portfolio Category | 31 December 2016 | | | | | |
|-------|---|---|-------------------|--------------------|------------|----------------|------------|
| | | Net Claims by Remaining Contract Period | | | | | |
| | | < 1 year | 1 year to 3 years | 3 years to 5 years | > 5 years | Non Cotractual | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Claims on Sovereigns | - | - | - | - | - | - |
| 2 | Claims on Public Sector Entities | 197,576 | - | - | - | - | 197,576 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - |
| 4 | Claims on Banks | 323 | 6,451 | - | - | - | 6,774 |
| 5 | Claims secured by residential property | 87,403 | 272,543 | 401,594 | 2,895,609 | - | 3,657,149 |
| 6 | Claims secured by commercial property | 10,292 | 888,114 | 1,578,171 | 2,083,252 | - | 4,559,829 |
| 7 | Claims on employees/retirees | - | - | - | - | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 416,517 | 1,168,159 | 731,411 | 714,539 | - | 3,030,626 |
| 9 | Claims on Corporations | 34,375,731 | 6,050,512 | 5,418,458 | 6,837,528 | - | 52,682,229 |
| 10 | Past Due Loans | 875,648 | 135,315 | 176,049 | 467,869 | - | 1,654,881 |
| 11 | Other Assets | - | - | - | - | - | - |
| Total | | 35,963,490 | 8,521,094 | 8,305,683 | 12,998,797 | - | 65,789,064 |

3. Disclosure of Credit Risk - Net Claims by Economic Sector - Bank only

(in million Rupiah)

| No | Economic Sector*) | 31 December 2017 | | | | | | | | | | |
|----|---|------------------------------------|-------------------------------------|---|-----------------|---|--|-----------------------------------|--|-----------------------|---------------------------------|-----------------|
| | | 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 Property | Claims on Employee or Retirees | Claims on Micro, Small Business and Retail Portfolio | Claims on Corporation | Claims on Past Due Exposures | Other Assets |
| | | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1 | Agriculture, Hunting and Forestry | - | - | - | - | - | 602 | - | 5,200 | 4,054,267 | 1 | - |
| 2 | Fishery | - | - | - | - | - | 726 | - | 2,438 | 44,924 | - | - |
| 3 | Mining and Quarrying | - | - | - | - | - | 823 | - | 580 | 1,243,770 | 1,287 | - |
| 4 | Processing Industry | - | - | - | - | - | 567,013 | - | 84,045 | 15,595,200 | 58,701 | - |
| 5 | Electricity, Gas and Water | - | - | - | - | - | 137,414 | - | 749 | 287,176 | 2,433 | - |
| 6 | Construction | - | 336,267 | - | - | - | 219,826 | - | 17,437 | 1,797,430 | 22,911 | - |
| 7 | Wholesale and Retail Trade | - | - | - | - | - | 840,119 | - | 409,423 | 15,041,710 | 150,331 | - |
| 8 | Provision of Accommodation and Eating - Drinking | - | - | - | - | - | 728,057 | - | 9,735 | 1,872,732 | 3,011 | - |
| 9 | Transport, Warehousing and Communications | - | - | - | - | - | 57,824 | - | 20,545 | 3,117,197 | 10,266 | - |
| 10 | Financial Intermediaries | - | - | - | 5,017 | - | - | - | 800 | 3,047,326 | - | - |
| 11 | Real Estate, Business Ownership and Business Service | - | - | - | - | - | 476,463 | - | 12,196 | 3,584,741 | 255 | - |
| 12 | Government Administration, Defense and Compulsory Social Security | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Education Services | - | - | - | - | - | 3,570 | - | 508 | 47,401 | 3,631 | - |
| 14 | Health Services and Social Activities | - | - | - | - | - | 30,017 | - | 2,908 | 52,752 | - | - |

Disclosure of Pillar 3

| (in million Rupiah) | | | | | | | | | | | | |
|---------------------|---|------------------------------------|-------------------------------------|---|-----------------|---|--|-----------------------------------|--|-----------------------|---------------------------------|--------------|
| No | Economic Sector*) | 31 December 2017 | | | | | | | | | | |
| | | 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 Property | Claims on Employee or Retirees | Claims on Micro, Small Business and Retail Portfolio | Claims on Corporation | Claims on Past Due Exposures | Other Assets |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 15 | Community, Sociocultural, Entertainment and other Individual Services | - | - | - | - | - | 17,348 | - | 9,738 | 125,289 | 7,725 | - |
| 16 | Individual Services Which Serve Household | - | - | - | - | - | 440 | - | 183 | 2,537 | - | - |
| 17 | International Agency and other Extra International Agency | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Business Activities Which are not Clearly Defined | - | - | - | - | - | - | - | - | 23,065 | - | - |
| 19 | Non Industrial Origin Others | - | - | - | - | 3,533,725 | - | - | 2,528,451 | 2,297,661 | 163,257 | - |
| 20 | Others (among others SBI, SUN) | - | - | - | - | - | - | - | 131 | 3,063 | - | - |
| Total | | - | 336,267 | - | 5,017 | 3,533,725 | 3,080,242 | - | 3,105,067 | 52,238,241 | 423,809 | - |

*The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders

| (in million Rupiah) | | | | | | | | | | | | |
|---------------------|---|------------------------------------|-------------------------------------|---|-----------------|---|--|-----------------------------------|--|-----------------------|---------------------------------|--------------|
| No | Economic Sector*) | 31 December 2016 | | | | | | | | | | |
| | | 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 Property | Claims on Employee or Retirees | Claims on Micro, Small Business and Retail Portfolio | Claims on Corporation | Claims on Past Due Exposures | Other Assets |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1 | Agriculture, Hunting and Forestry | - | - | - | - | - | 977 | - | 3,434 | 3,054,203 | 13,951 | - |
| 2 | Fishery | - | - | - | - | - | 1,685 | - | 2,034 | 51,640 | - | - |
| 3 | Mining and Quarrying | - | - | - | - | - | 7,584 | - | 1,197 | 592,551 | 100,505 | - |
| 4 | Processing Industry | - | - | - | - | - | 784,454 | - | 98,915 | 19,067,222 | 157,811 | - |
| 5 | Electricity, Gas and Water | - | - | - | - | - | 57,503 | - | 1,083 | 315,591 | - | - |
| 6 | Construction | - | 197,576 | - | - | - | 301,986 | - | 19,402 | 2,805,423 | 275,506 | - |
| 7 | Wholesale and Retail Trade | - | - | - | - | - | 868,806 | - | 504,351 | 13,886,766 | 564,720 | - |
| 8 | Provision of Accommodation and Eating - Drinking | - | - | - | - | - | 1,293,446 | - | 12,338 | 2,310,471 | 131,244 | - |
| 9 | Transport, Warehousing and Communications | - | - | - | - | - | 90,487 | - | 22,421 | 2,792,227 | 78,605 | - |
| 10 | Financial Intermediaries | - | - | - | 6,774 | - | - | - | 790 | 1,696,275 | - | - |
| 11 | Real Estate, Business Ownership and Business Service | - | - | - | - | - | 1,090,514 | - | 15,191 | 3,401,123 | 47,893 | - |
| 12 | Government Administration, Defense and Compulsory Social Security | - | - | - | - | - | - | - | 305 | 4,101 | - | - |
| 13 | Education Services | - | - | - | - | - | 11,545 | - | 1,577 | 44,361 | - | - |
| 14 | Health Services and Social Activities | - | - | - | - | - | 28,758 | - | 3,331 | 40,666 | 5,098 | - |

Disclosure of Pillar 3

(in million Rupiah)

| No | Economic Sector*) | 31 December 2016 | | | | | | | | | | |
|-------|---|------------------------------------|-------------------------------------|---|-----------------|---|--|-----------------------------------|--|-----------------------|---------------------------------|--------------|
| | | 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 Property | Claims on Employee or Retirees | Claims on Micro, Small Business and Retail Portfolio | Claims on Corporation | Claims on Past Due Exposures | Other Assets |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 15 | Community, Sociocultural, Entertainment and other Individual Services | - | - | - | - | - | 21,599 | - | 9,619 | 157,556 | 20,843 | - |
| 16 | Individual Services which Serve Household | - | - | - | - | - | 485 | - | 1,378 | 1,688 | 3,543 | - |
| 17 | International Agency and other Extra International Agency | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Business Activities Which are not Clearly Defined | - | - | - | - | - | - | - | - | 11,000 | - | - |
| 19 | Non Industrial Origin Others | - | - | - | - | 3,657,149 | - | - | 2,333,260 | 2,449,365 | 255,162 | - |
| 20 | Others (among others SBI, SUN) | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | 197,576 | - | 6,774 | 3,657,149 | 4,559,829 | - | 3,030,626 | 52,682,229 | 1,654,881 | - |

*)The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders

4. Disclosure of Claims and Provision by Region - Bank only

(in million Rupiah)

| No | | Description | 31 December 2017 | | | | | |
|-------|--|-------------|------------------|------------------|-----------|-----------------------|-----------|------------|
| | | | Region | | | | | |
| | | | Central Java | East Java & Bali | Jakarta | Kalimantan & Makassar | Sumatera | West Java |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | Loan | 5,346,845 | 5,087,458 | 39,486,210 | 2,485,290 | 6,434,001 | 3,882,564 | 62,722,368 |
| 2 | Impaired Loans | | | | | | | |
| | a. Not yet due | 54,020 | 45,985 | 285,097 | 15,947 | 76,868 | 42,461 | 520,378 |
| | b. Past due | 38,220 | 24,735 | 85,968 | 3,581 | 4,120 | 7,565 | 164,189 |
| 3 | Allowance for Impairment Losses - Individual | 22,701 | 6,555 | 31,744 | 695 | 3,417 | 3,738 | 68,850 |
| 4 | Allowance for Impairment Losses - Collective | 146,447 | 19,253 | 668,737 | 58,784 | 53,083 | 17,494 | 963,798 |
| 5 | Write Off | 95,340 | 98,028 | 455,835 | 83,786 | 30,368 | 11,103 | 774,460 |
| Total | | 5,703,573 | 5,282,014 | 41,013,591 | 2,648,083 | 6,601,857 | 3,964,925 | 65,214,043 |

(in million Rupiah)

| No | | Description | 31 December 2016 | | | | | |
|-------|--|-------------|------------------|------------------|-----------|-----------------------|-----------|------------|
| | | | Region | | | | | |
| | | | Central Java | East Java & Bali | Jakarta | Kalimantan & Makassar | Sumatera | West Java |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | Loan | 6,406,881 | 5,747,128 | 38,633,480 | 2,878,424 | 8,183,254 | 3,939,897 | 65,789,064 |
| 2 | Impaired Loans | | | | | | | |
| | a. Not yet due | 341,729 | 61,463 | 624,616 | 53,086 | 42,210 | 71,820 | 1,194,923 |
| | b. Past due | 113,679 | 120,327 | 509,699 | 60,908 | 69,944 | 61,789 | 936,346 |
| 3 | Allowance for Impairment Losses - Individual | 27,899 | 41,963 | 224,892 | 60,648 | 10,097 | 13,588 | 379,087 |
| 4 | Allowance for Impairment Losses - Collective | 149,299 | 33,606 | 415,737 | 19,086 | 71,102 | 22,148 | 710,979 |
| 5 | Write Off | 12,944 | 68,173 | 519,195 | 6,745 | 12,367 | 47,651 | 667,076 |
| Total | | 7,052,430 | 6,072,660 | 40,927,619 | 3,078,898 | 8,388,974 | 4,156,894 | 69,677,475 |

Disclosure of Pillar 3

5. Disclosure of Claims and Provision by Economic Sector - Bank only

(in million Rupiah)

| No | Ekonomik Sector*) | 31 December 2017 | | | | | |
|-------|---|------------------|----------------|----------|--|--|-----------|
| | | Loan**) | Impaired Loans | | Allowance for Impairment Losses - Individual | Allowance for Impairment Losses - Collective | Write Off |
| | | | Not yet due | Past due | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Agriculture, Hunting and Forestry | 4,060,070 | - | 1 | 1 | 34,368 | 60 |
| 2 | Fishery | 48,088 | - | - | - | 1,240 | - |
| 3 | Mining and Quarrying | 1,246,460 | 1,217 | 70 | - | 10,746 | 52,469 |
| 4 | Processing Industry | 16,304,959 | 80,910 | 30,424 | 15,550 | 148,754 | 39,368 |
| 5 | Electricity, Gas and Water | 427,772 | 2,418 | - | 2,433 | 1,489 | - |
| 6 | Construction | 2,393,871 | 14,292 | 14,941 | 1,733 | 27,790 | 47,565 |
| 7 | Wholesale and Retail Trade | 16,441,583 | 90,555 | 90,471 | 34,424 | 205,623 | 231,921 |
| 8 | Provision of Accomodation and Eating - Drinking | 2,613,535 | 8,565 | 1,528 | 509 | 261,629 | 21,446 |
| 9 | Transport, Warehousing and Communications | 3,205,832 | 26,429 | 7,619 | 4,180 | 26,597 | 123,497 |
| 10 | Financial Intermediaries | 3,053,143 | - | - | - | 1,724 | - |
| 11 | Real Estate, Business Ownership and Business Service | 4,073,655 | 38,753 | 255 | 105 | 147,724 | 20,941 |
| 12 | Government Administration, Defense and Compulsory Social Security | - | - | - | - | - | - |
| 13 | Education Services | 55,110 | - | 3,631 | 198 | 79 | - |
| 14 | Health Services and Social Activities | 85,677 | - | - | - | 1,811 | 5,098 |
| 15 | Community, Sociocultural, Entertainment and Other Individual Services | 160,100 | 5,121 | 6,869 | 611 | 180 | 452 |
| 16 | Individual Services which Serve Household | 3,160 | - | - | - | 3 | 343 |
| 17 | International Agency and other Extra International Agency | - | - | - | - | - | - |
| 18 | Business Activity which are not Clearly Defined | 23,065 | - | - | - | - | 148,138 |
| 19 | Non Industrial Origin Others | 8,523,094 | 252,118 | 8,380 | 9,106 | 94,038 | 83,162 |
| 20 | Others (among others SBI, SUN) | 3,194 | - | - | - | 3 | - |
| Total | | 62,722,368 | 520,378 | 164,189 | 68,850 | 963,798 | 774,460 |

*) The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders
**) Gross receivable (before Allowance for Impairment Losses)

(in million Rupiah)

| No | Economic Sector*) | 31 December 2016 | | | | | |
|-------|---|------------------|----------------|----------|--|--|-----------|
| | | Loan**) | Impaired Loans | | Allowance for Impairment Losses - Individual | Allowance for Impairment Losses - Collective | Write Off |
| | | | Not yet due | Past due | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Agriculture, Hunting and Forestry | 3,072,565 | - | 13,951 | 739 | 34,464 | - |
| 2 | Fishery | 55,359 | - | - | - | 1,977 | - |
| 3 | Mining and Quarrying | 701,837 | 19,949 | 80,555 | 35,956 | 7,274 | 11 |
| 4 | Processing Industry | 20,108,402 | 89,637 | 129,262 | 37,315 | 285,751 | 44,447 |
| 5 | Electricity, Gas and Water | 374,177 | - | - | - | 5,665 | - |
| 6 | Construction | 3,599,893 | 211,960 | 63,545 | 2,783 | 36,667 | 14,223 |
| 7 | Wholesale and Retail Trade | 15,824,643 | 151,684 | 552,460 | 195,552 | 100,053 | 389,488 |
| 8 | Provision of Accomodation and Eating - Drinking | 3,747,499 | 110,021 | 22,724 | 5,087 | 43,459 | 82 |
| 9 | Transport, Warehousing and Communications | 2,983,740 | 71,582 | 17,332 | 49,968 | 30,962 | 5,320 |
| 10 | Financial Intermediaries | 1,703,839 | - | - | - | 1,045 | - |
| 11 | Real Estate, Business Ownership and Business Service | 4,554,721 | 195,608 | 32,554 | 29,040 | 47,970 | 2,484 |
| 12 | Government Administration, Defense and Compulsory Social Security | 4,406 | - | - | - | 4 | - |
| 13 | Education Services | 57,483 | - | - | - | 463 | - |
| 14 | Health Services and Social Activities | 77,853 | 5,098 | - | 1,628 | 575 | - |
| 15 | Community, Sociocultural, Entertainment and Other Individual Services | 209,617 | 12,587 | 10,757 | 981 | 1,463 | 206,932 |
| 16 | Individual Services which Serve Household | 7,094 | 118 | 3,425 | 90 | 9 | - |
| 17 | International Agency and Other Extra International Agency | - | - | - | - | - | - |
| 18 | Business Activity which are not Clearly Defined | 11,000 | - | - | - | 9 | - |
| 19 | Non Industrial Origin Others | 8,694,936 | 326,679 | 9,781 | 19,948 | 113,169 | 4,089 |
| 20 | Others (among others SBI, SUN) | - | - | - | - | - | - |
| Total | | 65,789,064 | 1,194,923 | 936,346 | 379,087 | 710,979 | 667,076 |

*) The disclosed sectors are those having material nominal values/balances Immaterial sectors are categorized under another sector and disclosed to stakeholders
**) Gross receivable (before Allowance for Impairment Losses)

Disclosure of Pillar 3

6. Disclosure of Movements in Allowance for Impairment Losses - Bank only

(in million Rupiah)

| No | Description | December 2017 | | December 2016 | |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Impairment Individual | Impairment Collective | Impairment Individual | Impairment Collective |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Beginning Balance of Allowance for Impairment Losses | 379,087 | 764,407 | 275,479 | 546,015 |
| 2 | Provision for (recovery of) Allowance for Impairment Losses in current period (net) | 1,114,863 | 249,305 | 774,813 | 218,763 |
| | 2a. Provision for Allowance for Impairment Losses in current period | 1,114,863 | 254,146 | 774,813 | 227,182 |
| | 2b. Recovery of Allowance for Impairment Losses in current period | - | (4,841) | - | (8,419) |
| 3 | Allowance for Impairment Losses allocated to write off in current period | (774,460) | - | (667,076) | - |
| 4 | Provision for Losses on loan sales | (648,966) | - | - | - |
| 5 | Other provisioning (recovery) in current period | (1,674) | 707 | (4,129) | (371) |
| Ending balance of allowance for impairment losses | | 68.850 | 1.014.419 | 379.087 | 764.407 |

7. Disclosure of Net Claims by Portfolio and Rating - Bank only

(in million Rupiah)

| 31 December 2017 | | | | | | | | | | | | | | |
|------------------|---|-------------------------------|------------------|----------------------|--------------------|------------------------|----------------------|--------------------|-------------------|---------------------|----------------|----------------------|--------------------|------------|
| No | Portfolio Category | Net Claim | | | | | | | | | | | | Unrated |
| | | Credit Rating Agency | Long-Term Rating | | | | | | | Short-Term Rating | | | | |
| | | Standard and Poor's | AAA | AA+ to AA- | A+ to A- | BBB+ to BBB- | BB+ to BB- | B+ to B- | Less then B- | A-1 | A-2 | A-3 | Less then A-3 | |
| | | Fitch Rating | AAA | AA+ to AA- | A+ to A- | BBB+ to BBB- | BB+ to BB- | B+ to B- | Less then B- | F1+ to F1 | F2 | F3 | Less then F3 | |
| | | Moody's | Aaa | Aa1 to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to Ba3 | B1 to B3 | Less then B3 | P-1 | P-2 | P-3 | Less then P-3 | |
| | | PT. Fitch Ratings Indonesia | AAA (idn) | AA+(idn) to AA-(idn) | A+(idn) to A-(idn) | BBB+(idn) to BBB-(idn) | BB+(idn) to BB-(idn) | B+(idn) to B-(idn) | Less then B-(idn) | F1+(idn) to F1(idn) | F2(idn) | F3(idn) | Less then F3(idn) | |
| | | PT ICRA Indonesia | [Idr]AAA | [Idr]AA+ to [Idr]AA- | [Idr]A+ to [Idr]A- | [Idr]BBB+ to [Idr]BBB- | [Idr]BB+ to [Idr]BB- | [Idr]B+ to [Idr]B- | Less then [Idr]B- | [Idr]A1+ to [Idr]A1 | [Idr]A2+ to A2 | [Idr]A3+ to [Idr] A3 | Less then [Idr] A3 | |
| | | PT Pemeringkat Efek Indonesia | idAAA | idAA+ to idAA- | idA+ to id A- | id BBB+ to id BBB- | id BB+ to id BB- | id B+ to id B- | Less then idB- | idA1 | idA2 | idA3 to id A4 | Less then idA4 | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1 | Claims on Sovereigns | | | | | | | | | | | | | 19,782,839 |
| 2 | Claims on Public Sector Entities | | | | | | | | | | | | | 798,666 |
| 3 | Claims on Multilateral Development Banks and International Institutions | | | | | | | | | | | | | - |
| 4 | Claims on Banks | | | | | | | | | | | | | 8,629,146 |
| 5 | Claims secured by residential property | | | | | | | | | | | | | 3,654,415 |
| 6 | Claims secured by commercial property | | | | | | | | | | | | | 3,083,524 |
| 7 | Claims on Employees/Retirees | | | | | | | | | | | | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | | | | | | | | | | | | | 3,079,382 |
| 9 | Claims on Corporations | | | | | | | | | | | | | 58,421,853 |
| 10 | Past Due Loans | | | | | | | | | | | | | 371,417 |
| 11 | Other Assets | | | | | | | | | | | | | 1,731,002 |
| 12 | Exposure in Sharia Banking (if any) | | | | | | | | | | | | | - |
| Total | | | | | | | | | | | | | | 99,552,243 |

Disclosure of Pillar 3

(in million Rupiah)

| 31 December 2016 | | | | | | | | | | | | | | |
|------------------|---|-------------------------------|------------------|-----------------------|---------------------|------------------------|-----------------------|--------------------|-------------------|---------------------|----------------|----------------------|--------------------|------------|
| No | Portfolio Category | Net Claims | | | | | | | | | | | | Unrated |
| | | Credit Rating Agency | Long-Term Rating | | | | | | Short-Term Rating | | | | | |
| | | Standard and Poor's | AAA | AA+ to AA- | A+ to A- | BBB+ to BBB- | BB+ to BB- | B+ to B- | Less then B- | A-1 | A-2 | A-3 | Less then A-3 | |
| | | Fitch Rating | AAA | AA+ to AA- | A+ to A- | BBB+ to BBB- | BB+ to BB- | B+ to B- | Less then B- | F1+ to F1 | F2 | F3 | Less then F3 | |
| | | Moody's | Aaa | Aa1 to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to Ba3 | B1 to B3 | Less then B3 | P-1 | P-2 | P-3 | Less then P-3 | |
| | | PT. Fitch Ratings Indonesia | AAA (idn) | AA+(idn) to AA-(idn) | A+(idn) to. A-(idn) | BBB+(idn) to BBB-(idn) | BB+(idn) to BB-(idn) | B+(idn) to B-(idn) | Less then B-(idn) | F1+(idn) to F1(idn) | F2(idn) | F3(idn) | Less then F3(idn) | |
| | | PT ICRA Indonesia | [Idr]AAA | [Idr]AA+ to [Idr] AA- | [Idr]A+ to [Idr] A- | [Idr]BBB+ to [Idr]BBB- | [Idr]BB+ to [Idr] BB- | [Idr]B+ to [Idr]B- | Less then [Idr]B- | [Idr]A1+ to [Idr]A1 | [Idr]A2+ to A2 | [Idr]A3+ to [Idr] A3 | Less then [Idr] A3 | |
| | | PT Pemeringkat Efek Indonesia | idAAA | idAA+ to idAA- | idA+ to id A- | id BBB+ to id BBB- | id BB+ to id BB- | id B+ to id B- | Less then idB- | idA1 | idA2 | idA3 to id A4 | Less then idA4 | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1 | Claims on Sovereigns | | | | | | | | | | | | | 18,431,748 |
| 2 | Claims on Public Sector Entities | | | | | | | | | | | | | 612,797 |
| 3 | Claims on Multilateral Development Banks and International Institutions | | | | | | | | | | | | | - |
| 4 | Claims on Banks | | | | | | | | | | | | | 7,102,562 |
| 5 | Claims secured by residential property | | | | | | | | | | | | | 3,758,515 |
| 6 | Claims secured by commercial property | | | | | | | | | | | | | 4,566,550 |
| 7 | Claims on Employees/Retirees | | | | | | | | | | | | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | | | | | | | | | | | | | 2,970,507 |
| 9 | Claims on Corporations | | | | | | | | | | | | | 57,010,019 |
| 10 | Past Due Loans | | | | | | | | | | | | | 1,373,876 |
| 11 | Other Assets | | | | | | | | | | | | | 2,080,323 |
| 12 | Exposure in Sharia Banking (if any) | | | | | | | | | | | | | - |
| Total | | | | | | | | | | | | | | 97,906,897 |

Disclosure of Pillar 3

8. Disclosure of Counterparty Credit Risk - Bank Only

| a. Derivative Transactions (Over the Counter) (in million Rupiah) | | | | | | | | | |
|--|---------------------|------------------|----------------------|-----------|------------------------|------------------------|--|------------------------|---|
| No | Underlying Variable | 31 December 2017 | | | | | | | |
| | | National Amount | | | Derivative Receivables | Derivative Liabilities | Net Claims before Credit Risk Mitigation | Credit Risk Mitigation | Net Claims after Credit Risk Mitigation |
| | | < 1 year | > 1 year - < 5 years | > 5 years | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Interest Rate | 6,195,886 | 13,584,501 | - | 100,293 | 82,343 | 168,216 | - | 168,216 |
| 2 | Exchange Rate | 13,467,804 | 6,669,540 | - | 46,106 | 23,427 | 514,261 | - | 514,261 |
| 3 | Others | - | - | - | - | - | - | - | - |
| Total | | 19,663,690 | 20,254,041 | - | 146,399 | 105,770 | 682,477 | - | 682,477 |
| (in million Rupiah) | | | | | | | | | |
| No | Underlying Variable | 31 December 2016 | | | | | | | |
| | | National Amount | | | Derivative Receivables | Derivative Liabilities | Net Claims before Credit Risk Mitigation | Credit Risk Mitigation | Net Claims after Credit Risk Mitigation |
| | | < 1 year | > 1 year - < 5 years | > 5 years | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Interest Rate | 1,201,900 | 11,125,826 | 1,233,278 | 165,510 | 167,299 | 255,255 | - | 255,255 |
| 2 | Exchange Rate | 9,654,909 | 2,809,069 | - | 36,603 | 27,029 | 257,987 | - | 257,987 |
| 3 | Others | - | - | - | - | - | - | - | - |
| Total | | 10,856,809 | 13,934,895 | 1,233,278 | 202,113 | 194,328 | 513,242 | - | 513,242 |

| b. Repo Transactions (in million Rupiah) | | | | | | | | | |
|---|---|------------------------|------------------|------------|-----|------------------------|------------------|------------|------|
| No | Portfolio Category | 31 December 2017 | | | | 31 December 2016 | | | |
| | | Fair Value of SSB Repo | Repo Liabilities | Net Claims | RWA | Fair Value of SSB Repo | Repo Liabilities | Net Claims | RWA |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Claims on Sovereigns | - | - | - | - | - | - | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | - | - | - |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - |
| 4 | Claims on Banks | - | - | - | - | - | - | - | - |
| 5 | Claims on Micro, Small Business and Retail Portfolio | - | - | - | - | - | - | - | - |
| 6 | Claims on Corporations | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - |

| c. Repo Reserve Transactions (in million Rupiah) | | | | | | | | | |
|---|---|------------------------|------------------|------------|-----|------------------------|------------------|------------|------|
| No | Portfolio Category | 31 December 2017 | | | | 31 December 2016 | | | |
| | | Fair Value of SSB Repo | Repo Liabilities | Net Claims | RWA | Fair Value of SSB Repo | Repo Liabilities | Net Claims | RWA |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Claims on Sovereigns | 1,015,168 | - | 1,015,168 | - | 1,902,219 | - | 1,902,219 | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | - | - | - |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - |
| 4 | Claims on Banks | - | - | - | - | - | - | - | - |
| 5 | Claims on Micro, Small Business and Retail Portfolio | - | - | - | - | - | - | - | - |
| 6 | Claims on Corporations | - | - | - | - | - | - | - | - |
| Total | | 1,015,168 | - | 1,015,168 | - | 1,902,219 | - | 1,902,219 | - |

Disclosure of Pillar 3

9. Disclosure of Net Claims by Risk Weight after Credit Risk Mitigation - Bank only

| (in million Rupiah) | | | | | | | | | | | | | |
|---|---|---|-----------|-----------|-----|-----|-----------|-----------|------------|---------|--------|------------|-----------------|
| No. | Portfolio Category | 31 December 2017 | | | | | | | | | | RWA | Capital Charges |
| | | Net Claims after Credit Risk Mitigation | | | | | | | | | | | |
| | | 0% | 20% | 35% | 40% | 45% | 50% | 75% | 100% | 150% | Others | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| A | On Balance Sheet Exposures | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | 18,767,671 | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | 413,571 | - | - | - | | 206,786 | 18,611 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | 5,555 | 4,314,909 | - | - | - | 2,538,011 | - | - | - | | 2,131,987 | 191,879 |
| 5 | Claims Secured by Residential Property | 21 | - | 3,654,394 | - | - | - | - | - | - | | 1,279,038 | 115,113 |
| 6 | Calims Secured by Commercial Property | 1,404 | - | - | - | - | - | - | 3,081,495 | - | | 3,081,495 | 277,335 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - | - | - | - | | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 77,754 | - | - | - | - | - | 2,950,918 | - | - | | 2,213,189 | 199,187 |
| 9 | Claims on Corporations | 3,000,016 | - | - | - | - | - | - | 52,625,882 | - | | 52,625,882 | 4,736,329 |
| 10 | Past Due Loans | - | - | - | - | - | - | - | 88,309 | 283,108 | | 512,971 | 46,167 |
| 11 | Other Assets | 398,298 | - | - | - | - | - | - | 1,295,758 | 36,846 | | 1,351,027 | 121,592 |
| Total Balance Sheet Exposures | | 22,250,719 | 4,314,909 | 3,654,394 | - | - | 2,951,582 | 2,950,918 | 57,091,444 | 319,954 | - | 63,402,374 | 5,706,214 |
| Total RWA | | | | | | | | | | | | | |
| Minimum Capital Requirement (8% x ATMR) | | | | | | | | | | | | | |
| B | Commitment/Contingency Liabilities Exposure on Administrative Account Transaction | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | - | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | 384,125 | - | - | - | | 192,063 | 17,286 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | - | - | - | - | - | 1,326,979 | - | - | - | | 663,490 | 59,714 |
| 5 | Claims Secured by Residential Property | - | - | - | - | - | - | - | - | - | | - | - |
| 6 | Claims Secured by Commercial Property | - | - | - | - | - | - | - | 625 | - | | 625 | 56 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - | - | - | - | | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 2,247 | - | - | - | - | - | 12,971 | - | - | | 9,728 | 876 |
| 9 | Claims on Corporations | 168,395 | - | - | - | - | - | - | 2,418,766 | - | | 2,418,766 | 217,689 |
| 10 | Past Due Loans | - | - | - | - | - | - | - | - | - | | - | - |
| Total TRA Exposure | | 170,642 | - | - | - | - | 1,711,104 | 12,971 | 2,419,391 | - | - | 3,284,670 | 295,620 |
| C | Counterparty Credit Risk Exposure | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | 1,015,168 | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | 970 | - | - | - | | 485 | 44 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | - | 74,108 | - | - | - | 369,584 | - | - | - | | 199,614 | 17,965 |
| 5 | Claims on Micro, Small Business and Retail Portfolio | - | - | - | - | - | - | 35,492 | - | - | | 26,619 | 2,396 |
| 6 | Claims on Corporations | - | - | - | - | - | - | - | 208,794 | - | | 208,794 | 18,791 |
| 7 | Weighted Exposure from Credit Valuation Adjustment (CVA) | - | - | - | - | - | - | - | - | - | | 234,181 | 21,076 |
| Total Eksposur Counterparty Credit Risk | | 1,015,168 | 74,108 | - | - | - | 370,553 | 35,492 | 208,794 | - | - | 669,692 | 60,272 |

Disclosure of Pillar 3

| (in million Rupiah) | | | | | | | | | | | | | |
|---|---|---|-----------|-----------|-----|-----|-----------|-----------|------------|-----------|--------|------------|-----------------|
| No. | Ekonomik Sector | 31 December 2016 | | | | | | | | | | RWA | Capital Charges |
| | | Net Claims after Credit Risk Mitigation | | | | | | | | | | | |
| | | 0% | 20% | 35% | 40% | 45% | 50% | 75% | 100% | 150% | Others | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| A | On Balance Sheet Exposures | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | 16,529,530 | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | 232,738 | - | - | - | | 116,369 | 10,473 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | 5,000 | 3,610,398 | - | - | - | 1,781,722 | - | - | - | | 1,612,941 | 145,165 |
| 5 | Claims Secured by Residential Property | 20 | - | 3,758,495 | - | - | - | - | - | - | | 1,315,473 | 118,393 |
| 6 | Calims Secured by Commercial Property | 1,719 | - | - | - | - | - | - | 4,563,831 | - | | 4,563,831 | 410,745 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - | - | - | - | | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 81,725 | - | - | - | - | - | 2,879,218 | - | - | | 2,159,414 | 194,347 |
| 9 | Claims on Corporations | 2,979,619 | - | - | - | - | - | - | 51,854,669 | - | | 51,854,669 | 4,666,920 |
| 10 | Past Due Loans | - | - | - | - | - | - | - | 113,349 | 1,260,527 | | 2,004,140 | 180,373 |
| 11 | Other Assets | 535,517 | - | - | - | - | - | - | 1,503,023 | 41,782 | | 1,565,696 | 140,913 |
| Total Balance Sheet Exposures | | 20,133,130 | 3,610,398 | 3,758,495 | - | - | 2,014,460 | 2,879,218 | 58,034,872 | 1,302,309 | - | 65,192,532 | 5,867,328 |
| Total RWA | | | | | | | | | | | | | |
| Minimum Capital Requirement (8% x ATMR) | | | | | | | | | | | | | |
| B | Commitment/Contingency Liabilities Exposure on Administrative Account Transaction | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | - | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | 380,058 | - | - | - | | 190,029 | 17,103 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | - | 2,076 | - | - | - | 1,327,090 | - | - | - | | 663,960 | 59,756 |
| 5 | Claims Secured by Residential Property | - | - | - | - | - | - | - | - | - | | - | - |
| 6 | Claims Secured by Commercial Property | - | - | - | - | - | - | - | 1,000 | - | | 1,000 | 90 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - | - | - | - | | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 2,380 | - | - | - | - | - | 7,184 | - | - | | 5,388 | 485 |
| 9 | Claims on Corporations | 166,180 | - | - | - | - | - | - | 1,872,584 | - | | 1,872,584 | 168,533 |
| 10 | Past Due Loans | - | - | - | - | - | - | - | - | - | | - | - |
| Total TRA Exposure | | 168,560 | 2,076 | - | - | - | 1,707,184 | 7,184 | 1,873,584 | - | - | 2,732,961 | 245,967 |
| C | Counterparty Credit Risk Exposure | | | | | | | | | | | | |
| 1 | Claims on Sovereigns | 1,902,219 | - | - | - | - | - | - | - | - | | - | - |
| 2 | Claims on Public Sector Entities | - | - | - | - | - | - | - | - | - | | - | - |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - | - | - | - | | - | - |
| 4 | Claims on Banks | - | 71,084 | - | - | - | 305,192 | - | - | - | | 166,813 | 15,013 |
| 5 | Claims on Micro, Small Business and Retail Portfolio | - | - | - | - | - | - | - | - | - | | - | - |
| 6 | Claims on Corporations | - | - | - | - | - | - | - | 136,967 | - | | 136,967 | 12,327 |
| 7 | Weighted Exposure from Credit Valuation Adjustment (CVA) | - | - | - | - | - | - | - | - | - | | - | - |
| Total Eksposur Counterparty Credit Risk | | 1,902,219 | 71,084 | - | - | - | 305,192 | - | 136,967 | - | - | 303,780 | 27,340 |

Disclosure of Pillar 3

10. Disclosure of Net Claims and Credit Risk Mitigation Methods - Bank only

(in million Rupiah)

| No | Portfolio Category | 31 December 2017 | | | | | |
|-----|---|-------------------|--------------------|-----------|------------------|----------|---------------------------------|
| | | Net Claims | Portion Secured by | | | | Unsecured Portion |
| | | | Collateral | Guarantee | Credit Insurance | Others | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) = (3)- [(4)+(5)+(6)+(7)] |
| A | On Balance Sheet Exposures | | | | | | |
| 1 | Claims on Sovereigns | 18,767,671 | - | - | - | | 18,767,671 |
| 2 | Claims on Public Sector Entities | 413,571 | - | - | - | | 413,571 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 6,858,475 | 5,555 | - | - | | 6,852,920 |
| 5 | Claims secured by residential property | 3,654,415 | 21 | - | - | | 3,654,394 |
| 6 | Calims secured by commercial property | 3,082,899 | 1,404 | - | - | | 3,081,495 |
| 7 | Claims on Employees/Retirees | - | - | - | - | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 3,028,672 | 77,754 | - | - | | 2,950,918 |
| 9 | Claims on Corporations | 55,625,898 | 3,000,016 | - | - | | 52,625,882 |
| 10 | Past Due Loans | 371,417 | - | - | - | | 371,417 |
| 11 | Other Assets | 1,730,902 | - | - | - | | 1,730,902 |
| | Total Balance Sheet Exposures | 93,533,920 | 3,084,750 | - | - | | 90,449,170 |
| B | Off Balance Sheet Exposures | | | | | | |
| 1 | Claims on Sovereigns | - | - | - | - | | - |
| 2 | Claims on Public Sector Entities | 384,125 | - | - | - | | 384,125 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 1,326,979 | - | - | - | | 1,326,979 |
| 5 | Claims secured by residential property | - | - | - | - | | - |
| 6 | Claims secured by commercial property | 625 | - | - | - | | 625 |
| 7 | Claims on Employees/Retirees | - | - | - | - | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 15,218 | 2,247 | - | - | | 12,971 |
| 9 | Claims on Corporations | 2,587,161 | 168,395 | - | - | | 2,418,766 |
| 10 | Past Due Loans | - | - | - | - | | - |
| | Total Off Balance Sheet Exposures | 4,314,107 | 170,642 | - | - | - | 4,143,465 |
| C | Counterparty Credit Risk Exposures | | | | | | |
| 1 | Claims on Sovereigns | 1,015,168 | - | - | - | | 1,015,168 |
| 2 | Claims on Public Sector Entities | 970 | - | - | - | | 970 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 443,692 | - | - | - | | 443,692 |
| 5 | Claims on Micro, Small Business and Retail Portfolio | 35,492 | - | - | - | | 35,492 |
| 6 | Claims on Corporations | 208,794 | - | - | - | | 208,794 |
| | Total Counterparty Credit Risk Exposures | 1,704,116 | - | - | - | - | 1,704,116 |
| | Total (A+B+C) | 99,552,143 | 3,255,392 | - | - | - | 96,296,751 |

(in million Rupiah)

| No | Portfolio Category | 31 December 2016 | | | | | |
|-----|---|-------------------|--------------------|-----------|------------------|----------|---------------------------------|
| | | Net Claims | Portion Secured by | | | | Unsecured Portion |
| | | | Collateral | Guarantee | Credit Insurance | Others | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) = (3)- [(4)+(5)+(6)+(7)] |
| A | On Balance Sheet Exposures | | | | | | |
| 1 | Claims on Sovereigns | 16.529.530 | - | - | - | | 16.529.530 |
| 2 | Claims on Public Sector Entities | 232.738 | - | - | - | | 232.738 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 5.397.120 | 5.000 | - | - | | 5.392.120 |
| 5 | Claims secured by residential property | 3.758.515 | 20 | - | - | | 3.758.495 |
| 6 | Calims secured by commercial property | 4.565.550 | 1.719 | - | - | | 4.563.831 |
| 7 | Claims on Employees/Retirees | - | - | - | - | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 2.960.943 | 81.725 | - | - | | 2.879.218 |
| 9 | Claims on Corporations | 54.834.288 | 2.979.619 | - | - | | 51.854.669 |
| 10 | Past Due Loans | 1.373.876 | - | - | - | | 1.373.876 |
| 11 | Other Assets | 2.080.323 | - | - | - | | 2.080.323 |
| | Total Balance Sheet Exposures | 91.732.883 | 3.068.083 | - | - | - | 88.664.800 |
| B | Off Balance Sheet Exposures | | | | | | |
| 1 | Claims on Sovereigns | - | - | - | - | | - |
| 2 | Claims on Public Sector Entities | 380.058 | - | - | - | | 380.058 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 1.329.166 | - | - | - | | 1.329.166 |
| 5 | Claims secured by residential property | - | - | - | - | | - |
| 6 | Claims secured by commercial property | 1.000 | - | - | - | | 1.000 |
| 7 | Claims on Employees/Retirees | - | - | - | - | | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 9.564 | 2.380 | - | - | | 7.184 |
| 9 | Claims on Corporations | 2.038.764 | 166.180 | - | - | | 1.872.584 |
| 10 | Past Due Loans | - | - | - | - | | - |
| | Total Off Balance Sheet Exposures | 3.758.552 | 168.560 | - | - | - | 3.589.992 |
| C | Counterparty Credit Risk Exposures | | | | | | |
| 1 | Claims on Sovereigns | 1.902.219 | - | - | - | | 1.902.219 |
| 2 | Claims on Public Sector Entities | - | - | - | - | | - |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | | - |
| 4 | Claims on Banks | 376.276 | - | - | - | | 376.276 |
| 5 | Claims on Micro, Small Business and Retail Portfolio | - | - | - | - | | - |
| 6 | Claims on Corporations | 136.967 | - | - | - | | 136.967 |
| | Total Counterparty Credit Risk Exposures | 2.415.462 | - | - | - | - | 2.415.462 |
| | Total (A+B+C) | 97.906.897 | 3.236.643 | - | - | - | 94.670.254 |

Disclosure of Pillar 3

11. Disclosure of Asset Securitisation Transaction - Bank individually

As of 31 December 2016 & 31 December 2017, the Bank has no asset securitisation

12. Disclosure of Assets Securitisation Transaction Activities Summary on Bank as Initial Creditor - Bank individually

As of 31 December 2016 & 31 December 2017, the Bank has no assets securitisation transaction on bank as initial creditor.

13. Disclosure of Calculation of Credit Risk RWA by Standard Approach - Bank only

a. Exposures of Assets on Balance Sheet

(in million Rupiah)

| No | Transaction Type | 31 December 2017 | | | 31 December 2016 | | |
|-------|---|------------------|-----------------------------------|----------------------------------|------------------|-----------------------------------|----------------------------------|
| | | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Claims on Sovereigns | 18,767,671 | - | - | 16,529,530 | - | - |
| 2 | Claims on Public Sector Entities | 413,571 | 206,786 | 206,786 | 232,738 | 116,369 | 116,369 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - |
| 4 | Claims on Banks | 6,858,475 | 2,133,150 | 2,131,988 | 5,397,120 | 1,615,441 | 1,612,941 |
| 5 | Claims secured by residential property | 3,654,415 | 1,279,045 | 1,279,038 | 3,758,515 | 1,315,480 | 1,315,473 |
| 6 | Calims secured by commercial property | 3,082,899 | 3,082,899 | 3,081,495 | 4,565,550 | 4,565,550 | 4,563,831 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 3,028,672 | 2,271,504 | 2,213,189 | 2,960,943 | 2,220,708 | 2,159,413 |
| 9 | Claims on Corporations | 55,625,898 | 55,625,898 | 52,625,882 | 54,834,288 | 54,834,288 | 51,854,669 |
| 10 | Past Due Loans | 371,417 | 512,971 | 512,971 | 1,373,876 | 2,004,138 | 2,004,140 |
| 11 | Other Assets | 1,731,002 | - | 1,351,128 | 2,080,323 | - | 1,565,696 |
| Total | | 93,534,020 | 65,112,253 | 63,402,477 | 91,732,883 | 66,671,974 | 65,192,532 |

b. Off Balance Sheet (Commitment/Contingencies) Exposure

(in million Rupiah)

| No | Transaction Type | 31 December 2017 | | | 31 December 2016 | | |
|-------|---|------------------|-----------------------------------|----------------------------------|------------------|-----------------------------------|----------------------------------|
| | | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Claims on Sovereigns | - | - | - | - | - | - |
| 2 | Claims on Public Sector Entities | 384,125 | 192,063 | 192,063 | 380,058 | 190,029 | 190,029 |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - |
| 4 | Claims on Banks | 1,326,979 | 663,490 | 663,490 | 1,329,167 | 663,960 | 663,960 |
| 5 | Claims secured by residential property | - | - | - | - | - | - |
| 6 | Claims secured by commercial property | 625 | 625 | 625 | 1,000 | 1,000 | 1,000 |
| 7 | Claims on Employees/Retirees | - | - | - | - | - | - |
| 8 | Claims on Micro, Small Business and Retail Portfolio | 15,218 | 11,414 | 9,728 | 9,564 | 7,173 | 5,388 |
| 9 | Claims on Corporations | 2,587,161 | 2,587,161 | 2,418,766 | 2,038,764 | 2,038,764 | 1,872,584 |
| 10 | Past Due Loans | - | - | - | - | - | - |
| Total | | 4,314,108 | 3,454,753 | 3,284,672 | 3,758,553 | 2,900,926 | 2,732,961 |

c. Counterparty Credit Risk Exposure

(in million Rupiah)

| No | Transaction Type | 31 December 2017 | | | 31 December 2016 | | |
|-------|---|------------------|-----------------------------------|----------------------------------|------------------|-----------------------------------|----------------------------------|
| | | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation | Net Claims | RWA before Credit Risk Mitigation | RWA after Credit Risk Mitigation |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Claims on Sovereigns | 1,015,168 | - | - | 1,902,219 | - | - |
| 2 | Claims on Public Sector Entities | 970 | 485 | 485 | - | - | - |
| 3 | Claims on Multilateral Development Banks and International Institutions | - | - | - | - | - | - |
| 4 | Claims on Banks | 443,692 | 199,614 | 199,614 | 376,276 | 166,813 | 166,813 |
| 5 | Claims on Micro, Small Business and Retail Portfolio | 35,492 | 26,619 | 26,619 | - | - | - |
| 6 | Claims on Corporations | 208,794 | 208,794 | 208,794 | 136,967 | 136,967 | 136,967 |
| 7 | Weighted exposure from Credit Valuation Adjustment (CVA risk weighted assets) | - | - | 234,181 | - | - | - |
| Total | | 1,704,116 | 435,512 | 669,693 | 2,415,462 | 303,780 | 303,780 |

Disclosure of Pillar 3

- d. Disclosure of Credit Risk Exposure due to Settlement Risk

As of 31 December 2016 & 31 December 2017, the Bank has no credit risk exposure due to settlement risk.
- e. Disclosure of Securitization Exposure

As of 31 December 2016 & 31 December 2017, the Bank has no securitization exposure.

| f. Total Credit Risk Measurement (in million Rupiah) | | | |
|---|--------------------------------|------------------|------------------|
| No | Portfolio Category | 31 December 2017 | 31 December 2016 |
| | TOTAL RWA CREDIT RISK | 67.356.842 | 68.229.273 |
| | TOTAL CAPITAL DEDUCTION FACTOR | - | - |

Market Risk

1. Disclosure of Market Risk by Standard Methods

| (in million Rupiah) | | | | | |
|---------------------|--------------------------------|------------------|-----------|------------------|---------|
| No | Type of Risk | 31 December 2017 | | 31 December 2016 | |
| | | Bank | | Bank | |
| | | Capital Charges | RWA | Capital Charges | RWA |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Interest Rate Risk | | | | |
| | a. Specific Risk | 6,172 | 77,150 | 2,100 | 26,247 |
| | b. General Risk | 58,140 | 726,750 | 40,516 | 506,452 |
| 2 | Exchange Rate Risk Equity Risk | 23,073 | 288,413 | 6,199 | 77,490 |
| 3 | Equity Risk | - | - | - | - |
| 4 | Commodity Risk | - | - | - | - |
| 5 | Option Risk | - | - | - | - |
| Total | | 87,385 | 1,092,313 | 48,815 | 610,189 |

2. Interest Rate Risk In Banking Book Exposure Disclosure

| (in million Rupiah) | | | | | |
|---------------------|------------|---------------------------|------------------|------------|---------------------------|
| 31 December 2017 | | | 31 December 2016 | | |
| Economic Value | Capital | EVE Presentage to capital | Economic Value | Capital | EVE Presentage to capital |
| (285,967) | 12,972,789 | -2,20% | (214,044) | 12,439,951 | -1,72% |

Disclosure of Pillar 3

Liquidity Risk

1. Disclosure of Rupiah & Forex Maturity Profile - Bank Only

a. Profile of Rupiah Maturity

| (in million Rupiah) | | | | | | | | | | | | | |
|---------------------|--|------------------|-------------|-----------------------|------------------------|-------------------------|--------------|------------------|--------------|-----------------------|------------------------|-------------------------|-------------|
| No | Account | 31 December 2017 | | | | | | 31 December 2016 | | | | | |
| | | Balance | Maturity | | | | | Balance | Maturity | | | | |
| | | | < 1 month | > 1 month to 3 months | > 3 months to 6 months | > 6 months to 12 months | > 12 months | | < 1 month | > 1 month to 3 months | > 3 months to 6 months | > 6 months to 12 months | > 12 months |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| I | ON BALANCE SHEET | | | | | | | | | | | | |
| | A. Assets | | | | | | | | | | | | |
| | 1. Cash | 326,846 | 326,846 | - | - | - | - | 333,881 | 333,881 | - | - | - | - |
| | 2. Placement with Bank Indonesia | 11,075,013 | 5,506,864 | 1,589,018 | 2,939,097 | 1,040,034 | - | 5,438,059 | 5,438,059 | - | - | - | - |
| | 3. Placement with Other Bank | 776,720 | 5,829 | 770,891 | - | - | - | 1,841,077 | 1,351,098 | 198,422 | 291,557 | - | - |
| | 4. Marketable Securities | 7,318,963 | 713,418 | 1,239,267 | 1,280,856 | 585,689 | 3,499,733 | 9,023,085 | 634,625 | 1,555,778 | 1,719,514 | 1,755,270 | 3,357,898 |
| | 5. Loans | 46,073,750 | 3,036,833 | 5,137,904 | 8,511,208 | 8,998,515 | 20,389,290 | 49,691,551 | 2,951,474 | 4,976,468 | 7,821,990 | 10,197,009 | 23,744,610 |
| | 6. Other Assets | 1,326,333 | 1,116,556 | 110,872 | 53,562 | 21,064 | 24,279 | 2,217,592 | 2,067,433 | 56,416 | 68,994 | 24,749 | - |
| | 7. Others | 682,031 | 375,883 | 295,004 | - | 11,144 | - | 623,535 | 333,198 | 277,099 | - | 13,238 | - |
| | Total Assets | 67,579,656 | 11,082,229 | 9,142,956 | 12,784,723 | 10,656,446 | 23,913,302 | 69,168,780 | 13,109,768 | 7,064,183 | 9,902,055 | 11,990,266 | 27,102,508 |
| | B. Liabilities | | | | | | | | | | | | |
| | 1. Third Party Fund | 51,890,130 | 18,253,124 | 16,267,321 | 1,697,652 | 770,459 | 14,901,574 | 53,268,583 | 22,691,586 | 14,176,597 | 2,174,235 | 905,538 | 13,320,627 |
| | 2. Due to Bank Indonesia | - | - | - | - | - | - | - | - | - | - | - | - |
| | 3. Due to Other Bank | 49,468 | 44,468 | - | - | 5,000 | - | 59,887 | 51,887 | 3,000 | - | 5,000 | - |
| | 4. Marketable Securities Issued | 3,388,604 | - | - | 599,576 | - | 2,789,028 | 3,086,872 | - | - | - | 298,679 | 2,788,193 |
| | 5. Borrowings | - | - | - | - | - | - | 98,255 | - | - | - | - | 98,255 |
| | 6. Other Liabilities | 244,519 | 56,042 | 111,032 | 53,612 | 21,065 | 2,768 | 258,335 | 131,234 | 56,325 | 68,993 | 1,783 | - |
| | 7. Others | 729,395 | 242,450 | - | - | - | 486,945 | 1,037,713 | 565,480 | 45,949 | - | - | 426,284 |
| | Total Liabilities | 56,302,116 | 18,596,084 | 16,378,353 | 2,350,840 | 796,524 | 18,180,315 | 57,809,645 | 23,440,187 | 14,281,871 | 2,243,228 | 1,211,000 | 16,633,359 |
| | Difference between Assets and Liabilities On Balance Sheet | 11,277,540 | (7,513,855) | (7,235,397) | 10,433,883 | 9,859,922 | 5,732,987 | 11,359,135 | (10,330,419) | (7,217,688) | 7,658,827 | 10,779,266 | 10,469,149 |
| II | OFF BALANCE SHEET | | | | | | | | | | | | |
| | A. Off Balance Sheet Receivables | | | | | | | | | | | | |
| | 1. Commitment | 100,006 | 100,006 | - | - | - | - | 535 | 535 | - | - | - | - |
| | 2. Contingencies | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Off Balance Sheet Receivables | 100,006 | 100,006 | - | - | - | - | 535 | 535 | - | - | - | - |
| | B. Off Balance Sheet Payables | | | | | | | | | | | | |
| | 1. Commitment | 21,857,663 | 2,001,559 | 3,005,557 | 3,902,580 | 8,123,283 | 4,824,684 | 19,705,714 | 2,476,296 | 4,341,904 | 3,798,033 | 5,738,424 | 3,351,057 |
| | 2. Contingencies | 1,864,461 | 233,390 | 303,977 | 384,918 | 259,500 | 682,676 | 1,019,233 | 244,214 | 185,495 | 244,023 | 107,185 | 238,316 |
| | Total Off Balance Sheet Payables | 23,722,124 | 2,234,949 | 3,309,534 | 4,287,498 | 8,382,783 | 5,507,360 | 20,724,947 | 2,720,510 | 4,527,399 | 4,042,056 | 5,845,609 | 3,589,373 |
| | Difference of Receivables and Payables Off Balance Sheet | (23,622,118) | (2,134,943) | (3,309,534) | (4,287,498) | (8,382,783) | (5,507,360) | (20,724,412) | (2,719,975) | (4,527,399) | (4,042,056) | (5,845,609) | (3,589,373) |
| | Difference [(IA-IB)+(IIA-IIB)] | (12,344,578) | (9,648,798) | (10,544,931) | 6,146,385 | 1,477,139 | 225,627 | (9,365,277) | (13,050,394) | (11,745,087) | 3,616,771 | 4,933,657 | 6,879,776 |
| | Cumulative Difference | | (9,648,798) | (20,193,729) | (14,047,344) | (12,570,205) | (12,344,578) | | (13,050,394) | (24,795,481) | (21,178,710) | (16,245,053) | (9,365,277) |

Disclosure of Pillar 3

b. Profile of Forex Maturity

| (in million Rupiah) | | | | | | | | | | | | | |
|---------------------|--|------------------|-------------|--------------------------|---------------------------|----------------------------|--------------|------------------|-------------|--------------------------|---------------------------|----------------------------|--------------|
| No | Account | 31 December 2017 | | | | | | 31 December 2016 | | | | | |
| | | Balance | Maturity | | | | | Balance | Maturity | | | | |
| | | | < 1 month | > 1 month to 3 months | > 3 months to 6 months | > 6 months to 12 months | > 12 months | | < 1 month | > 1 month to 3 months | > 3 months to 6 months | > 6 months to 12 months | > 12 months |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| I | ON BALANCE SHEET | | | | | | | | | | | | |
| | A. Assets | | | | | | | | | | | | |
| | 1. Cash | 71,446 | 71,446 | - | - | - | - | 201,636 | 201,636 | - | - | - | - |
| | 2. Placement with Bank Indonesia | 3,312,180 | 3,312,180 | - | - | - | - | 1,935,200 | 1,935,200 | - | - | - | - |
| | 3. Placement with Other Bank | 3,121,488 | 3,121,488 | - | - | - | - | 1,769,290 | 1,432,477 | 336,813 | - | - | - |
| | 4. Marketable Securities | 2,335,252 | 899,010 | 832,230 | 590,417 | - | 13,595 | 3,086,600 | 906,641 | 985,527 | 311,242 | - | 883,190 |
| | 5. Loans | 17,112,294 | 558,370 | 4,718,587 | 1,842,589 | 2,547,095 | 7,445,654 | 16,097,512 | 1,450,346 | 3,445,423 | 1,579,139 | 3,541,640 | 6,080,964 |
| | 6. Other Assets | 1,725,094 | 342,105 | 685,145 | 594,406 | 19,361 | 84,078 | 1,691,910 | 225,452 | 807,890 | 423,867 | 62,593 | 172,108 |
| | 7. Others | 7,571 | 706 | 6,865 | - | - | - | 105,828 | 9,983 | 6,736 | - | - | 89,109 |
| | Total Assets | 27,685,325 | 8,305,304 | 6,242,827 | 3,027,411 | 2,566,455 | 7,543,326 | 24,887,976 | 6,161,735 | 5,582,389 | 2,314,248 | 3,604,233 | 7,225,371 |
| | B. Liabilities | | | | | | | | | | | | |
| | 1. Third Party Fund | 23,028,145 | 9,710,165 | 3,348,730 | 863,585 | 1,134,704 | 7,970,961 | 19,736,368 | 5,805,425 | 2,192,326 | 1,572,443 | 1,392,949 | 8,773,225 |
| | 2. Due to Bank Indonesia | - | - | - | - | - | - | - | - | - | - | - | - |
| | 3. Due to Other Bank | 2,265,365 | 699,676 | 1,565,690 | - | - | - | 3,581,777 | 1,318,397 | 1,957,554 | 305,826 | - | - |
| | 4. Marketable Securities Issued | - | - | - | - | - | - | - | - | - | - | - | - |
| | 5. Borrowings | 333,136 | - | - | - | - | 333,136 | - | - | - | - | - | - |
| | 6. Other Liabilities | 1,705,136 | 337,994 | 681,292 | 591,964 | 19,089 | 74,798 | 2,046,540 | 576,894 | 807,557 | 442,312 | 62,593 | 157,184 |
| | 7. Others | 38,640 | 14,300 | 24,340 | - | - | - | 98,448 | 4,621 | - | - | - | 93,827 |
| | Total Liabilities | 27,370,423 | 10,762,134 | 5,620,052 | 1,455,549 | 1,153,794 | 8,378,895 | 25,463,133 | 7,705,337 | 4,957,437 | 2,320,581 | 1,455,542 | 9,024,236 |
| | Difference between Assets and Liabilities On Balance Sheet | 314,902 | (2,456,830) | 622,775 | 1,571,863 | 1,412,662 | (835,568) | (575,157) | (1,543,602) | 624,952 | (6,333) | 2,148,691 | (1,798,865) |
| II | OFF BALANCE SHEET | | | | | | | | | | | | |
| | A. Off Balance Sheet Receivables | | | | | | | | | | | | |
| | 1. Commitment | 23,726,858 | 5,245,101 | 1,478,559 | 8,787,751 | 8,215,447 | - | 18,073,776 | 4,839,376 | 504,653 | 164,162 | 12,565,585 | - |
| | 2. Contingencies | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Off Balance Sheet Receivables | 23,726,858 | 5,245,101 | 1,478,559 | 8,787,751 | 8,215,447 | - | 18,073,776 | 4,839,376 | 504,653 | 164,162 | 12,565,585 | - |
| | B. Off Balance Sheet Payables | | | | | | | | | | | | |
| | 1. Commitment | 32,814,532 | 5,998,477 | 4,793,574 | 2,283,654 | 3,225,551 | 16,513,276 | 24,414,900 | 5,973,472 | 2,476,515 | 1,904,513 | 2,166,742 | 11,893,658 |
| | 2. Contingencies | 3,514,498 | 43,714 | 988,637 | 1,624,193 | 323,463 | 534,492 | 3,447,960 | 152,478 | 305,031 | 540,059 | 840,886 | 1,609,506 |
| | Total Off Balance Sheet Payables | 36,329,030 | 6,042,191 | 5,782,211 | 3,907,847 | 3,549,014 | 17,047,767 | 27,862,860 | 6,125,950 | 2,781,546 | 2,444,572 | 3,007,628 | 13,503,164 |
| | Difference of Receivables and Payables Off Balance Sheet | (12,602,172) | (797,091) | (4,303,652) | 4,879,904 | 4,666,433 | (17,047,767) | (9,789,084) | (1,286,574) | (2,276,893) | (2,280,410) | 9,557,957 | (13,503,164) |
| | Difference [(IIA-IB)+(IIA-IIIB)] | (12,287,271) | (3,253,921) | (3,680,876) | 6,451,767 | 6,079,095 | (17,883,335) | (10,364,241) | (2,830,176) | (1,651,941) | (2,286,743) | 11,706,648 | (15,302,029) |
| | Cumulative Difference | | (3,253,921) | (6,934,797) | (483,030) | 5,596,065 | (12,287,271) | | (2,830,176) | (4,482,117) | (6,768,860) | 4,937,788 | (10,364,241) |

Disclosure of Pillar 3

2. Disclosure of Liquidity Coverage Ratio (LCR)

| 2017 | | | | |
|-----------|-----------|------------|-------------|------------|
| | Quarter I | Quarter II | Quarter III | Quarter IV |
| | (1) | (2) | (3) | (4) |
| Bank only | 200% | 179% | 178% | 222% |

| 2016 | | | | |
|-----------|-----------|------------|-------------|------------|
| | Quarter I | Quarter II | Quarter III | Quarter IV |
| | (1) | (2) | (3) | (4) |
| Bank only | NA | NA | 168% | 184% |

OPERATIONAL RISK

| | | (in million Rupiah) | | | | | |
|-----|--------------------------|---|--------------------|-----------|---|--------------------|-----------|
| No | Adopted Approach | 31 December 2017 | | | 31 December 2016 | | |
| | | Gross Income (last 3 years average) | Capital Charges | RWA | Gross Income (last 3 years average) | Capital Charges | RWA |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1 | Basic Indicator Approach | 4,000,975 | 600,146 | 7,501,828 | 3,652,380 | 547,857 | 6,848,213 |
| | Total | 4,000,975 | 600,146 | 7,501,828 | 3,652,380 | 547,857 | 6,848,213 |

Statement of the Members of Board of Commissioners and Board of Directors
Regarding Responsibility for 2017 Annual Report of PT Bank UOB Indonesia

We, the undersigned, hereby declare that all information in the 2017 Annual Report of PT Bank UOB Indonesia has been completely presented, and we are fully responsible for the accuracy of the content of this Annual Report.

This statement is hereby made truthfully.

Jakarta, April 2018

Board of Commissioners


Wee Cho Yaw
President Commissioner


Wee Ee Cheong
Deputy President Commissioner


Lee Chin Yong Francis
Commissioner


Rusdy Daryono
Independent Commissioner


Wayan Alit Antara
Independent Commissioner


Aswin Wirjadi
Independent Commissioner

Board of Directors


Lam Sai Yoke
President Director


Iwan Satawidinata
Deputy President Director


Muljono Tjandra
Director


Henky Sulistyo
Director


Pardi Kendy
Director


Soehadie Tansol
Compliance Director

PT Bank UOB Indonesia

Laporan keuangan tanggal 31 Desember 2017
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/

***Financial statements
as of 31 December 2017
and for the year then ended
with independent auditors' report***

Financial Statement





No.18/DIR/0038A

PT Bank UOB Indonesia
HEAD OFFICE
UOB Plaza
Jl. M.H. Thamrin No. 10
Jakarta 10230
Telp : (021) 2350 6000
Fax : (021) 2993 6632
www.uob.co.id

The original financial statements included herein are in the Indonesian language.

**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN
PADA TANGGAL 31 DESEMBER 2017
DAN UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
PT BANK UOB INDONESIA**

**DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR
THE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2017
AND FOR THE YEAR THEN ENDED
PT BANK UOB INDONESIA**

**PT BANK UOB INDONESIA
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2017 DAN UNTUK
TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK UOB INDONESIA
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2017 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

Table of Contents

Kami yang bertanda tangan di bawah ini / We, the undersigned:

- Nama/Name** : LAM SAI YOKE
Alamat Kantor/Office Address : Gedung UOB Plaza Jl. M.H. Thamrin No. 10
Jakarta Pusat 10230
Alamat Domisili/Address of Domicile : Shangri-La Residence, Jl. Jend. Sudirman Kav.1 Jakarta
Nomor Teleponi/Phone Number : (62-21) 23506000
Jabatan/Position : Direktur Utama / Presiden / Director
- 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 Teleponi/Phone Number : (62-21) 23506000
Jabatan/Position : Direktur Keuangan dan Layanan Korporasi /
Finance and Corporate Services Director

menyatakan bahwa:

declare that:

- Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank UOB Indonesia ("Bank");

1. We are responsible for the preparation and presentation of PT Bank UOB Indonesia's financial statements ("Bank");
- Laporan keuangan Bank telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;

2. The Bank's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
- a. Semua informasi dalam laporan keuangan Bank telah dimuat secara lengkap dan benar;

3. a. All information in the Bank's financial statements have been disclosed in a complete and truthful manner;

b. Laporan keuangan Bank tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;

b. The Bank's financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts;
- Kami bertanggung jawab atas sistem pengendalian internal Bank.

4. We are responsible for the Bank's internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

Thus this statement is made truthfully.

Jakarta, 25 Januari 2018 / 25 January 2018

LAM SAI YOKE
Direktur Utama /
President Director

MULJONO TJANDRA
Direktur Keuangan dan Layanan Korporasi /
Finance and Corporate Services Director





Purwantono, Sungkoro & Surja

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

Tel: +62 21 5289 5000
Fax: +62 21 5289 4100
ey.com/id

The original report included herein is in Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-5709/PSS/2018

Pemegang Saham, Dewan Komisaris dan Direksi PT Bank UOB Indonesia

Kami telah mengaudit laporan keuangan PT Bank UOB Indonesia terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2017, serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-5709/PSS/2018

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

We have audited the accompanying financial statements of PT Bank UOB Indonesia, which comprise the statement of financial position as of December 31, 2017, 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 Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-5709/PSS/2018 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas 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 2017, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Report No. RPC-5709/PSS/2018 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank UOB Indonesia as of December 31, 2017, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja

Danil Setiadi Handaja

Registrasi Akuntan Publik No. AP.1008/Public Accountant Registration No. AP.1008

25 Januari 2018/January 25, 2018

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
As of 31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| | 31 Desember/ 31 December 2017 | Catatan/ Notes | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------|----------------------------------|---|
| ASET | | | | ASSETS |
| Kas | 398.298 | 3,39,41 | 535.517 | Cash |
| Giro pada Bank Indonesia | 6.071.513 | 4,39,41 | 5.724.310 | Current accounts with Bank Indonesia |
| Giro pada bank lain | | 5,39,41 | | Current accounts with other banks |
| Pihak ketiga | 1.984.059 | | 560.476 | Third parties |
| Pihak berelasi | 468.842 | 36 | 537.818 | Related parties |
| | 2.452.901 | | 1.098.294 | |
| Penempatan pada Bank Indonesia dan Bank Lain | | 6,39,41 | | Placements with Bank Indonesia and Other Banks |
| Pihak ketiga | 3.278.452 | | 3.130.306 | Third parties |
| Pihak berelasi | 137.952 | 36 | 190.848 | Related parties |
| | 3.416.404 | | 3.321.154 | |
| Efek-efek yang diperdagangkan | 1.118.020 | 7,39,41 | 945.104 | Trading securities |
| Investasi keuangan | | 8,39,41 | | Financial investments |
| Tersedia untuk dijual | 10.355.167 | | 9.316.226 | Available-for-sale |
| Dimiliki hingga jatuh tempo | 4.629.431 | | 2.688.222 | Held-to-maturity |
| | 14.984.598 | | 12.004.448 | |
| Cadangan kerugian penurunan nilai | (33.244) | | (31.677) | Allowance for impairment losses |
| Neto | 14.951.354 | | 11.972.771 | Net |
| Tagihan derivatif | | 9,39,41 | | Derivatives receivable |
| Pihak ketiga | 106.463 | | 150.926 | Third parties |
| Pihak berelasi | 39.936 | 36 | 51.186 | Related parties |
| | 146.399 | | 202.112 | |
| Kredit yang diberikan | | 10,16,17 18,39,41 | | Loans |
| Pihak ketiga | 62.694.739 | | 65.419.390 | Third parties |
| Pihak berelasi | 336.113 | 36 | 369.674 | Related parties |
| | 63.030.852 | | 65.789.064 | |
| Cadangan kerugian penurunan nilai | (1.032.648) | | (1.090.066) | Allowance for impairment losses |
| Neto | 61.998.204 | | 64.698.998 | Net |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.015.168 | 11,39,41 | 1.902.219 | Receivables on securities purchased with agreements to resell |

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

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

| | 31 Desember/ 31 December 2017 | Catatan/ Notes | 31 Desember/ 31 December 2016 | |
|-----------------------------------|----------------------------------|-------------------|----------------------------------|---------------------------------|
| ASET (lanjutan) | | | | ASSETS (continued) |
| Tagihan akseptasi | 1.843.428 | 12,39,41 | 1.770.688 | Acceptances receivable |
| Cadangan kerugian penurunan nilai | (17.378) | | (21.751) | Allowance for impairment losses |
| Neto | 1.826.050 | | 1.748.937 | Net |
| Aset pajak tangguhan - neto | 95.212 | 20,39 | 35.906 | Deferred tax assets - net |
| Aset tetap | | 13,30,39 | | Fixed assets |
| Biaya perolehan | 2.181.021 | | 2.049.217 | Cost |
| Akumulasi penyusutan | (1.118.147) | | (955.901) | Accumulated depreciation |
| | 1.062.874 | | 1.093.316 | Net book value |
| Aset lain-lain - neto | 691.716 | 14,36,39,41 | 815.210 | Other assets - net |
| TOTAL ASET | 95.244.113 | | 94.093.848 | TOTAL ASSETS |

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

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

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| | 31 Desember/ 31 December 2017 | Catatan/ Notes | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|-------------------|----------------------------------|--|
| LIABILITAS DAN EKUITAS | | | | LIABILITIES AND EQUITY |
| LIABILITAS | | | | LIABILITIES |
| Liabilitas segera | 149.371 | 15,39,41 | 101.348 | Current liabilities |
| Simpanan | | 10,39,41 | | Deposits |
| Giro | | 16 | | Demand deposits |
| Pihak ketiga | 11.220.924 | | 9.469.289 | Third parties |
| Pihak berelasi | 37.033 | 36 | 18.912 | Related parties |
| | 11.257.957 | | 9.488.201 | |
| Tabungan | | 17 | | Saving deposits |
| Pihak ketiga | 14.788.383 | | 16.081.738 | Third parties |
| Pihak berelasi | 61.264 | 36 | 62.156 | Related parties |
| | 14.849.647 | | 16.143.894 | |
| Deposito berjangka | | 18 | | Time deposits |
| Pihak ketiga | 48.802.237 | | 47.229.217 | Third parties |
| Pihak berelasi | 137.022 | 36 | 143.589 | Related parties |
| | 48.939.259 | | 47.372.806 | |
| Total simpanan | 75.046.863 | | 73.004.901 | Total deposits |
| Simpanan dari bank lain | 2.314.828 | 19,36,39,41 | 3.641.664 | Deposits from other banks |
| Bunga yang masih harus dibayar | 225.648 | 39,41 | 211.247 | Interests payable |
| Utang pajak | 65.202 | 20,39 | 145.351 | Taxes payable |
| Liabilitas derivatif | | 9,39,41 | | Derivatives payable |
| Pihak ketiga | 73.309 | | 100.501 | Third parties |
| Pihak berelasi | 32.461 | 36 | 93.827 | Related parties |
| | 105.770 | | 194.328 | |
| Liabilitas akseptasi | 1.843.428 | 12,39,41 | 1.770.688 | Acceptances payable |
| Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali | - | 21,36,39,41 | 339.412 | Liabilities on securities sold under repurchase agreements |
| Pinjaman yang diterima | 333.138 | 22,39,41 | - | Borrowings |
| Liabilitas atas imbalan kerja | 328.451 | 34,39 | 209.164 | Liabilities for employees' benefits |
| Liabilitas lain-lain | 496.159 | 24,36,39,41 | 469.547 | Other liabilities |
| Efek hutang yang diterbitkan - neto | 3.388.604 | 23,36,39,41 | 3.185.128 | Debt securities issued - net |
| TOTAL LIABILITAS | 84.297.462 | | 83.272.778 | TOTAL LIABILITIES |

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

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

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| | 31 Desember/ 31 December 2017 | Catatan/ Notes | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|-------------------|----------------------------------|--|
| LIABILITAS DAN EKUITAS (lanjutan) | | | | LIABILITIES AND EQUITY (continued) |
| EKUITAS | | | | EQUITY |
| Modal saham - nilai nominal Rp250 (nilai penuh) per saham | | 25 | | Share capital - par value Rp250 (full amount) per share |
| Modal dasar - 36.000.000.000 saham | | | | Authorized - 36,000,000,000 shares |
| Modal ditempatkan dan disetor penuh - 9.553.885.804 saham | 2.388.471 | | 2.388.471 | Issued and fully paid capital - 9,553,885,804 shares |
| Tambahan modal disetor - neto | 2.106.818 | 26 | 2.102.242 | Additional paid-in capital - net |
| Penghasilan komprehensif lain | (76.041) | 8,34 | (119.525) | Other comprehensive income |
| Saldo laba | | | | Retained earnings |
| Telah ditentukan penggunaannya | 111.424 | 27 | 106.631 | Appropriated |
| Belum ditentukan penggunaannya | 6.415.979 | | 6.343.251 | Unappropriated |
| Total Ekuitas | 10.946.651 | | 10.821.070 | Total Equity |
| TOTAL LIABILITAS DAN EKUITAS | 95.244.113 | | 94.093.848 | TOTAL LIABILITIES AND EQUITY |

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

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

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(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 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(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 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December | | | | |
|---|-------------|-------------------|-------------|--|
| | 2017 | Catatan/ Notes | 2016 | |
| PENDAPATAN DAN BEBAN OPERASIONAL | | | | OPERATING INCOME AND EXPENSES |
| Pendapatan dan beban bunga | | | | Interest income and expenses |
| Pendapatan bunga | 7.268.027 | 28,36 | 7.404.292 | Interest income |
| Beban bunga | (3.756.802) | 29,36 | (3.867.144) | Interest expense |
| PENDAPATAN BUNGA - NETO | 3.511.225 | | 3.537.148 | INTEREST INCOME - NET |
| Pendapatan Operasional Lainnya | | | | Other Operating Income |
| Komisi dan jasa administrasi - neto | 252.963 | | 218.478 | 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 | 184.492 | | 191.718 | Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net |
| Keuntungan transaksi mata uang asing | 166.565 | | 179.696 | Gain from foreign currency transactions |
| Lain-lain - neto | 189.650 | | 202.171 | Others - net |
| Total Pendapatan Operasional Lainnya - Neto | 793.670 | | 792.063 | Total Other Operating Income - Net |
| (Pembentukan) pemulihan penyisihan kerugian penurunan nilai: | | | | (Provision for) reversal of impairment losses: |
| Aset keuangan | (1.255.990) | | (958.431) | Financial assets |
| Agunan yang diambil alih | 960 | 14 | (238) | Foreclosed assets |
| Total Pembentukan Penyisihan Kerugian Penurunan Nilai | (1.255.030) | | (958.669) | Total Provision for Impairment Losses |
| Beban Operasional Lainnya | | | | Other Operating Expenses |
| Gaji dan kesejahteraan karyawan | (1.581.303) | 31,34 | (1.572.475) | Salaries and employees' benefits |
| Beban umum dan administrasi | (1.163.980) | 13,30,36 | (1.139.992) | General and administrative expenses |
| Total Beban Operasional Lainnya | (2.745.283) | | (2.712.467) | Total Other Operating Expenses |
| LABA OPERASIONAL | 304.582 | | 658.075 | OPERATING INCOME |
| Pendapatan non-operasional | | | | Non-operating income |
| Keuntungan penjualan aset tetap, properti terbengkalai dan agunan yang diambil alih - neto | 3.921 | 13,14 | 11.449 | Gain on sale of fixed assets, abandoned property and foreclosed assets - net |
| Lain-lain - neto | - | | 213 | Others - net |
| Total Pendapatan Non-Operasional | 3.921 | | 11.662 | Total Non-Operating Income |
| LABA SEBELUM BEBAN PAJAK | 308.503 | | 669.737 | INCOME BEFORE TAX EXPENSE |
| Beban pajak | (230.982) | 20 | (190.464) | Tax expense |
| LABA TAHUN BERJALAN | 77.521 | | 479.273 | INCOME FOR THE YEAR |

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

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

| Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December | | | | |
|--|----------|-------------------|----------|---|
| | 2017 | Catatan/ Notes | 2016 | |
| LABA TAHUN BERJALAN | 77.521 | | 479.273 | 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: |
| Pengukuran kembali aktuarial atas program iuran pasti | (74.741) | 34 | (11.698) | Remeasurement of contribution benefit plan |
| Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya | 18.685 | | 2.925 | Income tax relating to components of other comprehensive income |
| | (56.056) | | (8.773) | |
| Pos-pos yang akan direklasifikasi ke laba rugi: | | | | Items that shall be reclassified to profit or loss: |
| Mutasi sehubungan dengan perubahan nilai wajar investasi keuangan yang tersedia untuk dijual | 132.720 | | 109.704 | Movement in respect of fair-value change of available-for-sale financial investment |
| Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya | (33.180) | | (27.426) | Income tax related to component of other comprehensive income |
| | 99.540 | | 82.278 | |
| Penghasilan komprehensif lainnya tahun berjalan - setelah pajak | 43.484 | | 73.505 | Other comprehensive income for the year - net of tax |
| TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN | 121.005 | | 552.778 | TOTAL COMPREHENSIVE INCOME FOR THE YEAR |

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

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

untuk tahun yang berakhir pada tanggal 31 Desember 2017 /
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

For the year Ended 31 December 2017 /
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

| | Penghasilan Komprehensif Lain/ Other Comprehensive Income | | | | | Catatan/ Notes | Total Ekuitas/Equity |
|---|---|---|---|---|---|--------------------|-------------------------|
| | Modal Saham Ditempatkan dan Disetor Penuh/ Issued and Fully Paid - Share Capital | Tambahkan Modal Disetor - neto/ Additional Paid-in Capital - net | Keuntungan (Kerugian) yang Belum Direalisasi atas Efek-efek yang Tersedia untuk Dijual - neto/ Unrealized Gain (Loss) on Available - for-Sale Securities - net | Saldo Laba/Retained Earnings | | | |
| | | | | Telah Ditetapkan Penggunaannyal/ Appropriated | Belum Ditetapkan Penggunaannyal/ Unappropriated | | |
| Saldo, 1 Januari 2016 | 2.388.471 | 2.102.242 | (118.960) | (74.070) | 102.000 | 5.868.609 | 10.268.292 |
| Penghasilan komprehensif tahun berjalan | - | - | - | - | - | 479.273 | 479.273 |
| Pengukuran kembali aktuarial | - | - | - | - | - | - | (8.773) |
| Keuntungan yang belum direalisasi atas elek-elek yang tersedia untuk dijual - neto | - | - | 82.278 | - | - | - | 82.278 |
| Total penghasilan komprehensif untuk tahun berjalan 2016 | - | - | 82.278 | (8.773) | - | 479.273 (4.631) | 552.778 |
| Pembentukan cadangan umum | 27 | - | - | - | 4.631 | - | - |
| Saldo, 31 Desember 2016 | 2.388.471 | 2.102.242 | (36.682) | (82.843) | 106.631 | 6.343.251 | 10.821.070 |
| Penyesuaian tambahan modal disetor | 26 | 4.576 | - | - | - | - | 4.576 |
| Penghasilan komprehensif tahun berjalan | - | - | - | - | - | 77.521 | 77.521 |
| Laba tahun berjalan | - | - | - | - | - | - | (56.056) |
| Pengukuran kembali aktuarial | - | - | - | (56.056) | - | - | 99.540 |
| - neto setelah pajak | - | - | 99.540 | - | - | - | - |
| Keuntungan yang belum direalisasi atas elek-elek yang tersedia untuk dijual - neto | - | - | - | - | - | - | - |
| Total penghasilan komprehensif untuk tahun berjalan 2017 | - | - | 99.540 | (56.056) | - | 77.521 (4.793) | 121.005 |
| Pembentukan cadangan umum | 27 | - | - | - | 4.793 | - | - |
| Saldo, 31 Desember 2017 | 2.388.471 | 2.106.818 | 62.858 | (138.899) | 111.424 | 6.415.979 | 10.946.651 |

PT BANK UOB INDONESIA
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS
For the Year Ended
31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

The original financial statements included herein are in the Indonesian language.

| ARUS KAS DARI AKTIVITAS OPERASI | Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December | | | CASH FLOWS FROM OPERATING ACTIVITIES |
|--|---|-------------------|-------------|--|
| | 2017 | Catatan/ Notes | 2016 | |
| Penerimaan bunga | 7.245.557 | | 7.385.551 | Interest received |
| Penerimaan pendapatan operasional lainnya | 770.054 | | 905.916 | Other operating income received |
| Penerimaan dari penjualan agunan yang diambil alih | 6.986 | | 146.411 | Receipts from sale of foreclosed assets |
| Pemulihan dari kredit yang telah dihapusbukukan | 108.179 | 10 | 35.145 | Recovery from loans previously written-off |
| Penerimaan atas penjualan kredit yang diberikan | 2.531.445 | 10 | - | Proceeds from sale of loans |
| Pembayaran bunga | (3.737.273) | | (3.894.652) | Payment of interest |
| Pembayaran beban operasional | (2.491.028) | | (2.559.760) | Payment of operating expenses |
| Pembayaran pajak penghasilan | (364.185) | 20 | (338.907) | Payment of income tax |
| Penerimaan dari transaksi non-operasional - neto | - | | 213 | 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 | 902.298 | | 593.608 | Trading securities |
| Kredit yang diberikan | (1.308.613) | | (5.291.798) | Loans |
| Tagihan akseptasi | (72.740) | | 872.885 | Acceptances receivable |
| Aset lain-lain | 124.676 | | (61.445) | Other assets |
| Kenaikan (penurunan) liabilitas operasi: | | | | Increase (decrease) in operating liabilities: |
| Liabilitas segera | 48.023 | | 39.430 | Current liabilities |
| Simpanan: | | | | Deposits: |
| Giro | 1.769.756 | 16 | 2.600.851 | Demand deposits |
| Tabungan | (1.294.247) | 17 | 3.520.316 | Saving deposits |
| Deposito berjangka | 1.566.453 | 18 | 2.426.441 | Time deposits |
| Simpanan dari bank lain | (1.326.836) | 19 | (1.864.856) | Deposits from other banks |
| Utang pajak | (20.747) | | (4.234) | Taxes payable |
| Liabilitas akseptasi | 72.740 | | (872.885) | Acceptances payable |
| Liabilitas lain-lain | 26.612 | | 57.879 | Other liabilities |
| Kas Neto Diperoleh dari Aktivitas Operasi | 4.557.110 | | 3.696.109 | Net Cash Provided by Operating Activities |

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

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

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December | | | | |
|--|--------------------|------|---|--|
| 2017 | Catatan/ Notes | 2016 | | |
| | | | CASH FLOWS FROM INVESTING ACTIVITIES | |
| Hasil penjualan aset tetap | 588 | 13 | 17.211 | Proceeds from sales of fixed assets |
| Hasil penjualan properti terbengkalai | 4.683 | | 13.852 | Proceeds from sales of abandoned property |
| Penjualan (pembelian) investasi keuangan - neto | (3.409.577) | | 223.797 | Proceed (purchase) of financial investment - net |
| Perolehan aset tetap | (145.987) | 13 | (129.728) | Acquisitions of fixed assets |
| Pembelian (penjualan) atas surat berharga yang dibeli dengan janji dijual kembali | 887.051 | | (1.902.219) | Purchase (proceed) of securities purchased with agreements to resell |
| Kas Neto Digunakan untuk Aktivitas Investasi | (2.663.242) | | (1.777.087) | Net Cash Used in Investing Activities |
| | | | CASH FLOWS FROM FINANCING ACTIVITIES | |
| Penerimaan atas pinjaman (Pembayaran) penerimaan atas surat berharga yang dijual dengan janji untuk dibeli kembali | 333.223 | 22 | - | Receipt from borrowings |
| Pembayaran atas efek hutang yang jatuh tempo | (339.412) | 21 | 336.813 | (Payment) receipt on securities sold under repurchase agreements |
| Penerimaan atas efek hutang yang diterbitkan | (300.000) | 23 | (400.000) | Payment of debt securities issued have matured |
| Pembayaran biaya transaksi hutang | 500.000 | 23 | 1.100.000 | Proceeds from debt securities issued |
| | (1.652) | 23 | (7.077) | Payment of debt transaction costs |
| Kas Neto Diperoleh dari Aktivitas Pendanaan | 192.159 | | 1.029.736 | Net Cash Provided by Financing Activities |
| Kenaikan (penurunan) Neto Kas dan Setara Kas | 2.086.027 | | 2.948.758 | Net Increase (decrease) in Cash and Cash Equivalents |
| Pengaruh neto perubahan kurs pada Kas dan setara kas | 95.083 | | (86.361) | Net effect on exchange rate on cash and cash equivalents |
| Kas dan Setara Kas Awal Tahun | 12.627.387 | | 9.764.990 | Cash and Cash Equivalents at Beginning of Year |
| Kas dan Setara Kas Akhir Tahun | 14.808.497 | | 12.627.387 | Cash and Cash Equivalents at End of Year |

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

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

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2017
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

| Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December | | | | |
|---|-------------------|------|--|---|
| 2017 | Catatan/ Notes | 2016 | | |
| | | | Components of Cash and Cash Equivalents | |
| Komponen Kas dan Setara Kas | | | | |
| Kas | 398.298 | 3 | 535.517 | Cash |
| Giro pada Bank Indonesia | 6.071.513 | 4 | 5.724.310 | Current accounts with Bank Indonesia |
| Giro pada Bank Lain | 2.452.901 | 5 | 1.098.294 | Current accounts with Other Banks |
| Penempatan pada Bank Indonesia dan Bank Lain - jatuh tempo dalam 3 bulan sejak tanggal perolehan | 3.416.404 | 6 | 3.321.154 | Placements with Bank Indonesia and Other Banks - maturing within 3 months from the date of acquisition |
| Investasi keuangan - jatuh tempo dalam 3 bulan sejak tanggal perolehan | 2.469.381 | 8 | 1.948.112 | Financial investments - maturing within 3 months from the date of acquisition |
| Total | 14.808.497 | | 12.627.387 | Total |

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

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

PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2017 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 Bank Indonesia (BI) No. 9/39/KEP/DIR/UD tanggal 22 Juli 1976.

Pada tahun 2000, Bank mengubah status Perseroan menjadi perusahaan terbuka dengan melakukan penawaran umum perdana kepada masyarakat sebanyak 194 juta saham. Perubahan status Bank menjadi perusahaan terbuka telah disetujui oleh Bapepam-LK berdasarkan Surat Ketua Badan Pengawas Pasar Modal No. S-1544/PM/2000, tanggal 27 Juni 2000. Selanjutnya pada tahun 2002, 2003 dan 2006, Bank melakukan Penawaran Umum Terbatas I, II dan III.

Pada tahun 2007, Bank (yang pada saat itu bernama PT Bank Buana Indonesia Tbk) mengganti nama menjadi PT Bank UOB Buana Tbk sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 9 tanggal 19 Januari 2007, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta, yang telah mendapatkan persetujuan dari Kementerian Hukum dan Hak Asasi Manusia No. W7-01036 HT.01.04-TH-2007 tanggal 29 Januari 2007.

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1. General

a. Establishment of the Bank and General Information

PT Bank UOB Indonesia (formerly PT Bank UOB Buana) (the "Bank") was established in Indonesia based on the Deed of Establishment No. 150 dated 31 August 1956 of Eliza Pondaag, S.H. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in its Decree Letter No. J.A 5/78/4 dated 24 October 1956, as recorded at the Jakarta Court of Justice under registration No. 1811 dated 27 October 1956 and was published in State Gazette of the Republic of Indonesia No. 96 Supplement No. 1243 dated 30 November 1956.

Bank's commercial banking activities began on 1 November 1956 based on the Decision Letter of The Ministry of Finance of the Republic of Indonesia No. 203443/U.M.II dated 15 October 1956 about Granting Business License of PT Bank Buana Indonesia located in Jakarta. Based on Article 3 of the Bank's Articles of Association, the scope of Bank's business is to engage in general banking activities. The Bank also obtained a license to run the activities as a foreign banks based on Bank Indonesia (BI) Governor Decree No. 9/39/KEP/DIR/UD dated 22 July 1976.

In 2000, the Bank changed the status of the Company into a public company with initial public offering as many as 194 million shares to the public. The status change of the Bank into a public company has been approved by Bapepam-LK based on the Letter from the Chairman of the Capital Market Supervisory Board No. S-1544/PM/2000, dated 27 June 2000. Furthermore, in 2002, 2003 and 2006, the Bank conducted Limited Public Offering I, II and III.

In 2007, the Bank (whose name at the time was PT Bank Buana Indonesia Tbk) changed the name into PT Bank UOB Buana Tbk as set forth in Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 9 dated 19 January 2007, drawn up before Fathiah Helmi, SH, Notary in Jakarta, which has obtained approval of Minister of Law and Human Rights No. W7-01036 HT.01.04-TH-2007 dated 29 January 2007.

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1. General (continued)

a. Establishment of the Bank and General Information (continued)

In 2008, the general meeting of shareholders of the Bank has approved the change in the Bank's status from publicly listed to private company and delisted the Bank's shares at Indonesian Stock Exchange (BEI). The change in status, including the delisting process, had been conducted in compliance to the requirements determined by OJK (formerly Capital Market and Financial Institution Supervisory Agency) and BEI; the Bank which had settled the rights of minority shareholders through tender offer process in accordance with applicable regulations. Pursuant to the Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 16 dated 16 January 2009, drawn up before Fathiah Helmi, SH, Notary in Jakarta and approved by the Minister of Laws and Human Rights through Letter of Approval No. AHU-26687.AH.01.02. Year 2009 dated 17 June 2009, Articles of Association of the Bank have been amended in relation to the change in the Bank's status from a publicly listed to a private company.

By virtue of Deed of Resolutions Statement of Extraordinary Meeting of Shareholders No. 12 dated 15 April 2010, drawn up before Fathiah Helmi, SH, Notary in Jakarta and as notified to the Minister of Laws and Human Rights through Letter of Notification Receipt No. AHU-AH.01.10-14548 dated 14 June 2010, shareholders of the Bank (whose name at the time was PT Bank UOB Buana) agreed to merge its business with a bank whose name at the time was PT Bank UOB Indonesia.

On 30 June 2010, the Bank (whose name at the time was PT Bank UOB Buana) effectively accepted the business merger of PT Bank UOB Indonesia, this merger had obtained the approval of BI under Decision of BI Governor No. 12/45/KEP.GBI/2010 dated 10 June 2010 regarding Granting of Merger Permit of PT Bank UOB Indonesia into PT Bank UOB Buana. The permit still applies as the business permit of the Bank as the surviving bank.

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1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada tahun 2008, RUPS Bank telah menyetujui perubahan status Bank dari perusahaan terbuka menjadi perusahaan tertutup dan menghapuskan pencatatan (*delisting*) saham Bank di Bursa Efek Indonesia (BEI). Perubahan status, termasuk *delisting* tersebut telah dilakukan sesuai dengan persyaratan yang ditentukan oleh OJK (dahulu Bapepam dan LK) dan BEI, dan Bank telah menyelesaikan hak-hak pemegang saham minoritas melalui proses penawaran tender sesuai dengan ketentuan yang berlaku. Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 16 tanggal 16 Januari 2009, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah disetujui oleh Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Persetujuan No. AHU-26687.AH.01.02. Tahun 2009 tanggal 17 Juni 2009, Anggaran Dasar Bank telah diubah sehubungan dengan perubahan status Bank dari perusahaan terbuka (publik) menjadi perusahaan tertutup.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 12 tanggal 15 April 2010, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah diberitahukan kepada Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Penerimaan Pemberitahuan No. AHU-AH.01.10-14548 tanggal 14 Juni 2010, para pemegang saham Bank (yang pada saat itu bernama PT Bank UOB Buana) setuju untuk melakukan penggabungan usaha dengan suatu bank yang pada saat itu bernama PT Bank UOB Indonesia.

Pada tanggal 30 Juni 2010, Bank (yang pada saat itu bernama PT Bank UOB Buana) secara efektif menerima penggabungan usaha PT Bank UOB Indonesia, penggabungan tersebut telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 12/45/KEP.GBI/2010 tanggal 10 Juni 2010 tentang Pemberian Izin Penggabungan Usaha (Merger) PT Bank UOB Indonesia ke dalam PT Bank UOB Buana. Izin tersebut tetap berlaku sebagai izin usaha Bank sebagai perusahaan hasil penggabungan.

| | | | |
|---|--|--|--|
| The original financial statements included herein are in the Indonesian language. | | The original financial statements included herein are in the Indonesian language. | |
| <div>PT BANK UOB INDONESIA</div> <div>CATATAN ATAS LAPORAN KEUANGAN</div> <div>Tahun 31 Desember 2017 dan untuk</div> <div>Tahun yang Berakhir pada Tanggal Tersebut</div> <div>(Disajikan dalam Jutaan Rupiah,</div> <div>Kecuali Dinyatakan Lain)</div> | | <div>PT BANK UOB INDONESIA</div> <div>NOTES TO THE FINANCIAL STATEMENTS</div> <div>As of 31 December 2017 and</div> <div>for the Year Then Ended</div> <div>(Expressed in Millions of Rupiah,</div> <div>Unless Otherwise Stated)</div> | |
| 1. Umum (lanjutan) | | 1. General (continued) | |
| a. Pendirian Bank dan Informasi Umum (lanjutan) | | a. Establishment of the Bank and General Information (continued) | |
| <p>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.</p> | | <p><i>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.</i></p> | |
| <p>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.</p> | | <p><i>In May 2014, the Bank issued Bank UOB Indonesia Subordinated Bonds I Year 2014 amounting to Rp1,000,000,000,000 (full amount) with fixed interest rate of 11.35% and tenor of 7 years since issuance date.</i></p> | |
| <p>Pada bulan Maret 2015, Bank melakukan penawaran umum Obligasi I Bank UOB Indonesia Tahun 2015 dengan jumlah pokok sebesar Rp1.500.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C dengan tingkat bunga tetap masing-masing sebesar 8,60%, 9,40%, dan 9,60% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi.</p> | | <p><i>In March 2015 the Bank issued Bank UOB Indonesia Bonds I Year 2015 amounting to Rp1,500,000,000,000 (full amount) which consist of Bonds Series A, Series B and Series C with fixed interest rate of 8.60%, 9.40%, and 9.60%, respectively and tenor of 370 days, 3 years, and 5 years since issuance date, respectively.</i></p> | |
| <p>Bank telah melakukan pelunasan pokok atas Obligasi I Bank UOB Indonesia Tahun 2015 Seri A dengan nilai nominal Rp400.000.000.000 (nilai penuh) yang jatuh tempo pada tanggal 11 April 2016.</p> | | <p><i>The Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A with a nominal value Rp400,000,000,000 (full amount) matured on 11 April 2016.</i></p> | |
| <p>Pada bulan November 2016, Bank menerbitkan Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp300.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp600.000.000.000 (nilai penuh)dan Obligasi Seri C sebesar Rp100.000.000.000 (nilai penuh) dengan tingkat bunga tetap masing-masing sebesar 7,20%, 8,00%, dan 8,25% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi (Catatan 23).</p> | | <p><i>In November 2016, Bank issued Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 totalling to Rp1,000,000,000,000 (full amount) consist of Bonds Series A amounting to Rp300,000,000,000 (full amount), Series B amounting to Rp600,000,000,000 (full amount) and Series C amounting to Rp100,000,000,000 (full amount) which with fixed interest rate of 7.20%, 8.00%, and 8.25%, and tenor of 370 days, 3 years, and 5 years since issuance date, respectively (Note 23).</i></p> | |
| Bank telah melakukan pelunasan pokok atas Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 Seri A dengan nilai nominal Rp300.000.000.000 (nilai penuh) yang jatuh tempo pada tanggal 4 Desember 2017 (Catatan 23). | | <p><i>The Bank paid the principal of Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 Series A with a nominal value Rp300,000,000,000 (full amount) which matured on 4 December 2017 (Note 23).</i></p> | |
| Pada bulan November 2016, Bank juga menerbitkan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 memiliki jangka waktu 7 tahun sejak tanggal emisi dengan jumlah pokok sebesar Rp100.000.000.000 (nilai penuh) dan tingkat bunga tetap sebesar 9,40% (Catatan 23). | | <p><i>In November 2016, Bank also issued Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 with tenor of 7 years since issuance date totalling to Rp100,000,000,000 (full amount) with fixed interest rate of 9.40% (Note 23).</i></p> | |
| Pada bulan Oktober 2017, Bank kembali menerbitkan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 memiliki jangka waktu 7 tahun sejak tanggal emisi dengan jumlah pokok sebesar Rp500.000.000.000 (nilai penuh) dan tingkat bunga tetap sebesar 9,25% (Catatan 23). | | <p><i>In October 2017, the Bank issued Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase II 2017 with tenor of 7 years since issuance date totalling to Rp500,000,000,000 (full amount) with fixed interest rate of 9.25% (Note 23).</i></p> | |
| 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. | | <p><i>The latest amendment of the Bank's Articles of Association was as stated on the 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 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.</i></p> | |
| Kantor pusat Bank berlokasi di Jl. M.H. Thamrin No. 10, Jakarta. Pada tanggal 31 Desember 2017, jaringan layanan Bank mencakup 41 kantor cabang, 137 kantor cabang pembantu dan 160 ATM yang tersebar di 30 kota di 18 provinsi yang bekerja sama dengan jaringan ATM Prima dan ATM Bersama, dan jaringan VISA di seluruh dunia, serta jaringan regional ATM grup usaha United Overseas Bank Limited. | | <p><i>The Bank's head office is located in Jl. M.H. Thamrin No. 10, Jakarta. As of 31 December 2017, the Bank service network covers 41 branches, 137 sub-branches and 160 ATMs across 30 cities in 18 provinces which collaborate with ATM Prima and ATM Bersama networks, VISA global network and regional ATM network of the United Overseas Bank Limited business group.</i></p> | |
| Bank dimiliki sebesar 68,943% oleh UOB International Investment Private Limited (UOBII), anak perusahaan dari United Overseas Bank Limited (UOB), Singapura, 30,056% oleh UOB, 1,000% oleh Sukanta Tanudjaja dan sebesar 0,001% oleh lain-lain (Catatan 25). | | <p><i>The Bank is 68.943% owned by UOB International Investment Private Limited (UOBII), a subsidiary of United Overseas Bank Limited (UOB), Singapore, 30.056% owned by UOB, 1.000% owned by Sukanta Tanudjaja and 0.001% owned by others (Note 25).</i></p> | |

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1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan

Susunan Dewan Komisaris pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

| | Dewan Komisaris/ Board of Commissioners |
|-----------------------|--|
| Komisaris Utama | Wee Cho Yaw |
| Wakil Komisaris Utama | Wee Ee Cheong |
| Komisaris | Lee Chin Yong Francis |
| Komisaris Independen | Rusdy Daryono |
| Komisaris Independen | Wayan Alit Antara |
| Komisaris Independen | Aswin Wirjadi |

Susunan Direksi Bank pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

Direksi

| | | |
|---|-------------------|-------------------|
| Direktur Utama | Lam Sai Yoke | Lam Sai Yoke |
| Wakil Direktur Utama | - | Tan Chin Poh* |
| Wakil Direktur Utama | Iwan Satawidinata | Iwan Satawidinata |
| Direktur Keuangan dan Layanan Korporasi | Muljono Tjandra | Muljono Tjandra |
| Direktur Channels | Pardi Kendy | Pardi Kendy |
| Direktur Kepatuhan | Soehadie Tansol | Soehadie Tansol |
| Direktur Manajemen Risiko | Henky Sulistyoo** | - |

President Commissioner
Deputy President Commissioner
Commissioner
Independent Commissioner
Independent Commissioner
Independent Commissioner

The composition of the Bank's Board of Commissioners as of 31 December 2017 and 2016, are as follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

Boards of Directors

President Director
Deputy President Director
Deputy President Director
Finance and Corporate Services Director
Channels Director
Compliance Director
Management Risk Director

* Tan Chin Poh telah mengajukan pemberitahuan pengunduran diri sebagai Wakil Direktur Utama melalui surat tertanggal 30 Desember 2016 yang diterima Bank pada tanggal 4 Januari 2017. Pengunduran diri tersebut akan berlaku efektif setelah mendapatkan persetujuan Rapat Umum Pemegang Saham Luar Biasa yang akan diadakan pada tanggal 7 Februari 2017. / Tan Chin Poh had tendered his resignation as Deputy President Director through a letter dated 30 December 2016 received by the Bank on 4 January 2017. The resignation was became effective upon the approval of Extraordinary General Meeting of Shareholders to be convened on 7 February 2017.

** Henky Sulistyoo efektif menjabat sebagai Direktur sejak tanggal 18 April 2017 setelah mendapat persetujuan Otoritas Jasa Keuangan melalui Surat Keputusan Anggota Dewan Komisiner Otoritas Jasa Keuangan No. KEP-71/D.03/2017 tanggal 18 April 2017 / Henky Sulistyoo effectively assumed his position as Director on 18 April 2017 following the approval of the Financial Services Authority (OJK) under Decision Letter of Members of Board of Commissioners of the Financial Services Authority No. KEP-71/D.03/2017 dated 18 April 2017.

Merujuk pada Keputusan Rapat Dewan Komisaris tanggal 26 Juni 2015 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 15/SKDIR/0025 tanggal 30 Juni 2015, Susunan Komite Audit pada tanggal 31 Desember 2017 dan 2016 sebagai berikut :

| | Komite Audit/ Audit Committee |
|--------------------|----------------------------------|
| Ketua Komite Audit | Wayan Alit Antara |
| Anggota | Thomas Abdon |
| Anggota | Windy Widya |

Per tanggal 31 Desember 2017 dan 2016, Kepala Sekretaris Perusahaan Bank adalah Susilowati berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 15/SKDIR/0021 tanggal 25 Juni 2015.

As of 31 December 2017 and 2016, Head Corporate Secretary is Susilowati based on the Board of Directors PT Bank UOB Indonesia Decree No. 15/DIR/0021 dated 25 June 2015.

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1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Pada bulan Januari 2018, Bank mengangkat Dawny Rachella Tahar sebagai Kepala Satuan Kerja Audit Intern (Kepala SKAI) yang baru berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 18/SKDIR/0003 tanggal 8 Januari 2018.

Per tanggal 31 Desember 2017, berdasarkan Surat Keputusan Direksi PT Bank UOB Indonesia No. 17/SKDIR/0056 tanggal 20 November 2017, Nofrizal diangkat sebagai Pejabat Sementara Kepala Satuan Kerja Audit Intern (Kepala SKAI).

Pada tanggal 31 Desember 2016, 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 2017 dan 2016 masing-masing sebesar Rp35.530 dan Rp34.877.

Imbalan kerja jangka panjang yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp2.919 dan Rp1.746. Biaya yang dikeluarkan oleh Bank terkait program imbalan pasca kerja Dewan Komisaris dan Direksi Bank dengan jumlah masing-masing sebesar Rp950 dan Rp710, untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016.

Pada tanggal 31 Desember 2017 dan 2016, total karyawan masing-masing sebanyak 4.028 dan 4.349 orang.

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

In January 2018, the Bank appointed Dawny Rachella Tahar as the new Internal Audit Unit Head based on the Board of Directors' Decree of PT Bank UOB Indonesia No. 18/SKDIR/0003 dated 8 January 2018.

As of 31 December 2017, based on the Board of Directors PT Bank UOB Indonesia Decree No. 17/SKDIR/0056 dated 20 November 2017, Nofrizal was appointed as Acting Internal Audit Unit Head.

As of 31 December 2016, Internal Audit Unit Head is Ridwan Moezwir based on the Board of Directors PT Bank UOB Buana Tbk Decree No. 08/SKDIR/1326 dated 12 August 2008.

Short-term employee benefits received by the Bank's Boards of Commissioners and Directors for the year ended 31 December 2017 and 2016 amounted to Rp35,530 and Rp34,877, respectively.

Long-term employee benefits received by Bank's Boards of Commissioners and Directors for the years ended 31 December 2017 and 2016 amounted to Rp2,919 and Rp1,746, respectively. Expenses incurred by the Bank relating to post-employment benefits the Bank's Boards of Commissioners and Directors amounted to Rp950 and Rp710, for the years ended 31 December 2017 and 2016, respectively.

As of 31 December 2017 and 2016, the Bank had 4,028 and 4,349 employees, respectively.

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2. Ikhtisar Kebijakan Akuntansi Penting

Kebijakan-kebijakan akuntansi yang penting, yang diterapkan dalam penyusunan laporan keuangan untuk tahun yang berakhir pada tanggal 31 Desember 2017 adalah sebagai berikut:

a. Dasar Penyajian Laporan Keuangan

Laporan keuangan disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan Peraturan Bapepam dan LK No. VIII.G.7 Lampiran Keputusan Ketua Bapepam dan LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Pedoman Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

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 bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

Pos-pos dalam Penghasilan Komprehensif Lainnya disajikan terpisah antara akun-akun yang akan direklasifikasikan ke laba rugi dan akun - akun yang tidak akan direklasifikasikan ke laba rugi.

Dalam penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aset dan liabilitas yang dilaporkan, dan pengungkapan atas aset dan liabilitas kontinjensi pada tanggal laporan keuangan.
- jumlah pendapatan dan beban selama periode pelaporan.

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2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements for the year ended 31 December 2017, are as follows:

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards, and Bapepam and LK regulation No. VIII.G.7 Attachment of the Chairman of Bapepam and LK's decree No. KEP-347/BL/2012 dated 25 June 2012, "Guidelines for Financial Statements Presentation and Disclosure for Issuer or Public Companies".

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 months or less from the acquisition date provided they are not used as collateral for borrowings nor restricted.

The items under Other Comprehensive Income (OCI) are presented separately between items to be reclassified to profit or loss and those items not to be reclassified to profit or loss.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of estimates and assumptions that affect:

- *the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements.*
- *the reported amounts of revenues and expenses during the reporting period.*

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2. Summary of Significant Accounting Policies (continued)

a. Basis of Preparation of the Financial Statements (continued)

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 (reporting entity). The related parties are as follows:

- 1. A person or a close member of that person's family is related to a reporting entity if that person:*
 - a. Has control or joint control of the reporting entity;*
 - b. Has significant influence over the reporting entity; or*
 - c. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- 2. An entity is related to a reporting entity if any of the following condition applies:*
 - a. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);*

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

a. Dasar Penyajian Laporan Keuangan (lanjutan)

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik Manajemen atas kejadian dan aktivitas saat ini, hasil akhir mungkin berbeda dengan jumlah yang diestimasi.

Mata uang penyajian yang digunakan dalam laporan keuangan adalah mata uang Rupiah, yang merupakan mata uang fungsional Bank. Seluruh angka dalam laporan keuangan ini, kecuali dinyatakan secara khusus, dibulatkan menjadi jutaan Rupiah.

b. Transaksi dengan Pihak Berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak berelasi seperti yang didefinisikan dalam PSAK No. 7 (Revisi 2010) tentang "Pengungkapan Pihak-pihak Berelasi".

Seluruh transaksi yang signifikan dengan pihak berelasi telah diungkapkan dalam catatan atas laporan keuangan.

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya (entitas pelapor). Yang termasuk pihak berelasi adalah sebagai berikut:

- Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - Memiliki pengaruh signifikan atas entitas pelapor; atau
 - Merupakan personil manajemen kunci entitas pelapor atau entitas induk pelapor.
- Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal sebagai berikut:
 - Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain);

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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)

- 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

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk)

Bank menerapkan PSAK No. 50 (Revisi 2014), "Instrumen Keuangan: Penyajian", PSAK No. 55 (Revisi 2014), "Instrumen Keuangan: Pengakuan dan Pengukuran", dan PSAK No. 60 (Revisi 2014), "Instrumen Keuangan: Pengungkapan".

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2. Summary of Significant Accounting Policies (continued)

b. Transactions with Related Parties (continued)

A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting entity). The related parties are as follows: (continued)

- 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

Financial Assets and Liabilities (Other Than Investment in Sukuk)

The Bank has applied PSAK No. 50 (Revised 2014), "Financial Instruments: Presentation", PSAK No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement", and PSAK No. 60 (Revised 2014), "Financial Instruments: Disclosures".

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2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (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.

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 and effective as hedging instruments).

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (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.

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).

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c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain
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Pengakuan dan Pengukuran (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".

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2. Summary of Significant Accounting Policies
(continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets

- a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprises of financial assets classified as held for trading, and financial assets designated by management as at fair value through profit or loss upon initial recognition.

Financial assets are classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or derivatives (unless they are designated and effective as hedging instruments).

After initial recognition, the financial assets included in this category are measured at fair value, the unrealized gains or losses resulting from changes in fair value are recognized in the statement of profit or loss and other comprehensive income as "Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net".

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2. Summary of Significant Accounting Policies
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c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets (continued)

- b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are neither classified as held-for-trading nor designated as at fair value through profit or loss. After initial measurement, available-for-sale financial instruments are subsequently measured at fair value. Unrealized gains and losses are recognized as other comprehensive income (as "Unrealized gain (loss) on available-for-sale securities - net").

- c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has positive intention and ability to hold the financial assets to maturity.

After initial measurement, held-to-maturity financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees/costs that are an integral part of the EIR. The amortization and the losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Aset Keuangan (lanjutan)

- b) Aset keuangan tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang tidak diklasifikasikan sebagai dimiliki untuk diperdagangkan atau ditetapkan pada nilai wajar melalui laporan laba rugi. Setelah pengukuran awal, instrumen keuangan tersedia untuk dijual selanjutnya diukur sebesar nilai wajar. Keuntungan dan kerugian yang belum direalisasi diakui sebagai penghasilan komprehensif lainnya (sebagai "Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto").

- c) Aset keuangan yang dimiliki hingga jatuh tempo

Aset keuangan yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

Setelah pengakuan awal, aset keuangan yang dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif (EIR), dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dengan memperhitungkan diskonto atau premi pada awal akuisisi dan fee/biaya sebagai bagian yang tidak terpisahkan dari EIR. Amortisasi dan kerugian yang timbul dari penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

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c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Aset Keuangan (lanjutan)

d) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak dikuotasikan pada pasar aktif, kecuali:

- Aset dimana Bank mempunyai intensi untuk menjual segera atau dalam waktu dekat dan pinjaman yang diberikan dan piutang yang diukur Bank pada nilai wajar melalui laporan laba rugi pada saat awal pengakuan;
- Aset dimana Bank pada awal pengakuan dimaksudkan sebagai tersedia untuk dijual; atau
- Aset dimana Bank mungkin tidak akan mendapat pemulihan secara substansial atas investasi awalnya, selain karena penurunan kualitas pinjaman aset keuangan.

Setelah pengukuran awal, pinjaman yang diberikan dan piutang selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan EIR dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi suku bunga efektif dan kerugian yang timbul atas penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets (continued)

d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets, other than:

- *Those that the Bank intends to sell immediately or in the near term and loans and receivables that the Bank upon initial recognition designates as at fair value through profit or loss;*
- *Those that the Bank, upon initial recognition, designated as available-for-sale; or*
- *Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.*

After initial measurements, loans and receivables are subsequently measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The EIR amortization and losses arising from impairment is included in the statement of profit or loss and other comprehensive income.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Liabilitas Keuangan

a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari dua sub-kategori, yaitu liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laporan laba rugi.

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti pola ambil untung dalam jangka pendek terkini. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas yang diklasifikasikan sebagai diperdagangkan dan yang diukur dari nilai wajar melalui laporan laba rugi dicatat melalui laporan laba rugi dan penghasilan komprehensif lain sebagai "Keuntungan atau kerugian dari perubahan nilai wajar instrumen keuangan".

b) Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi

Liabilitas keuangan yang diukur berdasarkan biaya perolehan diamortisasi merupakan liabilitas keuangan dalam klasifikasi tidak diukur pada nilai wajar melalui laporan laba rugi.

Setelah pengakuan awal, Bank mengukur seluruh liabilitas keuangan berdasarkan biaya perolehan yang diamortisasi dengan menggunakan metode EIR.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Liabilities

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of two sub-categories; financial liabilities classified as held for trading and financial liabilities designated by the Bank as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of portfolio of identified financial instrument that are managed together and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effectively as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading and designated at fair value through profit or loss are recorded in the statement of profit or loss and other comprehensive income as "Gains or losses from changes in fair value of financial instruments".

b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost were financial liabilities that are not classified as fair value through profit or loss.

After initial recognition, the Bank measures all financial liabilities at amortized cost using EIR method.

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c. Aset dan Liabilitas Keuangan (lanjutan)

Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)

Pengakuan dan Pengukuran (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut:

Instrumen Keuangan dan Klasifikasinya

Aset keuangan:

Kas
Pinjaman yang diberikan dan piutang

Giro pada Bank Indonesia
Pinjaman yang diberikan dan piutang

Giro pada bank lain
Pinjaman yang diberikan dan piutang

Penempatan pada Bank Indonesia dan bank lain
Pinjaman yang diberikan dan piutang

Efek-efek yang diperdagangkan
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Investasi keuangan
Aset keuangan yang dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual

Tagihan derivatif
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Kredit yang diberikan
Pinjaman yang diberikan dan piutang
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali
Pinjaman yang diberikan dan piutang

Tagihan akseptasi
Pinjaman yang diberikan dan piutang

Aset lain-lain
Pinjaman yang diberikan dan piutang

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

The following table presents financial instruments classification of the Bank based on their characteristic:

Financial Instruments and their Classification

Financial assets:

Cash
Loans and receivables

Current accounts with Bank Indonesia
Loans and receivables

Current accounts with other bank
Loans and receivables

Placements with Bank Indonesia and other banks
Loans and receivables

Trading Securities
Financial assets at fair value through profit or loss

Financial investments
Held-to-maturity financial assets and Available-for-sale financial assets

Derivatives receivable
Financial assets at fair value through profit or loss

Loans
Loans and receivables
Financial assets at fair value through profit or loss

Receivables on securities purchased with agreements to resell
Loans and receivables

Acceptances receivable
Loans and receivables

Other assets
Loans and receivables

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Aset dan Liabilitas Keuangan (Selain
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Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Liabilitas keuangan:

Liabilitas segera
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Bunga yang masih harus dibayar
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Simpanan dari bank lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas derivatif
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Efek hutang yang diterbitkan
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Pinjaman yang diterima
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Liabilitas akseptasi
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Liabilitas lain-lain
Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Financial Instruments and their Classification (continued)

Financial liabilities:

Current liabilities
Financial liabilities measured at amortized cost

Deposits
Financial liabilities measured at amortized cost

Interest payable
Financial liabilities measured at amortized cost

Deposit from other bank
Financial liabilities measured at amortized cost

Derivatives payable
Financial liabilities at fair value through profit or loss

Liabilities on securities sold under repurchase agreements
Financial liabilities measured at amortized cost

Debt securities issued
Financial liabilities measured at amortized cost

Borrowing
Financial liabilities at fair value through profit or loss

Acceptances payable
Financial liabilities measured at amortized cost

Other liabilities
Financial liabilities measured at amortized cost

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Aset dan Liabilitas Keuangan (Selain
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Penghentian Pengakuan

a. Aset keuangan dihentikan pengakuannya jika:

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Bank telah mentransfer hak-nya untuk menerima arus kas yang berasal dari aset keuangan atau menanggung kewajiban untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (*pass through arrangement*); dan
- (a) Bank telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Bank tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

Ketika Bank telah mentransfer hak untuk menerima arus kas dari aset atau di bawah kesepakatan pelepasan (*pass through arrangement*), dan tidak mentransfer serta tidak memiliki secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Bank yang berkelanjutan atas aset tersebut.

Kredit yang diberikan atau aset keuangan lain dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian kredit dalam waktu dekat atau hubungan normal antara Bank dan debitur telah berakhir. Kredit yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Penerimaan kemudian atas kredit yang telah dihapusbukukan sebelumnya, jika pada periode berjalan dikreditkan ke dalam akun cadangan kerugian penurunan nilai atas kredit yang diberikan di laporan posisi keuangan, sedangkan jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

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c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows from the financial assets have expired; or
- The Bank has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a "pass through arrangement"; and
- (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a "pass through arrangement", and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

Loans and receivables or other financial assets are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Bank and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent recoveries of loans previously written off, are added to the allowance for impairment losses account in the statement of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operational income, if recovered after the statement of financial position date.

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c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Derecognition (continued)

b. Financial liabilities are derecognized when they are extinguished, i.e. liabilities stated in the contract are discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an enforceable legal rights to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Enforceable right means:

- a. there are no contingencies in the future, and
- b. enforceable right to the following conditions;
 - i. deploying normal activities;
 - ii. conditions of business failures; and
 - iii. conditions of default or bankruptcy

Income and expenses are presented on a net basis only when permitted by accounting standards.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Penghentian Pengakuan (lanjutan)

b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas keuangan tersebut berakhir, yaitu ketika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

Jika suatu liabilitas keuangan yang ada digantikan dengan yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, seperti pertukaran atau modifikasi yang diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Saling Hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan pada laporan posisi keuangan jika, dan hanya jika, saat ini terdapat hak yang berkekuatan hukum untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan. Hak yang berkekuatan hukum berarti:

- a. tidak terdapat kontinjensi di masa yang akan datang, dan
- b. hak yang berkekuatan hukum pada kondisi-kondisi berikut ini;
 - i. kegiatan bisnis normal;
 - ii. kondisi kegagalan usaha; dan
 - iii. kondisi gagal bayar atau bangkrut

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

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| c. Aset dan Liabilitas Keuangan (lanjutan) | c. Financial Assets and Liabilities (continued) | c. Aset dan Liabilitas Keuangan (lanjutan) | c. Financial Assets and Liabilities (continued) |
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| <u>Nilai Wajar (lanjutan)</u> | <u>Fair Value (continued)</u> | <u>Nilai Wajar (lanjutan)</u> | <u>Fair Value (continued)</u> |
| <p>Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:</p> <ul style="list-style-type: none">- Di pasar utama untuk aset dan liabilitas tersebut; atau- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut. <p>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.</p> <p>Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomi dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none">- Level 1 : harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;- Level 2 : input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung; | <p><i>The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</i></p> <ul style="list-style-type: none">- <i>In the principal market for the asset or liability; or</i>- <i>In the absence of a principal market, in the most advantageous market for the asset or liability.</i> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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:</i></p> <ul style="list-style-type: none">- <i>Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;</i>- <i>Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly;</i> | <p>Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan: (lanjutan)</p> <ul style="list-style-type: none">- Level 3 : Input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi). <p>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.</p> <p><u>Reklasifikasi Instrumen Keuangan</u></p> <p>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.</p> <p>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.</p> <p>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).</p> | <p><i>All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (continued)</i></p> <ul style="list-style-type: none">- <i>Level 3 : inputs for the asset and liability that are not based on observable market data (unobservable inputs).</i> <p><i>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.</i></p> <p><u>Reclassification of Financial Instruments</u></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>The Bank reclassify a financial asset out of fair value through profit or loss classification if the financial asset no longer incurred for the purpose of selling or repurchasing it in the near term (although the financial asset may has been acquired or intended principally for the purpose of selling or repurchasing it in the near term).</i></p> |

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Reklasifikasi Instrumen Keuangan (lanjutan)

Persyaratan untuk reklasifikasi adalah:

- a) Dilakukan dalam situasi yang langka,
- b) Memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak diisyratkan untuk diklasifikasikan sebagai diperdagangkan pada pengakuan awal) dan Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi instrumen keuangan ke dalam kategori nilai wajar melalui laba rugi setelah pengakuan awal.

Bank mereklasifikasi aset keuangan yang diklasifikasikan sebagai tersedia untuk dijual yang memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak ditetapkan sebagai tersedia untuk dijual) dari tersedia untuk dijual jika Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi aset keuangan yang dikategorikan dimiliki hingga jatuh tempo. Jika terjadi penjualan atau reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (selain dari kondisi spesifik tertentu), maka seluruh aset keuangan yang dimiliki hingga jatuh tempo akan direklasifikasi menjadi aset keuangan yang tersedia untuk dijual. Selanjutnya, Bank tidak akan mengklasifikasi aset keuangan sebagai aset keuangan yang dimiliki hingga jatuh tempo selama dua tahun berikutnya.

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Financial Assets and Liabilities (Other Than
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Reclassification of Financial Instruments
(continued)

Requirement for the reclassification are:

- a) Occurs in a rare circumstances,
- b) Qualifies as loans and receivables definition (if the financial asset is not designated as at held for trading upon initial recognition) and the Bank has the intention and ability to hold the financial assets for the future that can be forecasted or to maturity.

The Bank does not reclassify any financial instrument into fair value through profit or loss classification after initial recognition.

The Bank reclassify a financial asset at available-for-sale classification which qualifies as loans and receivable definition (if the financial asset is not designated as at available-for-sale) from available-for-sale if the Bank has the intention and ability to hold the financial asset for the future that can be forecasted or to maturity.

The Bank does not reclassify any financial asset categorized as held-to-maturity. If there is a sale or reclassification of held-to-maturity financial asset for more than an insignificant amount before maturity (other than in certain specific circumstances), the entire held-to-maturity financial assets will have to be reclassified as available-for-sale financial assets. Subsequently, the Bank shall not classify financial asset as held-to-maturity during the following two years.

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c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Reclassification of Financial Instruments
(continued)

The certain specific circumstances are as follows:

- a) Performed if financial assets are so close to maturity or call date, that changes in the market rate of interest would not have a significant effect on their fair value.
- b) When the Bank have collected substantially all of the financial assets original principal through scheduled payment or prepayment; or
- c) Attributable to an isolated event that is beyond the Bank's control, is non-recurring and could not have been reasonably anticipated by the Bank.

Reclassification of fair value through profit or loss financial asset to loans and receivables is recorded at cost or amortized cost. Unrealized gain or loss that has been recognized as profit or loss shall not be reversed.

Reclassification of available-for-sale financial asset to loans and receivables is recorded at cost or amortized cost. Any previous gain or loss which has been recognized 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.

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Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)

Reklasifikasi Instrumen Keuangan (lanjutan)

Reklasifikasi aset keuangan dari kelompok yang dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi diakui dalam ekuitas sampai aset keuangan tersebut dihentikan pengakuannya dan pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Investasi pada Sukuk

Efek-efek dan obligasi Pemerintah syariah, kecuali Reksadana, diklasifikasikan berdasarkan model usaha yang ditentukan oleh Bank pada saat pembelian surat berharga tersebut didasarkan atas klasifikasi yang sesuai dengan PSAK No. 110 (Revisi 2015) tentang "Akuntansi Sukuk" sebagai berikut:

- a. Surat berharga diukur pada biaya perolehan disajikan sebesar biaya perolehan (termasuk biaya transaksi) yang disesuaikan dengan premi dan/atau diskonto yang belum diamortisasi. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.
- b. Surat berharga diukur pada nilai wajar melalui laba rugi, yang dinyatakan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam laporan laba rugi tahun yang bersangkutan.
- c. Surat berharga yang diukur pada nilai wajar melalui penghasilan komprehensif lainnya. Surat berharga disajikan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam penghasilan komprehensif lain. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.

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2. Summary of Significant Accounting Policies
(continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)

Reclassification of Financial Instruments
(continued)

Reclassification of held-to-maturity financial asset to available-for-sale is recorded at fair value. The unrealized gain or loss is recognized in equity until the time financial assets is derecognized and at the time the cumulative gain or loss previously recognized in equity shall be recognized in the statement of profit or loss and other comprehensive income.

Investment in Sukuk

Sharia securities and Government bonds, except for Reksadana, are classified based on business model, determined by the Bank at the date of purchase in accordance with SFAS No. 110 (Revised 2015) on "Accounting for Sukuk" as follows:

- a. At cost securities are stated at cost (including transaction costs), adjusted by unamortised premium and/or discount. Premium and discount are amortised over the period until maturity.
- b. At fair value securities are stated at fair values through profit or loss. Unrealised gains or losses from the increase or decrease in fair values are presented in current year profit or loss.
- c. At fair value through other comprehensive income securities are measured at fair value. Unrealized gains or losses from the increase or decrease in fair value are presented in other comprehensive income. Premium and discount are amortized over the period until maturity.

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2. Summary of Significant Accounting Policies
(continued)

d. Current Accounts with Bank Indonesia and
Other Banks

Subsequent to initial recognition, current accounts with Bank Indonesia and other banks are measured at their amortized cost using the EIR method. Allowance for impairment losses is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2k.

e. Placements with Bank Indonesia and Other
Banks

Placements with Bank Indonesia and other banks consist of call money, Bank Indonesia Deposit Facilities, time deposits and others.

Placements with Bank Indonesia are stated in outstanding balances.

Placements with other banks are initially measured at fair value plus incremental direct transaction cost, if any, and subsequently measured at their amortized cost using EIR. Allowances for impairment losses are assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

f. Trading securities

Trading securities comprises of Government Bonds, State Treasury Notes, and Certificates of Bank Indonesia that are classified as held for trading; these are recorded at fair value in the statement of financial position.

Unrealized gains or losses resulting from the increase or decrease in fair value are recognized in the current year statement of profit or loss and other comprehensive income. The interest income from debt securities is recorded in the statement of profit or loss and other comprehensive income according to the terms of the contract. At the time of sale of trading securities portfolio, the difference between the selling price and the purchase price is recognized as a gain or loss in the year when the securities are sold.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

d. Giro pada Bank Indonesia dan Bank Lain

Giro pada Bank Indonesia dan bank lain setelah perolehan awal diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode EIR. Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

e. Penempatan pada Bank Indonesia dan
Bank Lain

Penempatan pada Bank Indonesia dan bank lain merupakan penempatan dana dalam bentuk *call money*, Fasilitas Simpanan Bank Indonesia, deposito berjangka dan lain-lain.

Penempatan pada Bank Indonesia dinyatakan sebesar saldo penempatan.

Penempatan pada bank lain dinilai berdasarkan nilai wajar ditambah biaya transaksi tambahan langsung, jika ada, dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Cadangan kerugian penurunan nilai diukur bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

f. Efek-efek yang diperdagangkan

Efek-efek yang diperdagangkan terdiri dari Surat Utang Negara, Surat Perbendaharaan Negara, dan Sertifikat Bank Indonesia yang dikategorikan sebagai dimiliki untuk diperdagangkan dan dicatat di laporan posisi keuangan sebesar nilai wajar.

Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajar disajikan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan. Pendapatan bunga dari efek hutang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain sesuai dengan persyaratan dalam kontrak. Pada saat penjualan portofolio efek yang diperdagangkan, selisih antara harga jual dengan harga perolehan diakui sebagai keuntungan atau kerugian penjualan pada tahun dimana efek tersebut dijual.

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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

Efek-efek yang dimiliki hingga jatuh tempo diakui dan diukur sebesar nilai wajar dengan memperhitungkan pendapatan dan/atau beban yang dapat diatribusikan langsung pada pembelian efek-efek. Setelah pengakuan awal, efek-efek diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

h. Instrumen Keuangan Derivatif

Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar, kurs Reuters pada tanggal pelaporan laporan posisi keuangan, diskonto arus kas, model penentu harga atau harga yang diberikan oleh broker (*quoted price*) atas instrumen lain yang memiliki karakteristik atau model penentuan harga serupa.

2. Summary of Significant Accounting Policies (continued)

g. Financial Investments

Financial investments are classified as follows:

Available-for-Sale Securities

Available-for-sale securities are recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, gains and losses from changes in fair value of securities, net of tax, are recognized directly to equity.

When the investment is disposed the 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

Held-to-maturity securities is recognized and measured at fair value by calculating income and/or expenses directly attributable to the purchase of securities. After initial recognition, securities are measured at amortized acquisition cost using EIR.

h. Derivatives Financial Instruments

All derivative instruments are recognized in statement of financial position at fair value. The fair value is based on the market rate, Reuters exchange rate at statement of financial position date, discounted cash flows and price valuation or broker quoted price on other instruments with similar characteristics or price model.

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

h. Instrumen Keuangan Derivatif (lanjutan)

Keuntungan atau kerugian dari kontrak derivatif yang tidak ditujukan untuk lindung nilai (atau tidak memenuhi kriteria untuk dapat diklasifikasikan sebagai lindung nilai) diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Instrumen derivatif melekat dipisahkan dari kontrak utama non-derivatif dan diperlakukan sebagai instrumen derivatif jika seluruh kriteria berikut terpenuhi:

1. Risiko dan karakteristik ekonomi dari derivatif melekat tidak secara erat berhubungan dengan karakteristik dan risiko kontrak utama.
2. Instrumen terpisah dengan kondisi yang sama dengan instrumen derivatif melekat memenuhi definisi dari derivatif, dan
3. Instrumen hibrid (kombinasi) tidak diukur pada harga wajar dengan perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain (yaitu derivatif melekat dalam aset keuangan atau liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi tidak dipisahkan).

Akuntansi Lindung Nilai

Bank menerapkan akuntansi lindung nilai untuk beberapa transaksi derivatif ketika memenuhi kriteria dibawah ini:

1. Pada awal hubungan lindung nilai, Bank secara formal mendokumentasikan hubungan antara item yang dilindung nilai dengan instrumen lindung nilainya, jenis risiko, tujuan dan strategi dalam melaksanakan lindung nilai serta metodologi yang digunakan untuk menilai keefektifan lindung nilai tersebut.
2. Selanjutnya, penilaian dilakukan untuk meyakinkan bahwa instrumen lindung nilai tersebut diharapkan untuk sangat efektif untuk mencapai saling-hapus perubahan atas nilai wajar atau arus kas yang terkait dengan risiko yang dilindungnilaikan. Lindung nilai dinilai setiap kuartal.

2. Summary of Significant Accounting Policies (continued)

h. Derivatives Financial Instruments (continued)

Gain or loss on a derivative contract not designated as a hedging instrument (or does not qualify as a hedging instrument) is recognized in the current year statement of profit or loss and comprehensive income.

Embedded derivatives instruments are separated from their host non-derivative contract and accounted for as a derivative instrument if all of the following criteria are met:

1. The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and
3. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in statement of profit or loss and other comprehensive income (i.e a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated).

Hedge Accounting

The Bank applies hedge accounting on certain derivative transactions when it meets the specified criterias below:

1. At the beginning of a hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess hedging effectiveness.
2. Subsequently, an assessment is done to ensure that the hedging instrument is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk. Hedges are assessed quarterly.

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h. Instrumen Keuangan Derivatif (lanjutan)

Akuntansi Lindung Nilai (lanjutan)

Lindung nilai diharapkan menjadi sangat efektif jika perubahan nilai wajar atau arus kas dari item yang dilindungi dinilai 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 dalam laporan laba rugi dan penghasilan komprehensif lain.

i. Kredit yang Diberikan

Kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan metode EIR dikurangi cadangan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Cadangan kerugian atas penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

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2. Summary of Significant Accounting Policies
(continued)

h. Derivatives Financial Instruments
(continued)

Hedge Accounting (continued)

A hedge is expected to be highly effective if the changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument in a range of 80% to 125% during the period for which the hedge is designated. In the situation where the hedged item is a forecasted transaction, the Bank will make an assessment whether the transaction has high probability of occurrence and presents an exposure to variation in cash flows that definitely will affect the statement of profit or loss and other comprehensive income.

Fair value hedge

Gains or losses on the derivative contract designated and meet the requirements of fair value hedge, and the gains or losses on the fair value changes of hedged assets or liabilities are recognized in profit or loss in the same accounting period. Gains or losses arising from such fair value changes may be offset. Any difference that arises representing the effect of hedge ineffectiveness is recognized in the statement of profit or loss and other comprehensive income.

i. Loans

Loans are measured at amortized cost using the EIR less allowance for impairment losses. The amortized cost of loan is the amount at which the loan is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using EIR method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The amortization is recognized in the statement of profit or loss and other comprehensive income.

The allowance for impairment losses are assessed if there is an objective evidence of impairment using the impairment methodology as disclosed in Note 2k.

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2. Summary of Significant Accounting Policies
(continued)

i. Loans (continued)

Syndicated loans are stated at the loan principal amount based on the risk participation by the Bank.

Loan Restructuring

Losses on loan restructuring in respect of modification of the terms of the loans are recognized only if the cash value of total future cash receipt specified in the new terms of the loans, including both receipt designated as interest and those designated as loan principal, are less than the recorded amounts of loans before restructuring.

For loan restructuring which involve a conversion of loans into equity or other financial instruments, a loss on loan restructuring is recognized only if the fair value of the equity or other financial instruments received, reduced by estimated costs to sell the equity or other financial instruments, is less than the carrying value of loan.

Currently, there was only loan restructuring using extension terms of loans method.

j. Acceptances Receivable and Payable

Acceptances receivable are measured at amortized cost using the EIR, less allowance for impairment losses. Acceptance liabilities are measured at amortized cost by using the EIR.

The allowance for impairment losses are assessed if there is an objective evidence of impairment by using the impairment methodology as disclosed in Note 2k.

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i. Kredit yang Diberikan (lanjutan)

Kredit sindikasi dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

Restrukturisasi Kredit

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit hanya diakui bila nilai tunai penerimaan kas masa depan yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai kredit yang diberikan yang tercatat sebelum restrukturisasi.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya adalah kurang dari nilai tercatat kredit yang diberikan.

Saat ini hanya terdapat restrukturisasi kredit dengan menggunakan metode perpanjangan jangka waktu kredit.

j. Tagihan dan Liabilitas Akseptasi

Tagihan akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR, dikurangi dengan cadangan kerugian penurunan nilai. Liabilitas akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

Cadangan kerugian penurunan nilai dilakukan bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

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2. Summary of Significant Accounting Policies
(continued)

2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies
(continued)

k. Penurunan Nilai Aset Keuangan

k. Impairment of Financial Assets

k. Penurunan Nilai Aset Keuangan (lanjutan)

k. Impairment of Financial Assets (continued)

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.

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.

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.

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.

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.

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.

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.

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.*

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).

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).

Cadangan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows*).

Allowance for impairment losses on impaired financial assets that was assessed individually by using discounted cash flows method.

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.

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.*

Estimasi periode antara terjadinya peristiwa dan identifikasi kerugian ditentukan oleh Manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 sampai 12 bulan, untuk kasus tertentu diperlukan periode yang lebih lama.

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 to 12 months; in exceptional cases, longer periods are warranted.

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.

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.

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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.

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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.

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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.

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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.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

k. Penurunan Nilai Aset Keuangan (lanjutan)

Jika pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian nilai pada laporan laba rugi dan penghasilan komprehensif lain maka kerugian penurunan nilai tersebut dipulihkan melalui laporan laba rugi dan penghasilan komprehensif lainnya.

Jika persyaratan pinjaman yang diberikan, piutang atau surat-surat berharga yang dimiliki hingga jatuh tempo dinegosiasi ulang atau dimodifikasi karena debitur atau penerbit mengalami kesulitan keuangan, maka penurunan nilai diukur dengan suku bunga efektif awal yang digunakan sebelum persyaratan diubah.

Jika, pada suatu periode berikutnya, jumlah cadangan kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur atau penerbit), maka kerugian penurunan nilai yang sebelumnya diakui akan dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Penerimaan kembali pada tahun berjalan aset keuangan yang telah dihapusbukukan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai.

Penerimaan kembali pinjaman yang telah dihapusbukukan pada tahun-tahun sebelumnya dicatat sebagai pendapatan operasional selain pendapatan bunga.

l. Penurunan Nilai Aset Non-Keuangan

Pada setiap tanggal pelaporan, Bank melakukan penilaian apakah terdapat indikasi bahwa aset non-keuangan mungkin mengalami penurunan nilai sesuai dengan PSAK No. 48 (Revisi 2014) tentang "Penurunan Nilai Aset". Ketika sebuah indikator penurunan nilai ada atau ketika sebuah pengujian penurunan nilai tahunan untuk aset diperlukan, Bank membuat estimasi resmi atas jumlah terpulihkan.

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2. Summary of Significant Accounting Policies
(continued)

k. Impairment of Financial Assets (continued)

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in statement of profit or loss and other comprehensive income.

If the terms of the loans and receivables or held-to-maturity marketable securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the terms are modified.

If, in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that 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.

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2. Summary of Significant Accounting Policies
(continued)

l. Impairment of Non-Financial Assets
(continued)

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. When the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. For assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations on the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

An assessment is made at each reporting date as to whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amounts are estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Aset Non-Keuangan
(lanjutan)

Peningkatan nilai aset setelah penilaian kembali oleh Bank tidak dapat melebihi nilai tercatat yang seharusnya diakui, setelah dikurangi penyusutan jika diasumsikan tidak terdapat penurunan nilai pada tahun sebelumnya. Pembalikan tersebut diakui di dalam laporan laba rugi dan penghasilan komprehensif lain kecuali jika aset tersebut dicatat sebesar nilai yang dipulihkan dimana pembalikannya akan diakui sebagai peningkatan revaluasi. Setelah pembalikan tersebut dicatat, beban penyusutan akan disesuaikan ke depan untuk mengalokasikan nilai tercatat aset yang telah direvaluasi setelah dikurangi nilai sisa yang diperhitungkan secara sistematis sepanjang masa manfaat aset tersebut.

m. Efek-efek yang dibeli/dijual dengan janji
dijual/dibeli kembali

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar jumlah penjualan kembali dikurangi dengan pendapatan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan, dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual menggunakan suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar dimuka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali diperlakukan sebagai bunga dibayar dimuka dan diakui sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

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2. Summary of Significant Accounting Policies
(continued)

I. Impairment of Non-Financial Assets
(continued)

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, minus any residual value, on a systematic basis over its remaining life.

m. Securities purchased/sold under
agreements to resell/repurchase

Securities purchased under agreements to resell are classified as loans and receivables.

Securities purchased under agreements to resell are presented as asset in the statement of financial position, at the resale price net of unamortized interest income and allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income, and recognized as income over the period starting from when those securities are purchased until they are sold using effective interest rate method.

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

Securities sold under agreements to repurchase are presented as liabilities in the statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as interest expense over the period starting from when those securities are sold until they are repurchased using effective interest rate method.

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2. Summary of Significant Accounting Policies
(continued)

n. Fixed Assets

Fixed assets are stated at cost minus accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria is satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

n. Aset Tetap

Aset tetap dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat pemeriksaan yang signifikan dilakukan, biaya pemeriksaan itu diakui ke dalam jumlah tercatat (carrying amount) aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Penyusutan dihitung dengan menggunakan metode garis lurus selama umur manfaat aset tetap yang diestimasi sebagai berikut:

| | Tahun/ Years |
|--|---------------------------|
| Bangunan dan prasarana bangunan | 10-20 |
| Perabot kantor, peralatan kantor dan kendaraan | 3-10 |
| | Persentase/ Percentage |
| Bangunan dan prasarana bangunan | 5-10 |
| Perabot kantor, peralatan kantor dan kendaraan | 10-33 |

Pada tahun 2016, komputer, dengan kategori end-user computer, mengalami perubahan masa manfaat dari 5 tahun menjadi 3 tahun. Manajemen berkeyakinan bahwa tidak ada dampak signifikan atas perubahan tanah terjadi. Perubahan yang diterapkan secara prospektif.

Biaya pengurusan hak legal atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi.

Sementara biaya pengurusan atas perpanjangan atau pembaruan hak legal atas tanah dalam bentuk HGU, HGB dan HP dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya karena nilainya tidak signifikan.

Buildings and building improvements
Furniture and fixtures, office equipment
and vehicles

Buildings and building improvements
Furniture and fixtures, office equipment
and vehicles

In 2016, useful life for computer, with categories of end-user computer, changed from 5 years to 3 years. Management believe that there is no significant impact from this changed. The changed was applied prospectively.

Legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Rights ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was acquired initially are recognized as part of the cost of the land under the "Fixed Assets" account and not amortized.

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP is charged to the statement of profit or loss and other comprehensive income as incurred because its value is insignificant.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

n. Aset Tetap (lanjutan)

Nilai residu, umur manfaat dan metode penyusutan ditelaah, dan jika sesuai dengan keadaan, disesuaikan secara prospektif pada setiap akhir periode.

Bank melakukan penelaahan untuk menentukan adanya indikasi terjadinya penurunan nilai aset setiap kuartalan. Bank menentukan taksiran jumlah yang dapat direalisasi kembali atas semua asetnya jika terdapat suatu peristiwa atau kondisi yang mengindikasikan adanya penurunan nilai aset.

o. Agunan yang Diambil alih

Agunan yang diambil alih sehubungan dengan penyelesaian pinjaman yang diberikan disajikan sebagai bagian dari akun "Aset Lain-lain". Pada saat pengakuan awal, agunan yang diambil alih dibukukan pada nilai wajar setelah dikurangi perkiraan biaya untuk menjualnya maksimum sebesar liabilitas debitur di laporan posisi keuangan. Setelah pengakuan awal, agunan yang diambil alih dibukukan sebesar nilai yang lebih rendah antara nilai tercatat dengan nilai wajarnya setelah dikurangi dengan biaya untuk menjualnya. Selisih lebih saldo kredit diatas nilai realisasi bersih dari agunan yang diambil alih dibebankan ke dalam akun cadangan kerugian.

Beban-beban yang berkaitan dengan pemeliharaan agunan yang diambil alih dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Laba atau rugi yang diperoleh atau berasal dari penjualan agunan yang diambil alih disajikan sebagai bagian dari "Pendapatan (Beban) *Non-Operasional* - Neto" dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

p. Biaya Dibayar Dimuka

Biaya dibayar dimuka dibebankan pada usaha sesuai dengan masa manfaatnya dan disajikan sebagai bagian dari akun "Aset Lain-lain".

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n. Fixed Assets (continued)

The residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively when appropriate, at each period end.

The Bank evaluates any indication of asset impairment in quarterly basis. The Bank determines the estimated realizable amount of its assets if there is an event or condition which indicates impairment of the asset.

o. Foreclosed Assets

Collaterals acquired through foreclosures related to the loans settlement are presented as part of "Other Assets" account. At initial recognition, foreclosed assets are stated at fair value, net of estimated costs to sell at the maximum at the borrower's liabilities as stated the in statement of financial position. After initial recognition, foreclosed assets are recorded at the amount whichever is lower of the carrying amount and fair value, net of estimated costs to sell. The excess of the uncollectible loan balance over the value of the collateral is charged to allowance for impairment losses.

Maintenance expenses of foreclosed assets are charged to the statement of profit or loss and other comprehensive income as incurred.

Gains or losses earned or incurred from the sale of foreclosed assets are presented as part of "Non-Operating Income (Expense) - Others - Net" in the statement of profit or loss and other comprehensive income for the current year.

p. Prepaid Expenses

Prepaid expenses are charged to operations over the period benefited and presented as part of "Other Assets" account.

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q. Deposits

Deposits are deposits of customers (excluding other banks) with the Bank based on deposit agreements. Deposits consist of demand deposits, saving deposits and time deposit.

Demand deposits, saving deposits and time deposits are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits and transaction costs that are an integral part of the EIR.

r. Deposits from Other Banks

Deposits from other banks represent liabilities to other domestic and overseas banks, in the form of demand deposits, saving deposits, and interbank call money with maturity period based on agreement less than or equal to 90 days and time deposits.

Deposits from other banks are initially recognized at fair value and subsequently measured at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits from other bank and transaction costs that are an integral part of the EIR.

s. Borrowings

Borrowings are funds received from other banks, Bank Indonesia or other parties with payment obligation based on borrowings agreements.

t. 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.

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q. Simpanan

Simpanan adalah dana yang dipercayakan oleh nasabah (di luar bank lain) kepada Bank berdasarkan perjanjian penyimpanan dana. Simpanan terdiri dari giro, tabungan dan deposito berjangka.

Giro, tabungan dan deposito berjangka diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal simpanan dan biaya transaksi yang merupakan bagian yang tak terpisahkan dari EIR.

r. Simpanan dari Bank Lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, dan *interbank call money* dengan periode jatuh tempo menurut perjanjian kurang dari atau sama dengan 90 hari dan deposito berjangka.

Simpanan dari bank lain diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan diskonto atau premi yang terkait dengan pengakuan awal simpanan dari bank lain dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

s. Pinjaman yang Diterima

Pinjaman yang diterima merupakan dana yang diterima dari bank lain, Bank Indonesia atau pihak lain dengan kewajiban pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

t. 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.

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u. Pendapatan dan Beban Bunga

Instrumen keuangan yang diukur pada biaya perolehan diamortisasi, aset dan liabilitas keuangan yang diklasifikasikan sebagai tersedia untuk dijual, pendapatan maupun beban bunganya diakui dengan menggunakan EIR, yaitu suku bunga yang akan mendiskonto secara tepat estimasi pembayaran atau penerimaan kas di masa datang sepanjang perkiraan umur instrumen keuangan tersebut atau, jika lebih tepat untuk masa yang lebih singkat, sebagai nilai tercatat bersih dari aset atau liabilitas keuangan tersebut. Perhitungan dilakukan dengan mempertimbangkan seluruh syarat dan ketentuan kontraktual instrumen keuangan termasuk *fee*/biaya tambahan yang terkait secara langsung dengan instrumen tersebut yang merupakan bagian tidak terpisahkan dari EIR.

Nilai tercatat aset atau liabilitas keuangan disesuaikan jika Bank merevisi estimasi pembayaran atau penerimaan. Nilai tercatat yang disesuaikan tersebut dihitung dengan menggunakan EIR awal dan perubahan nilai tercatat dibukukan pada laporan laba rugi dan pendapatan komprehensif lainnya. Tetapi untuk aset keuangan yang telah direklasifikasi, dimana pada tahun berikutnya Bank meningkatkan estimasi pemulihan kas sebagai hasil dari peningkatan pengembalian penerimaan kas, dampak peningkatan pemulihan tersebut diakui sebagai penyesuaian EIR sejak tanggal perubahan estimasi.

Ketika nilai tercatat aset keuangan atau kelompok aset keuangan serupa telah diturunkan akibat kerugian penurunan nilai, pendapatan bunga tetap diakui pada tingkat suku bunga yang digunakan untuk mendiskontokan arus kas masa mendatang dalam pengukuran kerugian penurunan nilai.

Pinjaman yang diberikan dan aset produktif lainnya (tidak termasuk efek-efek) diklasifikasikan sebagai *non-performing* jika telah masuk dalam klasifikasi kurang lancar, diragukan atau macet. Sedangkan efek-efek diklasifikasikan sebagai *non-performing*, jika penerbit efek mengalami wanprestasi dalam memenuhi pembayaran bunga dan/atau pokok atau memiliki peringkat paling kurang 1 (satu) tingkat di bawah peringkat investasi.

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u. Interest Income and Expense

All financial instruments measured at amortized cost, financial assets and liabilities classified as available-for-sale, its interest incomes and expenses are recognized using the EIR, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and included any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.

The carrying amount of the financial asset or liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated using the original EIR and the change in carrying amount is recorded in the statement of profit or loss and other comprehensive income. However, for a reclassified financial asset for which the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loans and other earning assets (excluding securities) are considered as non-performing when they are classified as substandard, doubtful, or loss. Securities are categorized as non-performing when the issuer of securities defaults on its interest and/or principal payments or if they are rated at least 1 (one) level below investment grade.

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v. Pendapatan dan Beban Provisi dan Komisi

Pendapatan dan beban provisi dan komisi yang jumlahnya material yang berkaitan langsung dengan kegiatan pemberian aset keuangan diakui sebagai bagian/(pengurang) atau penambah dari biaya perolehan aset 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.

w. 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 2017 dan 2016 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 2017 dan 2016, kurs tengah mata uang asing adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|------------------------|----------------------------------|----------------------------------|------------------------------|
| Pound Sterling Inggris | 18.325,62 | 16.555,01 | Great Britain Pound Sterling |
| Euro Eropa | 16.236,23 | 14.175,77 | European Euro |
| Franc Swiss | 13.901,13 | 13.208,98 | Swiss Franc |
| Dolar Amerika Serikat | 13.567,50 | 13.472,50 | United States Dollar |
| Dolar Kanada | 10.821,97 | 9.986,29 | Canadian Dollar |
| Dolar Australia | 10.594,19 | 9.723,11 | Australian Dollar |
| Dolar Singapura | 10.154,56 | 9.311,93 | Singapore Dollar |
| Dolar Selandia Baru | 9.650,57 | 9.362,72 | New Zealand Dollar |

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2. Summary of Significant Accounting Policies
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v. Fees and Commissions Income and Expense

Fees and commissions that have material amount directly related with the acquisition of financial assets are recognized as part/(deduction) or addition of acquisition cost of related financial assets and will be recognized as income and amortized using the EIR during the expected life of financial assets or liabilities.

The outstanding balances of deferred fees and commission income, on loans receivable that are terminated or settled prior to maturity are recognized as income on settlement.

w. Foreign Currency Transactions and Balances

Accounting policy for transaction and balances in foreign transaction is based on BAPEPAM-LK rule No. VIII.G.7 and Guidelines for Indonesian Bank Accounting ("PAPI"). The Bank refers to PAPI when transactions involving foreign currencies are recorded in Rupiah using the reporting (closing) rate set by Bank Indonesia that is the middle rate, the average of bid rate and ask rate based on Reuters on 31 December 2017 and 2016, 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 2017 and 2016, the middle rates of the foreign currencies are as follows:

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

w. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, kurs tengah mata uang asing adalah sebagai berikut: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---------------------|----------------------------------|----------------------------------|
| Ringgit Malaysia | 3.352,07 | 3.003,23 |
| Yuan China Renminbi | 2.083,64 | 1.939,19 |
| Dolar Hong Kong | 1.736,21 | 1.737,34 |
| Kroner Swedia | 1.650,05 | 1.482,52 |
| Yen Jepang | 120,52 | 115,07 |

x. Imbalan Kerja

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.

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2. Summary of Significant Accounting Policies (continued)

w. Foreign Currency Transactions and Balances (continued)

As of 31 December 2017 and 2016, the middle rates of the foreign currencies are as follows: (continued)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---------------------|----------------------------------|----------------------------------|-----------------------|
| Ringgit Malaysia | 3.352,07 | 3.003,23 | Malaysian Ringgit |
| Yuan China Renminbi | 2.083,64 | 1.939,19 | Chinese Yuan Renminbi |
| Dolar Hong Kong | 1.736,21 | 1.737,34 | Hong Kong Dollar |
| Kroner Swedia | 1.650,05 | 1.482,52 | Swedish Kroner |
| Yen Jepang | 120,52 | 115,07 | Japanese Yen |

x. Employee Benefits

Pension costs defined benefit pension plans are determined by periodic actuarial calculation using the *projected-unit-credit* method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensations.

All re-measurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit and surplus. Re-measurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs is recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

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x. Imbalan Kerja (lanjutan)

Beban bunga dan pengembalian aset dana pensiun yang diharapkan sebagaimana digunakan dalam PSAK No. 24 (revisi 2013) digantikan dengan beban bunga - bersih, yang dihitung dengan menggunakan tingkat diskonto untuk mengukur kewajiban manfaat pasti - bersih atau aset pada saat awal dari tiap periode pelaporan tahunan.

Bank memiliki program pensiun iuran pasti. Imbalan yang akan diterima karyawan ditentukan berdasarkan jumlah iuran yang dibayarkan pemberi kerja dan karyawan ditambah dengan hasil investasi iuran tersebut.

y. 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 posisi keuangan 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.

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2. Summary of Significant Accounting Policies (continued)

x. Employee Benefits (continued)

The interest costs and expected return on plan assets used in the previous version of PSAK No. 24 (revised 2013) are replaced with a net-interest amount, which are calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

The Bank has a defined contribution plan. The benefit to be received by employees is determined based on the amount of contribution paid by the employer and employee and the investment earnings of the fund.

y. Income Tax

The Bank applied PSAK No. 46 (Revised 2014), "Accounting for Income Tax", which requires the Company to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the statements of financial position and transactions and other events of the current period.

The Bank adopts the financial position method in determining its deferred tax. 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.

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y. Pajak Penghasilan (lanjutan)

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara asset pajak kini dengan liabilitas pajak kini dan apabila asset dan liabilitas tangguhan terkait pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Perubahan terhadap kewajiban perpajakan dicatat pada saat diterimanya surat ketetapan, atau apabila dilakukan banding, ketika hasil banding diterima.

z. 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.

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y. Income Tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amendments to taxation obligations are recorded when an assessment is received, or if an appeal is applied, when the results of the appeal are received.

z. 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.

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2. Summary of Significant Accounting Policies (continued)

z. Restructuring transactions among entities under common control (continued)

For applying the pooling-of-interests method, the components of the financial statements for the period during which the business combination occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the business combination has already happened since the beginning of the periods during which the entities were under common control. The difference between the carrying amounts of the business combination transaction and the consideration transferred is recognized under the account "Additional Paid-in Capital - Net".

aa. Segment Information

An operating segment is a Bank's component that is involved business activities which derives income and incur expenses, which the operating results is reviewed regularly by operational decision maker for making decisions related to resources that is allocated to the segment and evaluates the performance and provide separable financial information. The operating segment has been determined to be wholesale, retail and others.

ab. Change in accounting policies and disclosure

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2017:

a. Amendments to SFAS No. 1: Presentation of Financial Statements on Disclosures Initiative

This amendments clarify, rather than significantly change, existing SFAS 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.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

z. Transaksi restrukturisasi antara entitas sepengendali (lanjutan)

Dalam menerapkan metode penyatuan kepemilikan, komponen laporan keuangan dimana terjadi kombinasi bisnis dan untuk periode lain yang disajikan untuk tujuan perbandingan, disajikan sedemikian rupa seolah-olah kombinasi bisnis telah terjadi sejak awal periode terjadi sepengendalian. Selisih antara nilai tercatat transaksi kombinasi bisnis dan jumlah imbalan yang dialihkan diakui dalam akun "Tambahan Modal Disetor - Neto".

aa. 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.

ab. Perubahan kebijakan akuntansi dan pengungkapan

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2017 yang dianggap relevan dengan Bank:

a. 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.

| | | | |
|---|--|---|--|
| <p>The original financial statements included herein are in the Indonesian language.</p> | | <p>The original financial statements included herein are in the Indonesian language.</p> | |
| <p>PT BANK UOB INDONESIA CATATAN ATAS LAPORAN KEUANGAN Tahun 31 Desember 2017 dan untuk Tahun yang Berakhir pada Tanggal Tersebut (Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)</p> | | <p>PT BANK UOB INDONESIA NOTES TO THE FINANCIAL STATEMENTS As of 31 December 2017 and for the Year Then Ended (Expressed in Millions of Rupiah, Unless Otherwise Stated)</p> | |
| <p>2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)</p> | | <p>2. <i>Summary of Significant Accounting Policies (continued)</i></p> | |
| <p>ab. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)</p> | | <p>ab. <i>Change in accounting policies and disclosure (continued)</i></p> | |
| <p>Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2017 yang dianggap relevan dengan Bank: (lanjutan)</p> | | <p><i>The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2017: (continued)</i></p> | |
| <p>b. PSAK No. 3 (Penyesuaian 2016): Laporan Keuangan, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan</p> | | <p>b. <i>SFAS No. No. 3 (2016 Improvement): Financial Reporting effective 1 January 2017 with earlier application is permitted.</i></p> | |
| <p>Penyesuaian ini mengklarifikasi bahwa pengungkapan yang dipersyaratkan harus dicantumkan dalam laporan keuangan atau melalui referensi silang dari laporan keuangan seperti komentar manajemen atau laporan risiko yang tersedia untuk pengguna laporan keuangan dan pada saat yang sama.</p> | | <p><i>This improvement clarifies that the disclosures required should be included in the financial statements or through cross-references of the financial statements, such as management commentary or risk management report, that available to users of the financial statements and should at the same time.</i></p> | |
| <p>c. Amandemen PSAK No. 24 (Penyesuaian 2016): Imbalan Kerja, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan.</p> | | <p>c. <i>Amendments to SFAS No. 24 (2016 Improvement): Employee Benefits, effective 1 January 2017 with earlier application is permitted.</i></p> | |
| <p>Penyesuaian ini mengklarifikasi bahwa pasar obligasi korporasi berkualitas tinggi dinilai berdasarkan denominasi mata uang obligasi tersebut dan bukan berdasarkan negara di mana obligasi tersebut berada.</p> | | <p><i>This improvement clarifies that the market of high quality corporate bonds is valued by denominated bonds and not based on the country in which the bonds are.</i></p> | |
| <p>d. PSAK No. 60 (Penyesuaian 2016): Instrumen Keuangan: Pengungkapan, berlaku efektif 1 Januari 2017 dengan penerapan dini diperkenankan.</p> | | <p>d. <i>SFAS No. 60 (2016 Improvement): Financial Instruments, effective 1 January 2017 with earlier application is permitted.</i></p> | |
| <p>Penyesuaian ini mengklarifikasi bahwa entitas harus menilai sifat dari imbalan kontrak jasa untuk menentukan apakah entitas memiliki keterlibatan berkelanjutan dalam aset keuangan dan apakah persyaratan pengungkapan terkait keterlibatan berkelanjutan terpenuhi.</p> | | <p><i>This improvement clarifies that an entity must assess the nature of the service contract benefits to determine whether the entity has a continuing involvement in financial assets and whether the disclosure requirements related to the continuing involvement are met.</i></p> | |
| <p>Bank telah mengevaluasi penyesuaian terhadap standar akuntansi tersebut tidak menimbulkan dampak yang signifikan terhadap laporan keuangan.</p> | | <p><i>The Bank has evaluated the amendment of these accounting standards did not have significant impact on the financial statements.</i></p> | |
| <p>2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)</p> | | <p>2. <i>Summary of Significant Accounting Policies (continued)</i></p> | |
| <p>ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan</p> | | <p>ac. <i>Judgments and Significant Accounting Estimates</i></p> | |
| <p>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:</p> | | <p><i>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:</i></p> | |
| <p><u>Usaha yang berkelanjutan</u></p> | | <p><u><i>Going concern</i></u></p> | |
| <p>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.</p> | | <p><i>The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future.</i></p> | |
| <p>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.</p> | | <p><i>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.</i></p> | |
| <p><u>Nilai wajar atas instrumen keuangan</u></p> | | <p><u><i>Fair value of financial instruments</i></u></p> | |
| <p>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 (<i>input</i>) 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.</p> | | <p><i>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.</i></p> | |
| <p>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.</p> | | <p><i>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.</i></p> | |

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ac. Pertimbangan dan Estimasi Akuntansi
yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan (lanjutan)

Bank menampilkan nilai wajar atas instrumen keuangan berdasarkan hirarki nilai wajar sebagai berikut:

- Tingkat 1
harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- Tingkat 2
input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung; dan
- Tingkat 3
input untuk aset dan liabilitas yang bukan berdasarkan pada pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Nilai wajar atas instrumen derivatif yang dinilai menggunakan teknik penilaian dengan menggunakan komponen yang dapat diamati di pasar terutama adalah swap suku bunga, swap mata uang dan kontrak pertukaran mata uang. Teknik penilaian yang paling banyak digunakan meliputi model penilaian *forward* dan *swap* yang menggunakan perhitungan nilai kini. Model tersebut menggabungkan berbagai komponen yang meliputi kualitas kredit dari *counterparty*, nilai *spot* dan kontrak berjangka serta kurva tingkat suku bunga.

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.

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2. Summary of Significant Accounting Policies
(continued)

ac. Judgments and Significant Accounting
Estimates (continued)

Fair value of financial instruments (continued)

The Bank presents fair value of financial instruments based on the following fair value hierarchy:

- Level 1
quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2
inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly; and
- Level 3
inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arms length.

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2. Summary of Significant Accounting Policies
(continued)

ac. 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 assets which are classified as available-for-sale and acceptances receivables at each financial position date to assess whether impairment has occurred. The assessment uses the same considerations as applied to individual assessment on loans.

Impairment of non-financial assets

The Bank assesses impairment of assets whenever events or changes in circumstances that would indicates that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

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ac. 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.

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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 2014) 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.

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2. Summary of Significant Accounting Policies
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ac. 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 units) fair value less costs to sell and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future tax planning strategy.

Classification of financial assets and liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in Note 2c.

Employee benefits

The Bank's employee benefits liabilities is determined dependent on its selection of certain assumptions used by the independent actuaries and the Bank's management in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate.

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ac. Judgments and Significant Accounting
Estimates (continued)

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line method over its estimated useful life. Management estimates the useful life of these fixed assets to be between 3 to 20 years.

Changes in the expected level of usage and technological development could impact the economic useful life and the residual value of these fixed assets, and therefore future depreciation charges could be revised.

Income tax

The Bank recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

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Penyusutan aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 3 sampai dengan 20 tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi.

Pajak penghasilan

Bank mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

3. Kas

Akun ini terdiri dari:

| | 31 Desember/ 31 December 2017 |
|-----------------------|----------------------------------|
| Rupiah | 326.846 |
| Mata uang asing | |
| Dolar Amerika Serikat | 46.092 |
| Dolar Singapura | 25.360 |
| Total | 398.298 |

Kas dalam Rupiah termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) sejumlah Rp13.645 dan Rp14.615 masing-masing pada tanggal 31 Desember 2017 dan 2016.

4. Giro pada Bank Indonesia

Akun ini terdiri dari:

| | 31 Desember/ 31 December 2017 |
|---|----------------------------------|
| Rupiah | 3.817.600 |
| Dolar Amerika Serikat | |
| (USD166.125.914 dan USD143.640.728, masing-masing pada tanggal 31 Desember 2017 dan 2016) | 2.253.913 |
| Total | 6.071.513 |

3. Cash

This account consists of:

| | 31 Desember/ 31 December 2016 |
|-----------------------|----------------------------------|
| Rupiah | 333.881 |
| Mata uang asing | |
| Dolar Amerika Serikat | 103.011 |
| Dolar Singapura | 98.625 |
| Total | 535.517 |

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp13,645 and Rp14,615 as of 31 December 2017 and 2016, respectively.

4. Current Accounts with Bank Indonesia

This account consists of:

| | 31 Desember/ 31 December 2016 |
|---|----------------------------------|
| Rupiah | 3.789.110 |
| Dolar Amerika Serikat | |
| (USD166,125,914 and USD143,640,728 as of 31 December 2017 and 2016, respectively) | 1.935.200 |
| Total | 5.724.310 |

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4. Giro pada Bank Indonesia (lanjutan)

Bank dipersyaratkan untuk memiliki Giro Wajib Minimum (GWM) dalam mata uang Rupiah dalam kegiatannya sebagai bank umum, serta GWM dalam mata uang asing dalam kegiatannya melakukan transaksi mata uang asing.

Pada tanggal 31 Desember 2017 dan 2016, Giro Wajib Minimum (GWM) telah sesuai dengan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 tanggal 24 Desember 2013 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional sebagaimana telah diubah beberapa kali dengan PBI No. 17/11/PBI/2015 tanggal 25 Juni 2015, PBI No. 17/21/PBI/2015 tanggal 26 November 2015, PBI No. 18/3/PBI/2016 tanggal 10 Maret 2016 dan PBI No.18/14/PBI/2016 tanggal 18 Agustus 2016 dan PBI No. 19/6/PBI/2017 tanggal 17 April 2017, yang masing-masing sebesar:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|-----------------|----------------------------------|----------------------------------|
| Rupiah Primer | 6,78% | 6,84% |
| Rupiah Sekunder | 19,48% | 14,79% |
| Valuta Asing | 8,18% | 8,85% |

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau excess reserve yang merupakan kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer dan GWM Loan to Funding Ratio (LFR). GWM LFR adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR Bank dibawah minimum LFR target Bank Indonesia (80%) atau jika di atas maksimum LFR target BI (92%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

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4. Current Accounts with Bank Indonesia
(continued)

The Bank is required to maintain minimum statutory reserves (GWM) in Rupiah for conventional banking and statutory reserves in foreign currencies for foreign exchange transactions.

As of 31 December 2017 and 2016, the Minimum Statutory Reserve complies with Bank Indonesia (BI) Regulation No. 15/15/PBI/2013 dated 24 December 2013 which have been further amended with PBI No. 17/11/PBI/2015 dated 25 June 2015, PBI No. 17/21/PBI/2015 dated 26 November 2015, PBI No. 18/3/PBI/2016 dated 10 March 2016, PBI No. 18/14/PBI/2016 dated 18 August 2016 and PBI No. 19/6/PBI/2017 dated 17 April 2017 concerning Minimum Statutory Reserve of Commercial Banks with BI in Rupiah and foreign currency, which are as follows:

Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve is the minimum reserves that should be maintained by the Bank, comprised of Certificates of Bank Indonesia (SBI), Certificates Deposit of Bank Indonesia (SDBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represent the excess reserve of the Bank's Current Accounts in Rupiah over the Primary Minimum Statutory Reserve and the Minimum Statutory Reserve on Loan to Funding Ratio (LFR). The Minimum Statutory Reserve on LFR is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LFR is below the minimum of LFR targeted by Bank Indonesia (80%) or if the Bank's LFR above the maximum of LFR targeted by BI (92%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

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Kecuali Dinyatakan Lain)

5. Giro pada Bank Lain

Akun ini terdiri dari:

| Jenis Giro pada Bank Lain | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---|----------------------------------|----------------------------------|
| Pihak ketiga | | |
| Rupiah: | | |
| PT Bank Central Asia Tbk | 4.927 | 5.252 |
| Lain-lain (masing-masing di bawah Rp2.000) | 902 | 956 |
| Sub-total - Pihak ketiga - Rupiah | 5.829 | 6.208 |
| Mata uang asing: | | |
| Deutsche Bank, Frankfurt | 1.288.719 | 6.453 |
| Ing Belgium, Brussels | 232.306 | - |
| JP Morgan Chase Bank, Amerika Serikat | 184.669 | 219.431 |
| PT Bank Central Asia Tbk | 49.732 | 30.766 |
| Barclays Bank, London | 41.934 | 42.525 |
| Bank of Tokyo - Mitsubishi UFJ, Jepang | 41.472 | 113.434 |
| PT Bank Mandiri (Persero) Tbk | 38.752 | 30.182 |
| ANZ Bank Ltd., Australia | 38.200 | 42.393 |
| ANZ National Bank, Selandia Baru | 16.651 | 23.660 |
| Canadian Imperial Bank of Commerce, Toronto | 16.596 | 8.634 |
| UBS AG, Zurich | 13.494 | 17.212 |
| Deutsche Bank AG, Amerika Serikat | 10.613 | 5.993 |
| National Australia Bank, Australia | 2.371 | 9.149 |
| Lain-lain (masing-masing di bawah Rp2.000) | 2.721 | 4.436 |
| Sub-total - Pihak ketiga - Mata uang asing | 1.978.230 | 554.268 |
| Total - Pihak ketiga | 1.984.059 | 560.476 |
| Pihak berelasi (Catatan 36) | | |
| Mata uang asing: | | |
| United Overseas Bank Ltd., Singapura | 423.295 | 515.426 |
| United Overseas Bank, Jepang | 43.412 | 19.055 |
| United Overseas Bank, Hong Kong | 1.489 | 2.744 |
| United Overseas Bank, Australia | 604 | 555 |
| United Overseas Bank, Malaysia | 42 | 38 |
| Total - Pihak berelasi | 468.842 | 537.818 |
| Total giro pada bank lain | 2.452.901 | 1.098.294 |

5. Current Accounts with Other Banks

This account consists of:

| Types of Current Accounts with Others Bank | 31 Desember/ 31 December 2016 | 31 Desember/ 31 December 2017 |
|--|----------------------------------|----------------------------------|
| Third parties | | |
| Rupiah: | | |
| PT Bank Central Asia Tbk | 5.252 | 4.927 |
| Others (below Rp2,000 each) | 956 | 902 |
| Sub-total - Third parties - Rupiah | 6.208 | 5.829 |
| Foreign currencies: | | |
| Deutsche Bank, Frankfurt | 6.453 | 1.288.719 |
| Ing Belgium, Brussels | - | 232.306 |
| JP Morgan Chase Bank, United States of America | 219.431 | 184.669 |
| PT Bank Central Asia Tbk | 30.766 | 49.732 |
| Barclays Bank, London | 42.525 | 41.934 |
| Bank of Tokyo - Mitsubishi UFJ, Japan | 113.434 | 41.472 |
| PT Bank Mandiri (Persero) Tbk | 30.182 | 38.752 |
| ANZ Bank Ltd., Australia | 42.393 | 38.200 |
| ANZ National Bank, New Zealand | 23.660 | 16.651 |
| Canadian Imperial Bank of Commerce, Toronto | 8.634 | 16.596 |
| UBS AG, Zurich | 17.212 | 13.494 |
| Deutsche Bank AG, United States of America | 5.993 | 10.613 |
| National Australia Bank, Australia | 9.149 | 2.371 |
| Others (below Rp2,000 each) | 4.436 | 2.721 |
| Sub-total - Third parties - Foreign currencies | 554.268 | 1.978.230 |
| Total - Third parties | 560.476 | 1.984.059 |
| Related parties (Note 36) | | |
| Foreign Currencies: | | |
| United Overseas Bank Ltd., Singapore | 515.426 | 423.295 |
| United Overseas Bank Ltd., Japan | 19.055 | 43.412 |
| United Overseas Bank Ltd., Hong Kong | 2.744 | 1.489 |
| United Overseas Bank Ltd., Australia | 555 | 604 |
| United Overseas Bank Ltd., Malaysia | 38 | 42 |
| Total - Related parties | 537.818 | 468.842 |
| Total current accounts with other banks | 1.098.294 | 2.452.901 |

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5. Giro pada Bank Lain (lanjutan)

Suku bunga rata-rata untuk giro pada bank lain adalah sebagai berikut:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|-----------------|--|-------|------------------|
| | 2017 | 2016 | |
| Rupiah | 0,00% | 0,05% | Rupiah |
| Mata uang asing | 0,00% | 0,00% | Foreign currency |

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2017 dan 2016, giro pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

Tidak terdapat giro pada bank lain yang diblokir dan dijadikan jaminan pada tanggal-tanggal 31 Desember 2017 dan 2016.

6. Penempatan pada Bank Indonesia dan Bank Lain

Akun ini terdiri dari:

| Jenis Penempatan | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | Description |
|--|----------------------------------|----------------------------------|--|
| Pihak ketiga | | | Third parties |
| Rupiah: | | | Rupiah: |
| Term Deposit Bank Indonesia | 1.249.284 | - | Term Deposits of Bank Indonesia |
| Fasilitas Simpanan Bank Indonesia | - | 1.648.949 | Deposit Facilities of Bank Indonesia |
| Call Money: | | | Call Money: |
| PT Bank Sumitomo Mitsui Indonesia | 300.000 | - | PT Bank Sumitomo Mitsui Indonesia |
| PT Bank CIMB Niaga Tbk | - | 300.000 | PT Bank CIMB Niaga Tbk |
| Bank HSBC Limited | - | 300.000 | Bank HSBC Limited |
| PT Citibank Indonesia | - | 120.000 | PT Citibank Indonesia |
| PT OCBC NISP Tbk | - | 100.000 | PT Bank OCBC NISP Tbk |
| PT Bank Danamon Tbk | - | 100.000 | PT Bank Danamon Tbk |
| PT Bank CTBC Indonesia | - | 75.000 | PT Bank CTBC Indonesia |
| Sub-total - Pihak ketiga - Rupiah | 1.549.284 | 2.643.949 | Sub-total - Third parties - Rupiah |
| Mata uang asing: | | | Foreign currencies: |
| Term Deposit Bank Indonesia | 1.058.265 | - | Term Deposits of Bank Indonesia |
| Call Money: | | | Call Money: |
| PT Bank Negara Indonesia Tbk | 407.025 | - | PT Bank Negara Indonesia Tbk |
| Bank of New York, Amerika Serikat | 263.878 | 149.545 | Bank of New York, |
| PT Bank ICBC Indonesia | - | 336.812 | United States of America |
| | | | PT Bank ICBC Indonesia |
| Sub-total - Pihak ketiga - Mata uang asing | 1.729.168 | 486.357 | Sub-total - Third parties - Foreign currencies |
| Total - Pihak ketiga | 3.278.452 | 3.130.306 | Total - Third parties |

5. Current Accounts with Other Banks (continued)

The average interest rate for current accounts with other banks are as follows:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|-----------------|--|-------|------------------|
| | 2017 | 2016 | |
| Rupiah | 0,00% | 0,05% | Rupiah |
| Mata uang asing | 0,00% | 0,00% | Foreign currency |

The Bank's management believes that as of 31 December 2017 and 2016, current accounts with other banks are classified as current and not impaired.

There were no current account with other banks blocked and pledged as collateral and as of 31 December 2017 and 2016.

6. Placements with Bank Indonesia and Other Banks

This account consists of:

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6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Akun ini terdiri dari: (lanjutan)

| Jenis Penempatan | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | Description |
|--|----------------------------------|----------------------------------|--|
| Pihak berelasi (Catatan 36) | | | Related party (Note 36) |
| Mata uang asing: | | | Foreign currencies: |
| Call Money: | | | Call Money: |
| United Overseas Bank Ltd., Singapura | 137.952 | 190.848 | United Overseas Bank Ltd., Singapore |
| Total - Pihak berelasi | 137.952 | 190.848 | Total - Related party |
| Total penempatan pada Bank Indonesia dan Bank Lain | 3.416.404 | 3.321.154 | Total placements with Bank Indonesia and Other Banks |

Suku bunga rata-rata untuk penempatan pada Bank Indonesia dan bank lain adalah sebagai berikut:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|-----------------|--|-------|------------------|
| | 2017 | 2016 | |
| Rupiah | 4,75% | 4,47% | Rupiah |
| Mata uang asing | 1,04% | 1,22% | Foreign currency |

Rincian penempatan pada Bank Indonesia dan bank lain berdasarkan jenis penempatan dan sisa umur sampai dengan jatuh tempo adalah sebagai berikut:

| | 31 Desember/31 December 2017 | | | |
|--|------------------------------|---------------|-----------|--|
| | Penempatan/ Placements | Call Money | Total | |
| Rupiah | 1.249.284 | - | 1.249.284 | Rupiah |
| < 1 bulan | - | 300.000 | 300.000 | < 1 month |
| ≥ 1 bulan ≤ 3 bulan | - | - | - | ≥ 1 month ≤ 3 months |
| Mata uang asing | 1.058.265 | 808.855 | 1.867.120 | Foreign currencies |
| < 1 bulan | - | - | - | < 1 month |
| Total Penempatan pada Bank Indonesia dan Bank Lain | 2.307.549 | 1.108.855 | 3.416.404 | Total Placements with Bank Indonesia and Other Banks |
| | 31 Desember/31 December 2016 | | | |
| | Penempatan/ Placements | Call Money | Total | |
| Rupiah | 1.648.949 | 995.000 | 2.643.949 | Rupiah |
| < 1 bulan | - | 340.393 | 340.393 | < 1 month |
| Mata uang asing | - | 336.812 | 336.812 | Foreign currencies |
| < 1 bulan | - | - | - | < 1 month |
| ≥ 1 bulan ≤ 3 bulan | - | - | - | ≥ 1 month ≤ 3 months |
| Total Penempatan pada Bank Indonesia dan Bank Lain | 1.648.949 | 1.672.205 | 3.321.154 | Total Placements with Bank Indonesia and Other Banks |

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6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Tidak terdapat penempatan pada bank lain yang diblokir dan dijadikan jaminan pada tanggal-tanggal 31 Desember 2017 dan 2016.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2017 dan 2016, penempatan pada bank lain digolongkan lancar dan tidak mengalami penurunan nilai.

Rincian penempatan pada Bank Indonesia dan bank lain berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

7. Efek-efek yang Diperdagangkan

Akun ini terdiri dari:

| 31 Desember/31 December 2017 | | | |
|--|------------------|--|------------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang diperdagangkan | | | |
| Sertifikat Deposito | | | |
| Bank Indonesia | 606.846 | - | 606.846 |
| Negotiable Certificate of Deposit | 470.890 | - | 470.890 |
| Obligasi Pemerintah | 26.590 | 13.592 | 40.182 |
| Sukuk Ritel | 102 | - | 102 |
| Total efek-efek yang diperdagangkan | 1.104.428 | 13.592 | 1.118.020 |
| 31 Desember/31 December 2016 | | | |
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang diperdagangkan | | | |
| Negotiable Certificate of Deposit | 839.868 | - | 839.868 |
| Obligasi Pemerintah | 93.268 | 1.293 | 94.561 |
| Sukuk Ritel | 10.675 | - | 10.675 |
| Total efek-efek yang diperdagangkan | 943.811 | 1.293 | 945.104 |

Pada tanggal 31 Desember 2017, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa *negotiable certificate of deposit*, Sertifikat Deposito Bank Indonesia, obligasi pemerintah, dan sukuk ritel.

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6. Placements with Bank Indonesia and Other Banks (continued)

There were no placement with other banks blocked and pledged as collateral as of 31 December 2017 and 2016.

The Bank's management believes that as of 31 December 2017 and 2016, placements with other banks are classified as current and not impaired.

The details of placements with Bank Indonesia and other banks based on remaining maturities are shown in Note 39.

7. Trading Securities

This account consists of:

| 31 Desember/31 December 2017 | | | |
|--|------------------|--|------------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang diperdagangkan | | | |
| Sertifikat Deposito | | | |
| Bank Indonesia | 606.846 | - | 606.846 |
| Negotiable Certificate of Deposit | 470.890 | - | 470.890 |
| Obligasi Pemerintah | 26.590 | 13.592 | 40.182 |
| Sukuk Ritel | 102 | - | 102 |
| Total efek-efek yang diperdagangkan | 1.104.428 | 13.592 | 1.118.020 |
| 31 Desember/31 December 2016 | | | |
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang diperdagangkan | | | |
| Negotiable Certificate of Deposit | 839.868 | - | 839.868 |
| Obligasi Pemerintah | 93.268 | 1.293 | 94.561 |
| Sukuk Ritel | 10.675 | - | 10.675 |
| Total efek-efek yang diperdagangkan | 943.811 | 1.293 | 945.104 |

As of 31 December 2017, trading securities are the securities issued by the government and categorized as non-rated, in the form of negotiable certificate of deposit, Certificates Deposit of Bank Indonesia, government bonds, and retail islamic bonds.

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7. Efek-efek yang Diperdagangkan (lanjutan)

Pada tanggal 31 Desember 2016, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa *negotiable certificate of deposit*, obligasi pemerintah dan sukuk ritel.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2017 dan 2016, seluruh efek-efek yang diperdagangkan digolongkan lancar dan tidak mengalami penurunan nilai.

Rincian efek-efek diperdagangkan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

8. Investasi Keuangan

Akun ini terdiri dari:

| 31 Desember/31 December 2017 | | | |
|---|-------------------|--|-------------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang tersedia untuk dijual | | | |
| Sertifikat Deposito | | | |
| Bank Indonesia | 5.370.776 | - | 5.370.776 |
| Obligasi Pemerintah | 2.665.913 | 13.601 | 2.679.514 |
| Sukuk Ritel | 2.030.080 | - | 2.030.080 |
| Surat Perbendaharaan Negara | 274.797 | - | 274.797 |
| Total efek-efek yang tersedia untuk dijual | 10.341.566 | 13.601 | 10.355.167 |
| Efek-efek yang dimiliki hingga jatuh tempo | | | |
| Wesel Ekspor Berjangka | 2.321.381 | 2.308.050 | 4.629.431 |
| Total investasi keuangan | 12.662.947 | 2.321.651 | 14.984.598 |
| Cadangan kerugian penurunan nilai | (17.850) | (15.394) | (33.244) |
| Neto | 12.645.097 | 2.306.257 | 14.951.354 |

| 31 Desember/31 December 2016 | | | |
|---|------------------|--|------------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang tersedia untuk dijual | | | |
| Sertifikat Bank Indonesia | 3.014.237 | - | 3.014.237 |
| Obligasi Pemerintah | 2.655.844 | 1.210.593 | 3.866.437 |
| Sukuk Ritel | 1.642.986 | - | 1.642.986 |
| Sertifikat Deposito | | | |
| Bank Indonesia | 299.163 | - | 299.163 |
| Surat Perbendaharaan Negara | 283.935 | - | 283.935 |
| Medium Term Notes | 209.468 | - | 209.468 |
| Total efek-efek yang tersedia untuk dijual | 8.105.633 | 1.210.593 | 9.316.226 |

7. Trading Securities (continued)

As of 31 December 2016, trading securities are the securities issued by the government and categorized as non-rated, in the form of negotiable certificate of deposit, government bonds and retail islamic bonds.

The Bank's management believes that as of 31 December 2017 and 2016, all trading securities are classified as current and not impaired.

The details of trading securities based on remaining maturities are shown in Note 39.

8. Financial Investments

This account consists of:

Available-for-sale securities
Certificates Deposit of Bank Indonesia
Government Bonds
Retail Islamic Bonds
State Treasury Notes

Total available-for-sale securities

Held-to-maturity securities
Export bills

Total financial investments

Allowance for impairment losses

Net

Available-for-sale securities
Certificates of Bank Indonesia
Government Bonds
Retail Islamic Bonds
Certificates Deposit of Bank Indonesia
State Treasury Notes
Medium Term Notes

Total available-for-sale securities

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8. Investasi Keuangan (lanjutan)

Akun ini terdiri dari: (lanjutan)

| 31 Desember/31 December 2016 | | | |
|--|-----------|--|------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| Efek-efek yang dimiliki hingga jatuh tempo | | | |
| Wesel Ekspor Berjangka | 813.508 | 1.874.714 | 2.688.222 |
| Total investasi keuangan | 8.919.141 | 3.085.307 | 12.004.448 |
| Cadangan kerugian penurunan nilai | (9.962) | (21.715) | (31.677) |
| Neto | 8.909.179 | 3.063.592 | 11.972.771 |

a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|---------------------------------------|
| Nilai Wajar Rupiah | | | Fair Value Rupiah |
| Sertifikat Deposito Bank Indonesia | 5.370.776 | 299.163 | Certificate Deposit of Bank Indonesia |
| Obligasi Pemerintah | 2.665.913 | 2.655.844 | Government Bonds |
| Sukuk Ritel | 2.030.080 | 1.642.986 | Retail Sukuk |
| Surat Perbendaharaan Negara | 274.797 | 283.935 | State Treasury Notes |
| Sertifikat Bank Indonesia | - | 3.014.237 | Certificates of Bank Indonesia |
| Medium Term Notes | - | 209.468 | Medium Term Notes |
| Sub - Total | 10.341.566 | 8.105.633 | Sub - Total |
| Mata Uang Asing | | | Foreign Currencies |
| Obligasi Pemerintah | 13.601 | 1.210.593 | Government Bonds |
| Total | 10.355.167 | 9.316.226 | Total |
| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
| Harga Perolehan | 10.272.287 | 9.327.724 | Cost |
| Premi (diskonto) yang belum diamortisasi | (1.362) | 31.300 | Unamortized premium (discount) |
| Keuntungan (kerugian) yang belum direalisasi | 84.242 | (42.798) | Unrealized gain (loss) |
| Total | 10.355.167 | 9.316.226 | Total |

8. Financial Investments (continued)

This account consists of: (continued)

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8. Investasi Keuangan (lanjutan)

Pada tanggal 10 Oktober 2014, Bank melakukan transaksi swap suku bunga dengan JP Morgan Chase Bank, N.A dengan nilai nosional sebesar USD91.000.000 (nilai penuh) dengan jangka waktu 8 (delapan) tahun yang akan berakhir pada tanggal 15 Oktober 2022. Untuk transaksi tersebut, Bank membayar tingkat suku bunga tetap dan menerima tingkat suku bunga mengambang sampai dengan jatuh tempo. Transaksi tersebut bertujuan untuk melakukan lindung nilai atas nilai wajar investasi keuangan yang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual - Obligasi Pemerintah. Nilai wajar atas transaksi diatas pada tanggal 31 Desember 2016 mengalami kerugian sebesar Rp5.690.

Pada tanggal 24 Oktober 2017, Bank melakukan pembatalan lindung nilai atas nilai wajar investasi keuangan yang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual - Obligasi Pemerintah.

b. Medium term note per 31 Desember 2016 merupakan obligasi dari PT Tunas Baru Lampung dengan peringkat idA-.

Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut:

| 31 Desember/31 December 2017 | | | |
|------------------------------|------------------------------|--|-----------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| < 1 bulan | 438.521 | 885.396 | 1.323.917 |
| ≥ 1 bulan ≤ 3 bulan | 650.960 | 832.235 | 1.483.195 |
| > 3 bulan ≤ 6 bulan | 1.230.832 | 590.419 | 1.821.251 |
| > 6 bulan | 1.068 | - | 1.068 |
| Total | 2.321.381 | 2.308.050 | 4.629.431 |
| | 31 Desember/31 December 2016 | | |
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| < 1 bulan | 150.932 | 577.948 | 728.880 |
| ≥ 1 bulan ≤ 3 bulan | 316.349 | 985.524 | 1.301.873 |
| > 3 bulan ≤ 6 bulan | 339.785 | 311.242 | 651.027 |
| > 6 bulan | 6.442 | - | 6.442 |
| Total | 813.508 | 1.874.714 | 2.688.222 |

On 10 October 2014, the Bank entered into interest rate swap transaction with JP Morgan Chase Bank, N.A with notional value amounting to USD91,000,000 (full amount) with tenor of 8 (eight) years which will mature on 15 October 2022. For this transaction, the Bank pays fixed interest rate and receive floating rate until maturity date. This transaction is intended to hedge the fair value of financial assets classified as available-for-sale - Government Bonds. Fair value of the said transaction as of 31 December 2016 showed a loss amounting to Rp5,690.

On 24 October 2017, the Bank made a de-designation of hedge accounting of fair value of financial assets classified as available-for-sale - Government Bonds.

b. The medium-term notes as of 31 December 2016 was issued by PT Tunas Baru Lampung and have idA- rating.

The classification of held-to-maturity financial investments based on the remaining maturities before allowance for impairment losses is as follows:

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8. Investasi Keuangan (lanjutan)

Rincian investasi keuangan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

Ikhtisar perubahan cadangan kerugian penurunan nilai investasi keuangan adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|----------------------------------|----------------------------------|----------------------------------|------------------------------|
| Saldo awal tahun | 31.677 | 9.005 | Beginning balance |
| Penambahan selama tahun berjalan | 1.328 | 22.752 | Provision during the year |
| Selisih kurs penjabaran | 239 | (80) | Foreign exchange translation |
| Saldo akhir tahun | 33.244 | 31.677 | Ending balance |

Pada tanggal 31 Desember 2017, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual dan dimiliki hingga jatuh tempo digolongkan lancar.

Pada tanggal 31 Desember 2016, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual digolongkan lancar. Sedangkan kolektibilitas investasi keuangan yang diklasifikasikan sebagai dimiliki hingga jatuh tempo digolongkan lancar dan dalam perhatian khusus.

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian penurunan nilai atas tidak tertagihnya investasi keuangan.

Suku bunga efektif rata-rata investasi keuangan adalah sebagai berikut:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|-----------------|--|----------------|------------------|
| | 2017 | 2016 | |
| Rupiah | 4,81% - 10,21% | 6,29% - 10,58% | Rupiah |
| Mata uang asing | 2,08% - 11,04% | 2,18% - 11,06% | Foreign currency |

8. Financial Investments (continued)

The details of financial investment based on remaining maturities are shown in Note 39.

The changes in the allowance for impairment losses on financial investments are as follows:

As of 31 December 2017, the collectibility of financial investments which are classified as available for sale and held to maturity are current.

As of 31 December 2016, the collectibility of financial investments which are classified as available for sale is current. Meanwhile, the collectibility of financial investments which are classified as held to maturity are current and special mention.

The Bank's management believes that the allowance for impairment losses is adequate to cover possible impairment losses from uncollectible financial investments.

The average effective interest rates of financial investments are as follows:

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9. Tagihan dan Liabilitas Derivatif

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut:

9. Derivatives Receivable and Payable

The summary of derivatives receivable and payable are as follows:

| 31 Desember/31 December 2017 | | | | |
|---|---|--|--|--|
| Jenis | Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ Notional Value (Contract) (Equivalent Rupiah) | Tagihan Derivatif/ Derivatives Receivable | Liabilitas Derivatif/ Derivatives Payable | Type |
| Forward jual USD | 6.581.151 | 19.497 | 14.335 | Forward sold USD |
| Forward beli USD | 6.637.161 | 26.467 | 14.076 | Forward bought USD |
| Swap suku bunga jual Rp | 2.450.407 | 9.371 | 3.987 | Interest rate swap sold IDR |
| USD | 10.429.264 | 26.229 | 3.266 | USD |
| Swap suku bunga beli Rp | 2.450.407 | 4.262 | 1.521 | Interest rate swap bought IDR |
| USD | 10.429.264 | 5.238 | 13.947 | USD |
| Swap pertukaran valas dan suku bunga jual Rp | 4.423.247 | 15.470 | 1.025 | Cross currency interest rate swap sold IDR |
| USD | 5.879.024 | 30.259 | 31.147 | USD |
| Swap pertukaran valas dan suku bunga beli Rp | 4.179.242 | 1.117 | 2.798 | Cross currency interest rate swap bought IDR |
| USD | 6.130.013 | 8.489 | 19.668 | USD |
| Total | | 146.399 | 105.770 | Total |

| 31 Desember/31 December 2016 | | | | |
|---|---|--|--|--|
| Jenis | Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ Notional Value (Contract) (Equivalent Rupiah) | Tagihan Derivatif/ Derivatives Receivable | Liabilitas Derivatif/ Derivatives Payable | Type |
| Forward jual USD | 4.077.863 | 9.551 | 13.214 | Forward sold USD |
| Forward beli USD | 4.689.224 | 11.435 | 15.617 | Forward bought USD |
| Swap suku bunga jual Rp | 40.870 | 19 | 27 | Interest rate swap sold IDR |
| USD | 9.765.256 | 29.294 | 17.132 | USD |
| Swap suku bunga beli Rp | 40.870 | 41 | - | Interest rate swap bought IDR |
| USD | 9.765.256 | 7.249 | 9.870 | USD |
| Swap pertukaran valas dan suku bunga jual Rp | 687.678 | 23.528 | - | Cross currency interest rate swap sold IDR |
| USD | 2.898.421 | 17.020 | 135.936 | USD |
| Swap pertukaran valas dan suku bunga beli Rp | 671.141 | 1.255 | 1.756 | Cross currency interest rate swap bought IDR |
| USD | 2.922.767 | 102.720 | 776 | USD |
| Total | | 202.112 | 194.328 | Total |

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9. Tagihan dan Liabilitas Derivatif (lanjutan)

Rincian tagihan dan liabilitas derivatif berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

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.

Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki beberapa tipe instrumen derivatif sebagai berikut:

Pertukaran *forward*

Kontrak pertukaran *forward* adalah perjanjian untuk membeli atau menjual suatu mata uang asing pada kurs dan tanggal tertentu. Transaksi tersebut dilakukan di *over-the-counter market*. Secara spesifik, Bank mengadakan transaksi ini dengan tujuan untuk mengendalikan risiko nilai tukar. Jangka waktu perjanjian untuk transaksi pertukaran *forward* yang dilakukan oleh Bank berkisar antara 5 hari - 1 tahun.

Swap suku bunga

Perjanjian *swap* suku bunga merupakan perjanjian kontraktual antara dua pihak untuk menukarkan pergerakan tingkat suku bunga dan untuk melakukan suatu pembayaran yang didasarkan pada suatu situasi tertentu dan jumlah nosional tertentu. Secara spesifik, Bank mengadakan transaksi tersebut dengan tujuan untuk melindungi nilai pergerakan arus kas di masa depan, terkait dengan pendapatan bunga atas pinjaman yang diberikan kepada debitur (debitur perusahaan dan debitur perorangan yang telah digabungkan) dalam Rupiah dan pendapatan bunga dari efek tersedia untuk dijual dalam mata uang Dolar Amerika Serikat. Periode perjanjian untuk *swap* suku bunga yang dilakukan oleh Bank berkisar antara 1 - 10 tahun.

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9. Derivatives Receivable and Payable (continued)

The details of derivatives receivable and payable based on remaining maturities are shown in Note 39.

In the normal course of the business, the Bank enters into some derivatives transaction to meet the specific needs of its customers as well as to manage its liquidity and hedging position. The Bank has its own risk management policy and the risk amount limit for controlling the foreign exchange and interest rate risks. The changes in variable market risk are actively monitored in the ALCO (Asset and Liability Committee) meeting, whereby the changes serve as the benchmark in determining the Bank's strategies.

As of 31 December 2017 and 2016, the Bank has the following types of derivative instruments:

Forward exchange

Forward exchange contracts are contractual agreements to buy or sell a foreign currency at specified rates and on certain dates. These transactions are conducted in the over-the-counter market. Specifically, the Bank enters into this transaction with the objective to control the exchange rate risk. The period of contract for forward exchange transactions undertaken by the Bank ranges between 5 days - 1 year.

Interest rate swap

Interest rate swap contracts are contractual agreements between two parties to exchange movements of interest rates and to make payments with respect to defined credit events based on specified notional amount. Specifically, the Bank has entered into these contracts to hedge its future interest cash flows on its interest income from Rupiah loan receivables from customers (corporate and individual at a pool basis) and its interest income from United States Dollar denominated available-for-sale securities. The contract period for the interest rate swap transacted by the Bank is between 1 - 10 years.

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9. Tagihan dan Liabilitas Derivatif (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki beberapa tipe instrumen derivatif sebagai berikut: (lanjutan)

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 bulan - 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.

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9. Derivatives Receivable and Payable (continued)

As of 31 December 2017 and 2016, the Bank has the following types of derivative instruments: (continued)

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 ranged between 1 month - 5 years.

The above transactions are not treated as an 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.

10. Kredit yang Diberikan

1) Jenis kredit yang diberikan

31 Desember/31 December 2017

| | Pihak Ketiga/ Third Parties | Pihak Berelasi (Catatan 36)/ Related Parties (Note 36) | Total |
|-----------------------------------|--------------------------------|---|-------------|
| Rupiah | | | |
| Rekening koran | 11.336.735 | 5.748 | 11.342.483 |
| Investasi | 8.661.240 | 671 | 8.661.911 |
| Promes | 7.569.716 | - | 7.569.716 |
| Pemilikan rumah | 4.627.784 | 49.427 | 4.677.211 |
| Angsuran | 3.840.192 | - | 3.840.192 |
| Multiguna | 1.959.710 | 6.055 | 1.965.765 |
| Kartu kredit | 1.648.993 | 4.594 | 1.653.587 |
| Sindikasi | 140.000 | - | 140.000 |
| Tetap | 38.800 | - | 38.800 |
| Kendaraan bermotor | 18.871 | 5.052 | 23.923 |
| Lain-lain | 6.004.974 | - | 6.004.974 |
| | 45.847.015 | 71.547 | 45.918.562 |
| Mata uang asing | | | |
| Angsuran | 4.272.831 | - | 4.272.831 |
| Promes | 3.621.750 | - | 3.621.750 |
| Investasi | 3.120.583 | 264.566 | 3.385.149 |
| Sindikasi | 497.586 | - | 497.586 |
| Lain-lain | 5.334.974 | - | 5.334.974 |
| | 16.847.724 | 264.566 | 17.112.290 |
| Total | 62.694.739 | 336.113 | 63.030.852 |
| Cadangan kerugian penurunan nilai | (1.030.140) | (2.508) | (1.032.648) |
| Neto | 61.664.599 | 333.605 | 61.998.204 |

10. Loans

1) By type of loan

Rupiah
Overdraft
Investment
Promissory notes
Housing
Installment
Multi-purpose
Credit card
Syndicated
Fixed
Motor vehicles
Others

Foreign currencies
Installment
Promissory notes
Investment
Syndicated
Others

Total

Allowance for impairment losses

Net

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10. Kredit yang Diberikan (lanjutan)

10. Loans (continued)

1) Jenis kredit yang diberikan (lanjutan)

1) By type of loan (continued)

| 31 Desember/31 December 2016 | | | | |
|--------------------------------------|--------------------------------|---|-------------|---------------------------------|
| | Pihak Ketiga/ Third Parties | Pihak Berelasi (Catatan 36)/ Related Parties (Note 36) | Total | |
| Rupiah | | | | Rupiah |
| Rekening koran | 12.010.116 | 5.769 | 12.015.885 | Overdraft |
| Investasi | 10.869.401 | 2.778 | 10.872.179 | Investment |
| Promes | 8.890.210 | - | 8.890.210 | Promissory notes |
| Pemilikan rumah | 4.756.428 | 59.748 | 4.816.176 | Housing |
| Angsuran | 4.135.929 | - | 4.135.929 | Installment |
| Multiguna | 2.093.034 | 7.836 | 2.100.870 | Multi-purpose |
| Kartu kredit | 1.491.015 | 3.820 | 1.494.835 | Credit card |
| Sindikasi | 737.127 | - | 737.127 | Syndicated |
| Tetap | 39.800 | - | 39.800 | Fixed |
| Kendaraan bermotor | 20.514 | 5.116 | 25.630 | Motor vehicles |
| Lain-lain | 4.562.911 | - | 4.562.911 | Others |
| | 49.606.485 | 85.067 | 49.691.552 | |
| Mata uang asing | | | | Foreign currencies |
| Promes | 4.211.860 | - | 4.211.860 | Promissory notes |
| Investasi | 2.242.633 | 284.607 | 2.527.240 | Investment |
| Angsuran | 2.400.952 | - | 2.400.952 | Installment |
| Sindikasi | 1.268.281 | - | 1.268.281 | Syndicated |
| Lain-lain | 5.689.179 | - | 5.689.179 | Others |
| | 15.812.905 | 284.607 | 16.097.512 | |
| Total | 65.419.390 | 369.674 | 65.789.064 | Total |
| Cadangan kerugian penurunan nilai | (1.086.547) | (3.519) | (1.090.066) | Allowance for impairment losses |
| Neto | 64.332.843 | 366.155 | 64.698.998 | Net |

2) Sektor ekonomi

2) By economic sector

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|---|
| Perdagangan besar dan eceran | 16.441.583 | 15.824.643 | Wholesale and retail |
| Industri pengolahan | 16.304.959 | 20.108.402 | Processing industry |
| Rumah tangga | 8.523.094 | 8.694.936 | Household |
| Real estate dan jasa usaha | 4.073.655 | 4.554.721 | Real estate and business service |
| Pertanian, perburuan dan kehutanan | 4.060.070 | 3.072.565 | Agriculture, hunting and forestry |
| Perantara keuangan | 3.361.627 | 1.703.839 | Financial intermediaries |
| Transportasi, pergudangan, dan komunikasi | 3.205.832 | 2.983.740 | Transportation, warehousing, and communication |
| Penyedia akomodasi | 2.613.535 | 3.747.499 | Accommodation provider |
| Konstruksi | 2.393.871 | 3.599.893 | Construction |
| Pertambangan dan penggalian | 1.246.460 | 701.837 | Mining and excavation |
| Listrik, air dan gas | 427.772 | 374.177 | Electricity, water and gas |
| Jasa kemasyarakatan | 160.100 | 209.617 | Social service |
| Jasa kesehatan | 85.677 | 77.853 | Health service |
| Jasa pendidikan | 55.110 | 57.483 | Educational service |
| Perikanan | 48.088 | 55.359 | Fishery |
| Jasa perorangan | 3.160 | 7.094 | Personal service |
| Lainnya | 26.259 | 15.406 | Others |
| Total | 63.030.852 | 65.789.064 | Total |
| Cadangan kerugian penurunan nilai | (1.032.648) | (1.090.066) | Allowance for impairment losses |
| Neto | 61.998.204 | 64.698.998 | Net |

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10. Kredit yang Diberikan (lanjutan)

10. Loans (continued)

3) Jangka waktu

3) By Terms

a. Berdasarkan perjanjian kredit

a. Based on loan agreement

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Rupiah | | | Rupiah |
| ≤ 1 tahun | 10.394.848 | 10.052.825 | ≤ 1 year |
| > 1 tahun ≤ 2 tahun | 13.824.959 | 15.569.044 | > 1 year ≤ 2 years |
| > 2 tahun ≤ 5 tahun | 2.866.427 | 3.446.947 | > 2 years ≤ 5 years |
| > 5 tahun | 18.832.328 | 20.622.736 | > 5 years |
| | 45.918.562 | 49.691.552 | |
| Mata uang asing | | | Foreign currencies |
| ≤ 1 tahun | 7.615.708 | 7.155.689 | ≤ 1 year |
| > 1 tahun ≤ 2 tahun | 1.080.654 | 2.725.649 | > 1 year ≤ 2 years |
| > 2 tahun ≤ 5 tahun | 3.917.797 | 2.276.460 | > 2 years ≤ 5 years |
| > 5 tahun | 4.498.131 | 3.939.714 | > 5 years |
| | 17.112.290 | 16.097.512 | |
| Total | 63.030.852 | 65.789.064 | Total |
| Cadangan kerugian penurunan nilai | (1.032.648) | (1.090.066) | Allowance for impairment losses |
| Neto | 61.998.204 | 64.698.998 | Net |

b. Berdasarkan sisa umur jatuh tempo

b. Based on remaining maturities

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Rupiah | | | Rupiah |
| ≤ 1 tahun | 25.620.228 | 25.946.942 | ≤ 1 year |
| > 1 tahun ≤ 2 tahun | 1.659.538 | 2.754.252 | > 1 year ≤ 2 years |
| > 2 tahun ≤ 5 tahun | 8.085.251 | 8.428.147 | > 2 years ≤ 5 years |
| > 5 tahun | 10.553.545 | 12.562.211 | > 5 years |
| | 45.918.562 | 49.691.552 | |
| Mata uang asing | | | Foreign currencies |
| ≤ 1 tahun | 9.652.193 | 10.016.548 | ≤ 1 year |
| > 1 tahun ≤ 2 tahun | 1.802.781 | 1.455.869 | > 1 year ≤ 2 years |
| > 2 tahun ≤ 5 tahun | 5.137.738 | 4.188.509 | > 2 years ≤ 5 years |
| > 5 tahun | 519.578 | 436.586 | > 5 years |
| | 17.112.290 | 16.097.512 | |
| Total | 63.030.852 | 65.789.064 | Total |
| Cadangan kerugian penurunan nilai | (1.032.648) | (1.090.066) | Allowance for impairment losses |
| Neto | 61.998.204 | 64.698.998 | Net |

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10. Kredit yang Diberikan (lanjutan)

4) Kolektibilitas menurut Peraturan Bank Indonesia

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|-----------------------------------|----------------------------------|----------------------------------|
| Rupiah | | |
| Lancar | 43.724.326 | 45.817.015 |
| Dalam perhatian khusus | 1.572.444 | 1.969.460 |
| Kurang lancar | 161.708 | 232.679 |
| Diragukan | 134.789 | 245.406 |
| Macet | 325.295 | 1.426.992 |
| | 45.918.562 | 49.691.552 |
| Mata uang asing | | |
| Lancar | 16.159.177 | 15.606.393 |
| Dalam perhatian khusus | 890.338 | 264.927 |
| Kurang lancar | 55.313 | 114.516 |
| Diragukan | - | - |
| Macet | 7.462 | 111.676 |
| | 17.112.290 | 16.097.512 |
| Total | 63.030.852 | 65.789.064 |
| Cadangan kerugian penurunan nilai | (1.032.648) | (1.090.066) |
| Neto | 61.998.204 | 64.698.998 |

Pada tanggal 27 Desember 2017, Bank melakukan penjualan kredit yang diberikan dengan Junipa Pte., Ltd., (pihak berelasi). Nilai bersih yang diperoleh oleh Bank atas penjualan kredit yang diberikan sebesar Rp1.974.620 dan USD41.041.102 (nilai penuh). Pengalihan atas hak-hak yang dialihkan berlaku efektif pada tanggal efektif transaksi.

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan:

- 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 Rp272.486 dan Rp181.104 masing-masing pada tanggal 31 Desember 2017 dan 2016, digunakan sebagai jaminan atas kredit yang diberikan dan fasilitas bank lainnya (Catatan 16).

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 | |

On 27 December 2017, the Bank sold loans to Junipa Pte., Ltd., (related party). The net proceeds obtained by the Bank from the sale of loans amounted to Rp1,974,620 and USD41,041,102 (full amount). The transfer of the assigned rights was effective from the effective date of the transaction.

The other significant informations relating to loans are as follows:

- 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 amounted to Rp272,486 and Rp181,104 as of 31 December 2017 and 2016, respectively, are pledged as collateral for loans and other bank facilities (Note 16).

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- Tabungan sejumlah Rp191.046 dan Rp170.982 masing-masing pada tanggal 31 Desember 2017 dan 2016, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 17).
- Deposito berjangka sejumlah Rp4.596.159 dan Rp4.644.031 masing-masing pada tanggal 31 Desember 2017 dan 2016, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 18).
- Suku bunga kontraktual rata-rata untuk kredit adalah sebagai berikut:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | |
|-----------------|--|--------|
| | 2017 | 2016 |
| Rupiah | 10,73% | 11,68% |
| Mata uang asing | 3,91% | 4,42% |

- 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 Rp302.221 dan Rp308.011 pada tanggal 31 Desember 2017 dan 2016.
- Pada tanggal 31 Desember 2017 dan 2016, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp2.666.330 dan Rp3.575.817, dengan cadangan kerugian penurunan nilai yang dibentuk masing-masing sebesar Rp233.399 dan Rp265.306. 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.

10. Loans (continued)

The other significant informations relating to loans are as follows: (continued)

- Saving deposits amounted to Rp191,046 and Rp170,982 as of 31 December 2017 and 2016, respectively, are pledged as collateral for loans (Note 17).
- Time deposits amounted to Rp4,596,159 and Rp4,644,031 as of 31 December 2017 and 2016, respectively, are pledged as collateral for loans (Note 18).
- The average contractual interest rate for loans are as follows:

- 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 Rp302,221 and Rp308,011 as of 31 December 2017 and 2016, respectively.
- As of 31 December 2017 and 2016, total restructured loans amounting to Rp2,666,330 and Rp3,575,817, respectively, are provided with allowance for impairment losses of Rp233,399 and Rp265,306, 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.

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya
sehubungan dengan kredit yang diberikan:
(lanjutan)

Restrukturisasi kredit berdasarkan jenis kredit
yang diberikan:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--------------------------------------|----------------------------------|----------------------------------|
| Rupiah | | |
| Investasi | 1.342.259 | 2.026.831 |
| Angsuran | 261.715 | 614.385 |
| Rekening koran | 61.942 | 125.126 |
| Pemilikan rumah | 16.154 | 10.832 |
| Promes | 10.715 | 164.300 |
| Multiguna | 9.049 | 3.933 |
| Kartu kredit | 5.389 | 2.339 |
| | 1.707.223 | 2.947.746 |
| Mata uang asing | | |
| Angsuran | 895.599 | 14.744 |
| Investasi | 42.305 | 544.558 |
| Promes | 1.015 | - |
| Lain-lain | 20.188 | 68.769 |
| | 959.107 | 628.071 |
| Total | 2.666.330 | 3.575.817 |
| Cadangan kerugian penurunan nilai | (233.399) | (265.306) |
| Neto | 2.432.931 | 3.310.511 |

Restrukturisasi kredit berdasarkan
kolektibilitas menurut Peraturan Bank
Indonesia:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--------------------------------------|----------------------------------|----------------------------------|
| Rupiah | | |
| Lancar | 1.389.356 | 1.746.672 |
| Dalam perhatian khusus | 169.954 | 719.731 |
| Kurang lancar | 28.333 | 141.365 |
| Diragukan | 12.858 | 19.403 |
| Macet | 106.722 | 320.575 |
| | 1.707.223 | 2.947.746 |
| Mata uang asing | | |
| Lancar | 61.210 | 406.848 |
| Dalam perhatian khusus | 878.042 | 77.279 |
| Kurang lancar | 19.855 | 114.516 |
| Diragukan | - | - |
| Macet | - | 29.428 |
| | 959.107 | 628.071 |
| Total | 2.666.330 | 3.575.817 |
| Cadangan kerugian penurunan nilai | (233.399) | (265.306) |
| Neto | 2.432.931 | 3.310.511 |

10. Loans (continued)

The other significant informations relating to loans
are as follows: (continued)

Restructured loan by type of loan:

| |
|--------------------|
| Rupiah |
| Investment |
| Installment |
| Overdraft |
| Housing |
| Promissory notes |
| Multi-purpose |
| Credit card |
| Foreign currencies |
| Installment |
| Investment |
| Promissory notes |
| Others |
| Total |

Allowance for impairment losses

Net

Restructured loan by collectibility based on
Bank Indonesia Regulation:

| |
|--------------------|
| Rupiah |
| Current |
| Special mention |
| Sub-standard |
| Doubtful |
| Loss |
| Foreign currencies |
| Current |
| Special mention |
| Sub-standard |
| Doubtful |
| Loss |

Allowance for impairment losses

Net

10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya
sehubungan dengan kredit yang diberikan:
(lanjutan)

h. Kredit bermasalah (kredit *non-*
performing/NPL) pada tanggal 31 Desember
2017 dan 2016 masing-masing sebesar
Rp684.567 dan Rp2.131.269.

Rasio NPL kotor (*NPL Gross*) pada tanggal
31 Desember 2017 dan 2016 masing-masing
sebesar 1,09% dan 3,24% dari total kredit,
sedangkan rasio NPL neto (*NPL Net*) masing-
masing sebesar 0,93% dan 2,61% 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 2017 | 31 Desember/ 31 December 2016 |
|--|----------------------------------|----------------------------------|
| Saldo awal tahun | 1.090.066 | 782.028 |
| Penyisihan selama tahun berjalan | 1.259.503 | 944.098 |
| Penerimaan kembali kredit yang telah dihapusbukukan | 108.179 | 35.145 |
| Penghapusbukuan selama tahun berjalan | (774.460) | (667.076) |
| Selisih kurs penjabaran | (1.674) | (4.129) |
| Penyelesaian cadangan kerugian terkait penjualan kredit yang diberikan | (648.966) | - |
| Saldo akhir tahun | 1.032.648 | 1.090.066 |

Penyisihan kerugian penurunan nilai untuk
kredit yang diberikan untuk kelompok
individual dan kolektif adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--------------------------|----------------------------------|----------------------------------|
| Individual | 68.850 | 379.087 |
| Kolektif | 963.798 | 710.979 |
| Saldo akhir tahun | 1.032.648 | 1.090.066 |

Manajemen Bank berkeyakinan bahwa jumlah
cadangan penurunan nilai adalah cukup untuk
menutup kemungkinan kerugian atas tidak
tertagihnya kredit yang diberikan.

10. Loans (continued)

The other significant information relating to loans
are as follows: (continued)

h. *Non-Performing Loans (NPL)* amounted to
Rp684,567 and Rp2,131,269 as of
31 December 2017 and 2016, respectively.

*Gross NPL ratio as of 31 December 2017 and
2016 represents 1.09% and 3.24% of the total
loans, respectively, and net NPL ratio
represents 0.93% and 2.61% of the total loans,
respectively. Net NPL ratio is calculated in
accordance with Bank Indonesia Regulation.
Based on Bank Indonesia Regulation
No. 15/2/PBI/2013 dated 20 May 2013, the
maximum net NPL ratio is 5% of a Bank's total
loans.*

i. *The changes in the allowance for impairment
losses of loans are as follows:*

| |
|--|
| <i>Beginning balance</i> |
| <i>Provision during the year</i> |
| <i>Recovery of loans previously written-off</i> |
| <i>Loans written-off during the year</i> |
| <i>Foreign exchange translation</i> |
| <i>Settlement of allowance related to loans sold</i> |
| <i>Ending balance</i> |

*Allowance for impairment losses of loans for
individual and collective are as follows:*

| |
|------------------------------|
| <i>Individual</i> |
| <i>Collective</i> |
| <i>Ending balance</i> |

*The Bank's management believes that the
allowance for impairment losses of loans is
adequate to cover any possible losses on
uncollectible loans.*

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- j. Keikutsertaan Bank sebagai anggota sindikasi terhadap jumlah seluruh kredit sindikasi yang diberikan berkisar antara 5,56% sampai dengan 28,60% untuk tahun 2017 dan 5,56% sampai dengan 20,00% untuk tahun 2016.
- k. Rasio kredit usaha kecil terhadap jumlah kredit yang diberikan adalah 0,37% pada tahun 2017 dan 0,38% pada tahun 2016.
- l. Pada tanggal 31 Desember 2017 dan 2016, Bank menilai penurunan nilai secara individual untuk kategori kredit *non-performing/NPL* dan debitur non NPL dengan nilai baki debet di atas Rp20.000 dan *fully secured*, kecuali kartu kredit.
- m. Pada tanggal 31 Desember 2017 dan 2016, Bank telah mematuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik terhadap pihak-pihak berelasi maupun kepada pihak yang tidak berelasi.

11. Tagihan atas Surat Berharga yang Dibeli dengan Janji Dijual Kembali

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2017, terdiri dari:

| Nasabah/ Counterparty | Jenis Obligasi Pemerintah/ Type of Government Bonds | Nilai Nominal/ Nominal Amount | Tanggal Dimulai/ Start Date | Jatuh Tempo/ Due Date | Nilai Penjualan Kembali/ Resale Amount | Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest | Nilai Tercatat/ Carrying Value |
|--------------------------------------|--|--|--------------------------------|-----------------------------|--|---|---|
| Bank Indonesia/ Bank of Indonesia | FR0052 | 300.000 | 27 Des 2017/ 27 Dec 2017 | 24 Jan 2018/ 24 Jan 2018 | 383.704 | 1.362 | 382.342 |
| Bank Indonesia/ Bank of Indonesia | FR0052 | 200.000 | 27 Des 2017/ 27 Dec 2017 | 24 Jan 2018/ 24 Jan 2018 | 255.805 | 910 | 254.895 |
| Bank Indonesia/ Bank of Indonesia | SPN | 194.246 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 175.849 | 303 | 175.546 |
| Bank Indonesia/ Bank of Indonesia | FR0036 | 105.754 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 114.316 | 197 | 114.119 |
| Bank Indonesia/ Bank of Indonesia | FR0046 | 76.978 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 88.419 | 153 | 88.266 |
| | | 876.978 | | | 1.018.093 | 2.925 | 1.015.168 |

Suku bunga efektif untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembali berkisar antara 4,44% - 4,59%.

10. Loans (continued)

The other significant information relating to loans are as follows: (continued)

- j. The participation of the Bank as a member of a syndicated loans in the total syndicated loans ranged from 5.56% to 28.60% for 2017 and 5.56% to 20.00% for 2016.
- k. The ratio of loans to small businesses to the total loans is 0.37% in 2017 and 0.38% in 2016.
- l. As of 31 December 2017 and 2016, the Bank assessed the individual impairment for credit non-performing/NPL category and non NPL debtor with outstanding amount above Rp20,000 and fully secured, except for credit card.
- m. As of 31 December 2017 and 2016, the Bank is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

11. Receivables on Securities Purchased with Agreements to Resell

Receivables on securities purchased with agreements to resell as of 31 December 2017 consists of:

| Nasabah/ Counterparty | Jenis Obligasi Pemerintah/ Type of Government Bonds | Nilai Nominal/ Nominal Amount | Tanggal Dimulai/ Start Date | Jatuh Tempo/ Due Date | Nilai Penjualan Kembali/ Resale Amount | Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest | Nilai Tercatat/ Carrying Value |
|--------------------------------------|--|--|--------------------------------|-----------------------------|--|---|---|
| Bank Indonesia/ Bank of Indonesia | FR0052 | 300.000 | 27 Des 2017/ 27 Dec 2017 | 24 Jan 2018/ 24 Jan 2018 | 383.704 | 1.362 | 382.342 |
| Bank Indonesia/ Bank of Indonesia | FR0052 | 200.000 | 27 Des 2017/ 27 Dec 2017 | 24 Jan 2018/ 24 Jan 2018 | 255.805 | 910 | 254.895 |
| Bank Indonesia/ Bank of Indonesia | SPN | 194.246 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 175.849 | 303 | 175.546 |
| Bank Indonesia/ Bank of Indonesia | FR0036 | 105.754 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 114.316 | 197 | 114.119 |
| Bank Indonesia/ Bank of Indonesia | FR0046 | 76.978 | 27 Des 2017/ 27 Dec 2017 | 10 Jan 2018/ 10 Jan 2018 | 88.419 | 153 | 88.266 |
| | | 876.978 | | | 1.018.093 | 2.925 | 1.015.168 |

The effective interest rate for receivables on securities purchased with agreements to resell ranged between 4.44% - 4.59%.

11. Tagihan atas Surat Berharga yang Dibeli dengan Janji Dijual Kembali (lanjutan)

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2016, terdiri dari:

| Nasabah/ Counterparty | Jenis Obligasi Pemerintah/ Type of Government Bonds | Nilai Nominal/ Nominal Amount | Tanggal Dimulai/ Start Date | Jatuh Tempo/ Due Date | Nilai Penjualan Kembali/ Resale Amount | Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest | Nilai Tercatat/ Carrying Value |
|--------------------------------------|--|--|--------------------------------|---------------------------|--|---|---|
| Bank Indonesia/ Bank of Indonesia | FR0069 | 500.000 | 27 Des 2016/ 27 Dec 2016 | 3 Jan 2017/ 3 Jan 2017 | 486.530 | 448 | 486.082 |
| Bank Indonesia/ Bank of Indonesia | SPN | 500.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 472.626 | 436 | 472.190 |
| Bank Indonesia/ Bank of Indonesia | SPN | 500.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 472.626 | 436 | 472.190 |
| Bank Indonesia/ Bank of Indonesia | SPN | 400.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 378.101 | 349 | 377.752 |
| Bank Indonesia/ Bank of Indonesia | SPN | 100.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 94.092 | 87 | 94.005 |
| | | 2.000.000 | | | 1.903.975 | 1.756 | 1.902.219 |

Suku bunga efektif untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembali adalah 4,75%.

11. Receivables on Securities Purchased with Agreements to Resell (continued)

Receivables on securities purchased with agreements to resell as of 31 December 2016 consists of:

| Nasabah/ Counterparty | Jenis Obligasi Pemerintah/ Type of Government Bonds | Nilai Nominal/ Nominal Amount | Tanggal Dimulai/ Start Date | Jatuh Tempo/ Due Date | Nilai Penjualan Kembali/ Resale Amount | Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest | Nilai Tercatat/ Carrying Value |
|--------------------------------------|--|--|--------------------------------|---------------------------|--|---|---|
| Bank Indonesia/ Bank of Indonesia | FR0069 | 500.000 | 27 Des 2016/ 27 Dec 2016 | 3 Jan 2017/ 3 Jan 2017 | 486.530 | 448 | 486.082 |
| Bank Indonesia/ Bank of Indonesia | SPN | 500.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 472.626 | 436 | 472.190 |
| Bank Indonesia/ Bank of Indonesia | SPN | 500.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 472.626 | 436 | 472.190 |
| Bank Indonesia/ Bank of Indonesia | SPN | 400.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 378.101 | 349 | 377.752 |
| Bank Indonesia/ Bank of Indonesia | SPN | 100.000 | 28 Des 2016/ 28 Dec 2016 | 4 Jan 2017/ 4 Jan 2017 | 94.092 | 87 | 94.005 |
| | | 2.000.000 | | | 1.903.975 | 1.756 | 1.902.219 |

The effective interest rate for receivables on securities purchased with agreements to resell is 4.75%.

12. Tagihan dan Liabilitas Akseptasi

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan:

1. Berdasarkan mata uang

a. Tagihan Akseptasi

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|-----------------------------------|----------------------------------|----------------------------------|
| Dolar Amerika Serikat | 1.407.078 | 1.332.591 |
| Rupiah | 235.188 | 256.552 |
| Euro Eropa | 162.667 | 95.950 |
| Yen Jepang | 35.209 | 78.384 |
| Dolar Singapura | 2.931 | 7.211 |
| Yuan China | 355 | - |
| Total | 1.843.428 | 1.770.688 |
| Cadangan kerugian penurunan nilai | (17.378) | (21.751) |
| Neto | 1.826.050 | 1.748.937 |

12. Acceptances Receivable and Payable

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows:

1. Based on type of currency

a. Acceptances Receivable

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---------------------------------|----------------------------------|----------------------------------|
| United States Dollar | 1.407.078 | 1.332.591 |
| Rupiah | 235.188 | 256.552 |
| European Euro | 162.667 | 95.950 |
| Japanese Yen | 35.209 | 78.384 |
| Singapore Dollar | 2.931 | 7.211 |
| Chinese Yuan | 355 | - |
| Total | 1.843.428 | 1.770.688 |
| Allowance for impairment losses | (17.378) | (21.751) |
| Net | 1.826.050 | 1.748.937 |

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12. Tagihan dan Liabilitas Akseptasi (lanjutan)

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan: (lanjutan)

1. Berdasarkan mata uang (lanjutan)

b. Liabilitas Akseptasi

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|-----------------------|----------------------------------|----------------------------------|----------------------|
| Dolar Amerika Serikat | 1.407.078 | 1.332.591 | United States Dollar |
| Rupiah | 235.188 | 256.552 | Rupiah |
| Euro Eropa | 162.667 | 95.950 | European Euro |
| Yen Jepang | 35.209 | 78.384 | Japanese Yen |
| Dolar Singapura | 2.931 | 7.211 | Singapore Dollar |
| Yuan China | 355 | - | Chinese Yuan |
| Total | 1.843.428 | 1.770.688 | Total |

2. Berdasarkan jangka waktu

a. Tagihan Akseptasi

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Rupiah | | | Rupiah |
| ≤ 1 bulan | 134 | 12.827 | ≤ 1 month |
| > 1 bulan ≤ 3 bulan | 88.407 | 60.914 | > 1 month ≤ 3 months |
| > 3 bulan ≤ 6 bulan | 123.980 | 182.811 | > 3 months ≤ 6 months |
| > 6 bulan | 22.667 | - | > 6 months |
| | 235.188 | 256.552 | |
| Mata uang asing | | | Foreign currencies |
| ≤ 1 bulan | 30.203 | 28.247 | ≤ 1 month |
| > 1 bulan ≤ 3 bulan | 89.791 | 254.731 | > 1 month ≤ 3 months |
| > 3 bulan ≤ 6 bulan | 1.270.497 | 1.061.190 | > 3 months ≤ 6 months |
| > 6 bulan | 217.749 | 169.968 | > 6 months |
| | 1.608.240 | 1.514.136 | |
| Total | 1.843.428 | 1.770.688 | Total |
| Cadangan kerugian penurunan nilai | (17.378) | (21.751) | Allowance for impairment losses |
| Neto | 1.826.050 | 1.748.937 | Net |

b. Liabilitas Akseptasi

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---------------------|----------------------------------|----------------------------------|-----------------------|
| Rupiah | | | Rupiah |
| ≤ 1 bulan | 134 | 12.827 | ≤ 1 month |
| > 1 bulan ≤ 3 bulan | 88.407 | 60.914 | > 1 month ≤ 3 months |
| > 3 bulan ≤ 6 bulan | 123.980 | 182.811 | > 3 months ≤ 6 months |
| > 6 bulan | 22.667 | - | > 6 months |
| | 235.188 | 256.552 | |

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12. Tagihan dan Liabilitas Akseptasi (lanjutan)

Tagihan dan liabilitas akseptasi merupakan akseptasi wesel impor atas dasar *letters of credit* berjangka yang berasal dari nasabah pihak ketiga dengan rincian berdasarkan: (lanjutan)

2. Berdasarkan jangka waktu (lanjutan)

b. Liabilitas Akseptasi (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---------------------|----------------------------------|----------------------------------|-----------------------|
| Mata uang asing | | | Foreign currencies |
| ≤ 1 bulan | 30.203 | 28.247 | ≤ 1 month |
| > 1 bulan ≤ 3 bulan | 89.791 | 254.731 | > 1 month ≤ 3 months |
| > 3 bulan ≤ 6 bulan | 1.270.497 | 1.061.190 | > 3 months ≤ 6 months |
| > 6 bulan | 217.749 | 169.968 | > 6 months |
| | 1.608.240 | 1.514.136 | |
| Total | 1.843.428 | 1.770.688 | Total |

Ikhtisar perubahan cadangan penurunan nilai tagihan akseptasi adalah sebagai berikut:

The changes in the allowance for impairment losses on acceptances receivable are as follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|---|
| Saldo awal tahun | 21.751 | 30.461 | Beginning balance |
| Pemulihan cadangan kerugian penurunan nilai | (4.841) | (8.419) | Reversal of allowance for impairment losses |
| Selisih kurs penjabaran | 468 | (291) | Foreign exchange translation |
| Saldo akhir tahun | 17.378 | 21.751 | Ending balance |

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai yang dibentuk pada tanggal 31 Desember 2017 dan 2016, adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya tagihan akseptasi.

The Bank's management believes that the allowance for impairment losses as of 31 December 2017 and 2016, is adequate to cover any possible losses on uncollectible acceptances receivable.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2017 dan 2016, tagihan akseptasi digolongkan lancar.

The Bank's management believes that as of 31 December 2017 and 2016, acceptances receivable are classified as current.

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13. Aset Tetap

Akun ini terdiri dari:

| 31 Desember 2017 | Saldo Awal/ Beginning Balance | Perubahan Selama Satu Tahun/ Changes During the Year | | Saldo Akhir/ Ending Balance | 31 December 2017 |
|------------------------------|-------------------------------------|---|---|-----------------------------------|------------------------------------|
| | | Penambahan dan Reklasifikasi/ Additions and Reclassification | Pengurangan dan Reklasifikasi/ Deductions and Reclassification | | |
| Biaya Perolehan | | | | | Cost |
| Tanah | 144.545 | - | - | 144.545 | Land |
| Bangunan | 561.057 | - | - | 561.057 | Buildings |
| Prasarana & Peralatan Kantor | 1.304.358 | 135.271 | 12.652 | 1.426.977 | Infrastructure & Office Equipments |
| Kendaraan | 12.031 | - | 1.531 | 10.500 | Vehicles |
| Aset dalam penyelesaian | 27.226 | 23.300 | 12.584 | 37.942 | Construction in progress |
| Total biaya perolehan | 2.049.217 | 158.571 | 26.767 | 2.181.021 | Total cost |
| Akumulasi Penyusutan | | | | | Accumulated Depreciation |
| Bangunan | 250.233 | 27.860 | - | 278.093 | Buildings |
| Prasarana & Peralatan Kantor | 694.293 | 146.684 | 11.242 | 829.735 | Infrastructure & Office Equipments |
| Kendaraan | 11.375 | 468 | 1.524 | 10.319 | Vehicles |
| Total akumulasi penyusutan | 955.901 | 175.012 | 12.766 | 1.118.147 | Total accumulated depreciation |
| Nilai Buku | 1.093.316 | | | 1.062.874 | Net Book Value |

| 31 Desember 2016 | Saldo Awal/ Beginning Balance | Perubahan Selama Satu Tahun/ Changes During the Year | | Saldo Akhir/ Ending Balance | 31 December 2016 |
|------------------------------|-------------------------------------|---|---|-----------------------------------|------------------------------------|
| | | Penambahan dan Reklasifikasi/ Additions and Reclassification | Pengurangan dan Reklasifikasi/ Deductions and Reclassification | | |
| Biaya Perolehan | | | | | Cost |
| Tanah | 148.720 | - | 4.175 | 144.545 | Land |
| Bangunan | 565.018 | - | 3.961 | 561.057 | Buildings |
| Prasarana & Peralatan Kantor | 1.108.756 | 208.272 | 12.670 | 1.304.358 | Infrastructure & Office Equipments |
| Kendaraan | 14.364 | - | 2.333 | 12.031 | Vehicles |
| Aset dalam penyelesaian | 105.770 | 66.519 | 145.063 | 27.226 | Construction in progress |
| Total biaya perolehan | 1.942.628 | 274.791 | 168.202 | 2.049.217 | Total cost |
| Akumulasi Penyusutan | | | | | Accumulated Depreciation |
| Bangunan | 225.000 | 28.035 | 2.802 | 250.233 | Buildings |
| Prasarana & Peralatan Kantor | 569.702 | 136.794 | 12.203 | 694.293 | Infrastructure & Office Equipments |
| Kendaraan | 12.610 | 1.003 | 2.238 | 11.375 | Vehicles |
| Total akumulasi penyusutan | 807.312 | 165.832 | 17.243 | 955.901 | Total accumulated depreciation |
| Nilai Buku | 1.135.316 | | | 1.093.316 | Net Book Value |

Rincian aset dalam penyelesaian beserta
persentase penyelesaian terhadap nilai kontrak
adalah sebagai berikut:

| 31 December/31 December 2017 | | | Infrastructure Office Equipment |
|--|--|--|------------------------------------|
| Persentase penyelesaian/ Percentage of completion | Akumulasi Biaya/ Accumulated Cost | Estimasi penyelesaian/ Estimated completion | |
| Prasarana | 94% | 17.084 | 2018 |
| Peralatan kantor | 53% | 20.858 | 2018 |
| | 37.942 | | |

13. Fixed Assets

This account consists of:

| 31 Desember 2017 | Saldo Awal/ Beginning Balance | Perubahan Selama Satu Tahun/ Changes During the Year | | Saldo Akhir/ Ending Balance | 31 December 2017 |
|------------------------------|-------------------------------------|---|---|-----------------------------------|------------------------------------|
| | | Penambahan dan Reklasifikasi/ Additions and Reclassification | Pengurangan dan Reklasifikasi/ Deductions and Reclassification | | |
| Biaya Perolehan | | | | | Cost |
| Tanah | 144.545 | - | - | 144.545 | Land |
| Bangunan | 561.057 | - | - | 561.057 | Buildings |
| Prasarana & Peralatan Kantor | 1.304.358 | 135.271 | 12.652 | 1.426.977 | Infrastructure & Office Equipments |
| Kendaraan | 12.031 | - | 1.531 | 10.500 | Vehicles |
| Aset dalam penyelesaian | 27.226 | 23.300 | 12.584 | 37.942 | Construction in progress |
| Total biaya perolehan | 2.049.217 | 158.571 | 26.767 | 2.181.021 | Total cost |
| Akumulasi Penyusutan | | | | | Accumulated Depreciation |
| Bangunan | 250.233 | 27.860 | - | 278.093 | Buildings |
| Prasarana & Peralatan Kantor | 694.293 | 146.684 | 11.242 | 829.735 | Infrastructure & Office Equipments |
| Kendaraan | 11.375 | 468 | 1.524 | 10.319 | Vehicles |
| Total akumulasi penyusutan | 955.901 | 175.012 | 12.766 | 1.118.147 | Total accumulated depreciation |
| Nilai Buku | 1.093.316 | | | 1.062.874 | Net Book Value |

| 31 Desember 2016 | Saldo Awal/ Beginning Balance | Perubahan Selama Satu Tahun/ Changes During the Year | | Saldo Akhir/ Ending Balance | 31 December 2016 |
|------------------------------|-------------------------------------|---|---|-----------------------------------|------------------------------------|
| | | Penambahan dan Reklasifikasi/ Additions and Reclassification | Pengurangan dan Reklasifikasi/ Deductions and Reclassification | | |
| Biaya Perolehan | | | | | Cost |
| Tanah | 148.720 | - | 4.175 | 144.545 | Land |
| Bangunan | 565.018 | - | 3.961 | 561.057 | Buildings |
| Prasarana & Peralatan Kantor | 1.108.756 | 208.272 | 12.670 | 1.304.358 | Infrastructure & Office Equipments |
| Kendaraan | 14.364 | - | 2.333 | 12.031 | Vehicles |
| Aset dalam penyelesaian | 105.770 | 66.519 | 145.063 | 27.226 | Construction in progress |
| Total biaya perolehan | 1.942.628 | 274.791 | 168.202 | 2.049.217 | Total cost |
| Akumulasi Penyusutan | | | | | Accumulated Depreciation |
| Bangunan | 225.000 | 28.035 | 2.802 | 250.233 | Buildings |
| Prasarana & Peralatan Kantor | 569.702 | 136.794 | 12.203 | 694.293 | Infrastructure & Office Equipments |
| Kendaraan | 12.610 | 1.003 | 2.238 | 11.375 | Vehicles |
| Total akumulasi penyusutan | 807.312 | 165.832 | 17.243 | 955.901 | Total accumulated depreciation |
| Nilai Buku | 1.135.316 | | | 1.093.316 | Net Book Value |

The details of the construction in progress with the
percentage of completion of the contract values are
as follows:

| 31 December/31 December 2017 | | | Infrastructure Office Equipment |
|--|--|--|------------------------------------|
| Persentase penyelesaian/ Percentage of completion | Akumulasi Biaya/ Accumulated Cost | Estimasi penyelesaian/ Estimated completion | |
| Prasarana | 94% | 17.084 | 2018 |
| Peralatan kantor | 53% | 20.858 | 2018 |
| | 37.942 | | |

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13. Aset Tetap (lanjutan)

Rincian aset dalam penyelesaian beserta
persentase penyelesaian terhadap nilai kontrak
adalah sebagai berikut: (lanjutan)

| 31 December/31 December 2016 | | | Infrastructure Office Equipment |
|--|--|--|------------------------------------|
| Persentase penyelesaian/ Percentage of completion | Akumulasi Biaya/ Accumulated Cost | Estimasi penyelesaian/ Estimated completion | |
| Prasarana | 57% | 590 | 2017 |
| Peralatan kantor | 37% | 26.636 | 2017 |
| | 27.226 | | |

Seluruh aset tetap yang dimiliki oleh Bank berasal
dari kepemilikan langsung.

All fixed assets owned by the Bank are from direct
ownership.

Nilai tercatat bruto dari aset tetap yang telah
disusutkan penuh dan masih digunakan adalah
sebagai berikut (tidak diaudit):

Gross carrying amount of fixed assets which were
fully depreciated and still used are as follows
(unaudited):

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|------------------------|----------------------------------|----------------------------------|------------------------------|
| Bangunan dan prasarana | 3.217 | 3.217 | Buildings and infrastructure |
| Peralatan kantor | 348.067 | 334.626 | Office equipments |
| Kendaraan | 9.588 | 7.630 | Vehicles |
| Total | 360.872 | 345.473 | Total |

Rekonsiliasi penambahan aset tetap yang berasal
dari pembelian dan reklasifikasi adalah sebagai
berikut:

Reconciliation of addition to fixed assets which
comes from purchase and reclassification are as
follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|---|
| Penambahan melalui pembelian aset tetap | 145.987 | 129.728 | Addition through purchase of fixed assets |
| Penambahan aset tetap melalui reklasifikasi aset dalam penyelesaian | 12.584 | 145.063 | Addition of fixed assets through reclassification construction in progress |
| Total | 158.571 | 274.791 | Total |

Rekonsiliasi pengurangan aset tetap yang berasal
dari penjualan dan reklasifikasi adalah sebagai
berikut:

Reconciliation of deduction to fixed assets which
comes from disposal and reclassification are as
follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|---|
| Pengurangan melalui penjualan aset tetap | 3.499 | 4.813 | Deduction through sale of fixed assets |
| Penghapusan aset tetap | 10.684 | 12.015 | Write-off of fixed assets |
| Pengurangan aset dalam penyelesaian melalui reklasifikasi aset tetap | 12.584 | 145.063 | Deduction of construction in progress through reclassification |
| Reklasifikasi ke properti terbengkalai | - | 6.311 | Reclassification to abandoned property |
| Total | 26.767 | 168.202 | Total |

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13. Aset Tetap (lanjutan)

Penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain masing-masing sebesar Rp175.012 dan Rp165.832 untuk tahun yang berakhir pada 31 Desember 2017 dan 2016 (Catatan 30).

Manajemen juga berpendapat bahwa tidak terdapat penurunan nilai atas aset tetap tersebut yang harus dicatat pada tanggal-tanggal 31 Desember 2017 dan 2016.

Pada tanggal 31 Desember 2017, 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 FPG Indonesia dan PT Asuransi Umum Mega dengan nilai pertanggungan sebesar Rp929.870, USD24.814.461 (nilai penuh) dan SGD435.402 (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 Rp588 dan Rp17.211 untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016.

Nilai buku aset tetap yang dijual adalah masing-masing sebesar Rp1.417 dan Rp1.648 untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016.

Keuntungan (kerugian) atas penjualan aset tetap masing-masing sebesar (Rp829) dan Rp15.563 untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, dibukukan sebagai bagian dari "Pendapatan non-operasional - keuntungan penjualan aset tetap, properti terbengkalai dan agunan yang diambil alih - neto" selama tahun berjalan.

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13. Fixed Assets (continued)

Depreciation charged to statement of profit or loss and other comprehensive income amounted to Rp175,012 and Rp165,832 for the years ended 31 December 2017 and 2016, respectively (Note 30).

Management believes that there is no impairment that should be recorded in value of the aforementioned fixed assets as of 31 December 2017 and 2016.

As of 31 December 2017, 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 FPG Indonesia dan PT Asuransi Umum Mega with sum insured amounting to Rp929,870, USD24,814,461 (full amount) and SGD435,402 (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 Rp588 and Rp17,211 for the years ended 31 December 2017 and 2016, respectively.

Book value from the sale of fixed assets amounted to Rp1,417 and Rp1,648 for the years ended 31 December 2017 and 2016, respectively.

The related gain (loss) on sales of fixed assets of (Rp829) and Rp15,563 for the years ended 31 December 2017 and 2016, respectively, are presented as part of "Non-operating income - gain on sale of fixed assets, abandoned property and foreclosed assets - net" during the year.

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14. Aset Lain-lain

Akun ini terdiri dari:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|--|
| Piutang bunga | 315.161 | 292.690 | Interest receivables |
| Biaya dibayar dimuka | 99.585 | 120.515 | Prepaid expenses |
| ATM bersama | 45.318 | 32.373 | Shared ATM |
| Agunan yang diambil alih (setelah dikurangi cadangan penurunan nilai masing-masing sebesar Rp8.940 dan Rp9.900 pada tanggal 31 Desember 2017 dan 2016) | 36.757 | 41.693 | Foreclosed assets (net of allowance for decline in value of Rp8,940 and Rp9,900 as of 31 December 2017 and 2016, respectively) |
| Uang muka | 12.680 | 2.998 | Advances |
| Setoran jaminan | 10.287 | 10.960 | Security deposits |
| Properti terbengkalai | 8.560 | 9.583 | Abandoned property |
| Klaim pengembalian pajak | - | 169.439 | Claim for tax refund |
| Lain-lain | 163.368 | 134.959 | Others |
| Neto | 691.716 | 815.210 | Net |

Ikhtisar perubahan cadangan kerugian penurunan nilai agunan yang diambil alih adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|--|
| Saldo awal tahun | 9.900 | 9.662 | Beginning balance |
| (Pemulihan) pembentukan cadangan kerugian penurunan nilai | (960) | 238 | (Reversal of) provision for allowance for impairment losses |
| Saldo akhir tahun | 8.940 | 9.900 | Ending balance |

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai atas agunan yang diambil alih telah memadai dan nilai tercatat agunan yang diambil alih tersebut merupakan nilai bersih yang dapat direalisasi.

14. Other Assets

This account consists of:

The changes in the allowance for the decline in value of foreclosed assets are as follows:

The Bank's management believes that the allowance for the decline in value of foreclosed assets is adequate and the carrying value of foreclosed assets is stated at net realizable value.

15. Liabilitas Segera

Akun ini adalah sebesar Rp149.371 dan Rp101.348 masing-masing pada tanggal 31 Desember 2017 dan 2016 terdiri dari kiriman uang/wesel akan dibayar, titipan dana nasabah, transaksi kliring/transfer yang belum diselesaikan dan liabilitas-liabilitas jangka pendek lainnya.

15. Current Liabilities

This account amounting to Rp149,371 and Rp101,348 as of 31 December 2017 and 2016 respectively, represent cash remittances/draft payables, customers' funds, unsettled clearing/transfer transactions and other short-term liabilities.

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16. Giro

Akun ini terdiri dari:

16. Demand Deposits

This account consists of:

| 31 Desember/31 December 2017 | | | | Third parties Related parties (Note 36) |
|------------------------------|-------------------|--|-------------------|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | |
| Pihak ketiga | 10.824.372 | 396.552 | 11.220.924 | |
| Pihak berelasi (Catatan 36) | 36.937 | 96 | 37.033 | |
| Total | 10.861.309 | 396.648 | 11.257.957 | Total |
| 31 Desember/31 December 2016 | | | | Third parties Related parties (Note 36) |
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | |
| Pihak ketiga | 8.996.783 | 472.506 | 9.469.289 | |
| Pihak berelasi (Catatan 36) | 18.816 | 96 | 18.912 | |
| Total | 9.015.599 | 472.602 | 9.488.201 | Total |

Giro dalam mata uang asing terdiri dari Dolar Singapura, Dolar Amerika Serikat dan Yuan China Renminbi.

Foreign currency demand deposits consist of Singapore Dollar, United States Dollar and Chinese Yuan Renminbi.

Suku bunga rata-rata untuk giro adalah sebagai berikut:

The average interest rates for demand deposits are as follows:

| Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | | Rupiah Foreign currency |
|--|-------|-------|----------------------------|
| | 2017 | 2016 | |
| Rupiah | 3,86% | 3,53% | |
| Mata uang asing | 0,02% | 0,00% | |

Pada tanggal 31 Desember 2017 dan 2016, giro yang digunakan sebagai jaminan untuk kredit masing-masing sebesar Rp272.486 dan Rp181.104. Giro yang dijamin ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

As of 31 December 2017 and 2016, demand deposits amounting to Rp272,486 and Rp181,104, are pledged as collateral for loan facilities. The pledged demand deposits are blocked throughout the loan period (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang dijamin dengan giro.

There are no loan facilities to related parties secured with demand deposits as collateral.

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17. Tabungan

Tabungan berdasarkan hubungan transaksi dengan Bank terdiri dari:

17. Saving Deposits

Saving deposits based on relationship transaction with the Bank consist of:

| 31 Desember/31 December 2017 | | | | Product |
|------------------------------|--------------------------------|---|-------------------|-------------------|
| Produk | Pihak Ketiga/ Third Parties | Pihak Berelasi (Catatan 36)/ Related Parties (Note 36) | Total | |
| Valas Produktif | 9.073.138 | 10.972 | 9.084.110 | |
| U-Save | 3.013.417 | 5.793 | 3.019.210 | U-Save |
| UOB High Yield | 1.331.925 | 3.259 | 1.335.184 | UOB High Yield |
| BizSaver88 | 692.773 | 198 | 692.971 | BizSaver88 |
| U-Plan | 205.518 | 1.267 | 206.785 | U-Plan |
| UOB Staff Account | 145.143 | 39.617 | 184.760 | UOB Staff Account |
| UOB Gold | 163.427 | 7 | 163.434 | UOB Gold |
| TabunganKu | 142.825 | 143 | 142.968 | TabunganKu |
| One Account | 20.146 | 8 | 20.154 | One Account |
| Simpanan Pelajar | 71 | - | 71 | Simpanan Pelajar |
| Total | 14.788.383 | 61.264 | 14.849.647 | Total |
| 31 Desember/31 December 2016 | | | | Product |
| Produk | Pihak Ketiga/ Third Parties | Pihak Berelasi (Catatan 36)/ Related Parties (Note 36) | Total | |
| Valas Produktif | 9.752.825 | 18.605 | 9.771.430 | |
| U-Save | 4.333.109 | 5.347 | 4.338.456 | U-Save |
| UOB High Yield | 882.747 | 1.477 | 884.224 | UOB High Yield |
| BizSaver88 | 348.581 | - | 348.581 | BizSaver88 |
| U-Plan | 230.764 | 1.250 | 232.014 | U-Plan |
| UOB Gold | 223.460 | - | 223.460 | UOB Gold |
| TabunganKu | 185.004 | 82 | 185.086 | TabunganKu |
| UOB Staff Account | 125.164 | 35.395 | 160.559 | UOB Staff Account |
| Simpanan Pelajar | 84 | - | 84 | Simpanan Pelajar |
| Total | 16.081.738 | 62.156 | 16.143.894 | Total |

Tabungan berdasarkan jenis mata uang terdiri dari:

Saving deposits based on currencies consist of:

| 31 Desember/31 December 2017 | | | | Product |
|------------------------------|------------------|--|-------------------|-------------------|
| Produk | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | |
| Valas Produktif | - | 9.084.110 | 9.084.110 | |
| U-Save | 3.019.210 | - | 3.019.210 | U-Save |
| UOB High Yield | 1.335.184 | - | 1.335.184 | UOB High Yield |
| BizSaver88 | 692.971 | - | 692.971 | BizSaver88 |
| U-Plan | 206.785 | - | 206.785 | U-Plan |
| UOB Staff Account | 184.760 | - | 184.760 | UOB Staff Account |
| UOB Gold | 163.434 | - | 163.434 | UOB Gold |
| TabunganKu | 142.968 | - | 142.968 | TabunganKu |
| One Account | 20.154 | - | 20.154 | One Account |
| Simpanan Pelajar | 71 | - | 71 | Simpanan Pelajar |
| Total | 5.765.537 | 9.084.110 | 14.849.647 | Total |

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17. Tabungan (lanjutan)

Tabungan berdasarkan jenis mata uang terdiri dari:
(lanjutan)

| 31 Desember/31 December 2016 | | | | | | | |
|------------------------------|------------------|--|-------------------|-------------------|--|--|--|
| Produk | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | Product | | | |
| Valas Produktif | - | 9.771.430 | 9.771.430 | Valas Produktif | | | |
| U-Save | 4.338.456 | - | 4.338.456 | U-Save | | | |
| UOB High Yield | 884.224 | - | 884.224 | UOB High Yield | | | |
| BizSaver88 | 348.581 | - | 348.581 | BizSaver88 | | | |
| U-Plan | 232.014 | - | 232.014 | U-Plan | | | |
| UOB Gold | 223.460 | - | 223.460 | UOB Gold | | | |
| TabunganKu | 185.086 | - | 185.086 | TabunganKu | | | |
| UOB Staff Account | 160.559 | - | 160.559 | UOB Staff Account | | | |
| Simpanan Pelajar | 84 | - | 84 | Simpanan Pelajar | | | |
| Total | 6.372.464 | 9.771.430 | 16.143.894 | Total | | | |

Tabungan dalam mata uang asing terdiri dari
Pound Sterling Inggris, Euro Eropa, Franc Swiss,
Dolar Australia, Dolar Amerika, Dolar Kanada,
Dolar Selandia Baru, Dolar Singapura, Dolar Hong
Kong, Yen Jepang dan Kroner Swedia.

Foreign currency saving deposits consist of Great
Britain Pound Sterling, European Euro, Swiss
Franc, Australian Dollar, United States Dollar,
Canadian Dollar, New Zealand Dollar, Singapore
Dollar, Hong Kong Dollar, Japanese Yen and
Swedish Croner.

Suku bunga rata-rata untuk tabungan adalah
sebagai berikut:

The average interest rates for saving deposits are
as follows:

| Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | | | | | | |
|--|-------|-------|--------------------|--|--|--|--|
| | 2017 | 2016 | | | | | |
| Rupiah | 3,45% | 3,96% | Rupiah | | | | |
| Mata uang asing | 0,62% | 0,41% | Foreign currencies | | | | |

Pada tanggal 31 Desember 2017 dan 2016,
tabungan yang diblokir untuk jaminan fasilitas
kredit adalah masing-masing sebesar Rp191.046
dan Rp170.982 (Catatan 10).

As of 31 December 2017 and 2016, saving
deposits pledged as collateral for loan facilities
amounted to Rp191,046 and Rp170,982,
respectively (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang
dijaminakan dengan tabungan.

There are no loan facilities to related parties
secured with saving deposits as collateral.

18. Deposito Berjangka

Akun ini terdiri dari:

18. Time Deposits

This account consists of:

| 31 Desember/31 December 2017 | | | | | | | |
|------------------------------|-------------------|--|-------------------|---------------------------|--|--|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | | | | |
| Pihak ketiga | 35.166.672 | 13.635.565 | 48.802.237 | Third parties | | | |
| Pihak berelasi (Catatan 36) | 90.770 | 46.252 | 137.022 | Related parties (Note 36) | | | |
| Total | 35.257.442 | 13.681.817 | 48.939.259 | Total | | | |

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18. Deposito Berjangka (lanjutan)

Akun ini terdiri dari: (lanjutan)

18. Time Deposits (continued)

This account consists of: (continued)

| 31 Desember/31 December 2016 | | | | | | | |
|------------------------------|-------------------|--|-------------------|---------------------------|--|--|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | | | | |
| Pihak ketiga | 37.802.495 | 9.426.722 | 47.229.217 | Third parties | | | |
| Pihak berelasi (Catatan 36) | 77.975 | 65.614 | 143.589 | Related parties (Note 36) | | | |
| Total | 37.880.470 | 9.492.336 | 47.372.806 | 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 2017 | | | | | | | |
|------------------------------|-------------------|--|-------------------|-----------------------|--|--|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | | | | |
| ≤ 1 bulan | 265.150 | 104.594 | 369.744 | ≤ 1 month | | | |
| > 1 bulan ≤ 3 bulan | 13.031.783 | 8.709.626 | 21.741.409 | > 1 month ≤ 3 months | | | |
| > 3 bulan ≤ 6 bulan | 14.458.187 | 1.578.177 | 16.036.364 | > 3 months ≤ 6 months | | | |
| > 6 bulan | 7.502.322 | 3.289.420 | 10.791.742 | > 6 months | | | |
| Total | 35.257.442 | 13.681.817 | 48.939.259 | Total | | | |

| 31 Desember/31 December 2016 | | | | | | | |
|------------------------------|-------------------|--|-------------------|-----------------------|--|--|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | | | | |
| ≤ 1 bulan | 283.633 | 30.720 | 314.353 | ≤ 1 month | | | |
| > 1 bulan ≤ 3 bulan | 19.074.022 | 5.451.504 | 24.525.526 | > 1 month ≤ 3 months | | | |
| > 3 bulan ≤ 6 bulan | 10.941.377 | 600.544 | 11.541.921 | > 3 months ≤ 6 months | | | |
| > 6 bulan | 7.581.438 | 3.409.568 | 10.991.006 | > 6 months | | | |
| Total | 37.880.470 | 9.492.336 | 47.372.806 | Total | | | |

Rincian deposito berjangka berdasarkan sisa umur
sampai tanggal jatuh tempo adalah sebagai
berikut:

The details of time deposits based on remaining
maturities are as follows:

| 31 Desember/31 December 2017 | | | | | | | |
|------------------------------|-------------------|--|-------------------|------------------------|--|--|--|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total | | | | |
| ≤ 1 bulan | 17.027.966 | 8.361.650 | 25.389.616 | ≤ 1 month | | | |
| > 1 bulan ≤ 3 bulan | 15.761.342 | 3.321.873 | 19.083.215 | > 1 month ≤ 3 months | | | |
| > 3 bulan ≤ 6 bulan | 1.787.233 | 958.990 | 2.746.223 | > 3 months ≤ 6 months | | | |
| > 6 bulan ≤ 12 bulan | 680.901 | 1.039.304 | 1.720.205 | > 6 months ≤ 12 months | | | |
| Total | 35.257.442 | 13.681.817 | 48.939.259 | Total | | | |

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18. Deposito Berjangka (lanjutan)

Akun ini terdiri dari: (lanjutan)

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut: (lanjutan)

| 31 Desember/31 December 2016 | | | |
|------------------------------|-------------------|--|-------------------|
| | Rupiah | Mata Uang Asing/ Foreign Currencies | Total |
| ≤ 1 bulan | 20.624.040 | 4.334.607 | 24.958.647 |
| > 1 bulan ≤ 3 bulan | 14.176.634 | 2.192.323 | 16.368.957 |
| > 3 bulan ≤ 6 bulan | 2.174.246 | 1.572.456 | 3.746.702 |
| > 6 bulan ≤ 12 bulan | 905.550 | 1.392.950 | 2.298.500 |
| Total | 37.880.470 | 9.492.336 | 47.372.806 |

Deposito berjangka dalam mata uang asing terdiri dari Euro Eropa, Franc Swiss, Dolar Australia, Dolar Amerika, Dolar Selandia Baru, Dolar Singapura dan Dolar Hong Kong.

Pada tanggal 31 Desember 2017 dan 2016, deposito berjangka yang diblokir untuk jaminan atas fasilitas kredit yang diberikan kepada nasabah adalah masing-masing sebesar Rp4.596.159 dan Rp4.644.031. Deposito berjangka yang dijaminakan ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

Suku bunga rata-rata untuk deposito berjangka adalah sebagai berikut:

| Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | | |
|--|-------|-------|------------------|
| | 2017 | 2016 | |
| Rupiah | 6,59% | 7,66% | Rupiah |
| Mata uang asing | 1,15% | 0,84% | Foreign currency |

19. Simpanan dari Bank Lain

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------|----------------------------------|----------------------------------|-----------------|
| Rupiah | | | Rupiah |
| Giro | 36.748 | 37.315 | Demand deposits |
| Tabungan | 7.720 | 9.527 | Saving deposits |
| Deposito berjangka | 5.000 | 13.045 | Time deposits |
| | 49.468 | 59.887 | |

18. Time Deposits (continued)

This account consists of: (continued)

The details of time deposits based on remaining maturities are as follows: (continued)

Foreign currency time deposits consist of European Euro, Swiss Franc, Australian Dollar, United States Dollar, New Zealand Dollar, Singapore Dollar and Hong Kong Dollar.

As of 31 December 2017 and 2016, time deposits pledged as collateral for loan facilities granted amounted to Rp4,596,159 and Rp4,644,031, respectively. The pledged time deposits are blocked throughout the loan period (Note 10).

The average interest rate for time deposits are as follows:

19. Deposits from Other Banks

Deposits from other banks based on type and currency consist of:

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19. Simpanan dari Bank Lain (lanjutan)

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|-----------------|----------------------------------|----------------------------------|------------------|
| Mata uang asing | | | Foreign currency |
| Call money | 2.229.140 | 3.566.171 | Call money |
| Tabungan | 36.220 | 15.606 | Saving deposits |
| | 2.265.360 | 3.581.777 | |
| Total | 2.314.828 | 3.641.664 | Total |

Simpanan dari bank lain berdasarkan hubungan transaksi dengan Bank terdiri dari:

Deposits from other banks based on its relationship transaction with the Bank consist of:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|-----------------|----------------------------------|----------------------------------|------------------|
| Rupiah | | | Rupiah |
| Pihak Ketiga | 27.774 | 46.244 | Third Parties |
| Pihak Berelasi | 21.694 | 13.643 | Related Parties |
| | 49.468 | 59.887 | |
| Mata uang asing | | | Foreign currency |
| Pihak Ketiga | 36.220 | 433.254 | Third Parties |
| Pihak Berelasi | 2.229.140 | 3.148.523 | Related Parties |
| | 2.265.360 | 3.581.777 | |
| Total | 2.314.828 | 3.641.664 | Total |

Jangka waktu simpanan dari bank lain dalam call money adalah kurang dari satu tahun dan jangka waktu deposito berjangka dari bank lain adalah kurang dari satu tahun.

The terms of deposits from other banks in call money are less than one year and time deposits from other banks are less than one year.

Tidak terdapat simpanan dari bank lain yang diblokir atau dijaminakan pada tanggal-tanggal 31 Desember 2017 dan 2016.

There were no deposits from other banks blocked or collateralized as of 31 December 2017 and 2016.

Suku bunga rata-rata tahunan untuk simpanan dari bank lain adalah sebagai berikut:

The average annual interest rates for deposits from other banks are as follows:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|-----------------|--|-------|------------------|
| | 2017 | 2016 | |
| Rupiah | 3,51% | 4,01% | Rupiah |
| Mata uang asing | 0,36% | 0,16% | Foreign currency |

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20. Perpajakan

20. Taxation

Utang pajak terdiri dari:

Taxes payable consists of:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------|----------------------------------|----------------------------------|----------------------------|
| Utang pajak penghasilan | | | Income taxes payable |
| Pasal 4 (2) | 49.123 | 53.687 | Article 4 (2) |
| Pasal 21 | 11.119 | 27.278 | Article 21 |
| Pasal 23 dan 26 | 1.195 | 2.051 | Article 23 and 26 |
| Pasal 29 | 1.738 | 61.140 | Article 29 |
| Pajak Pertambahan Nilai | 2.027 | 1.195 | Value Added Taxes |
| Total utang pajak | 65.202 | 145.351 | 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 2017 dan 2016 adalah sebagai berikut:

The reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income, and taxable income for the year ended 31 December 2017 and 2016, are as follows:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|---|--|------------------|--|
| | 2017 | 2016 | |
| Laba sebelum beban pajak sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain | 308.503 | 669.737 | Income before tax expense as stated in the statement of profit or loss and other comprehensive income |
| Beda temporer: | | | Temporary differences: |
| Pembentukan cadangan atas kerugian penurunan nilai aset produktif dan non-produktif | 277.243 | 351.769 | Provision for allowance for impairment losses on earning assets and non-earning assets |
| Cadangan atas imbalan kerja | 44.546 | 11.204 | Provision for employees' benefits |
| Keuntungan (kerugian) penjualan aset tetap - neto | 921 | (377) | Gain (loss) on sale of fixed assets - net |
| (Pembentukan) pemulihan atas cadangan penurunan nilai agunan yang diambil alih | (960) | 238 | (Provision for) reversal of decline in value of foreclosed assets |
| Penyusutan aset tetap | (11.143) | (21.972) | Depreciation of fixed assets |
| Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto | (15.405) | 5.645 | Unrealized gain (loss) on trading securities - net |
| Beda tetap: | | | Permanent differences: |
| Penyusutan aset tetap | 264 | 406 | Depreciation of fixed assets |
| Keuntungan penjualan aset tetap dan properti terbengkalai - neto | (3.483) | (27.886) | Gain on sale of fixed assets and abandoned property - net |
| Lain-lain - neto | 58.687 | 119.598 | Others - net |
| Penghasilan kena pajak - Bank | 659.173 | 1.108.362 | Taxable income - Bank |

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20. Perpajakan (lanjutan)

20. Taxation (continued)

Perhitungan beban pajak - tahun berjalan dan beban pajak - tangguhan - neto untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

The computation of tax expense - current and tax expense - deferred - net for the year ended 31 December 2017 and 2016, are as follows:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|--|--|------------------|---|
| | 2017 | 2016 | |
| Penghasilan kena pajak | 659.173 | 1.108.362 | Taxable income |
| Beban pajak penghasilan - tahun berjalan | 164.793 | 277.090 | Income tax expense - current |
| Beban pajak penghasilan - tangguhan | | | Income tax expense - deferred |
| Pemulihan atas kerugian penurunan nilai aset produktif dan non produktif | 69.311 | 87.942 | Reversal for impairment losses on earning assets and non-earning assets |
| Cadangan atas imbalan kerja - neto | 11.137 | 2.801 | Provision for employees' benefits - net |
| Keuntungan (kerugian) penjualan aset tetap - neto | 230 | (94) | Gain (loss) on sale of fixed assets – net |
| (Pembentukan) pemulihan atas penurunan nilai agunan yang diambil alih | (240) | 59 | (Provision for) recovery of decline in value of foreclosed assets |
| Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto | (3.851) | 1.411 | Unrealized gain (loss) on trading securities - net |
| Penyusutan aset tetap | (2.786) | (5.493) | Depreciation of fixed assets |
| Beban pajak penghasilan - tangguhan - neto | 73.801 | 86.626 | Income tax expense - deferred - net |
| Koreksi lainnya terkait pemeriksaan PPH Badan | 139.990 | - | Other correction related to the inspection of Corporate Income Tax |
| Beban pajak - neto | 230.982 | 190.464 | Tax expense - net |

Rekonsiliasi antara beban pajak yang dihitung dengan menggunakan tarif pajak yang berlaku dari laba sebelum beban pajak, dengan beban pajak seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

The reconciliation between tax expense calculated by using the applicable tax rate from income before tax expense, and tax expense presented in the statement of profit or loss and other comprehensive income for the year ended 31 December 2017 and 2016, are as follows:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|---|--|----------------|---|
| | 2017 | 2016 | |
| Laba sebelum beban pajak | 308.503 | 669.737 | Income before tax expense |
| Beban pajak penghasilan berdasarkan tarif pajak yang berlaku | 77.126 | 167.434 | Income tax expense at applicable tax rate |
| Pengaruh beda tetap atas beban pajak penghasilan | | | Effects of permanent differences on income tax expense |
| Penyusutan aset tetap | 66 | 102 | Depreciation of fixed assets |
| Keuntungan penjualan aset tetap dan properti terbengkalai - neto | (871) | (6.971) | Gain on sale of fixed assets and abandoned property - net |
| Lain-lain - neto | 14.671 | 29.899 | Others - net |
| Koreksi lainnya terkait pemeriksaan PPH Badan | 139.990 | - | Other correction related to the inspection of Corporate Income Tax |
| Beban pajak - neto | 230.982 | 190.464 | Tax expense - net |

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20. Taxation (continued)

In 2017, the Bank decided to withdraw the judicial review request and has charged the paid amount to the current year statement of profit or loss and other comprehensive income considering the development of tax regulations in Indonesia.

On 1 June 2016, the Bank received Corporate Income Tax Underpayment Assessment Letters (SKPKB PPH Badan) No. 00013/206/11/091/16 dated 12 May 2016 fiscal 2011 amounting to Rp74,245 and Value Added Tax (PPN) Underpayment Assessment Letters No. 00122/207/11/091/16 up to 00127/207/11/091/16 amounting to Rp15,911.

Based on the SKPKB, Bank has agreed amounting Rp5,872 and charged to the 2016 statement of comprehensive income. Bank has filed objection on SKPKB amounted Rp84,284 on 10 August 2016.

In 2017, the Bank decided to withdraw the objection on the SKPKB and charged the paid amount to the current year statement of profit or loss and other comprehensive income considering development of tax regulations in Indonesia.

On 5 December 2016, the Bank received Tax Underpayment Assessment Letter (SKPKB PPh Badan) dated 29 November 2016 for Fiscal Year 2012 No. 00005/206/12/091/16 amounting of Rp111,061. Tax Underpayment Assessment Letter on WHT Art. 21 No. 0003/201/12/091/16 amounting of Rp385, WHT Art. 23 No. 00012/203/12/091/16 amounting of Rp375, WHT Art 4(2) No. 00015/240/12/091/16 amounting of Rp7,762, WHT Art. 26 No. 00001/245/12/091/16 up to 00012/245/12/091/16 amounting of Rp611, and VAT Assessment Letter No. 00022/207/12/091/16 up to 00033/207/12/091/16 and 00069/107/12/091/16 totalling of Rp14,514.

Based on the SKPKB, the Bank has agreed to Rp8,688 and charged to the 2016 statement of comprehensive income.

In 2017, the Bank decided to withdraw the objection on the SKPKB and charged the paid amount to the current statement of profit or loss and other comprehensive income considering development of tax regulations in Indonesia.

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20. Perpajakan (lanjutan)

Sesuai dengan perkembangan peraturan perpajakan yang berlaku di Indonesia, pemeriksaan pajak tahun 2013 dinyatakan selesai.

20. Taxation (continued)

Considering the development of tax regulations in Indonesia, tax audit for fiscal year 2013 was declared to be settled.

21. Liabilitas atas Surat Berharga yang Dijual dengan Janji Dibeli Kembali

Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali pada tanggal 31 Desember 2016, terdiri dari:

21. Liabilities on Securities Sold under Repurchase Agreements

Liabilities on securities sold under repurchase agreements as of 31 December 2016 consists of:

| Nasabah/ Counterparty | Jenis Obligasi Pemerintah/ Type of Government Bonds | Nilai Nominal/ Nominal Amount | Tanggal Dimulai/ Start Date | Jatuh Tempo/ Due Date | Nilai Pembelian Kembali/ Repurchase Amount | Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest | Nilai Tercatat/ Carrying Value |
|--|--|--|--------------------------------|--------------------------|--|---|---|
| United Overseas Bank Ltd., Singapura/United Overseas Bank Ltd., Singapore | RI-23 | 336.813 | 14 Nov 2016 | 13 Jan 2017 | 339.876 | 464 | 339.412 |
| Jumlah/ Total | | 336.813 | | | 339.876 | 464 | 339.412 |

Suku bunga efektif untuk liabilitas atas surat berharga yang dijual dengan janji dibeli kembali adalah 3,38%.

The effective interest rate for liabilities on securities sold under repurchase agreements is 3.38%.

22. Pinjaman yang Diterima

Bank tidak mempunyai pinjaman yang diterima pada tanggal 31 Desember 2016. Pinjaman yang diterima pada tanggal 31 Desember 2017, terdiri dari:

22. Borrowings

The Bank does not have borrowings as of 31 December 2016. Borrowings as of 31 December 2017 consist of:

| | 31 Desember/ 31 December 2017 | |
|-------------------------|----------------------------------|-------------------------|
| Pihak ketiga | | Third Party |
| Dolar Amerika Serikat | | United States Dollar |
| PT Bank Resona Perdania | 333.138 | PT Bank Resona Perdania |
| Total | 333.138 | Total |

Pada tanggal 31 Desember 2017, saldo pinjaman dalam mata uang asing sebesar USD24.560.369 (nilai penuh). Tingkat suku bunga untuk pinjaman yang diterima dalam mata uang USD sebesar 1,38%. Jangka waktu pinjaman yang diterima adalah 3 tahun.

As of 31 December 2017, borrowings in foreign currency amounted to USD24,560,369 (full amount). Interest rate for borrowings in USD is 1.38%. The period for borrowings is 3 years.

23. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan pada tanggal 31 Desember 2017 dan 2016, terdiri dari:

23. Debt Securities Issued

Debt securities issued as of 31 December 2017 and 2016 consist of:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|---|
| Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 Pihak ketiga | 500.000 | - | Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 Third Parties |
| Total nominal Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 | 500.000 | - | Total nominal Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 |
| Beban emisi obligasi yang belum diamortisasi | (1.595) | - | Unamortized bonds issuance cost |
| Total Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 | 498.405 | - | Total Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 |
| Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 Pihak Berelasi (Catatan 36) | | | Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 Related Parties (Note 36) |
| Obligasi Seri B Pihak ketiga | 1.000 | 1.000 | Bonds Series B Third parties |
| Obligasi Seri A | - | 300.000 | Bonds Series A |
| Obligasi Seri B | 599.000 | 599.000 | Bonds Series B |
| Obligasi Seri C | 100.000 | 100.000 | Bonds Series C |
| Total nominal Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 | 700.000 | 1.000.000 | Total nominal Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 |
| Beban emisi obligasi yang belum diamortisasi | (2.512) | (4.832) | Unamortized bonds issuance cost |
| Total Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 | 697.488 | 995.168 | Total Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 |
| Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 Pihak ketiga | 100.000 | 100.000 | Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 Third Parties |
| Total nominal Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 | 100.000 | 100.000 | Total nominal Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 |
| Beban emisi obligasi yang belum diamortisasi | (1.905) | (1.745) | Unamortized bonds issuance cost |
| Total Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 | 98.095 | 98.255 | Total Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 |

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23. Efek Hutang yang Diterbitkan (lanjutan)

Efek hutang yang diterbitkan pada tanggal 31 Desember 2017 dan 2016, terdiri dari: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---|----------------------------------|----------------------------------|
| Obligasi I Bank UOB Indonesia Tahun 2015 | | |
| Pihak Berelasi (Catatan 36) | | |
| Obligasi Seri B | 6.000 | 6.000 |
| Obligasi Seri C | 2.000 | 2.000 |
| Pihak ketiga | | |
| Obligasi Seri B | 594.000 | 594.000 |
| Obligasi Seri C | 498.000 | 498.000 |
| Total nominal Obligasi I Bank UOB Indonesia Tahun 2015 | 1.100.000 | 1.100.000 |
| Beban emisi obligasi yang belum diamortisasi | (1.907) | (3.802) |
| Total Obligasi I Bank UOB Indonesia Tahun 2015 | 1.098.093 | 1.096.198 |
| Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 | | |
| Pihak Berelasi (Catatan 36) | 605.000 | 605.000 |
| Pihak ketiga | 395.000 | 395.000 |
| Total nominal Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 | 1.000.000 | 1.000.000 |
| Beban emisi obligasi yang belum diamortisasi | (3.477) | (4.493) |
| Total Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 | 996.523 | 995.507 |
| Total efek hutang yang diterbitkan | 3.388.604 | 3.185.128 |

Bank telah melakukan Penawaran Umum Obligasi Berkelanjutan I Bank UOB Indonesia dan Penawaran Umum Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia dengan target total dana yang dihimpun masing-masing sebesar Rp2.000.000.000.000 (nilai penuh) dan Rp1.000.000.000.000 (nilai penuh).

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi-Obligasi sebagai berikut:

- Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 dengan jumlah pokok sebesar Rp500.000.000.000 (nilai penuh) dikenakan suku bunga tetap sebesar 9,25% per tahun yang dibayarkan setiap tiga bulan dan jangka waktu selama tujuh tahun dan akan jatuh tempo pada tanggal 17 Oktober 2024. Obligasi tersebut dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 18 Oktober 2017.

23. Debt Securities Issued (continued)

Debt securities issued as of 31 December 2017 and 2016 consist of: (continued)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--|----------------------------------|----------------------------------|
| Bonds I Bank UOB Indonesia Year 2015 | | |
| Related Parties (Note 36) | | |
| Bonds Series B | 6.000 | 6.000 |
| Bonds Series C | 2.000 | 2.000 |
| Third parties | | |
| Bonds Series B | 594.000 | 594.000 |
| Bonds Series C | 498.000 | 498.000 |
| Total nominal Bonds I Bank UOB Indonesia year 2015 | 1.100.000 | 1.100.000 |
| Unamortized bonds issuance cost | (1.907) | (3.802) |
| Total Bonds I Bank UOB Indonesia year 2015 | 1.098.093 | 1.096.198 |
| Subordinated Bonds I Bank UOB Indonesia year 2014 | | |
| Related Parties (Note 36) | 605.000 | 605.000 |
| Third Parties | 395.000 | 395.000 |
| Total nominal Subordinated Bonds I Bank UOB Indonesia year 2014 | 1.000.000 | 1.000.000 |
| Unamortized bonds issuance cost | (3.477) | (4.493) |
| Total Subordinated Bonds I Bank UOB Indonesia year 2014 | 996.523 | 995.507 |
| Total debt securities issued | 3.388.604 | 3.185.128 |

Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering I and Bank UOB Indonesia Subordinate Debt Shelf Offering I with total fund of Rp2,000,000,000,000 (full amount) and Rp1,000,000,000,000 (full amount), respectively.

Regarding the public offering, Bank issued bonds as follow:

- Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase II 2017 with total amount Rp500,000,000,000 (full amount) was subject to fixed interest rate of 9.25% per annum which is payable every three months; with a seven-year term; and will mature on 17 October 2024. The Bond was listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 18 October 2017.

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23. Debt Securities Issued (continued)

Regarding the public offering, Bank issued bonds as follow: (continued)

The Bank calculates its bond as part of Lower Supplementary Capital (Lower Tier 2) based on Approval Letter from Otoritas Jasa Keuangan No. S-84/PB.32/2017 dated 20 December 2017.

As of 31 December 2017, the rating of Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 based on Fitch Ratings was idAA.

- Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 with total amount Rp100,000,000,000 (full amount) was subject to fixed interest rate of 9.40% per annum which is payable every three months; with a seven-year term; and will mature on 25 November 2023. The Bond listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 17 November 2016.

The Bank calculates its bond as part of Lower Supplementary Capital (Lower Tier 2) based on Approval Letter from Otoritas Jasa Keuangan No. S-18/PB.32/2017 dated 6 March 2017.

As of 31 December 2017 and 2016, the rating of Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2017 based on Fitch Ratings was idAA.

- Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 totalling to Rp1,000,000,000,000 (full amount) consist of Bonds Series A amounting to Rp300,000,000,000 (full amount), Series B amounting to Rp600,000,000,000 (full amount) and Series C amounting to Rp100,000,000,000 (full amount) which with fix interest rate of 7.20%, 8.00%, and 8.25%, respectively, which is repayable every three months and will mature on 5 December 2017, 25 November 2019, and 25 November 2021, respectively.

Bank has paid the principal on Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 Series A with a nominal value Rp300,000,000,000 (full amount) maturing on 4 December 2017.

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23. Efek Hutang yang Diterbitkan (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, peringkat Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 menurut *Fitch Ratings* adalah idAAA.

Pada tanggal 1 April 2015 Bank menerbitkan Obligasi I Bank UOB Indonesia Tahun 2015 dengan jumlah pokok sebesar Rp1.500.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp400.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp600.000.000.000 (nilai penuh) dan Obligasi Seri C sebesar Rp500.000.000.000 (nilai penuh) yang dikenakan tingkat 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. Obligasi tersebut dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 24 Maret 2015.

Bank telah melakukan pelunasan pokok atas Obligasi I Bank UOB Indonesia Tahun 2015 Seri A dengan nilai nominal Rp400.000.000.000 (nilai penuh) yang jatuh tempo pada tanggal 11 April 2016.

Pada tanggal 31 Desember 2017 dan 2016, peringkat Obligasi I Bank UOB Indonesia Tahun 2015 menurut *Fitch Ratings* adalah idAAA.

Pada tanggal 28 Mei 2014, Bank menerbitkan Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) 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 tersebut dicatatkan di Bursa Efek Indonesia dan dinyatakan efektif berdasarkan surat keputusan OJK pada tanggal 20 Mei 2014.

Bank memperhitungkan Obligasi tersebut 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.

Pada tanggal 31 Desember 2017 dan 2016, peringkat Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 menurut *Fitch Ratings* adalah idAA.

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23. Debt Securities Issued (continued)

As of 31 December 2017 and 2016, the rating of Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 based on Fitch Ratings was idAAA.

On 1 April 2015, the Bank issued Bonds of Bank UOB Indonesia Year 2015 totalling to Rp1,500,000,000,000 (full amount) consist of Bonds Series A amounting to Rp400,000,000,000 (full amount), Series B amounting to Rp600,000,000,000 (full amount) and Series C amounting to Rp500,000,000,000 (full amount) which with fix interest rate of 8.60%, 9.40% and 9.60%, respectively, which is repayable every three months and will mature on 11 April 2016, 1 April 2018, and 1 April 2020, respectively. The bond listed on Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 24 March 2015.

Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A with a nominal value Rp400,000,000,000 (full amount) maturing on 11 April 2016.

As of 31 December 2017 and 2016, the rating of the Bonds I Bank UOB Indonesia Year 2015 based on Fitch Ratings was idAAA.

On 28 May 2014, the Bank issued Subordinated Bonds I Bank UOB Indonesia Year 2014 with total amount Rp1,000,000,000,000 (full amount) was subject to fixed interest rate of 11.35% per annum which is payable every three months; with a seven-year term; and will mature on 28 May 2021. The Bond listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 20 May 2014.

The Bank calculates its bond 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.

As of 31 December 2017 and 2016, the rating of Bank UOB Indonesia Subordinated Bonds I Bank UOB Indonesia Year 2014 based on Fitch Ratings was idAA.

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23. Efek Hutang yang Diterbitkan (lanjutan)

Obligasi-obligasi Subordinasi tersebut diatas tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank.

Wali amanat dari penerbitan Obligasi I Bank UOB Indonesia Tahun 2015 dan Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 adalah Bank Permata Tbk.

Wali amanat dari penerbitan Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016, Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016, dan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 adalah PT Bank Mandiri (Persero) Tbk.

Tidak terdapat keterkaitan usaha antara wali amanat dengan Bank.

Selama jangka waktu obligasi tersebut diatas, tanpa ijin tertulis dari wali amanat, Bank tidak diperkenankan untuk:

- 1) Mengagunkan sebagian maupun seluruh pendapatan atau harta kekayaan Bank yang ada pada saat ini maupun di masa yang akan datang di luar kegiatan usaha Bank;
- 2) Mengurangi modal dasar, modal ditempatkan dan modal disetor, kecuali pengurangan tersebut dilakukan berdasarkan permintaan dan/atau perintah dari otoritas berwenang (termasuk tetapi tidak terbatas pada OJK);
- 3) Melakukan penggabungan dan/atau peleburan yang menyebabkan bubarnya Bank atau yang akan mempunyai akibat negatif secara material terhadap kelangsungan usaha Perseroan;
- 4) Melakukan pinjaman atau mengeluarkan obligasi yang pembayarannya dan hak tagihnya didahulukan dari Obligasi Subordinasi I Tahun 2014 dan Obligasi I Bank UOB Indonesia Tahun 2015.

Informasi mengenai transaksi dengan pihak berelasi dan jatuh tempo terdapat pada Catatan 36 dan 39.

Per 31 Desember 2017 dan 2016, Bank telah mengamortisasi biaya emisi obligasi masing-masing sebesar Rp5.764 dan Rp4.331 yang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain.

Selama 2017 dan 2016, Bank telah memenuhi persyaratan-persyaratan dalam penerbitan efek hutang tersebut.

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23. Debt Securities Issued (continued)

The said Subordinated bonds are not secured by specific collateral, but are secured by all assets of the Bank.

The trustee for issuance of Bonds I Bank UOB Indonesia Year 2015 and Subordinated Bonds I of Bank UOB Indonesia Year 2014 was Bank Permata Tbk.

The trustee for issuance of Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016, Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016, Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 was PT Bank Mandiri (Persero) Tbk.

There is no business relationship between the trustee and the Bank.

During the term of above mentioned bonds, without written permission from trustee, the Bank is not allowed to:

- 1) *Securing part or all of the income or asset of the Bank that exist in the present or in the future, other than for the Bank's business activity;*
- 2) *Reduce the authorized capital, issued capital and paid-up capital, unless the reduction is carried out based on the request and/or order of the authorized regulator (including but not limited to OJK);*
- 3) *Perform any merger and/or acquisition which causes the liquidation of the Bank or would have a material adverse due to the continuation of the Bank's businesses;*
- 4) *Receive any borrowings or issue bonds which have a precedence right to claim from Subordinated Bonds I Year 2014 and Bonds I Bank UOB Indonesia Year 2015.*

Information on related parties and maturities are disclosed in Notes 36 and 39.

As of 31 December 2017 and 2016, the Bank has amortized the bonds issuance cost amounting to Rp5,764 and Rp4,331, respectively, which is recorded in the statement of profit or loss and other comprehensive income.

During 2017 and 2016, the Bank has complied with covenants of the debt securities issued above.

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24. Liabilitas Lain-lain

Akun ini terdiri dari:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------|----------------------------------|----------------------------------|--------------------|
| Biaya yang masih harus dibayar | 182.097 | 160.199 | Accrued expenses |
| Pendapatan diterima dimuka | 124.798 | 150.864 | Unearned income |
| Setoran jaminan | 48.789 | 44.557 | Guarantee deposits |
| Lain-lain | 140.475 | 113.927 | Others |
| Total | 496.159 | 469.547 | Total |

Termasuk dalam biaya yang masih harus dibayar adalah bonus yang diberikan kepada Direksi yang ditangguhkan sebesar Rp2.877, sesuai dengan POJK No. 45/POJK.03/2015 tanggal 23 Desember 2015 tentang Penerapan Tata Kelola dalam Pemberian Remunerasi bagi Bank Umum.

24. Other Liabilities

This account consists of:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------|----------------------------------|----------------------------------|--------------------|
| Biaya yang masih harus dibayar | 182.097 | 160.199 | Accrued expenses |
| Pendapatan diterima dimuka | 124.798 | 150.864 | Unearned income |
| Setoran jaminan | 48.789 | 44.557 | Guarantee deposits |
| Lain-lain | 140.475 | 113.927 | Others |
| Total | 496.159 | 469.547 | Total |

Included in the accrued expenses is deferred bonus granted to the Board of Directors amounted to Rp2,877, in accordance with POJK No. 45/POJK.03/2015 dated 23 December 2015 concerning the Implementation of Governance for Commercial Banks in the Provision of Remunerations.

25. Modal Saham

Susunan pemegang saham Bank dan persentase kepemilikannya pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut (Catatan 1):

| 31 Desember 2017 dan 2016/ 31 December 2017 and 2016 | | | | |
|---|---|--|---------------------|---|
| Pemegang Saham | Jumlah Saham Ditempatkan dan Disetor Penuh/ Issued and Fully Paid Shares | Persentase Pemilikan/ Percentage of Ownership | Total Modal/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.

Selain itu, Bank dipersyaratkan oleh Undang-undang Perseroan Terbatas efektif tanggal 16 Agustus 2007 untuk berkontribusi 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").

Capital Management

The primary objective of the Bank's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

In addition, the Bank is also required by the Corporate Law effective 16 August 2007 to contribute and maintain a non-distributable reserve fund until the said reserve reaches 20% of the issued and fully paid up share capital. This capital requirements are considered by the Bank at the Annual General Shareholders' Meeting ("AGM").

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25. Modal Saham (lanjutan)

Pengelolaan Modal (lanjutan)

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 2017 dan 2016.

Kebijakan Bank adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

26. Tambahan Modal Disetor

Akun ini terdiri dari:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|---|
| Agio Saham | | | Paid-in capital |
| Penawaran umum terbatas III tahun 2006 | 576.625 | 576.625 | Limited Public Offering III year 2006 |
| Dividen saham | 238.276 | 238.276 | Stock dividend |
| Biaya emisi efek ekuitas | | | Issuance cost |
| Penawaran umum terbatas III tahun 2006 | (2.306) | (2.306) | Limited Public Offering III year 2006 |
| | | | Difference in the value of |
| Selisih nilai transaksi restrukturisasi entitas sepengendali | 1.289.647 | 1.289.647 | restructuring transactions of entities under common control |
| | | | Adjustment on |
| Penyesuaian tambahan modal disetor | 4.576 | - | additional paid-in capital |
| Total | 2.106.818 | 2.102.242 | Total |

27. Saldo Laba

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 26 April 2017 yang berita acaranya diaktakan dengan Akta Ashoya Ratam, S.H. MKn., No. 44 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp4.793 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2016 setelah dikurangi cadangan sebagai laba ditahan.

25. Share Capital (continued)

Capital Management (continued)

The Bank manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order 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 2017 and 2016.

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

26. Additional Paid-in Capital

This account consists of:

27. Retained Earnings

At the Annual General Shareholders' Meeting held on 26 April 2017, the minutes of which were notarized under Deed No. 44 of Ashoya Ratam, S.H. MKn., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp4,793 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 2016 after deduction against reserve as retained earnings.

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27. Saldo Laba (lanjutan)

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 24 Mei 2016 yang berita acaranya diaktakan dengan Akta Ashoya Ratam, S.H. MKn., No. 52 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp4.631 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2015 setelah dikurangi cadangan sebagai laba ditahan.

28. Pendapatan Bunga

Akun ini diperoleh dari:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | |
|--|--|------------------|
| | 2017 | 2016 |
| Kredit yang diberikan | 6.342.615 | 6.566.049 |
| Investasi keuangan dan penempatan pada Bank Indonesia | 867.830 | 753.608 |
| Penempatan pada bank lain | 29.154 | 32.379 |
| Giro pada Bank Indonesia dan bank lain | 28.428 | 52.256 |
| Total | 7.268.027 | 7.404.292 |

Provisi dan komisi yang diamortisasi dan diakui sebagai pendapatan untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp316.895 dan Rp315.784.

Pendapatan bunga yang diperoleh dari pihak-pihak yang berelasi atas kredit yang diberikan untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar 0,29% dan 0,28% dari jumlah pendapatan bunga pada masing-masing tahun yang bersangkutan.

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27. Retained Earnings (continued)

At the Annual General Shareholders' Meeting held on 24 May 2016, the minutes of which were notarized under Deed No. 52 of Ashoya Ratam, S.H. MKn., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp4,631 to comply with Article 70 of the Corporation Law and Article 20 of the Bank's Articles of Association and registered the entire net profit earned in 2015 after deduction against reserve as retained earnings.

28. Interest Income

This account is derived from the following:

| | | Loans |
|--|--|--------------------------------|
| | | Financial investments and |
| | | placements with Bank Indonesia |
| | | Placements with other banks |
| | | Current accounts with |
| | | Bank Indonesia and other banks |
| | | Total |

Provision and commission which are amortized and recognized as interest income for the year ended 31 December 2017 and 2016 amounted to Rp316,895 and Rp315,784, respectively.

Interest income earned from related parties from loans for the year ended 31 December 2017 and 2016 are 0.29% and 0.28%, respectively, of the total interest income for each year.

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29. Beban Bunga

Akun ini merupakan beban bunga yang timbul atas:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | |
|---|--|------------------|
| | 2017 | 2016 |
| Deposito berjangka | 2.563.282 | 2.916.425 |
| Giro | 405.737 | 272.566 |
| Efek utang yang diterbitkan | 305.105 | 242.367 |
| Tabungan | 272.737 | 264.948 |
| Premi penjaminan Pemerintah (Catatan 35) | 154.842 | 124.594 |
| Simpanan dari bank lain | 47.728 | 41.908 |
| Lain-lain | 7.371 | 4.336 |
| Total | 3.756.802 | 3.867.144 |

Beban bunga atas transaksi dengan pihak-pihak yang berelasi masing-masing sebesar 2,87% dan 3,29% dari jumlah beban bunga untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016.

30. Beban Umum dan Administrasi

Akun ini terdiri dari:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | |
|--|--|------------------|
| | 2017 | 2016 |
| Telekomunikasi, listrik dan air | 200.902 | 199.856 |
| Penyusutan aset tetap (Catatan 13) | 175.012 | 165.832 |
| Pemeliharaan dan perbaikan (Catatan 36) | 157.586 | 137.186 |
| Jasa outsourcing | 154.081 | 144.317 |
| Iklan dan promosi | 131.908 | 99.547 |
| Sewa | 103.633 | 96.573 |
| Jasa tenaga ahli | 61.922 | 56.535 |
| Pendidikan dan pelatihan | 57.200 | 68.179 |
| Pungutan OJK | 45.693 | 41.961 |
| Barang cetakan dan keperluan kantoor | 23.823 | 22.384 |
| Keamanan | 17.138 | 15.650 |
| Asuransi | 7.256 | 8.983 |
| Lain-lain | 27.826 | 82.989 |
| Total | 1.163.980 | 1.139.992 |

29. Interest Expense

This account represents interest expense incurred on the following:

| | | Time deposits |
|--|--|---------------------------|
| | | Demand deposits |
| | | Debt securities issued |
| | | Saving deposits |
| | | Premium on Government |
| | | guarantee (Note 35) |
| | | Deposits from other banks |
| | | Others |
| | | Total |

Interest expense on transactions with related parties is 2.87% and 3.29% of the total interest expense for the year ended 31 December 2017 and 2016, respectively.

30. General and Administrative Expenses

This account consists of:

| | | Telecommunication, electricity |
|--|--|--------------------------------|
| | | and water |
| | | Depreciation of fixed assets |
| | | (Note 13) |
| | | Repairs and maintenance |
| | | (Note 36) |
| | | Outsourcing service |
| | | Advertising and promotion |
| | | Rental |
| | | Professional fees |
| | | Education and training |
| | | OJK levy |
| | | Printed materials and office |
| | | supplies |
| | | Security |
| | | Insurance |
| | | Others |
| | | Total |

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31. Beban Gaji dan Kesejahteraan Karyawan

31. Salaries and Employee Benefits Expenses

Akun ini terdiri dari:

This account consists of:

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|---|--|------------------|---|
| | 2017 | 2016 | |
| Gaji, upah dan tunjangan hari raya | 1.059.170 | 1.138.298 | Salaries, wages and lebaran bonus |
| Tunjangan pajak PPh 21 | 141.748 | 118.241 | Taxable allowance PPh 21 |
| Gratifikasi | 84.465 | 33.207 | Gratification |
| Imbalan kerja (Catatan 34) | 71.685 | 44.047 | Employee benefits (Note 34) |
| Makan, transportasi dan tunjangan lainnya | 65.259 | 62.100 | Meals, transportation and other allowance |
| Pengobatan | 51.554 | 50.948 | Medical |
| Jaminan Sosial Tenaga Kerja | 50.945 | 48.561 | Obligatory employee insurance (Jamsostek) |
| Insentif | 42.996 | 45.250 | Incentive |
| Lembur | 6.819 | 6.790 | Overtime |
| Lain-lain | 6.662 | 25.033 | Others |
| Total | 1.581.303 | 1.572.475 | Total |

32. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing

32. Spot Foreign Currency Bought and Sold

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (spot) per 31 Desember 2017 dan 2016, adalah sebagai berikut:

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2017 and 2016, are as follows:

| | 31 Desember/31 December 2017 | | | |
|---|--|------------|----------------|---|
| | Mata Uang Asing/ Foreign Currencies | | Rupiah | |
| Pembelian tunai mata uang asing Pihak ketiga | USD | 43.848.329 | 594.947 | Spot foreign currency bought Third parties |
| | EUR | 1.126.000 | 18.266 | |
| | SGD | 300.000 | 3.046 | |
| | AUD | 20.000 | 212 | |
| | | | 616.471 | |
| Penjualan tunai mata uang asing Pihak ketiga | USD | 41.680.452 | 565.553 | Spot foreign currency sold Third parties |
| | EUR | 846.356 | 13.730 | |
| | NZD | 200.000 | 1.928 | |
| | AUD | 870.000 | 9.217 | |
| | SGD | 2.101.765 | 21.342 | |
| | | | 611.770 | |

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32. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing (lanjutan)

32. Spot Foreign Currency Bought and Sold (continued)

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (spot) per 31 Desember 2017 dan 2016, adalah sebagai berikut: (lanjutan)

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2017 and 2016, are as follows: (continued)

| | 31 Desember/31 December 2016 | | | |
|---|--|------------|----------------|---|
| | Mata Uang Asing/ Foreign Currencies | | Rupiah | |
| Pembelian tunai mata uang asing Pihak ketiga | USD | 47.422.338 | 638.875 | Spot foreign currency bought Third parties |
| | EUR | 770.000 | 10.897 | |
| | GBP | 60.000 | 992 | |
| | AUD | 190.000 | 1.847 | |
| | | | 652.611 | |
| Penjualan tunai mata uang asing Pihak ketiga | USD | 14.211.909 | 191.418 | Spot foreign currency sold Third parties |
| | EUR | 402.160 | 5.699 | |
| | NZD | 1.310.000 | 12.264 | |
| | | | 209.381 | |

33. Komitmen dan Kontinjensi

33. Commitments and Contingencies

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi sebagai berikut:

The Bank's commitments and contingencies are as follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|---|
| Komitmen | | | Commitments |
| Tagihan komitmen | 231.726 | 193.814 | Commitment receivables |
| Liabilitas komitmen | | | Commitment liabilities |
| Fasilitas kredit yang belum digunakan | (28.608.598) | (24.805.258) | Unused loan facilities granted |
| Irrevocable letters of credit yang masih berjalan | (2.215.104) | (2.163.681) | Outstanding irrevocable letters of credit |
| Liabilitas komitmen - neto | (30.591.976) | (26.775.125) | Commitment liabilities - net |
| Kontinjensi | | | Contingencies |
| Tagihan kontinjensi | | | Contingent receivables |
| Pendapatan bunga dalam penyelesaian | 124.480 | 642.184 | Interest on non-performing loans |
| Liabilitas kontinjensi | | | Contingent liabilities |
| Bank garansi | (3.907.040) | (3.424.738) | Bank guarantees |
| Standby letters of credit | (1.471.915) | (1.042.455) | Standby letters of credit |
| Liabilities kontinjensi - neto | (5.254.475) | (3.825.009) | Contingent liabilities - net |
| Liabilitas komitmen dan kontinjensi - neto | (35.846.451) | (30.600.134) | Commitments and contingent liabilities - net |

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34. Liabilitas atas Imbalan Kerja

Bank memiliki program pensiun iuran pasti dan juga mencatat liabilitas estimasi imbalan kerja atas uang pesangon, uang penghargaan masa kerja dan ganti kerugian kepada karyawan untuk menutupi kemungkinan kekurangan, sesuai dengan UU No. 13/2003 dan perjanjian ketenagakerjaan Bank.

Program pensiun iuran pasti Bank dikelola oleh Dana Pensiun Lembaga Keuangan Manulife Indonesia (pihak ketiga).

Iuran pensiun ditetapkan sebesar 16% dari gaji karyawan peserta dana pensiun, dimana 10% ditanggung Bank dan sisanya sebesar 6% ditanggung oleh karyawan. Beban pensiun Bank pada tahun yang berakhir pada 31 Desember 2017 dan 2016 masing-masing berjumlah Rp71.685 dan Rp44.047 (Catatan 31).

Estimasi liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2017 dan 2016 dicatat berdasarkan penilaian aktuarial yang dilakukan oleh PT Sienco Aktuarindo Utama, aktuaris independen, berdasarkan laporannya masing-masing bertanggal 3 Januari 2018 dan 4 Januari 2017, dengan menggunakan metode “*Projected Unit Credit*”. Asumsi-asumsi penting yang digunakan dalam penilaian tersebut adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Tingkat bunga diskonto | 6,70% | 8,20% | Discount interest rate |
| Tingkat proyeksi kenaikan gaji | 6% | 6% | Salary increase projection rate |
| Tabel kematian | TMI 2011 | TMI 2011 | Mortality table |
| Tingkat cacat | 1% of mortality rate | 1% of mortality rate | Disability rate |
| Usia pensiun (tahun) | 55 | 55 | Retirement age (years old) |

Beban imbalan kerja - neto

Employee benefits expenses - net

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|--|--|---------------|--|
| | 2017 | 2016 | |
| Beban jasa kini | 42.572 | 28.354 | Current service cost |
| Beban bunga | 16.038 | 15.286 | Interest cost |
| Beban jasa lalu | 13.075 | 407 | Past service cost |
| Beban imbalan kerja - neto (Catatan 31) | 71.685 | 44.047 | Employee benefits expense - net (Note 31) |

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34. Liability for Employee Benefits

The Bank has defined contribution retirement plan and also recognized estimated liability for termination, gratuity and compensation benefits to cover any deficiency as provided under Law No. 13/2003 and the Bank’s labor agreement.

The Bank’s defined contribution retirement plan is managed by Dana Pensiun Lembaga Keuangan Manulife Indonesia (a third party).

The contribution is determined at 16% of the employees’ salary who joined the pension plan, of which 10% is contributed by the Bank and the remaining 6% is contributed by the employee. The Bank’s pension expense for the year ended 31 December 2017 and 2016 amounted to Rp71,685 and Rp44,047, respectively (Note 31).

The estimated liabilities for employee benefits as of 31 December 2017 and 2016, were determined based on the actuarial valuations performed by PT Sienco Aktuarindo Utama, an independent actuary, in its reports dated 3 January 2018 and 4 January 2017, respectively, using the “*Projected Unit Credit*” method. The principal assumptions used in the valuations are as follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Tingkat bunga diskonto | 6,70% | 8,20% | Discount interest rate |
| Tingkat proyeksi kenaikan gaji | 6% | 6% | Salary increase projection rate |
| Tabel kematian | TMI 2011 | TMI 2011 | Mortality table |
| Tingkat cacat | 1% of mortality rate | 1% of mortality rate | Disability rate |
| Usia pensiun (tahun) | 55 | 55 | Retirement age (years old) |

Employee benefits expenses - net

| | Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December | | |
|--|--|---------------|--|
| | 2017 | 2016 | |
| Beban jasa kini | 42.572 | 28.354 | Current service cost |
| Beban bunga | 16.038 | 15.286 | Interest cost |
| Beban jasa lalu | 13.075 | 407 | Past service cost |
| Beban imbalan kerja - neto (Catatan 31) | 71.685 | 44.047 | Employee benefits expense - net (Note 31) |

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34. Liabilitas atas Imbalan Kerja (lanjutan)

Nilai kini liabilitas imbalan kerja

Present value of benefit obligations

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|---|
| Nilai kini liabilitas imbalan kerja, awal tahun | 209.164 | 186.262 | Present value of benefit obligation, beginning of the year |
| Beban jasa kini | 42.572 | 28.354 | Current service cost |
| Beban bunga | 16.038 | 15.286 | Interest cost |
| Beban jasa lalu | 13.075 | 407 | Past service cost |
| Pembayaran manfaat | (27.139) | (32.843) | Payments of benefits |
| Pengukuran kembali aktuarial | 74.741 | 11.698 | Remeasurement of defined benefit plan |
| Nilai kini liabilitas imbalan kerja, akhir tahun | 328.451 | 209.164 | Present value of benefit obligations, end of year |

Jumlah penyesuaian yang timbul pada liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan posisi empat tahun sebelumnya adalah sebagai berikut:

The amounts of experience adjustments arising on the plan liabilities for the year ended 31 December 2017 and previous four years are as follows:

| 31 Desember/31 December | | | | | | |
|-------------------------|---------|---------|---------|---------|---------|-------------------------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | |
| Nilai kini liabilitas | 328.451 | 209.164 | 186.262 | 207.743 | 147.184 | Present value of benefit obligation |
| Penyesuaian liabilitas | 18.838 | (4.876) | (97) | 39.571 | 20.272 | Experience adjustment on liability |

Perubahan liabilitas atas imbalan kerja untuk tahun yang berakhir pada 31 Desember 2017 dan 2016 adalah sebagai berikut:

The movements of employee benefits liability for year ended 31 December 2017 and 2016, are as follows:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|---|
| Saldo awal tahun | 209.164 | 186.262 | Beginning balance |
| Beban imbalan kerja tahun berjalan | 71.685 | 44.047 | Employee benefit expense during the year |
| Total yang diakui di penghasilan komprehensif lainnya | 74.741 | 11.698 | Total amount recognized in other comprehensive income |
| Pembayaran manfaat | (27.139) | (32.843) | Payments of benefits |
| Saldo akhir tahun | 328.451 | 209.164 | Ending balance |

Tabel berikut menunjukkan analisa sensitivitas nilai kini liabilitas imbalan kerja dan biaya jasa kini diasumsikan terdapat perubahan atas tingkat diskonto dan tingkat kenaikan upah (tidak diaudit):

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate and salary increment rate (unaudited):

Tingkat Diskonto

Discount Rate

| 31 Desember/31 December 2017 | | | |
|--|--|--|--|
| 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% | 293.063 | +1% | 37.297 |
| -1% | 371.570 | -1% | 49.116 |

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34. 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 dan tingkat kenaikan upah (tidak diaudit): (lanjutan)

Tingkat Diskonto (lanjutan)

| 31 Desember/31 December 2016 | | | |
|--|---|--|---|
| Perubahan Persentase/ Percentage Change | Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation | Perubahan Persentase/ Percentage Change | Pengaruh terhadap biaya jasa kini/ Impact to current service cost |
| +1% | 180.183 | +1% | 24.154 |
| -1% | 244.797 | -1% | 33.637 |

Tingkat Kenaikan Upah

| 31 Desember/31 December 2017 | | | |
|--|---|--|---|
| 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% | 374.081 | +1% | 49.402 |
| -1% | 290.423 | -1% | 36.989 |

| 31 Desember/31 December 2016 | | | |
|--|---|--|---|
| Perubahan Persentase/ Percentage Change | Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation | Perubahan Persentase/ Percentage Change | Pengaruh terhadap biaya jasa kini/ Impact to current service cost |
| +1% | 247.506 | +1% | 33.966 |
| -1% | 177.568 | -1% | 23.842 |

Jatuh tempo dari liabilitas imbalan kerja pada tanggal 31 Desember 2017 dan 2016 (tidak diaudit) adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---------------------------------|----------------------------------|----------------------------------|---------------------------|
| Dalam waktu 12 bulan berikutnya | 36.292 | 14.285 | Within the next 12 months |
| Antara 1 dan 2 tahun | 23.566 | 19.984 | Between 1 and 2 years |
| Antara 2 dan 5 tahun | 91.343 | 84.253 | Between 2 and 5 years |
| Antara 5 dan 10 tahun | 244.381 | 228.494 | Between 5 and 10 years |
| Di atas 10 tahun | 430.866 | 429.934 | Beyond 10 years |
| Total | 826.448 | 776.950 | Total |

Durasi rata-rata liabilitas imbalan kerja pada tanggal-tanggal 31 Desember 2017 dan 2016 adalah masing-masing 11,25 tahun dan 11,38 tahun.

The average duration of employees' benefits liability as of 31 December 2017 and 2016 are 11.25 years and 11.38 years, respectively.

34. Liability for Employee Benefits (continued)

The tables below show the sensitivity analysis of the present value of employee benefit obligation and current service cost in the assumed changes in the discount rate and salary increment rate (unaudited): (continued)

Discount Rate (continued)

Salary Increment Rate

The maturity of the benefits obligation as of 31 December 2017 and 2016 (unaudited) are as follows:

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35. Jaminan Pemerintah terhadap Liabilitas Pembayaran Bank Umum

Sehubungan dengan liabilitas bank umum yang dijamin oleh Program Penjaminan Pemerintah, Pemerintah Republik Indonesia telah mendirikan, sebuah lembaga independen berdasarkan Undang-undang Republik Indonesia No. 24 tahun 2004 tanggal 22 September 2004. Berdasarkan peraturan ini, Lembaga Penjamin Simpanan (LPS) menjamin dana masyarakat termasuk dana dari bank lain dalam bentuk giro, deposito, sertifikat deposito, tabungan dan/atau bentuk lainnya yang dipersamakan dengan itu.

Pada tanggal 13 Oktober 2008, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 66 Tahun 2008 tentang besaran nilai simpanan yang dijamin LPS. Berdasarkan peraturan tersebut, nilai simpanan yang dijamin untuk setiap nasabah pada satu Bank yang semula berdasarkan Undang-undang No. 24 Tahun 2004 ditetapkan maksimum Rp100.000.000 (nilai penuh) diubah menjadi maksimum Rp2.000.000.000 (nilai penuh).

36. Sifat dan Transaksi dengan Pihak Berelasi

| Pihak berelasi/ Related parties | Sifat dari hubungan/ Nature of relationship |
|---|---|
| Dewan komisaris dan Direksi/ Boards of Commissioners and Directors | Karyawan kunci dan pengurus/Key management and Management |
| United Overseas Bank Ltd, Singapura/ United Overseas Bank Ltd, Singapore | Pemegang saham akhir/Ultimate shareholder |
| United Overseas Bank Ltd, Inggris/ United Overseas Bank Ltd, Great Britain | Mempunyai induk yang sama/Owned by the same shareholder |
| United Overseas Bank Ltd, Jepang/ United Overseas Bank Ltd, Japan | Mempunyai induk yang sama/Owned by the same shareholder |
| United Overseas Bank Ltd, Hong Kong/ United Overseas Bank Ltd, Hong Kong | Mempunyai induk yang sama/Owned by the same shareholder |
| United Overseas Bank Ltd, Australia/ United Overseas Bank Ltd, Australia | Mempunyai induk yang sama/Owned by the same shareholder |

35. The Government Guarantee for The Payment of Obligations of Commercial Banks

In connection with the obligations guaranteed by commercial bank under the Government Guarantee Program, the Indonesian Government has established an independent institution in accordance with the Republic of Indonesia Law No. 24 year 2004 dated 22 September 2004. Under this Law, The Deposit Guarantee Institution (Lembaga Penjamin Simpanan/LPS) guarantees third party deposits, including deposits from other banks, in the form of demand deposits, time deposits, certificates of deposit, saving deposits and/or other equivalent forms.

On 13 October 2008, the President of the Republic of Indonesia approved Government Regulation No. 66 Year 2008 regarding the amount of guarantee on deposits guaranteed by LPS. Based on such Regulation, the guaranteed customers' deposit amount in a Bank which was previously based Law No. 24 Year 2004 amounted to a maximum of Rp100,000,000 (full amount) was amended to a maximum of Rp2,000,000,000 (full amount).

36. Nature and Transaction Balances with Related Parties

| Sifat dari transaksi/ Nature of transaction |
|--|
| Kredit yang diberikan/Loans, Simpanan/Deposits |
| Giro pada bank lain/Current account with other banks, Penempatan pada bank lain/Placement with other banks, tagihan dan liabilitas derivative/Derivatives receivable and payable, Simpanan dari bank lain/Deposits from other Banks, Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali/Liabilities on securities sold under repurchase agreements, Efek hutang yang diterbitkan/Debt securities issued, Biaya yang masih harus dibayar/Accrued expense, Biaya outsourcing/Outsourcing cost. |
| Giro pada bank lain/Current account with other banks |
| Giro pada bank lain/Current account with other banks |
| Giro pada bank lain/Current account with other banks |
| Giro pada bank lain/Current account with other banks |

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36. Sifat dan Transaksi dengan Pihak Berelasi
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36. Nature and Transaction Balances with Related
Parties (continued)

36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

36. Nature and Transaction Balances with Related
Parties (continued)

| Pihak berelasi/ Related parties | Sifat dari hubungan/ Nature of relationship | Sifat dari transaksi/ Nature of transaction |
|---|---|---|
| United Overseas Bank Ltd, Malaysia/ United Overseas Bank Ltd, Malaysia | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Giro pada bank lain/ <i>Current account with other banks</i> , Simpanan dari bank lain/ <i>Deposits from other banks</i> |
| United Overseas Bank Ltd, Thailand/ United Overseas Bank Ltd, Thailand | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Tagihan derivatif/ <i>Derivatives receivable</i> |
| United Overseas Bank Ltd, Bandar Seri Begawan/ United Overseas Bank Ltd, Bandar Seri Begawan | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Simpanan dari bank lain/ <i>Deposits from other banks</i> |
| UOB Kay Hian Credit Pte Ltd/ UOB Kay Hian Credit Pte Ltd | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Efek hutang yang diterbitkan/ <i>Debt securities issued</i> , Tagihan derivatif/ <i>Derivatives receivable</i> . |
| Junipa Pte Ltd/ Junipa Pte Ltd | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Penjualan kredit yang diberikan/ <i>Sale of loans</i> . |
| UOB Property Investment Pte Ltd./ UOB Property Investment Pte Ltd. | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Efek hutang yang diterbitkan/ <i>Debt securities issued</i> . |
| PT UOB Property/PT UOB Property | Mempunyai induk yang sama/ <i>Owned by the same shareholder</i> | Kredit yang diberikan/ <i>Loans</i> , Tagihan derivatif/ <i>Derivatives receivable</i> , <i>Management fee</i> . |
| Dalam kegiatan usaha normal, Bank melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi. | | <i>In the Bank's normal operations, the Bank has operational and financial transactions with related parties.</i> |
| Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: | | <i>The details of transactions with related parties are as follows:</i> |

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|--|
| Aset (lanjutan) | | | Assets (continued) |
| Penempatan pada bank lain (Catatan 6) Call Money : United Overseas Bank Ltd., Singapura | 137.952 | 190.848 | Placements with other banks (Note 6) Call Money: United Overseas Bank Ltd., Singapore |
| Persentase terhadap jumlah aset | 0,14% | 0,20% | Percentage to total assets |
| Tagihan derivatif United Overseas Bank Ltd., Singapura PT UOB Property United Overseas Bank Ltd., Thailand | 38.101 1.835 - | 45.102 6.007 77 | Derivatives Receivable United Overseas Bank Ltd., Singapore PT UOB Property United Overseas Bank Ltd., Thailand |
| | 39.936 | 51.186 | |
| Persentase terhadap jumlah aset | 0,04% | 0,05% | Percentage to total assets |
| Kredit yang diberikan (Catatan 10) | 336.113 | 369.674 | Loans (Note 10) |
| Persentase terhadap jumlah aset | 0,35% | 0,39% | Percentage to total assets |
| Aset lain-lain - neto Tagihan spot United Overseas Bank Ltd., Singapura United Overseas Bank Ltd., Malaysia | 213 1 214 | - - - | Other assets – net Spot receivable United Overseas Bank Ltd., Singapore United Overseas Bank Ltd., Malaysia |
| Persentase terhadap jumlah aset | 0,00% | 0,00% | Percentage to total assets |
| Liabilitas | | | Liabilities |
| Simpanan: Giro (Catatan 16) Tabungan (Catatan 17) Deposito berjangka (Catatan 18) | 37.033 61.264 137.022 | 18.912 62.156 143.589 | Deposits: Demand deposits (Note 16) Saving deposits (Note 17) Time deposits (Note 18) |
| | 235.319 | 224.657 | |
| Persentase terhadap jumlah liabilitas | 0,28% | 0,27% | Percentage to total liabilities |
| Simpanan dari bank lain: (Catatan 19) Call Money United Overseas Bank Ltd., Singapura | 2.229.140 | 3.148.523 | Deposits from other banks (Note 19) Call Money United Overseas Bank Ltd., Singapore |

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36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|--|----------------------------------|----------------------------------|
| Liabilitas (lanjutan) | | |
| Simpanan dari bank lain: (Catatan 19) (lanjutan) | | |
| Giro dari bank lain | | |
| United Overseas Bank Ltd., Singapura | 18.720 | 13.244 |
| United Overseas Bank Ltd., Malaysia | 2.755 | 185 |
| United Overseas Bank Ltd., Bandar Seri Begawan | 214 | 214 |
| United Overseas Bank Ltd., Thailand | 5 | - |
| | 2.250.834 | 3.162.166 |
| Persentase terhadap jumlah liabilitas | 2,67% | 3,80% |
| Liabilitas derivatif | | |
| United Overseas Bank Ltd., Singapura | 32.461 | 93.827 |
| Persentase terhadap jumlah liabilitas | 0,04% | 0,11% |
| Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali (Catatan 21) | | |
| United Overseas Bank Ltd., Singapura | - | 339.412 |
| Persentase terhadap jumlah liabilitas | - | 0,41% |
| Efek hutang yang diterbitkan | | |
| UOB Property Investment Pte Ltd. | 567.000 | 567.000 |
| UOB Kay Hian Credit Pte Ltd. | 47.000 | 47.000 |
| | 614.000 | 614.000 |
| Persentase terhadap jumlah liabilitas | 0,73% | 0,74% |
| Liabilitas lain-lain | | |
| Biaya yang masih harus dibayar | | |
| United Overseas Bank Ltd., Singapura | 86.738 | 40.382 |
| Persentase terhadap jumlah liabilitas | 0,10% | 0,05% |
| Liabilitas spot | | |
| UOB Kay Hian Pte Ltd | 202 | - |
| United Overseas Bank Ltd., Singapura | 194 | - |
| | 396 | - |
| Persentase terhadap jumlah liabilitas | 0,00% | 0,00% |

36. Nature and Transaction Balances with Related
Parties (continued)

The details of transactions with related parties are as follows: (continued)

| |
|---|
| Liabilities (continued) |
| Deposits from other banks (Note 19) (continued) |
| Demand deposits from other banks |
| United Overseas Bank Ltd., Singapore |
| United Overseas Bank Ltd., Malaysia |
| United Overseas Bank Ltd., Bandar Seri Begawan |
| United Overseas Bank Ltd., Thailand |
| |
| Percentage to total liabilities |
| Derivatives payable |
| United Overseas Bank Ltd., Singapore |
| |
| Percentage to total liabilities |
| Liabilities on securities sold under repurchase agreements (Note 21) |
| United Overseas Bank Ltd., Singapore |
| |
| Percentage to total liabilities |
| Debt securities issued |
| UOB Property Investment Pte Ltd. |
| UOB Kay Hian Credit Pte Ltd. |
| |
| Percentage to total liabilities |
| Other liabilities |
| Accrued expenses |
| United Overseas Bank Ltd., Singapore |
| |
| Percentage to total liabilities |
| Spot payable |
| UOB Kay Hian Pte Ltd |
| United Overseas Bank Ltd., Singapore |
| |
| Percentage to total liabilities |

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36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---|----------------------------------|----------------------------------|
| Pendapatan | | |
| Pendapatan bunga | | |
| Kredit yang diberikan | 20.759 | 20.591 |
| Penempatan pada bank lain | | |
| United Overseas Bank Ltd., Singapura | 2.262 | 2.607 |
| Giro pada bank lain | | |
| United Overseas Bank Ltd., Singapura | 159 | 4 |
| United Overseas Bank Ltd., Australia | 3 | - |
| | 23.183 | 23.202 |
| Persentase terhadap jumlah pendapatan bunga | 0,32% | 0,31% |
| Security agent fee | | |
| Junipa Pte Ltd | 360 | - |
| Persentase terhadap jumlah komisi dan jasa administrasi - neto | 0,14% | 0,00% |
| Tagihan derivatif | | |
| United Overseas Bank Ltd., Singapura | 9.143 | 22.270 |
| UOB Kay Hian Credit Pte Ltd | 5.865 | - |
| PT UOB Property | 3.645 | 3.998 |
| | 18.653 | 26.268 |
| Persentase terhadap jumlah keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto | 10,11% | 13,70% |
| Aset lain-lain - neto | | |
| Tagihan spot | | |
| UOB Kay Hian Credit Pte Ltd. | 1.446 | - |
| UOB Kay Hian Pte Ltd. | 545 | - |
| UOB Kay Hian Securities | 182 | - |
| United Overseas Bank Ltd., Thailand | 111 | - |
| United Overseas Bank Ltd., Malaysia | 22 | - |
| | 2.306 | - |
| Persentase terhadap jumlah keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto | 1,25% | 0,00% |

| |
|--|
| Income |
| Interest income |
| Loans |
| Placements with other banks |
| United Overseas Bank Ltd., Singapore |
| Current account with other banks |
| United Overseas Bank Ltd., Singapore |
| United Overseas Bank Ltd., Australia |
| |
| Percentage to total interest income |
| Security agent fee |
| Junipa Pte Ltd |
| |
| Percentage to administration fees and commissions - net |
| Derivatives Receivable |
| United Overseas Bank Ltd., Singapore |
| UOB Kay Hian Credit Pte Ltd |
| PT UOB Property |
| |
| Percentage to total on securities sold and from realized and unrealized gain changes in fair value of trading securities - net |
| Other assets – net |
| Spot receivable |
| UOB Kay Hian Credit Pte Ltd. |
| UOB Kay Hian Pte Ltd. |
| UOB Kay Hian Securities |
| United Overseas Bank Ltd., Thailand |
| United Overseas Bank Ltd., Malaysia |
| |
| Percentage to total on securities sold and from realized and unrealized gain changes in fair value of trading securities - net |

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36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

Rincian dari transaksi dengan pihak berelasi
adalah sebagai berikut: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---|----------------------------------|----------------------------------|
| Beban | | |
| Beban bunga | | |
| Efek utang yang diterbitkan | | |
| UOB Property Investment Pte Ltd. | 59.529 | 65.427 |
| UOB Kay Hian Credit Pte Ltd | 4.813 | 5.161 |
| United Overseas Bank Ltd., Singapura | - | 27.172 |
| Simpanan dari bank lain | | |
| Call Money | | |
| United Overseas Bank Ltd., Singapura | 29.253 | 19.990 |
| Giro dari bank lain | | |
| United Overseas Bank Ltd., Malaysia | - | 16 |
| Deposito berjangka | 6.726 | 5.682 |
| Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali | 4.010 | 370 |
| Tabungan | 3.069 | 2.265 |
| Giro | 594 | 1.271 |
| | 107.994 | 127.354 |
| Persentase terhadap jumlah beban bunga | 2,87% | 3,29% |
| Liabilitas derivatif | | |
| United Overseas Bank Ltd., Singapura | 7.383 | - |
| | 7.383 | - |
| Persentase terhadap jumlah keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto | 4,00% | 0,00% |
| Liabilitas lain-lain - neto | | |
| Liabilitas spot | | |
| United Overseas Bank Ltd., Singapura | 4.351 | - |
| United Overseas Bank Ltd., Hong Kong | 63 | - |
| | 4.414 | - |
| Persentase terhadap jumlah keuntungan yang telah direalisasi dan belum direalisasi atas efek-efek yang dijual dan perubahan nilai wajar efek-efek yang diperdagangkan - neto | 2,39% | 0,00% |

36. Nature and Transaction Balances with Related
Parties (continued)

The details of transactions with related parties are
as follows: (continued)

| |
|--|
| Expenses |
| Interest expense |
| Debt securities issued |
| UOB Property Investment Pte Ltd. |
| UOB Kay Hian Credit Pte Ltd. |
| United Overseas Bank Ltd., Singapore |
| Deposits from other banks |
| Call Money |
| United Overseas Bank Ltd., Singapore |
| Demand deposits from other banks |
| United Overseas Bank Ltd., Malaysia |
| Time deposits |
| Liabilities on securities sold under repurchase agreements |
| Saving deposits |
| Demand deposits |
| Percentage to total interest expense |
| Derivatives payable |
| United Overseas Bank Ltd., Singapore |
| Percentage to total on securities sold and from realized and unrealized gain changes in fair value of trading securities - net |
| Other liabilities |
| Spot payable |
| United Overseas Bank Ltd., Singapore |
| United Overseas Bank Ltd., Hong Kong |
| Percentage to total on securities sold and from realized and unrealized gain changes in fair value of trading securities - net |

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36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

Rincian dari transaksi dengan pihak berelasi
adalah sebagai berikut: (lanjutan)

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 |
|---|----------------------------------|----------------------------------|
| Beban (lanjutan) | | |
| Biaya outsourcing | | |
| United Overseas Bank Ltd., Singapura | 42.935 | 43.203 |
| Dibebankan atas aplikasi Dikapitalisasi ke aset tetap | | |
| Peralatan kantor | 30.777 | 58.387 |
| Maintenance fee | | |
| PT UOB Property | 17.887 | 11.721 |
| | 91.599 | 113.311 |
| Persentase terhadap jumlah beban umum dan administrasi | 7,87% | 9,94% |

| |
|--|
| Expenses (continued) |
| Outsourcing cost |
| United Overseas Bank Ltd., Singapore |
| Charged for software |
| Capitalized to fixed assets |
| Office equipment |
| Maintenance fee |
| PT UOB Property |
| Percentage to general and administrative expenses |

Keterangan:

- a. Persentase dari giro pada bank lain,
penempatan pada bank lain, tagihan derivatif,
dan kredit yang diberikan dihitung terhadap
total aset pada masing-masing tanggal laporan
posisi keuangan.
- b. Persentase dari giro, tabungan, deposito
berjangka, simpanan dari bank lain, liabilitas
derivatif, liabilitas atas surat berharga yang
dijual dengan janji dibeli kembali, efek hutang
yang diterbitkan dan biaya yang masih harus
dibayar dihitung terhadap total liabilitas pada
masing-masing tanggal laporan posisi
keuangan.
- c. Persentase dari beban pemeliharaan gedung
dihitung terhadap total beban umum dan
administrasi untuk masing-masing tahun yang
bersangkutan. Beban pemeliharaan gedung
merupakan beban pemeliharaan atas gedung
UOB Plaza - Thamrin Nine yang dibayarkan ke
PT UOB Property.
- d. Persentase dari beban umum dan administrasi
lainnya dihitung terhadap total beban umum
dan administrasi untuk masing-masing tahun
yang bersangkutan.

Notes:

- a. The percentages of current accounts with
other banks, placements with other banks,
derivatives receivable, and loans are
computed based on the total assets at
statement of financial position dates.
- b. The percentages of demand deposits, saving
deposits, time deposits, deposits from other
banks, derivatives payable, liabilities on
securities sold under repurchase agreements,
debt securities issued and accrued expenses
are computed based on the total liabilities at
statement of financial position dates.
- c. The percentages of building maintenance
expenses are computed based on the total
general and administrative expenses in each
related year. The building maintenance
expense represents the maintenance
expenses of UOB Plaza - Thamrin Nine which
was paid to PT UOB Property.
- d. The percentage of other general and
administrative expenses is computed based on
the total general and administrative expenses
for each year.

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36. Sifat dan Transaksi dengan Pihak Berelasi
(lanjutan)

Keterangan: (lanjutan)

- e. Persentase dari biaya *outsourcing* yang dikapitalisasi ke aset tetap dihitung terhadap jumlah aset pada masing-masing tanggal laporan posisi keuangan, sedangkan persentase dari biaya *outsourcing* yang dibebankan pada usaha dihitung terhadap jumlah beban operasional lainnya untuk masing-masing tahun yang bersangkutan. Biaya *outsourcing* merupakan biaya yang dibebankan United Overseas Bank Limited (UOB) kepada Bank sehubungan dengan perubahan *Master Outsourcing Agreement* tertanggal 1 April 2008. UOB akan memberikan jasa peningkatan sistem dan teknologi informasi (*enhancement cost*) seperti yang diungkapkan dalam perjanjian tersebut.

Sebagai imbalan atas jasa ini, Bank wajib membayar *one time cost* atas beban aktual dan *recurring cost* atas beban pemeliharaan serta biaya peningkatan sistem dan aplikasi teknologi informasi (*enhancement cost*) seperti yang diungkapkan dalam perjanjian tersebut.

Perjanjian ini berlaku untuk satu tahun sejak tanggal efektif perjanjian dan akan secara otomatis diperbarui untuk satu tahun berikutnya, kecuali jika salah satu pihak memberikan pemberitahuan tertulis untuk tidak memperbarui 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.

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36. Nature and Transaction Balances with Related Parties (continued)

Notes: (continued)

- e. The percentage of outsourcing costs capitalized to fixed assets is computed based on total assets at statements of financial position, while the percentage of outsourcing costs charged to operations is computed based on the total other operational expenses for each related year. Outsourcing costs represent costs charged by United Overseas Bank Limited (UOB) to the Bank in connection with the amended Master Outsourcing Agreement dated 1 April 2008. UOB renders system enhancement and information technology related services on credit card, treasury and common systems applications in the Bank.

As compensation to the services, the Bank is obliged to pay one time cost and recurring costs such as development and enhancement costs on the application stated in the agreement.

This agreement shall remain in force for a period of one year commencing from the effective date of the agreement and shall be automatically renewed for another one year unless either party shall gives the other party a written notice of intention not to renew the agreement at least six months prior to expiry date. These transactions have been approved by the Bank's independent shareholders on 20 June 2008.

- f. Interest incomes and expenses from/to related parties, which are received/incurred by the Bank is less than 10% of the Bank's total interest incomes and expenses, respectively, for each related year.

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37. Posisi Devisa Neto

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

31 Desember/31 December 2017

| Mata Uang Asing (dalam jumlah penuh)/ Foreign Currencies (in full amount) | | |
|--|----------------------------|---------------|
| Aset/ Assets | Liabilitas/ Liabilities | |
| Keseluruhan (laporan posisi keuangan dan rekening administratif) | | |
| Dolar Amerika Serikat | 3.927.597.899 | 3.947.568.331 |
| Euro Eropa | 410.653.687 | 411.144.163 |
| Dolar Singapura | 388.884.828 | 389.412.419 |
| Yen Jepang | 1.694.486.715 | 1.708.510.745 |
| Dolar Australia | 38.788.745 | 38.899.789 |
| Franc Swiss | 3.338.716 | 3.301.012 |
| Dolar Selandia Baru | 3.930.679 | 3.963.272 |
| Pound Sterling Inggris | 4.665.635 | 4.682.124 |
| Ringgit Malaysia | 12.367 | - |
| Dolar Kanada | 4.395.941 | 4.399.695 |
| Swedish Kroner | 605.743 | 590.945 |
| Yuan Cina | 680.197 | 672.550 |
| Dolar Hong Kong | 1.702.237 | 1.698.049 |
| Total | 6.479.743.389 | 6.514.843.094 |
| Total Modal Desember 2017 | | |
| Rasio PDN atas modal Desember 2017 (Keseluruhan) | | |

31 Desember

| Mata Uang Asing (dalam jumlah penuh/ Foreign Currencies (in full amount) | | |
|---|---------------|----------------------------|
| Aset/ Assets | | Liabilitas/ Liabilities |
| Keseluruhan (laporan posisi keuangan dan rekening administratif) | | |
| Dolar Amerika Serikat | 3.732.708.171 | 3.727.904.104 |
| Dolar Singapura | 622.758.976 | 623.209.848 |
| Dolar Australia | 45.913.132 | 46.050.612 |
| Euro Eropa | 32.103.227 | 32.192.152 |
| Yen Jepang | 3.194.867.598 | 3.211.214.216 |
| Franc Swiss | 2.572.427 | 2.609.336 |
| Swedish Kroner | 992.113 | 967.092 |
| Dolar Kanada | 2.003.490 | 2.024.897 |
| Dolar Selandia Baru | 4.431.097 | 4.490.363 |
| Ringgit Malaysia | 12.364 | - |
| Dolar Hong Kong | 2.819.012 | 2.599.623 |
| Pound Sterling Inggris | 7.653.100 | 7.684.429 |
| Yuan Cina | 1.526.736 | 568.959 |
| Total | 7.650.361.443 | 7.661.515.631 |
| Total Modal Desember 2016 | | |
| Rasio PDN atas modal Desember 2016 (Keseluruhan) | | |

| | | | | | |
|---|------------|--|------------|--|------------|
| Aggregate (statement of financial position and administrative accounts) | | | | | |
| United States Dollar | 270.948 | United States Dollar | 270.948 | United States Dollar | 270.948 |
| European Euro | 7.964 | European Euro | 7.964 | European Euro | 7.964 |
| Singapore Dollar | 5.358 | Singapore Dollar | 5.358 | Singapore Dollar | 5.358 |
| Japanese Yen | 1.690 | Japanese Yen | 1.690 | Japanese Yen | 1.690 |
| Australian Dollar | 1.177 | Australian Dollar | 1.177 | Australian Dollar | 1.177 |
| Swiss Franc | 524 | Swiss Franc | 524 | Swiss Franc | 524 |
| New Zealand Dollar | 315 | New Zealand Dollar | 315 | New Zealand Dollar | 315 |
| Great Britain Pound Sterling | 303 | Great Britain Pound Sterling | 303 | Great Britain Pound Sterling | 303 |
| Malaysian Ringgit | 41 | Malaysian Ringgit | 41 | Malaysian Ringgit | 41 |
| Canadian Dollar | 41 | Canadian Dollar | 41 | Canadian Dollar | 41 |
| Swedish Kroner | 25 | Swedish Kroner | 25 | Swedish Kroner | 25 |
| Chinese Yuan | 16 | Chinese Yuan | 16 | Chinese Yuan | 16 |
| Hong Kong Dollar | 8 | Hong Kong Dollar | 8 | Hong Kong Dollar | 8 |
| Total | 288.410 | Total | 288.410 | Total | 288.410 |
| Total Capital December 2017 | 12.972.789 | Total Capital December 2017 | 12.972.789 | Total Capital December 2017 | 12.972.789 |
| Percentage of NOP to December 2017 capital (Aggregate) | 2,22% | Percentage of NOP to December 2017 capital (Aggregate) | 2,22% | Percentage of NOP to December 2017 capital (Aggregate) | 2,22% |

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37. Posisi Devisa Neto (lanjutan)

Berdasarkan peraturan BI mengenai PDN sebagaimana telah direvisi melalui Peraturan BI No. 6/20/PBI/2004 pada tanggal 15 Juli 2004, yang terakhir diperbaharui dengan Peraturan BI No. 17/5/PBI/2015 tanggal 29 Mei 2015, PDN bank setinggi-tingginya adalah 20% dari modal. PDN merupakan jumlah absolut dari selisih antara aset dan liabilitas dalam mata uang asing, baik yang terdapat di laporan posisi keuangan maupun rekening administratif. PDN Bank pada tanggal 31 Desember 2017 dan 2016 telah memenuhi ketentuan BI.

38. Informasi Penting

Rasio Kewajiban Penyediaan Modal Minimum

Pada tanggal 31 Desember 2017 dan 2016 rasio Kewajiban Penyediaan Modal Minimum (KPMM) Bank dihitung berdasarkan POJK No. 34/POJK.03/2016 tanggal 22 September 2016 dan disusun berdasarkan PBI No.14/18/PBI/2012 tanggal 28 November 2012 dan No.15/12/PBI/2013 tanggal 12 Desember 2013 dengan perhitungan sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|--|----------------------------------|----------------------------------|--|
| Modal inti | 10.945.777 | 10.823.052 | Core capital |
| Modal pelengkap | 2.027.012 | 1.616.899 | Supplementary capital |
| Total modal | 12.972.789 | 12.439.951 | Total capital |
| Aset Tertimbang Menurut Resiko Kredit | 67.356.742 | 68.229.273 | Credit Risk Weighted Assets |
| Aset Tertimbang Menurut Resiko Pasar | 1.092.313 | 610.188 | Market Risk Weighted Assets |
| Aset Tertimbang Menurut Resiko Operasional | 7.501.828 | 6.848.213 | Operational Risk Weighted Assets |
| Rasio CET1 | 14,41% | 14,30% | CET1 Ratio |
| Rasio Tier1 | 14,41% | 14,30% | Tier1 Ratio |
| Rasio Tier2 | 2,67% | 2,14% | Tier2 Ratio |
| Rasio Total | 17,08% | 16,44% | Total Ratio |
| Rasio KPMM yang diwajibkan sesuai dengan profil risiko | 9,00% | 9,00% | Required Capital Adequacy Ratio accordance with risk profile |
| Capital conservation Buffer | 1,250% | 0,625% | Capital conservation Buffer |
| Countercyclical Buffer | 0,000% | 0,000% | Countercyclical Buffer |
| Capital surcharge untuk Bank Sistemik | 0,000% | 0,000% | Capital surcharge for D-SIB |
| Presentase Buffer yang wajib dipenuhi oleh Bank | 1,250% | 0,625% | Buffer which must be fulfilled by Bank |
| CET untuk Buffer | 8,08% | 7,44% | Countercyclical Buffer |

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37. Net Open Position (continued)

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on 15 July 2004 and as further amended by BI Regulation No. 17/5/PBI/2015 dated 29 May 2015, the maximum NOP of banks should be 20% of capital. NOP represents an absolute amount arising from the differences between the assets and liabilities in foreign currencies in the statements of financial position and administrative accounts. The NOP of the Bank as of 31 December 2017 and 2016 is in compliance with BI regulations.

38. Significant Information

Capital Adequacy Ratio

As of 31 December 2017 and 2016, the Bank's Capital Adequacy Ratio (CAR) is computed in accordance with POJK No. 34/POJK.03/2016 dated 22 September 2016 and is computed in accordance BI Regulation No.14/18/PBI/2012 dated 28 November 2012 and BI regulation No.15/12/PBI/2013 dated 12 December 2013, as follows:

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38. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Bank wajib menyediakan modal minimum sesuai dengan profil resiko, sebagai berikut:

- 8% dari ATMR untuk Bank dengan profil resiko peringkat 1
- 9% s.d kurang dari 10% dari ATMR untuk Bank dengan profil resiko peringkat 2
- 10% s.d kurang dari 11% dari ATMR untuk Bank dengan prodil resiko peringkat 3
- 11% s.d 14% dari ATMR untuk Bank dengan profil resiko peringkat 4 atau peringkat 5

Berdasarkan POJK No.34/POJK.03/2016 tanggal 22 September 2016 tentang Kewajiban Penyediaan Modal Minimum, Bank wajib membentuk tambahan modal sebagai penyangga (*buffer*), sebagai berikut:

- Capital Conservation Buffer* adalah tambahan modal yang berfungsi sebagai penyangga (*buffer*) apabila terjadi kerugian pada periode krisis;
- Countercyclical Buffer* adalah tambahan modal yang berfungsi untuk mengantisipasi kerugian apabila terjadi pertumbuhan kredit perbankan yang berlebihan sehingga berpotensi mengganggu stabilitas sistem keuangan;
- Capital Surcharge* untuk *Domestic Systemically Important Bank* (D-SIB) adalah tambahan modal yang berfungsi untuk mengurangi dampak negatif terhadap stabilitas sistem keuangan dan perekonomian apabila terjadi kegagalan Bank yang berdampak sistemik melalui peningkatan kemampuan Bank dalam menyerap kerugian.

Tambahan modal sebagai penyangga (*buffer*) yang wajib dibentuk oleh Bank adalah:

- Capital Conservation Buffer* sebesar 2,5% dari ATMR untuk Bank yang tergolong dalam Bank Umum Kegiatan Usaha BUKU 3 dan BUKU 4 yang pemenuhannya secara bertahap:
 - 0,625% dari ATMR mulai 1 Januari 2016
 - 1,25% dari ATMR mulai 1 Januari 2017
 - 1,875% dari ATMR mulai 1 Januari 2018
 - 2,5% dari ATMR mulai 1 Januari 2019
- Countercyclical Buffer* sebesar 0% (nol persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR bagi seluruh Bank.
- Capital Surcharge* untuk D-SIB sebesar 1% (satu persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR Bank yang berdampak sistemik.

Pemenuhan modal sebagai penyangga (*buffer*) harus dipenuhi dengan menggunakan komponen modal inti Utama (*Common Equity Tier 1*).

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38. Significant Information (continued)

Capital Adequacy Ratio (continued)

Bank provides the minimum capital required according to the risk profile, as follows:

- 8% of the RWA for bank with a risk profile rating 1
- 9% until less than 10% of the RWA for bank with a risk profile rating 2
- 10% until less than 11% of the RWA for bank with a risk profile rating 3
- 11% until less than 14% for bank with a risk profile ratings of 4 and 5

Based on POJK No.34/POJK.03/2016 dated 22 September 2016 concerning Capital Adequacy Ratio, the Bank is required to establish additional capital as a buffer, as follows:

- Capital Conservation Buffer* is additional capital which serves as a buffer in the event of a loss in the period of crisis;
- Countercyclical Buffer* is additional capital which serves to anticipated losses in the event of excessive credit growth and thus potentially disrupt the stability of the financial system;
- Capital Surcharge for Domestic Systemically Important Banks* (D-SIB) is additional capital which serves to reduce the negative impact on the stability of the financial system and economy in the event of Bank failure is a systemic effect through an increase in the Bank's ability to absorb losses.

Additional capital as a buffer which shall be established by the Bank are:

- Capital Conservation Buffer* amounted to 2.5% of RWA to the Bank classified to BUKU 3 and BUKU 4 whose fulfillment gradually:
 - 0.625% from RWA since 1 January 2016
 - 1.25% from RWA since 1 January 2017
 - 1.875% from RWA since 1 January 2018
 - 2.5% from RWA since 1 January 2019
- Countercyclical Buffer* in the amount of 0% (zero percent) up to 2.5% (two coma five percent) from RWA for the whole Bank.
- Capital Surcharge for D-SIB* in the amount of 1% (one percent) to 2.5% (two coma five percent) from RWA of Banks with systemic impact.

Fulfillment of capital as a buffer should be met by using components of Common Equity Tier 1.

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38. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Berdasarkan PBI No. 17/22/PBI/2015 tanggal 23 Desember 2015 tentang Kewajiban Pembentukan *Countercyclical Buffer* (CCB) ditetapkan bahwa besaran CCB yang ditetapkan oleh Bank Indonesia untuk pertama kali, yaitu mulai 1 Januari 2016 adalah sebesar 0% dan berlaku untuk seluruh bank, baik bank umum konvensional dan bank umum syariah, termasuk kantor cabang dari bank yang berkedudukan di luar negeri.

Evaluasi terhadap besaran CCB akan dilakukan secara berkala, yaitu paling kurang 1 kali dalam 6 bulan. Dalam hal berdasarkan hasil evaluasi ditetapkan bahwa besaran CCB tidak berubah maka Bank Indonesia akan mengeluarkan pengumuman di website Bank Indonesia dan apabila ditetapkan ada perubahan, maka Bank Indonesia akan menerbitkan Surat Edaran mengenai perubahan tersebut.

Berdasarkan POJK No. 46/POJK.03/2015 tanggal 23 Desember 2015 tentang Penetapan *Systemically Important Bank* dan *Capital Surcharge*, ditetapkan bahwa Otoritas Jasa Keuangan berkoordinasi dengan Bank Indonesia akan menetapkan SIB dan *Capital Surcharge* untuk SIB. Bank yang ditetapkan sebagai SIB wajib membentuk *Capital Surcharge* untuk SIB.

Penetapan SIB dan *Capital Surcharge* untuk SIB dilakukan secara semesteran setiap tahun pada:

- Bulan Maret dengan menggunakan data pada bulan Desember tahun sebelumnya; dan
- Bulan September dengan menggunakan data posisi bulan Juni tahun sebelumnya.

Otoritas Jasa Keuangan menetapkan *Capital Surcharge* untuk SIB dalam 5 kelompok *bucket*:

- 1% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 1;
- 1,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 2;
- 2% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 3;
- 2,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 4;
- 3,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 5.

38. Significant Information (continued)

Capital Adequacy Ratio (continued)

Based on PBI No. 17/22/PBI/2015 dated 23 December 2015 concerning the Establishment of Countercyclical Buffer Obligation stipulated that the amount of CCB set by Bank Indonesia for the first time, starting 1 January 2016 amounted to 0% and apply to all banks, both conventional commercial bank and islamic banks, including branches of banks domiciled abroad.

The evaluation of the amount of CCB would be done regularly, ie at least 1 time within 6 months. In the case based on the evaluation determined that the magnitude of the CCB does not change then Bank Indonesia will issue an announcement on the website of Bank Indonesia and, if specified changes, then Bank Indonesia will issue a Circular Letter regarding the change.

According to POJK No. 46/POJK.03/2015 dated 23 December 2015 concerning the Stipulation of Systemically Important Banks and Capital Surcharge, established that the Financial Services Authority in coordination with Bank Indonesia will set SIB and Capital Surcharge for SIB. Banks are defined as SIB is required to establish Capital Surcharge for SIB.

Determination of SIB and Capital Surcharge for SIB conducted biannually on:

- March using data in December of the previous year; and*
- September using data in June of the previous year.*

Financial Services Authority establish Capital Surcharge for SIB in 5 groups of bucket:

- 1% from RWA for SIB, which classified as bucket 1;*
- 1.5% from RWA for SIB, which classified as bucket 2;*
- 2% from RWA for SIB, which classified as bucket 3;*
- 2.5% from RWA for SIB, which classified as bucket 4;*
- 3.5% from RWA for SIB, which classified as bucket 5.*

38. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Untuk pertama kali, OJK akan menetapkan SIB dalam 4 kelompok dimana pemenuhannya dilakukan secara bertahap:

- SIB bagi kelompok (*bucket*) 1 sebesar:
 - 0,25% dari ATMR sejak tanggal 1 Januari 2016;
 - 0,5% dari ATMR sejak tanggal 1 Januari 2017;
 - 0,75% dari ATMR sejak tanggal 1 Januari 2018;
 - 1% dari ATMR sejak tanggal 1 Januari 2019.
- SIB bagi kelompok (*bucket*) 2 sebesar:
 - 0,375% dari ATMR sejak tanggal 1 Januari 2016;
 - 0,75% dari ATMR sejak tanggal 1 Januari 2017;
 - 1,125% dari ATMR sejak tanggal 1 Januari 2018;
 - 1,5% dari ATMR sejak tanggal 1 Januari 2019.
- SIB bagi kelompok (*bucket*) 3 sebesar:
 - 0,5% dari ATMR sejak tanggal 1 Januari 2016;
 - 1% dari ATMR sejak tanggal 1 Januari 2017;
 - 1,5% dari ATMR sejak tanggal 1 Januari 2018;
 - 2% dari ATMR sejak tanggal 1 Januari 2019.
- SIB bagi kelompok (*bucket*) 4 sebesar:
 - 0,625% dari ATMR sejak tanggal 1 Januari 2016;
 - 1,25% dari ATMR sejak tanggal 1 Januari 2017;
 - 1,875% dari ATMR sejak tanggal 1 Januari 2018;
 - 2,5% dari ATMR sejak tanggal 1 Januari 2019.

38. Significant Information (continued)

Capital Adequacy Ratio (continued)

For the first time, the FSA will set the SIB into 4 groups where fulfillment is done gradually:

- SIB for bucket 1 amounted to:*
 - 0.25% from RWA since 1 January 2016;*
 - 0.5% from RWA since 1 January 2017;*
 - 0.75% from RWA since 1 January 2018;*
 - 1% from RWA since 1 January 2019.*
- SIB for bucket 2 amounted to:*
 - 0.375% from RWA since 1 January 2016;*
 - 0.75% from RWA since 1 January 2017;*
 - 1.125% from RWA since 1 January 2018;*
 - 1.5% from RWA since 1 January 2019.*
- SIB for bucket 3 amounted to:*
 - 0.5% from RWA since 1 January 2016;*
 - 1% from RWA since 1 January 2017;*
 - 1.5% from RWA since 1 January 2018;*
 - 2% from RWA since 1 January 2019.*
- SIB for bucket 4 amounted to:*
 - 0.625% from RWA since 1 January 2016;*
 - 1.25% from RWA since 1 January 2017;*
 - 1.875% from RWA since 1 January 2018;*
 - 2.5% from RWA since 1 January 2019.*

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| 39. Jatuh Tempo Aset dan Liabilitas Bank | | 39. Remaining Maturity Periods of Bank's Assets and Liabilities | |
| Aset dan liabilitas Bank pada tanggal 31 Desember 2017 dan 2016 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut: | | As of 31 December 2017 and 2016, the Bank's assets and liabilities based on the remaining period of maturities are as follows: | |

| 31 Desember/31 December 2017 | | | | | | |
|---|---|--|--|---|--|-------------------|
| 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 |
| Aset | | | | | | |
| Kas | 398.298 | - | - | - | - | 398.298 |
| Giro pada Bank Indonesia | 6.071.513 | - | - | - | - | 6.071.513 |
| Giro pada bank lain | 2.452.901 | - | - | - | - | 2.452.901 |
| Penempatan pada Bank Indonesia dan bank lain | - | 3.116.404 | 300.000 | - | - | 3.416.404 |
| Efek-efek yang diperdagangkan | - | 109.883 | 967.853 | 381 | 36.045 | 1.118.020 |
| Investasi keuangan - neto | - | 1.903.573 | 3.152.998 | 6.421.361 | 2.906.907 | 14.951.354 |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | - | 1.015.168 | - | - | - | 1.015.168 |
| Tagihan derivatif | - | 28.890 | 19.313 | 11.132 | 87.064 | 146.399 |
| Kredit yang diberikan - neto | - | 3.682.635 | 9.753.612 | 21.467.038 | 16.393.312 | 61.998.204 |
| Tagihan akseptasi - neto | - | 372.864 | 771.940 | 666.521 | 14.725 | 1.826.050 |
| Aset pajak tangguhan - neto | 95.212 | - | - | - | - | 95.212 |
| Aset tetap | 1.062.874 | - | - | - | - | 1.062.874 |
| Aset lain-lain - neto | 207.221 | 361.943 | - | 122.552 | - | 691.716 |
| Total Aset | 10.288.019 | 10.591.360 | 14.965.716 | 28.688.985 | 19.405.866 | 95.244.113 |
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| 39. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan) | | 39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued) | |
| Aset dan liabilitas Bank pada tanggal 31 Desember 2017 dan 2016 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan): | | As of 31 December 2017 and 2016, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued): | |

| 31 Desember/31 December 2017 | | | | | | |
|------------------------------|--|--|--|---|--|---------|
| 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 |
| Liabilitas | Liabilitas segera | - | 149.371 | - | - | 149.371 |
| | Simpanan | 25.900.819 | 25.391.620 | 19.091.216 | 4.504.542 | 16.502 |
| | Simpanan dari bank lain | 80.688 | 663.451 | 1.565.689 | 5.000 | - |
| | Bunga yang masih harus dibayar | - | 225.648 | - | - | - |
| | Utang pajak | - | 65.202 | - | - | - |
| | Liabilitas derivatif | - | 17.704 | 15.497 | 8.356 | 64.213 |
| | Liabilitas atas | - | - | - | - | - |
| | Imbalan kerja | - | - | - | 35.271 | 87.033 |
| | Liabilitas akseptasi | - | 374.487 | 776.721 | 677.361 | 14.859 |
| | Pinjaman yang diterima | - | - | - | - | 333.138 |
| Liabilitas lain-lain | 250.761 | 24.648 | 171.961 | 48.789 | - | |
| Efek hutang yang diterbitkan | - | - | - | 599.579 | 2.290.620 | |
| Total Liabilitas | 26.232.268 | 26.912.131 | 21.621.084 | 5.878.898 | 2.932.027 | |
| Neto | (15.944.249) | (16.320.771) | (6.655.368) | 22.810.087 | 16.473.839 | |
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The original financial statements included herein are in Indonesian language.

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| 39. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan) | | 39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued) | | | |
| Aset dan liabilitas Bank pada tanggal 31 Desember 2017 dan 2016 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan): | | As of 31 December 2017 and 2016, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued): | | | |

| 31 Desember/31 December 2016 | | | | | |
|------------------------------|--|---|--|---|--|
| Keterangan | Tanpa Jangka Waktu/ No Contractual Maturity | Sampai dengan 1 Bulan/ up to 1 Month | Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months | Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months | Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years |
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The original financial statements included herein are in Indonesian language.

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| 39. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan) | | 39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued) | | | |
| Aset dan liabilitas Bank pada tanggal 31 Desember 2017 dan 2016 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan): | | As of 31 December 2017 and 2016, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued): | | | |

| 31 Desember/31 December 2016 | | | | | | | | | |
|------------------------------|--|--|--|---|--|--|------------|-------------|---|
| | | 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 | |
| Keterangan | Tanpa Jangka Waktu/ No Contractual Maturity | | | | | | | | |
| | Liabilitas | | | | | | | Liabilities | |
| | Liabilitas segera | - | 101.348 | - | - | - | - | 101.348 | Current liabilities |
| | Simpanan | 25.400.081 | 24.965.594 | 16.384.560 | 6.104.162 | 129.780 | 20.724 | 73.004.901 | Deposits |
| | Simpanan dari bank lain | 62.448 | 1.307.836 | 1.960.554 | 310.826 | - | - | 3.641.664 | Deposits from other banks |
| | Bunga yang masih harus dibayar | - | - | - | - | - | - | - | Interest payable |
| | Utang pajak | - | 145.351 | - | - | - | - | 211.247 | Tax payable |
| | Liabilitas derivatif | - | 24.544 | 6.186 | 41.389 | 113.655 | 8.554 | 194.328 | Derivatives payable |
| | Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali | - | - | - | - | - | - | - | Liabilities on securities sold under repurchase agreements |
| | Liabilitas atas Imbalan kerja | - | - | - | 13.141 | 70.387 | 125.636 | 209.164 | Liabilities for employee benefits |
| | Liabilitas akseptasi | - | 346.031 | 887.003 | 502.692 | 34.962 | - | 1.770.688 | Acceptance liabilities |
| | Liabilitas lain-lain | 246.530 | 178.459 | - | 44.558 | - | - | 469.547 | Other liabilities |
| | Efek hutang yang diterbitkan | - | - | - | 298.677 | 2.788.196 | 98.255 | 3.185.128 | Debt securities issued |
| | Total Liabilitas | 25.709.059 | 27.619.822 | 19.238.303 | 7.315.445 | 3.136.980 | 253.169 | 83.272.778 | Total Liabilities |
| | Neto | (16.743.610) | (16.043.508) | (6.953.588) | 20.227.116 | 16.229.998 | 14.104.662 | 10.821.070 | Net |

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

Tahun 31 Desember 2017 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 2017 and

for the Year Then Ended

(Expressed in Millions of Rupiah, Unless otherwise Stated)

39. 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:

| Keterangan | 31 Desember/31 December 2017 | | | | | Description |
|--------------------------------|--|---|--|---|--|---------------------------|
| | 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 segera | - | 149.371 | - | - | - | Current liabilities |
| Simpanan | 25.900.819 | 25.555.893 | 19.199.963 | 4.552.082 | - | Deposits |
| Simpanan dari bank lain | 80.688 | 666.494 | 1.578.537 | 5.000 | 26.839 | Deposits from other banks |
| Bunga yang masih harus dibayar | - | 225.648 | - | - | - | Interest payable |
| Liabilitas derivatif | - | 17.704 | 15.497 | 8.356 | - | Derivatives payable |
| Liabilitas akseptasi | - | 374.487 | 776.721 | 677.361 | - | Acceptance liabilities |
| Pinjaman yang diterima | - | - | - | - | - | Borrowings |
| Liabilitas lain-lain | 250.761 | 24.648 | 171.961 | 48.789 | - | Other liabilities |
| Efek hutang yang diterbitkan | - | 27.120 | 54.240 | 801.936 | 2.814.403 | Debt securities issued |
| Total Liabilitas | 26.232.268 | 27.041.165 | 21.796.919 | 6.093.524 | 715.466 | Total Liabilities |

The original financial statements included herein are in Indonesian language.

PT BANK UOB INDONESIA

CATATAN ATAS LAPORAN KEUANGAN

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(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA

NOTES TO THE FINANCIAL STATEMENTS

As of 31 December 2017 and

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(Expressed in Millions of Rupiah, Unless otherwise Stated)

39. 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)

| Keterangan | 31 Desember/31 December 2016 | | | | | Description |
|--|--|---|--|---|--|--|
| | 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 segera | - | 101.348 | - | - | - | Current liabilities |
| Simpanan | 25.400.081 | 25.148.318 | 16.252.573 | 6.162.793 | 34.770 | Deposits |
| Simpanan dari bank lain | 62.448 | 1.309.729 | 1.965.581 | 313.067 | - | Deposits from other banks |
| Bunga yang masih harus dibayar | - | 211.247 | - | - | - | Interest payable |
| Liabilitas derivatif | - | 24.544 | 6.186 | 41.389 | 8.554 | Derivatives payable |
| Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali | - | 339.876 | - | - | - | Liabilities on securities sold under repurchase agreements |
| Liabilitas akseptasi | - | 346.031 | 887.003 | 502.692 | - | Acceptance liabilities |
| Liabilitas lain-lain | 246.530 | 178.459 | - | 44.558 | - | Other liabilities |
| Efek hutang yang diterbitkan | - | 25.429 | 50.858 | 527.603 | 118.800 | Debt securities issued |
| Total Liabilitas | 25.709.059 | 27.684.981 | 19.162.201 | 7.592.102 | 162.124 | Total Liabilities |

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CATATAN ATAS LAPORAN KEUANGAN
Tahun 31 Desember 2017 dan untuk
Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

40. Kebijakan Manajemen Risiko

Pelaksanaan fungsi manajemen risiko meliputi hal-hal terkait dengan upaya identifikasi, penilaian, pengukuran, evaluasi, pemantauan dan pengendalian risiko termasuk pengembangan teknologi dan sistem informasi manajemen di setiap jenis risiko yang dihadapi oleh Bank, serta peningkatan kualitas sumber daya manusia dalam pengelolaan risiko tersebut.

Secara garis besar, Kebijakan Manajemen Risiko mengacu pada peraturan Regulator, dimana penerapannya mencakup 4 pilar manajemen risiko yang ditetapkan dalam POJK No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum, sebagai berikut:

1. Pengawasan aktif dari Dewan Komisaris dan Direksi;
2. Kecukupan kebijakan dan prosedur Manajemen Risiko serta penetapan limit Risiko;
3. Kecukupan proses identifikasi, pengukuran, pemantauan, dan pengendalian Risiko, serta sistem informasi Manajemen Risiko; dan
4. Sistem pengendalian intern yang menyeluruh.

Dewan Komisaris dan Direksi bertanggung jawab untuk memastikan bahwa penerapan manajemen risiko telah memadai sesuai dengan karakteristik, kompleksitas, dan profil risiko Bank, serta memahami dengan baik jenis dan tingkat risiko yang melekat pada kegiatan bisnis Bank. Untuk mendukung hal tersebut, dibentuk komite-komite untuk mengkaji masalah terkait manajemen risiko, termasuk rencana perbaikan jika dibutuhkan, memberikan persetujuan atas berbagai Kebijakan Manajemen Risiko, mengkaji Laporan Profil Risiko, dan mengevaluasi pelaksanaan sistem pengendalian Bank. Komite yang dibentuk pada level Komisaris salah satunya yaitu Komite Pemantau Risiko (KIPER), sedangkan pada level Direksi antara lain Komite Manajemen Risiko (RMC), Komite Aktiva & Pasiva (ALCO), Komite Kebijakan Kredit (CPC) dan lainnya.

Penetapan Kebijakan Manajemen Risiko sesuai dengan Profil Risiko Bank yaitu mencakup 8 tipe Risiko yang terdiri dari Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Kepatuhan, Risiko 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.

PT BANK UOB INDONESIA
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40. Risk Management Policies

Implementation of risk management function includes identification, assessment, measurement, evaluation, monitoring and risk controls, including the development of technology and management information system in each risks faced by the Bank, as well as the improvement of human resource quality in order to manage the risks.

Generally, the Risk Management Policy refers to the Regulatory provision, which the implementation includes the 4 pillars of risk management, stipulated in OJK Regulation No. 18/POJK.03/2016 concerning Risk Management Implementation for Commercial Banks, as follows:

1. *Active supervision of the Boards of Commissioners and Directors;*
2. *Adequacy of Risk Management policies, procedures and risk limit stipulation;*
3. *Adequacy of risk identification, measurement, monitoring and controlling process, supported by Risk Management information system; and*
4. *A comprehensive internal control system.*

Boards of Commissioners and Directors are responsible to ensure the adequacy of risk management implementation tailored with the characteristic, complexity, and risk profile of Bank, and have a good understanding on the type and level of risks inherent in the Bank's business activities. To support this, the committees are formed to assess issues related to risk management, including the improvement plan if necessary, give approval for a variety of Risk Management Policy, assess the risk profile report, and evaluate the implementation of the Bank's risk control system. One of related Committee at the Commissioner level is Risk Monitoring Committee (ROC), whereas at the Director level e.g the Risk Management Committee (RMC), Asset & Liability Committee (ALCO), Credit Policy Committee (CPC) etc.

Risk Management Policy is determined in accordance with the Bank's risk profile which includes 8 types of risks, consists of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk and Reputation Risk.

Credit Risk

Credit risk is defined as the risk of loss arising from any failure by a debtor or a counterparty to fulfill its financial obligations as and when they fall due.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows:

1. *Segregation of Credit Approval from Credit Origination*

There is segregation of duties between Business function, Credit Administration function, Credit Approval function, and Risk Management function to maintain independence and integrity of the various credit functions.

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

Credit Risk Management division provides independent oversight of Credit Risk and is responsible for the reporting and analysis of all elements of Credit Risk.

2. *Credit Risk Policies and Procedures*

The Bank has issued several related policies to manage credit risk, among others:

- a. *General Credit policy for Corporate, Commercial, Business Banking, Bank (including Non-Bank Financial Institution) and Sovereign that governs the principles of credit extension and the broad credit principles and standards by which the Bank undertakes and manages the credit risk.*

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain: (lanjutan)

- b. Kebijakan Kredit Konsumer yang mengatur tata cara pemberian kredit konsumer dan berbagai prinsip dan standar kredit guna mengelola risiko kredit Bank pada segmen konsumer.
- c. Kebijakan Manajemen Risiko Konsentrasi Kredit untuk mengelola risiko konsentrasi kredit.
- d. Kebijakan Mitigasi Risiko Kredit yang menentukan jenis dan persyaratan minimum pada agunan, jaminan dan kredit derivatif guna memenuhi persyaratan modal.
- e. Kebijakan Restrukturisasi Kredit (*Non-Retail*) yang memberikan pedoman restrukturisasi kredit bagi debitur yang mengalami kesulitan dalam memenuhi kewajibannya kepada Bank.
- f. Kebijakan Klasifikasi Aset yang memberikan pedoman atas pengkategorian eksposur ke dalam Kelas Aset Basel II untuk perhitungan Aktiva Tertimbang Menurut Risiko.
- g. Kerangka Kerja Tata Kelola berdasarkan pendekatan *Internal Rating*, yang mengatur mengenai peran dan tanggung jawab dari setiap pihak yang terkait dalam proses *Internal Rating* kredit di Bank.
- h. Kebijakan *Override Rating & Scorecard* untuk Risiko Kredit, yang mengatur keputusan dalam merubah (*override*) hasil Peringkat/*Scorecard* yang dihasilkan dari proses normal, untuk dapat lebih menggambarkan tingkat risiko yang dimiliki debitur.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

2. Credit Risk Policies and Procedures (continued)

The Bank has issued several related policies to manage credit risk, among others: (continued)

- b. *Consumer Credit policy that governs the principles of consumer credit extension, and various credit principles and standards by which the Bank undertakes and manages the credit risk for the consumer segment.*
- c. *Credit Concentration Risk Management policy to manage credit concentration risk.*
- d. *Credit Risk Mitigation policy that specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief.*
- e. *Credit Restructuring policy (Non-Retail) that gives guidance on credit restructuring for borrowers who have difficulties to meet their obligation to the Bank.*
- f. *Asset Classification policy that gives the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation.*
- g. *Governance Framework of Internal Rating-based Approach that governs the roles and responsibilities of the various parties in credit Internal Rating process in the Bank.*
- h. *Credit Risk Scorecard & Rating Override policy, that governs decisions to change (override) the Rating/Scorecard output from the normal process, in order to have a better risk level of debtors.*

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

2. Credit Risk Policies and Procedures (continued)

The Bank has issued several related policies to manage credit risk, among others: (continued)

- i. *The Workflow for Basel II ECAI (External Credit Assessment Institutions) Process that gives the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation.*
- j. *Green Banking guidelines, as a form of Bank's role to support the Government's program to preserve the environment, in which Bank's concern is not only the debtor's ability to pay but also noted the Debtor's effort to preserve the environment.*

3. Management and Monitoring of Credit Portfolio

Credit Risk Management division provides independent oversight and performs portfolio monitoring by conducting regular reviews of internal and external risk environment and credit risk parameters (i.e delinquency trend, special mention, watch list accounts, concentration risk, loan quality movement, etc).

One of the example done on portfolio spread/diversification monitoring of fund transaction is by submitting Credit Risk Highlight Report to Board of Directors.

Currently the Bank has the Independent Credit Review Unit (ICRU) under the Credit Risk Management Division in which the task is to be independently review the watchlist accounts and to ensure that the accounts are proactively managed to minimize the losses of the Bank and has an appropriate collectibility in accordance with the Bank's internal regulations and regulatory provisions.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

2. Kebijakan dan Prosedur Risiko Kredit (lanjutan)

Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain: (lanjutan)

- i. Alur kerja untuk Proses ECAI (*External Credit Assessment Institutions*) Basel II yang memberikan pedoman untuk menghasilkan dan menjaga peringkat eksternal debitur untuk perhitungan Aktiva Tertimbang Menurut Risiko.
- j. Pedoman Perbankan Ramah Lingkungan, sebagai bentuk peran dari Bank untuk mendukung program Pemerintah akan kelestarian lingkungan hidup dimana selain memperhatikan kemampuan bayar debitur, dan memperhatikan upaya yang telah dilakukan debitur dalam rangka memelihara lingkungan hidup.

3. Pengelolaan dan Pemantauan Portofolio Kredit

Divisi *Credit Risk Management* menjadi pengawas independen dan melakukan pemantauan portofolio dengan melakukan kaji ulang secara berkala atas risiko internal dan eksternal dan parameter-parameter risiko kredit (seperti: tren *delinquency*, *special mention*, *watch list accounts*, risiko konsentrasi, pergerakan kualitas kredit, dan lainnya).

Salah satu hal yang dilakukan dalam pemantauan penyebaran/diversifikasi portofolio penyediaan dana adalah melalui Laporan *Credit Risk Highlight* yang dilaporkan kepada Direksi.

Saat ini Bank telah memiliki *Independent Credit Review Unit* (ICRU) yang berada di bawah Divisi *Credit Risk Management* yang secara independen bertugas untuk melakukan review terhadap akun-akun *watchlist* dan memastikan bahwa akun-akun tersebut dikelola secara proaktif untuk meminimalkan kerugian Bank serta memiliki kolektibilitas sesuai dengan ketentuan internal Bank dan ketentuan regulator.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Bank juga telah membentuk *Credit Management Working Group* (CMWG), yaitu kelompok kerja yang dibentuk dengan tujuan utama untuk melakukan pemantauan atas kualitas kredit yang dimiliki Bank, menerapkan strategi restrukturisasi, dan pemantauan kredit maupun langkah penyelesaian terhadap kredit yang memiliki pemburukan kolektibilitas. Rapat CMWG ini dilaksanakan setiap minggu.

Pengelolaan Risiko Konsentrasi Kredit

Risiko konsentrasi kredit didefinisikan sebagai eksposur tunggal atau kelompok yang berpotensi menghasilkan kerugian yang cukup besar (relatif terhadap modal Bank, total aktiva, atau tingkat risiko secara keseluruhan) yang mungkin mengancam kesehatan Bank atau kemampuan Bank untuk mempertahankan operasi intinya. Karena kredit adalah aktivitas utama Bank, maka risiko konsentrasi kredit termasuk risiko yang sangat material.

Konsentrasi risiko kredit berdasarkan jenis debitur:

| 31 Desember/31 December 2017 | | | | | | |
|---|-------------------|---|------------------|-------------------|-------------------|---|
| | Wholesale | Pemerintah dan Bank Indonesia/ Government and Bank Indonesia | Bank | Ritel/Retail | Total | |
| Giro pada Bank Indonesia | - | 6.071.513 | - | - | 6.071.513 | Current accounts with Bank Indonesia |
| Giro pada bank lain | - | - | 2.452.901 | - | 2.452.901 | Current accounts with other banks |
| Penempatan pada Bank Indonesia dan bank lain | - | 2.307.549 | 1.108.855 | - | 3.416.404 | Placements with Bank Indonesia and other banks |
| Efek-efek yang diperdagangkan | - | 647.230 | 470.790 | - | 1.118.020 | Trading securities |
| Investasi keuangan - neto | 4.596.187 | 10.355.167 | - | - | 14.951.354 | Financial investments - net |
| Tagihan derivatif | 35.904 | - | 91.223 | 19.272 | 146.399 | Derivatives receivable |
| Kredit yang diberikan - neto | 38.389.936 | - | 313.499 | 23.294.769 | 61.998.204 | Loans - net |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | - | 1.015.168 | - | - | 1.015.168 | Receivables on securities purchased with agreements to resell |
| Tagihan akseptasi - neto | 1.826.050 | - | - | - | 1.826.050 | Acceptances |
| Aset lain-lain*) | 161.538 | - | 6.297 | 158.292 | 326.127 | receivable - net |
| Total | 45.009.615 | 20.396.627 | 4.443.565 | 23.472.333 | 93.322.140 | Total |
| Persentase | 48% | 22% | 5% | 25% | 100% | Percentage |

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi spot.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Bank formed a *Credit Management Working Group* (CMWG), which is working group with key objective of this meeting are to monitor credit quality of Bank, to determine restructuring strategy, and to monitor portfolio performance and discuss account strategies for vulnerable accounts. The CMWG meeting will be held on a weekly basis.

Credit Concentration Risk Management

Credit risk concentration is defined as any single or group exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) which may threaten the Bank's health or ability to maintain its core operations. As lending is the Bank's primary activity, credit risk concentration is concerned as highly material risk.

Concentration of credit risk by type of debtors:

*) Other assets consist of interest receivables, security deposits and spot transaction.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Pengelolaan Risiko Konsentrasi Kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan jenis debitur: (lanjutan)

| 31 Desember/31 December 2016 | | | | | | |
|---|-------------------|---|------------------|-------------------|-------------------|---|
| | Wholesale | Pemerintah dan Bank Indonesia/ Government and Bank Indonesia | Bank | Ritel/Retail | Total | |
| Giro pada Bank Indonesia | - | 5.724.310 | - | - | 5.724.310 | Current accounts with Bank Indonesia |
| Giro pada bank lain | - | - | 1.098.294 | - | 1.098.294 | Current accounts with other banks |
| Penempatan pada Bank Indonesia dan bank lain | - | 1.648.949 | 1.672.205 | - | 3.321.154 | Placements with Bank Indonesia and other banks |
| Efek-efek yang diperdagangkan | - | 105.236 | 839.868 | - | 945.104 | Trading securities |
| Investasi keuangan - neto | 2.866.013 | 9.106.758 | - | - | 11.972.771 | Financial investments - net |
| Tagihan derivatif | 89.916 | - | 112.196 | - | 202.112 | Derivatives receivable |
| Kredit yang diberikan - neto | 40.264.491 | - | 6.771 | 24.427.736 | 64.698.998 | Loans - net |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | - | 1.902.219 | - | - | 1.902.219 | Receivables on securities purchased with agreements to resell |
| Tagihan akseptasi - neto | 1.748.937 | - | - | - | 1.748.937 | Acceptances |
| Aset lain-lain*) | 216.489 | - | 506 | 87.161 | 304.156 | receivable - net |
| Total | 45.185.846 | 18.487.472 | 3.729.840 | 24.514.897 | 91.918.055 | Total |
| Persentase | 49% | 20% | 4% | 27% | 100% | Percentage |

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi spot.

*) Other assets consist of interest receivables, security deposits and spot transaction.

Eksposur maksimum risiko kredit

Bank menetapkan limit eksposur untuk individual/grup, sektor industri, jangka waktu, nilai tukar asing, wilayah, dan agunan yang telah disesuaikan dengan *risk appetite* dan *risk tolerance* sebagai salah satu alat bagi Bank untuk memonitor dan memitigasi risiko konsentrasi kredit.

Eksposur maksimum aset keuangan Bank untuk risiko kredit sebelum memperhitungkan agunan dan jaminan kredit lainnya adalah sebesar nilai tercatatnya (*carrying value*) (Catatan 41).

Eksposur maksimum dari aset keuangan Bank setelah mempertimbangkan dampak dari jaminan dan pengaturan tambahan lain selain dari kredit yang diberikan dan tagihan atas surat berharga yang dibeli dengan janji dijual kembali sama dengan nilai tercatat.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. Management and Monitoring of Credit Portfolio (continued)

Credit Concentration Risk Management (continued)

Concentration of credit risk by type of debtors: (continued)

Maximum exposure to credit risk

The Bank sets the exposure limit for single/group exposure, industry sector, tenor, foreign exchange, region, and collateral which is line with Bank's risk appetite and risk tolerance as one of the tools for Bank to monitor and mitigate credit concentration risk.

The Bank's financial asset's maximum exposure to credit risk before taking into account any collateral and other credit enhancements is its carrying value (Note 41).

The maximum exposure of the Bank's financial asset after considering the impact of collateral and other enhancement arrangement other than loan and receivable and securities purchased with agreement to resell are equal to its carrying value.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Untuk aset keuangan yang diakui pada laporan posisi keuangan, eksposur maksimum terhadap resiko kredit sama dengan nilai tercatat. Untuk bank garansi dan *Irrevocable Letters of Credit*, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika liabilitas atas bank garansi dan *Irrevocable Letters of Credit* tersebut terjadi.

Analisis eksposur maksimum risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya adalah sebagai berikut:

- a. Nilai tercatat aset keuangan Bank selain pinjaman mewakili eksposur maksimum risiko kredit.
- b. Untuk kredit yang diberikan, Bank menggunakan agunan untuk meminimalkan risiko kredit. Berdasarkan klasifikasi, kredit Bank dapat dibedakan menjadi dua kelompok besar, yaitu:
1. *Secured loans*
 2. *Unsecured loans*

Untuk *secured loans*, Bank menetapkan jenis dan nilai agunan yang 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*.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. *Management and Monitoring of Credit Portfolio (continued)*

Maximum exposure to credit risk (continued)

For financial assets recognized in the statement of financial position, the carrying amounts of the financial assets best represent the maximum exposure to credit risk. For bank guarantees and Irrevocable Letters of Credit, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the Bank guarantees and Irrevocable Letters of Credit issued are called upon.

Analysis of maximum exposure to credit risk after taking into account the impact of collaterals and other credit risk mitigations are as follows:

- a. *The carrying amount of the Bank's financial assets other than loans represent the maximum exposure of credit risk.*
- b. *For the loans, Bank uses the collateral to minimize the credit risk. Loans and receivables in Bank are classified into two major categories, as follows:*

1. *Secured loans*
2. *Unsecured loans*

For secured loans, Bank determined the type and value of collateral according to the loan scheme. Types of collateral are as follows :

- a. *Physical collateral, such as land, buildings and proof of vehicle ownership.*
- b. *Financial collateral, such as deposit (savings, demand deposit and time deposit), securities, and gold.*
- c. *Others, such as guarantees, government guarantees and guarantee institution.*

In times of default, Bank will use the collateral as the last resort in recovering the obligation of the counterparty.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Unsecured loans terdiri dari *fully unsecured loans* dan *partially secured loans* seperti kredit untuk karyawan golongan berpenghasilan tetap dan kredit konsumen lainnya. Dalam pembayaran kewajibannya, *partially secured loans* umumnya dilakukan melalui pemotongan penghasilan secara otomatis.

Meskipun kredit tersebut termasuk dalam kategori *unsecured loans*, namun tingkat risiko *partially secured loans* tidak sebesar nilai tercatat kredit. Sedangkan untuk *fully unsecured loans*, tingkat risiko adalah sebesar nilai tercatat kredit.

Kredit menurut sektor industri per 31 Desember 2017 dan 2016 adalah sebagai berikut:

| | 31 Desember/ 31 December 2017 | 31 Desember/ 31 December 2016 | |
|---|----------------------------------|----------------------------------|--|
| Perdagangan besar dan eceran | 16.441.583 | 15.824.643 | Wholesale and retail |
| Industri pengolahan | 16.304.959 | 20.108.402 | Processing industry |
| Rumah tangga | 8.523.094 | 8.694.936 | Household |
| Real estate dan jasa usaha | 4.073.655 | 4.554.721 | Real estate and business service |
| Pertanian, perburuan dan kehutanan | 4.060.070 | 3.072.565 | Agriculture, hunting and forestry |
| Perantara keuangan | 3.361.627 | 1.703.839 | Financial intermediaries |
| Transportasi, pergudangan, dan komunikasi | 3.205.832 | 2.983.740 | Transportation, warehousing, and communication |
| Penyedia akomodasi | 2.613.535 | 3.747.499 | Accommodation provider |
| Konstruksi | 2.393.871 | 3.599.893 | Construction |
| Pertambangan dan penggalian | 1.246.460 | 701.837 | Mining and excavation |
| Listrik, air dan gas | 427.772 | 374.177 | Electricity, water and gas |
| Jasa kemasyarakatan | 160.100 | 209.617 | Social service |
| Jasa kesehatan | 85.677 | 77.853 | Health service |
| Jasa pendidikan | 55.110 | 57.483 | Educational service |
| Perikanan | 48.088 | 55.359 | Fishery |
| Jasa perorangan | 3.160 | 7.094 | Personal service |
| Lainnya | 26.259 | 15.406 | Others |
| Total | 63.030.852 | 65.789.064 | Total |

Eksposur terbesar Bank tahun 2017 adalah sektor perdagangan besar dan eceran dengan proporsi sebesar 26,08% dari total kredit Bank dan hal tersebut masih sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

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Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. *Management and Monitoring of Credit Portfolio (continued)*

Maximum exposure to credit risk (continued)

Unsecured loans consist of fully unsecured loans and partially secured loans such as loans for fixed income employees, and other consumer loans. In their payment of obligations, partially secured loans are generally made through automatic payroll deduction.

Although it is included in the unsecured loans category, the risk level of partially secured loans is lower than the carrying value. Meanwhile for fully unsecured loan, the risk level is equal to the carrying value.

Loans based on industrial sector as of 31 December 2017 and 2016, are as follows:

The biggest Bank's exposure on 2017 is wholesale and retail with proportion around 26.08% from total loan and it is still within the Bank's risk appetite and risk tolerance.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur maksimum risiko kredit (lanjutan)

Kredit berdasarkan sisa umur jatuh tempo per 31 Desember 2017 adalah sebagai berikut:

| | Baki Debet Kredit/ Loan Outstanding |
|---------------------|--|
| ≤ 1 tahun | 35.272.421 |
| > 1 tahun ≤ 2 tahun | 3.462.319 |
| > 2 tahun ≤ 5 tahun | 13.222.989 |
| > 5 tahun | 11.073.123 |
| Total | 63.030.852 |

Sebagian besar jangka waktu kredit atau 55,96% 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 17,57% dan hal ini masih sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

Tabel di bawah ini menunjukkan *net maximum exposure* (setelah memperhitungkan agunan) atas risiko kredit untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2017:

| | Eksposur maksimum/ Maximum exposure | Agunan/ Collateral |
|--|--|-----------------------|
| 2017 Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.015.168 | 876.978 |

Manajemen Kredit Bermasalah

Kredit bermasalah dikelola secara terpusat oleh divisi independen, *Special Asset Management* (SAM). SAM terdiri dari dua unit:

- 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
- Unit *Recovery* yang mengelola kredit bermasalah dengan tujuan utama memaksimalkan pemulihan hutang.

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. *Management and Monitoring of Credit Portfolio (continued)*

Maximum exposure to credit risk (continued)

Loans based on remaining maturities as of 31 December 2017, are as follows:

| | Persentase (%)/ Percentage (%) | |
|---------------------|-----------------------------------|---------------------|
| ≤ 1 year | 55,96% | ≤ 1 year |
| > 1 year ≤ 2 years | 5,49% | > 1 year ≤ 2 years |
| > 2 years ≤ 5 years | 20,98% | > 2 years ≤ 5 years |
| > 5 years | 17,57% | > 5 years |
| Total | 100,00% | Total |

Most of the loan tenor or 55.96% is within less than 1 (one) year where for the riskiest loan which lies in the loan tenor more than 5 (five) years is 17.57% portion and it is still within the Bank's risk appetite and risk tolerance.

The table below shows the net maximum exposure (after considering collateral) to credit risk of receivable on securities purchase with agreement to resell as of December 31, 2017:

| | Eksposur - neto/ Net exposure | |
|---|----------------------------------|--|
| 2017 Receivable on securities purchased with agreements to resell | 138.190 | |

Managing Non-Performing Loans

Non-performing loans are centrally managed by an independent unit, Special Asset Management (SAM). SAM consists of two units:

- The Restructuring Unit which proactively manages the non-performing loans. Its primary goal is to handle non-performing loans back to performing so that these accounts can be transferred back to the Business Units; and*
- The Recovery Unit which manages non-performing loans with the primary goal to maximize debt recovery.*

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40. Risk Management Policies (continued)

Credit Risk (continued)

In managing credit risk exposure, the Bank applies several basic principles as follows: (continued)

3. *Management and Monitoring of Credit Portfolio (continued)*

Credit exposures under Basel II

Bank currently uses the Standardized Approach under Basel II to measure the Risk Weighted Asset (RWA) for credit risk. The information and guidelines of rating for RWA for credit risk is regulated in the Asset Classification Policy.

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

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

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

Development of Infrastructures and Preparation of Basel II Internal Rating Based Implementation

The Bank has implemented Internal Rating model on the Wholesale segment as an initiation step to prepare the implementation of Basel II Internal Rating Approach. To this end, significant enhancements have been made to the Bank's risk management systems, processes and practices to achieve Basel II IRB compliance.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Eksposur Kredit pada Basel II

Saat ini Bank menggunakan Pendekatan Standar berdasarkan Basel II dalam mengukur Aktiva Tertimbang Menurut Risiko (ATMR) untuk risiko kredit. Informasi dan pedoman peringkat ATMR untuk risiko kredit diatur dalam Kebijakan Klasifikasi Aset.

Pada pendekatan standar, eksposur Bank dibagi menjadi 11 klasifikasi aset dan portofolio, sebagai berikut:

- Pemerintah
- Entitas Sektor Publik Bukan Pemerintah Pusat
- Bank Pembangunan *Multilateral*
- Bank
- Korporasi
- Karyawan/Pensiunan
- Kredit Beragunan Rumah Tinggal
- Kredit Beragunan *Real Estate* Komersial
- Klaim yang telah jatuh tempo
- Aset Lainnya
- Kredit pada Bisnis Mikro, Bisnis Kecil, dan Portofolio Ritel

Saat ini, Bank hanya mengakui peringkat internasional dari *Moody's*, *Standard's* and *Poor* dan *Fitch*.

Pengembangan Infrastruktur dan Persiapan Penerapan Basel II Internal Rating

Bank telah menerapkan penggunaan model *Internal Rating* pada segmen *Wholesale* sebagai langkah awal untuk mempersiapkan penerapan Basel II dengan pendekatan *Internal Rating*. Untuk tujuan ini, perangkat tambahan yang signifikan telah dibuat pada sistem, proses, dan praktik manajemen risiko Bank untuk mencapai kepatuhan terhadap Basel II IRB.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Informasi kualitas kredit atas aset keuangan pada tanggal 31 Desember 2017 dan 2016:

| 31 Desember/31 December 2017 | | | | | |
|---|---|---|--|-------------|---|
| | Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ Neither past due not impaired | Jatuh Tempo dan tidak mengalami penurunan nilai/ Past-due but not impaired | Mengalami penurunan nilai/ Impaired | Total | |
| Giro pada Bank Indonesia | 6.071.513 | - | - | 6.071.513 | Current account with Bank Indonesia |
| Giro pada bank lain | 2.452.901 | - | - | 2.452.901 | Current accounts with other banks |
| Penempatan pada Bank Indonesia dan bank lain | 3.416.404 | - | - | 3.416.404 | Placements with Bank Indonesia and other banks |
| Efek-efek yang diperdagangkan | 1.118.020 | - | - | 1.118.020 | Trading securities |
| Investasi keuangan | 14.984.598 | - | - | 14.984.598 | Financial investment |
| Tagihan derivatif | 146.399 | - | - | 146.399 | Derivatives receivable |
| Kredit yang diberikan | 59.883.503 | 2.462.782 | 684.567 | 63.030.852 | Loans |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.015.168 | - | - | 1.015.168 | Receivables on securities purchased with agreements to resell |
| Tagihan akseptasi | 1.843.428 | - | - | 1.843.428 | Acceptances receivable |
| Aset lain-lain*) | 326.127 | - | - | 326.127 | Other assets*) |
| Total | 91.258.061 | 2.462.782 | 684.567 | 94.405.410 | Total |
| Cadangan kerugian penurunan nilai | (770.604) | (213.718) | (98.948) | (1.083.270) | Allowance for impairment losses |
| Neto | 90.487.457 | 2.249.064 | 585.619 | 93.322.140 | Net |

| 31 Desember/31 December 2016 | | | | | |
|---|---|---|--|-------------|---|
| | Belum Jatuh Tempo dan tidak mengalami penurunan nilai/ Neither past due not impaired | Jatuh Tempo dan tidak mengalami penurunan nilai/ Past-due but not impaired | Mengalami penurunan nilai/ Impaired | Total | |
| Giro pada Bank Indonesia | 5.724.310 | - | - | 5.724.310 | Current account with Bank Indonesia |
| Giro pada bank lain | 1.098.294 | - | - | 1.098.294 | Current accounts with other banks |
| Penempatan pada Bank Indonesia dan bank lain | 3.321.154 | - | - | 3.321.154 | Placements with Bank Indonesia and other banks |
| Efek-efek yang diperdagangkan | 945.104 | - | - | 945.104 | Trading securities |
| Investasi keuangan | 12.003.354 | 1.094 | - | 12.004.448 | Financial investment |
| Tagihan derivatif | 202.112 | - | - | 202.112 | Derivatives receivable |
| Kredit yang diberikan | 61.423.408 | 2.234.387 | 2.131.269 | 65.789.064 | Loans |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.902.219 | - | - | 1.902.219 | Receivables on securities purchased with agreements to resell |
| Tagihan akseptasi | 1.770.688 | - | - | 1.770.688 | Acceptances receivable |
| Aset lain-lain*) | 304.156 | - | - | 304.156 | Other assets*) |
| Total | 88.694.799 | 2.235.481 | 2.131.269 | 93.061.549 | Total |
| Cadangan kerugian penurunan nilai | (511.579) | (216.147) | (425.668) | (1.153.394) | Allowance for impairment losses |
| Neto | 88.183.220 | 2.019.334 | 1.705.601 | 91.908.155 | Net |

*) Aset lain-lain terdiri dari piutang bunga, setoran jaminan dan transaksi spot.

*) Other assets consist of interest receivables, security deposits and spot transaction.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Analisis umur kredit yang diberikan yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2017 dan 2016:

| 31 Desember/31 December 2017 | | | | | |
|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-----------|---------------------------------|
| | 1 sampai 30 hari/ 1 to 30 days | 31 sampai 60 hari/ 31 to 60 days | 61 sampai 90 hari/ 61 to 90 days | Total | |
| Modal kerja | 1.825.053 | 11.284 | 2.613 | 1.838.950 | Working capital |
| Konsumen | 473.910 | 10 | 225 | 474.145 | Consumer |
| Investasi | 146.776 | - | - | 146.776 | Investment |
| Karyawan | 2.911 | - | - | 2.911 | Employee |
| Total | 2.448.650 | 11.294 | 2.838 | 2.462.782 | Total |
| Cadangan kerugian penurunan nilai | (212.634) | (734) | (350) | (213.718) | Allowance for impairment losses |
| Neto | 2.236.016 | 10.560 | 2.488 | 2.249.064 | Net |

| 31 Desember/31 December 2016 | | | | | |
|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-----------|---------------------------------|
| | 1 sampai 30 hari/ 1 to 30 days | 31 sampai 60 hari/ 31 to 60 days | 61 sampai 90 hari/ 61 to 90 days | Total | |
| Modal kerja | 1.211.499 | 32.263 | 6.480 | 1.250.242 | Working capital |
| Investasi | 668.240 | - | 274 | 668.514 | Investment |
| Konsumen | 314.935 | 3 | 452 | 315.390 | Consumer |
| Karyawan | 241 | - | - | 241 | Employee |
| Total | 2.194.915 | 32.266 | 7.206 | 2.234.387 | Total |
| Cadangan kerugian penurunan nilai | (211.120) | (3.937) | (1.076) | (216.133) | Allowance for impairment losses |
| Neto | 1.983.795 | 28.329 | 6.130 | 2.018.254 | Net |

Bank melakukan penilaian terhadap 3 (tiga) pilar dalam menilai aset keuangan yang mengalami pemburukan. Ke-3 (tiga) pilar tersebut adalah prospek bisnis, kinerja debitur dan kemampuan bayar debitur, dimana hal tersebut sesuai dengan kebijakan regulator.

Bank memperhitungkan agunan yang layak dalam menghitung Cadangan Kerugian Penurunan Nilai (CKPN). Agunan yang layak yang diperhitungkan oleh Bank adalah kas/setara kas, tanah & bangunan dan vessel.

The Bank uses 3 (three) pillars approach in assessing financial assets that are past due or impaired. Those 3 (three) pillars are business prospect, performance of the borrower and repayment capability which are in line with the regulatory provision.

The Bank takes into account the eligible collaterals in calculating the impairment loss. The eligible collaterals that recognized by Bank are cash/cash equivalents, land & buildings and vessels.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar

Risiko pasar adalah risiko kerugian yang timbul dari pergerakan variabel pasar pada posisi yang dimiliki oleh Bank yang dapat menimbulkan kerugian bagi Bank. Variabel pasar yang mempengaruhi posisi Bank adalah suku bunga dan nilai tukar termasuk perubahan harga *option*.

Kerangka kerja risiko pasar Bank terdiri dari kebijakan dan praktek risiko pasar, pendelegasian wewenang dan limit risiko pasar, validasi atas penilaian dan model risiko, dan lainnya. Kerangka kerja ini juga meliputi proses produk / aktivitas baru untuk memastikan isu-isu risiko pasar telah diidentifikasi secara memadai sebelum diluncurkan.

Direksi mendelegasikan wewenang kepada Komite Aktiva dan Pasiva (ALCO) untuk melakukan pengawasan aktif terhadap manajemen risiko pasar. ALCO melakukan kajian dan memberikan arahan atas seluruh hal terkait risiko pasar.

Bank telah menetapkan tugas dan tanggung jawab pada setiap tingkat pada posisi yang terkait pelaksanaan manajemen risiko pasar disesuaikan dengan tujuan, kebijakan bisnis, ukuran, dan kompleksitas Bank. Tugas dan tanggung jawab ini terdapat pada Kebijakan Manajemen Risiko Pasar.

Bank menggunakan Pendekatan Standar untuk menghitung modal risiko pasar sesuai dengan ketentuan OJK tentang Kewajiban Penyediaan Modal Minimum. Bank memiliki modal yang kuat dengan rasio kecukupan modal sebesar 17,08% pada tanggal 31 Desember 2017. 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.

40. Risk Management Policies (continued)

Market Risk

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

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

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

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

The Bank adopts the Standardized Approach to calculate the regulatory market risk capital in compliance with OJK's regulation on Capital Adequacy Ratio. The Bank has a strong capital base with Capital Adequacy Ratio of 17.08% as of 31 December 2017. The Bank's capital is more than sufficient to cover any potential losses that might arise from interest rate and exchange rate fluctuations.

Internally, the market risk is measured and controlled based on internal models. The Bank adopts the historical simulation Value at Risk (VaR) to measure the potential loss at a 99% confidence level using 300 days historical price changes. VaR estimation are back tested against profit and loss of trading book to validate the robustness of the methodology. The back testing process analyses whether the exceptions are due to model deficiencies or market volatility. All model deficiencies are addressed with appropriate model enhancements.

40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

Berdasarkan hasil *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 *trading* untuk mengidentifikasi ketahanan Bank dalam kondisi krisis.

Perhitungan VaR telah memperhitungkan faktor korelasi antar instrumen pada seluruh posisi *trading book* Bank (tidak diaudit).

| 31 Desember/31 December 2017 | | | | |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-------|
| Akhir Tahun/ Year end | Tinggi/ High | Rendah/ Low | Rata-rata/ Average | |
| Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | |
| Total VaR | 349,07 | 1.174,13 | 208,69 | 515,7 |

a. **Risiko Nilai Tukar**

Risiko nilai tukar adalah risiko pada pendapatan dan nilai ekonomis dari aset, kewajiban, dan derivatif keuangan dalam mata uang asing yang disebabkan oleh fluktuasi nilai tukar.

Risiko nilai tukar dikelola melalui kebijakan dan limit risiko yang disetujui oleh ALCO. Limit tersebut meliputi limit *Value-at-Risk*, limit FX NOP, limit PV01, eksposur berdasarkan mata uang, maksimum tenor, dan lainnya. *Market Risk Management & Control Unit* secara harian memantau aktivitas risiko pasar dan/atau eksposur terhadap limit yang telah disetujui oleh ALCO, dan melaporkan kejadian pelampauan limit kepada pejabat terkait untuk mendapatkan persetujuan/pengeuhan.

Risiko nilai tukar Bank dinilai relatif rendah dikarenakan posisi devisa neto (PDN) Bank tercatat rendah, dimana pada akhir Desember 2017 hanya tercatat 2,22% dari permodalan Bank.

b. **Risiko Suku Bunga pada *Banking Book***

Risiko Suku Bunga pada *Banking Book* didefinisikan sebagai risiko potensi penurunan atau kerugian pada rentabilitas (pendapatan bunga bersih) dan modal (nilai ekonomis Bank) akibat perubahan dari suku bunga.

40. Risk Management Policies (continued)

Market Risk (continued)

Based on back testing result, the actual loss for the whole year result is already consistent with the VaR forecast model. To complement the VaR measurement, stress test is performed on the trading portfolio in order to identify the Bank's vulnerability in the event of crisis.

VaR calculation already includes correlation factors cross instruments in trading book portfolios of the Banks (unaudited).

| 31 Desember/31 December 2017 | | | | |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-------|
| Akhir Tahun/ Year end | Tinggi/ High | Rendah/ Low | Rata-rata/ Average | |
| Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | Ribuan SGD/ SGD Thousand | |
| Total VaR | 349,07 | 1.174,13 | 208,69 | 515,7 |

a. **Foreign Exchange Risk**

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuation in foreign exchange rates.

Foreign exchange risk is managed through policies and risk limits approved by the Asset and Liability Committee (ALCO). The limits include Value-at-Risk limit, FX NOP limit, PV01 limit, exposure by currency, maximum tenures and etc. Market Risk Management & Control Unit on a daily basis monitors market risk activities and/or exposures against the approved ALCO limits, and escalates any excesses to appropriate officers for approval/ratification.

Foreign exchange risk is assessed at low as Bank's Net Open position (NOP) recorded very low, which at end of December 2017 the NOP has recorded only 2.22% from total capital of the Bank.

b. **Interest Rate Risk in the Banking Book**

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

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar (lanjutan)

b. Risiko Suku Bunga pada Banking Book (lanjutan)

Eksposur dinilai secara bulanan menggunakan analisa statis, seperti jadwal repricing dan analisa sensitivitas. Perangkat tersebut dapat memberikan indikasi atas dampak potensial perubahan suku bunga pada pendapatan bunga dan harga melalui analisa sensitivitas pada aktiva dan pasiva ketika suku bunga mengalami perubahan. Kesenjangan pada tenor yang lebih panjang akan mengalami perubahan price-value yang lebih besar dibandingkan dengan posisi serupa pada tenor yang lebih pendek.

Nilai ekonomis pada ekuitas (EVE) diterapkan untuk mengukur risiko suku bunga dari perubahan suku bunga menggunakan berbagai macam skenario suku bunga, seperti perubahan bentuk pada kurva suku bunga, yang meliputi skenario perubahan suku bunga yang tertinggi dan terendah.

Stress testing dilakukan secara berkala untuk menentukan kecukupan modal dalam memenuhi dampak ekstrim perubahan suku bunga pada laporan posisi keuangan. Tes tersebut juga dilakukan guna memberikan peringatan dini atas potensi kerugian ekstrim, guna mendukung pengelolaan risiko suku bunga secara proaktif dalam menyesuaikan perubahan pada pasar keuangan yang cepat.

EVE banking book per posisi 31 Desember 2017 tercatat sebesar Rp285.967, sedangkan PV01 AFS banking book sebesar Rp214. Hal ini berarti, setiap kenaikan 1 bps pada suku bunga pasar akan memberikan dampak potensial kerugian pada Bank sebesar Rp214.

Risiko Likuiditas

Risiko likuiditas didefinisikan sebagai risiko terhadap pendapatan atau modal Bank dari ketidakmampuan Bank untuk memenuhi kewajiban keuangannya atau mendanai peningkatan pada aset ketika jatuh tempo, tanpa menimbulkan biaya atau kerugian yang signifikan.

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40. Risk Management Policies (continued)

Market Risk (continued)

b. Interest Rate Risk in the Banking Book (continued)

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

Economic Value of Equity (EVE) is applied to measure the interest rate risk from any changes of interest rate using a variety of interest rate scenarios, such as changes in shape of the curve of interest rates, which include the highest and lowest changes in the interest rate scenario.

Stress testing is performed regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the statement of financial position. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

EVE banking book as of 31 December 2017 was recorded at Rp285,967, meanwhile PV01 AFS banking book was recorded at Rp214. That means any increment of 1 bps on market interest rate is expected to have an impact on the Bank's potential losses amounting to Rp214.

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.

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40. Risk Management Policies (continued)

Liquidity Risk (continued)

The key measures used by the Bank for managing liquidity risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, also by monitoring the liquidity ratios as early warning indicator i.e. percentage decreased in non-bank deposits, Loan to Deposit Ratio (LDR), top 50 and 20 non-bank depositors ratios, swap funding ratio, undrawn facility ratio, and top 20 bank depositor ratio. Cash flow projection is using behavioral modelling to ensure the cash flow reflect the business-as-usual behavior. Besides, the Bank also monitors the stability of its 'core deposits' on regular basis which consist of stable non-bank deposits such as current account, savings account, and time deposit by analyzing their volatility overtime.

At of 31 December 2017 the Bank's has recorded Rp75,046,863 of customer's deposits or went up by 2.80% compared to 31 December 2016 contributed by Current Account which increased by 18.65% to Rp11,257,957, Saving Account which decreased by 8.02% to Rp14,849,647, and Fixed Deposit which increased by 3.31% to Rp48,939,259. Loan Deposit Ratio (LDR), which identifies the extent to which the Bank's loans are funded by customer's deposits was recorded at 83.57%. The Bank will continously maintain the LDR in a soundness range.

In addition to the above measurement and monitoring of the gap analysis, defined limits, stress testing, and Contingency Funding Plan are consistently implemented.

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. Although the Bank periodically monitors liquidity and funding requirements, it is important to recognize the unexpected events, economic or market conditions, earnings problems or situations beyond its control that could cause a liquidity crisis. The CFP outlines the actions to be taken by the Bank in the event of a liquidity crisis and would be activated in the event of a liquidity stress situation.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Pengukuran utama yang digunakan oleh Bank dalam mengelola risiko likuiditas adalah dengan menggunakan proyeksi arus kas dengan skenario 'business as usual', 'bank-specific crisis' dan 'general market crisis', serta memantau rasio-rasio likuiditas sebagai indikator peringatan dini (early warning indicator) seperti rasio penurunan simpanan bukan bank, Loan to Deposit Ratio (LDR), rasio 50 dan 20 nasabah terbesar bukan bank, rasio pendanaan melalui swap, rasio undrawn facility, dan rasio 20 nasabah besar bank. Proyeksi arus kas menggunakan behavioral modelling untuk memastikan arus kas telah mencerminkan perilaku kegiatan bisnis dalam kondisi normal. Disamping itu Bank juga melakukan pemantauan secara berkala terhadap stabilitas pendanaan inti (core deposits) yang terdiri dari dana-dana stabil bukan bank seperti giro, tabungan, dan deposito berjangka melalui analisa terhadap volatilitasnya.

Per posisi 31 Desember 2017 Bank telah mencatatkan simpanan nasabah sebesar Rp75.046.863 atau naik 2,80% dibandingkan dengan simpanan nasabah posisi 31 Desember 2016, dimana Giro meningkat sebesar 18,65% menjadi Rp11.257.957, Tabungan menurun sebesar 8,02% menjadi Rp14.849.647, dan Deposito meningkat sebesar 3,31% menjadi Rp48.939.259. Loan Deposit Ratio (LDR), yaitu rasio kredit yang diberikan terhadap simpanan nasabah Bank tercatat sebesar 83,57%. Bank secara berkesinambungan akan terus menjaga tingkat LDR agar berada dalam kisaran yang sehat.

Disamping itu pengukuran dan pemantauan terhadap analisa gap, limit-limit yang ditetapkan, stress testing, dan Rencana Pendanaan Darurat dilaksanakan secara konsisten.

Rencana Pendanaan Darurat menjadi komponen penting dalam kerangka kerja manajemen likuiditas dan berfungsi sebagai perpanjangan atas kebijakan operasional atau manajemen likuiditas sehari-hari. Walaupun Bank memantau kebutuhan likuiditas dan pendanaan secara berkala, penting juga untuk mengetahui kejadian yang tak terduga, kondisi ekonomi dan pasar, masalah pendapatan atau situasi di luar kendali yang dapat menyebabkan krisis likuiditas. Rencana Pendanaan Darurat menguraikan tindakan yang harus diambil oleh Bank pada saat terjadi krisis likuiditas dan akan diaktifkan jika terjadi krisis atau liquidity stress.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Hal ini berfungsi untuk mengidentifikasi dan mengetahui potensi krisis likuiditas, menentukan tanggung jawab dan tindakan manajemen yang terkait pada saat krisis, memperbaiki area yang menjadi perhatian, dan memastikan bahwa arus informasi dapat tepat waktu sehingga dapat memfasilitasi pengambilan keputusan secara cepat dan efektif.

Tingkat kerumitan dan detil dari rencana tersebut disesuaikan dengan kompleksitas, eksposur risiko, aktivitas, produk, dan struktur organisasi Bank untuk menentukan indikator yang paling relevan untuk digunakan dalam mengelola likuiditas dan pendanaan. Selain itu, Bank juga telah menetapkan *Liquidity Crisis Management Team* yang bertanggung jawab untuk mengevaluasi posisi likuiditas dan menentukan tindakan yang akan diambil pada saat terjadi krisis.

Analisa mengenai kebutuhan pendanaan bersih melibatkan penyusunan laporan arus kas berdasarkan jatuh tempo (kontraktual) aktual dari arus kas tersebut. Profil arus kas kontraktual mengalokasikan aset-aset, kewajiban-kewajiban, dan rekening administratif ke dalam jangka waktu berdasarkan sisa jatuh tempo aset, kewajiban, dan rekening administratif tersebut.

Selain itu, Bank juga membuat laporan arus kas berdasarkan asumsi *behavioral*. Arus kas ini terkait dengan pola perilaku dari aset, kewajiban, dan rekening administratif yang dimilikinya dan potensi arus kas diproyeksikan berdasarkan asumsi-asumsi yang didapat dari pola perilaku tersebut. Potensi arus kas tersebut secara khusus terkait dengan karakteristik produk, seperti apakah produk tersebut biasanya diperpanjang setelah jatuh tempo, kecenderungan penarikan lebih awal pada deposito berjangka atau pola secara historis perpanjangan deposito berjangka. Dari analisa arus kas secara *behaviour* ini, diperoleh *gap Net Cash Outflow (NCO)* yang diperkirakan akan dihadapi Bank. Selama periode Januari sampai dengan Desember 2017, 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 39.

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40. Risk Management Policies (continued)

Liquidity Risk (continued)

It serves to identify and recognize a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern, and ensure that information flows remain timely and uninterrupted to facilitate quick and effective decision-making.

The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organization structure of the Bank to identify the indicators that are most relevant to its management of liquidity and funding. In addition, the Bank also has established a Liquidity Crisis Management Team which is responsible to evaluate the liquidity position and decide the actions to be taken when crisis occurs.

The cash flow analysis of net funding requirement involves the preparation of cash flow mismatch based on actual contractual maturity. Contractual cash flow profiles allocate the assets, liabilities, and off balance sheet items into time band by remaining maturity of the assets, liabilities and off balance sheet items.

Besides, the Bank also produce the cash flow mismatch report based on behavioral assumption. The cash flow related to behavior analysis of assets, liabilities, off balance sheet and the potential cash flow is projected based on assumptions which derived from the behavior patterns. Potential cash flow are specifically associated with product characteristic, such as whether the product is renewed, tendency of early redemption for time deposit or the historical trend of time deposit's rolled over. From the behaviour cash flow analysis, it is obtained the expected Net Cumulative Outflow (NCO) gap that will be encountered by the Bank. During January until December 2017, the NCO gap is still within the limit and Bank's tolerance.

Table maturity of Bank's asset and liabilities based on contractual can be seen in Note 39.

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40. Risk Management Policies (continued)

Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Potential loss may be in the form of financial loss or other damages, for example, loss of reputation and public confidence that will impact the Bank's creditability and ability to transact, maintain liquidity and obtain new business.

The Bank has established an Operational Risk Management Framework that comprises of:

- Operational Risk Governance Structure.*
- Operational Risk Management Policies and Standards.*
- Operational risk culture and awareness.*
- Operational risk management tools including loss database, key risk and control self assessment, key operational risk indicators and self disclosure mechanism (Management Risk Awareness) and Product Programme to review products and activities new to the Bank.*

Operational Risk thresholds have been established, include but , but are not limited to the following:

- Quantative and qualitative statements on what the Bank is not willing to tolerate or condone.*
- Risk Appetite Statement.*
- Risk Assessment Matrix.*
- Risk tolerance embedded in the Key Operational Risk Indicators.*

The following processes and initiatives were carried out to improve the Bank's capability in managing its operational risk:

- Conduct risk management committee meeting every month which serves as a forum to discuss various issues related to high level operational risk in a more intensive manner beside other discussions on Risk Appetite Statement (RAS), Risk Profile and Risk Based Bank Rating (RBBR). The Board of Commissioners and Board of Directors have actively monitored the operational risk management through the Risk Management Committee meeting which has been held 12 times in 2017.*

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional

Risiko operasional didefinisikan sebagai risiko yang terjadi sebagai akibat dari ketidakcukupan atau kegagalan proses internal, manusia dan sistem atau dari berbagai peristiwa eksternal. Potensi kerugian dapat berupa kerugian finansial atau dampak buruk lainnya, misalnya, kehilangan reputasi dan kepercayaan publik yang berdampak pada kredibilitas Bank dan kemampuan untuk bertransaksi, menjaga likuiditas dan memperoleh bisnis baru.

Bank telah menetapkan Kerangka kerja Manajemen Risiko Operasional yang mencakup seperangkat:

- Struktur tata kelola risiko operasional.
- Kebijakan dan prosedur pengelolaan risiko operasional.
- Penetapan kesadaran dan budaya risiko operasional.
- Perangkat kerja risiko operasional termasuk *database* kerugian operasional, *key risk and control self assessment*, *key operational risk indicators* dan mekanisme *self disclosure (Management Risk Awareness)* dan *Product Programme* untuk mereviu Produk dan Aktivitas Baru di Bank.

Ambang batas untuk Risiko Operasional telah ditetapkan, termasuk namun tidak terbatas pada:

- Pernyataan kuantitatif dan kualitatif terkait hal-hal yang tidak dapat ditoleransi atau dibiarkan oleh Bank.
- Risk Appetite Statement.*
- Risk Assessment Matrix.*
- Toleransi risiko yang menjadi bagian dari monitoring rutin atas *Key Operational Risk Indicators*.

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional:

- Melakukan pertemuan komite manajemen risiko setiap bulan yang berfungsi sebagai forum diskusi untuk membahas berbagai permasalahan terkait risiko operasional yang sifatnya *high level* dengan lebih intensif disamping pembahasan *Risk Appetite Statement (RAS)*, Profil Risiko dan *Risk Based Bank Rating (RBBR)*. Dewan Komisaris dan Dewan Direksi telah melakukan pengawasan secara aktif terhadap pengelolaan risiko operasional melalui Komite Manajemen Risiko yang telah diadakan sebanyak 12 kali di tahun 2017.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional: (lanjutan)

- Membuat dan melakukan pengkinian terhadap kerangka kerja dan kebijakan manajemen risiko operasional serta kebijakan lainnya yang berkaitan dengan pengelolaan risiko operasional.
- Mengevaluasi secara berkala *Operational Risk Management (ORM) Risk Appetite Statement (RAS)* agar selalu disesuaikan dengan perkembangan agar sejalan dengan sasaran dan strategi bisnis bank secara keseluruhan.
- Mengembangkan laporan-laporan manajemen risiko operasional seperti *ORM Risk Dashboard*, *Operational Risk Action Plan (ORAP)* dan meningkatkan metode analisa untuk mengetahui bagaimana risiko dapat diidentifikasi.
- Implementasi perangkat kerja ORM seperti *Key Risk Control Self Assessment (KRCSA)*, *General Operating & Control Environment Questionnaire (GOCEQ)*, *Key Operational Risk Indicator (KORI)*, *Management Risk Awareness (MRA)* dan *Event Risk Reporting (ERR)* untuk mengidentifikasi insiden risiko operasional di semua unit dan cabang.
- Melakukan validasi hasil penilaian perangkat risiko operasional, terutama KRCSA, GOCEQ dan KORI melalui kaji ulang ke sejumlah unit kerja di kantor pusat dan cabang-cabang yang dijadikan *sampling* untuk melihat tingkat terhadap risiko dan kecukupan kontrol.
- Menyelenggarakan forum *Line Risk Control Manager (LRCM)* secara periodik untuk meningkatkan kesadaran dan kemampuan LRCM dalam mengelola risiko operasional.
- Melakukan rapat bulanan dengan seluruh kantor Regional Bank untuk membahas risiko operasional di cabang.
- Meningkatkan kesadaran akan pentingnya budaya risiko operasional dengan mendistribusikan pesan-pesan singkat melalui email kepada seluruh unit kerja.
- Membantu unit bisnis dalam melakukan kaji ulang atas sejumlah produk/aktivitas/prosedur baru.

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40. 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)

- Develop and review operational risk management framework, policies, and other policies guidelines relating to operational risk management.
- Review current Operational Risk Management (ORM) Risk Assessment Statement (RAS) to be aligned continually with the Bank's overall business objectives and strategy.
- Develop operational risk management reports such as ORM Risk Dashboard, Operational Risk Action Plan (ORAP) and improve analytical methods to determine how risk are identified.
- The implementation of ORM tools e.g Key Risk Control Self Assessment (KRCSA), General Operating & Control Environment Questionnaire (GOCEQ), Key Operational Risk Indicator (KORI), Management Risk Awareness (MRA), Event Risk Reporting (ERR) to identify operational risk incidents in all working units and branches.
- Validate the assessment results of working units in the execution of operational risk tools, particularly KRCSA, GOCEQ and KORI through sample reviews from working units in head office and branches to measure the risk and control adequacy of level.
- Line Risk Control Manager (LRCM) forum periodically to increase LRCM awareness and capability in managing the operational risk.
- Monthly conference meeting with all Regional Branch Operations to discuss operational risk issues in branches.
- Increase operational risk awareness by sending flash message through email to all business/support units.
- Assist business units in reviewing new products/activities/procedures.

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40. 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)

- Oversee the implementation of Business Continuity Management, to ensur the following objectives are achieved:
 - a. The quality of Business Impact Analysis (BIA) and Business Continuity Plan (BCP) from line of business and support.
 - b. Simulation/exercise of Business Continuity Plan (BCP is conducted.
 - c. Disaster Recovery Exercise for IT system is conducted as per agreed timeline.
 - d. Call Tree simulation/exercise for Management and units is conducted as per agreed timeline.
 - e. Crisis simulation to ensure readiness of Crisis Management Team is conducted.

Compliance Risk

Compliance risk is defined as the risk that occurs due to Bank's failure to comply with and/or implement the prevailing laws and regulations.

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk:

A. Compliance Policies and Procedures

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The principal regulations as well as its objectives are as follows:

1. Bank's Compliance Charter

Regulating the Bank's Compliance Framework as well as the roles and responsibilities of all stakeholders.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional: (lanjutan)

- Memantau penerapan Manajemen Kelangsungan Bisnis/*Business Continuity Management* untuk memastikan agar tujuan berikut dapat dicapai:
 - a. *Business Impact Analysis (BIA)* dan *Business Continuity Plan (BCP)* dari lini bisnis dan pendukung dilakukan dengan benar.
 - b. Simulasi/latihan Rencana Kelangsungan Bisnis (*Business Continuity Plan/BCP*) dilakukan.
 - c. *Disaster Recovery Exercise* untuk sistem IT dilakukan sesuai jadwal.
 - d. Simulasi/latihan *Call Tree* untuk Manajemen dan unit kerja dilakukan sesuai jadwal.
 - e. Simulasi krisis untuk memastikan kesiapan *Crisis Management Team* pada situasi krisis dilakukan sesuai jadwal.

Risiko Kepatuhan

Risiko kepatuhan didefinisikan sebagai risiko yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku.

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan:

A. Kebijakan dan Prosedur Kepatuhan

Sejalan dengan Peraturan yang berlaku, Kebijakan Kepatuhan telah dirumuskan untuk menentukan cakupan, prinsip-prinsip dan tanggung jawab untuk pengelolaan yang efektif dari fungsi kepatuhan. Pokok-pokok pengaturan kepatuhan beserta tujuan pengaturannya adalah sebagai berikut:

1. Piagam Kepatuhan Bank

Mengatur mengenai Kerangka Kerja Fungsi Kepatuhan Bank (*Compliance Framework*) serta peran dan tanggung jawab seluruh *stakeholders*.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

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: (lanjutan)

2. Prosedur Pengkajian Kepatuhan

Mengatur mengenai mekanisme identifikasi kekurangan atau kelemahan kontrol pada kebijakan, ketentuan, sistem, dan prosedur internal Bank serta mekanisme pemantauan risiko kepatuhan dengan pendekatan berbasis risiko (*Risk-Based Approach*).

3. Prosedur tentang Mekanisme Pemantauan Data Acuan Keuangan

Mengatur mengenai mekanisme pemantauan data acuan keuangan (JIBOR dan/atau JISDOR) yang disampaikan oleh Bank kepada Bank Indonesia untuk menghindari adanya kecurangan yang dilakukan oleh pegawai Bank dalam menetapkan dan menyampaikan data acuan keuangan tersebut sehingga data acuan keuangan yang dikirimkan ke Bank Indonesia dapat mencerminkan keadaan pasar yang sebenarnya. Untuk periode tahun 2017, Bank tidak lagi menjadi kontributor JIBOR.

4. Prosedur Pemantauan Komitmen Bank dan Tindak Lanjut atas Permintaan dari Regulator Terkait

Mengatur mengenai mekanisme pemenuhan kepatuhan dan pelaksanaan terhadap komitmen yang dibuat oleh Bank kepada Regulator.

40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

A. *Compliance Policies and Procedures (continued)*

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The principal regulations as well as its objectives are as follows: (continued)

2. Procedures for Compliance Review

Regulating the mechanism to identify control deficiencies or weaknesses in the Bank's internal policies, provisions, systems and procedures as well as the mechanism of risk-based approach compliance risk monitoring.

3. Procedure of Financial Benchmark Data Surveillance Mechanism

Regulate the mechanism of financial benchmark data surveillance (JIBOR and/or JISDOR) submitted by the Bank to Bank Indonesia to avoid any fraud committed by Bank's employees in setting and submitting the financial benchmark so that financial benchmark data sent to Bank Indonesia may reflect real market condition. For 2017 period, the Bank is no longer act as a contributor in JIBOR.

4. Procedures in Monitoring the Bank's Commitment and Follow-up on Requests from Related Regulator

Regulating the mechanism of compliance fulfilment and implementation towards the commitments made by the Bank to Regulator.

40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

A. Kebijakan dan Prosedur Kepatuhan (lanjutan)

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: (lanjutan)

5. Prosedur Pengeskalasian dan Pelaporan Kejadian Risiko Kepatuhan

Mengatur mengenai mekanisme pelaporan yang tepat waktu untuk setiap pelanggaran atau ketidakpatuhan terhadap peraturan perundang-undangan dan ketentuan yang berlaku.

6. Ketentuan-Ketentuan yang Terkait dengan Fungsi Kepatuhan

Memberikan informasi mengenai ketentuan-ketentuan yang terkait dengan pelaksanaan Fungsi Kepatuhan Bank.

Fungsi Kerja *Compliance* bekerja sama dengan Fungsi Kerja *Risk Management* dan Fungsi Kerja *Internal Audit* telah menerbitkan Pedoman Penyesuaian Nilai Kinerja Pegawai/Key Performance Indicator (KPI) Berdasarkan Risiko untuk memastikan efektivitas dari pelaksanaan manajemen risiko dan *Good Corporate Governance*, sehingga Tingkat Kesehatan Bank dapat terjaga pada peringkat yang baik.

Selain itu, selama periode tahun 2017 Bank juga telah menerbitkan Kebijakan dan Prosedur tentang pelaksanaan fungsi kepatuhan dan pedoman aktivitas lintas negara (*cross border*).

40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

A. *Compliance Policies and Procedures (continued)*

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The principal regulations as well as its objectives are as follows: (continued)

5. Procedures in Escalating and Reporting Compliance Risk Events

Regulating the reporting mechanism in a timely manner for each breach or violation towards the prevailing laws, regulations and provisions.

6. Provisions Related to Compliance Function

Provide information on provisions related to the implementation of Bank's Compliance Function.

Compliance Function in cooperation with Risk Management Function and Internal Audit Function has issued Guidelines of Risk Based Employee Performance/Key Performance Indicator (KPI) to ensure the effectiveness of risk management and Good Corporate Governance implementation, so that the Bank Soundness Rating can be maintained at a good rating.

Moreover, during 2017 period the Bank has issued Policies and Procedures regarding implementation of compliance function and guidelines for cross border activities.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

B. Pemantauan Indikator Keuangan

Beberapa indikator kunci seperti rasio persyaratan modal minimum, kualitas aktiva produktif, rasio NPL, batas maksimum pemberian kredit, persyaratan giro wajib minimum, *loan to deposit ratio* dan posisi devisa neto telah dibentuk untuk memantau dan mengidentifikasi potensi risiko kepatuhan yang mungkin timbul jika Bank gagal untuk memenuhinya.

Divisi *Operational Risk Management* bekerja sama dengan Divisi *Compliance Advisory and Monitoring* untuk melaporkan setiap potensi pelanggaran atau pelanggaran atas ketentuan yang berlaku. Secara berkesinambungan, Bank meningkatkan pengelolaan risiko kepatuhan terhadap peraturan. Sampai dengan Desember 2017, masih terdapat pengenaan sanksi dari Regulator atas kesalahan yang bersifat administratif. Kelemahan yang menimbulkan pengenaan sanksi secara umum ialah *human error* dalam penyusunan dan penyampaian laporan-laporan rutin kepada Bank Indonesia, seperti Laporan Harian Bank Umum (LHBU) dan Laporan Sistem Informasi Debitur (SID). Dalam mengelola risiko kepatuhan yang timbul dari pengenaan sanksi tersebut, manajemen Bank senantiasa secara aktif memberikan pengarahan dan himbauan agar Bank memelihara seluruh aktivitas bisnis dan operasionalnya tetap mematuhi ketentuan-ketentuan yang berlaku.

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40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

B. Monitoring the Financial Indicator

Several key indicators such as minimum capital adequacy ratio, earning asset quality, NPL ratio, legal lending limit, statutory reserve requirement, loan to deposit ratio and net open position have been established to monitor and identify potential compliance risks that may arise if the Bank fails to comply.

Operational Risk Management division collaborate with Compliance Advisory and Monitoring Division to report any potential violation or breach of the prevailing regulations. On an ongoing basis, the Bank has progressively enhanced the management of regulatory compliance risks. Throughout December 2017, 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.

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40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include:

- a) *Active supervision of the Board of Commissioners and Directors, by conducting:*
- a. *Anti Money Laundering Committee every month;*
 - b. *Regular meeting between President Director (CEO), Compliance Director, AML/CFT & Sanctions Division Head and Business Heads to discuss, among other the developments, achievements and the follow-up action to be taken regarding the updating data, the imposition of sanctions related to fraud, and the follow-up to minimize the error in reporting.*

- b) *Policies and procedures, with:*
- a. *Formulating the AML-CFT program Program to Bank's internal policy which adopting the regulation from the regulator and the FATF recommendations 40 + 9;*
 - b. *Implementation AML-CFT Program in the form of SOP that includes, among others:*
 - *Customer acceptance;*
 - *On-going review;*
 - *Management reporting;*
 - *Transaction monitoring;*
 - *Regulatory reporting.*

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup:

- a) Pengawasan aktif dari Dewan Komisaris dan Direksi, dengan dilakukan:
- a. Penyelenggaraan Komite *Anti Money Laundering* setiap bulannya;
 - b. Rapat berkala antara Direktur Utama, Direktur *Compliance*, Kepala Divisi AML/CFT and Sanctions dan *Business Heads* untuk membahas antara lain perkembangan, pencapaian dan tindak lanjut yang akan diambil mengenai pengkinian data, pengenaan sanksi terkait *fraud*, dan tindak lanjut untuk meminimalisasi kesalahan pelaporan.
- b) Kebijakan dan Prosedur, dengan:
- a. Memformulasikan Program APU-PPT dalam kebijakan internal Bank yang disesuaikan dengan aturan dari regulator dan 40 + 9 rekomendasi FATF;
 - b. Implementasi Program APU-PPT dalam bentuk SOP yang mencakup, antara lain:
 - Penerimaan nasabah;
 - *On-going review*;
 - Pelaporan kepada Manajemen;
 - Pemantauan transaksi;
 - Pelaporan kepada regulator.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup: (lanjutan)

- c) Sistem Pengendalian Internal:
- a. Penunjukan petugas/pejabat yang bertugas secara khusus dalam pemantauan pelaksanaan proses dan program APU dan PPT pada setiap unit bisnis dan unit pendukung.
 - b. Penyusunan SOP yang lebih rinci terkait proses pelaksanaan program APU dan PPT pada masing-masing unit bisnis dan unit pendukung.
 - c. Pengembangan metodologi pengklasifikasian risiko APU dan PPT pada unit bisnis dan kantor cabang.
 - d. Pengembangan metodologi pengkajian kepatuhan terhadap implementasi ketentuan APU-PPT.
- d) Sistem Informasi Manajemen, dimana Bank telah memiliki:
- a. Sistem untuk pemantauan transaksi nasabah, yang meliputi rekening tabungan/giro, deposito dan kartu kredit;
 - b. Sistem untuk melakukan *filtering* transaksi dari SWIFT baik *incoming* maupun *outgoing*;
 - c. Sistem untuk melakukan proses *screening* terhadap daftar hitam/sanksi;
 - d. Sistem aplikasi yang terkait dengan pelaporan kepada *regulator*.

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40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include: (continued)

- c) *Internal Control System:*
- a. *Appointment of staff/officer specifically tasked in monitoring the implementation of the AML-CFT process and programs in each business units and support units.*
 - b. *Formulating more detailed SOP regarding AML-CFT program implemetation process in each business units and supporting units.*
 - c. *Development of AML-CFT risk classification methodology in the business units and branches.*
 - d. *Development of compliance testing methodology on the implementation of AML-CFT regulation.*
- d) *Management Information System, where Bank has established:*
- a. *System for transaction monitoring which includes current/saving account, time deposit and credit cards;*
 - b. *System for SWIFT transaction filtering both for incoming and outgoing transaction;*
 - c. *System for screening process against the black list/sanctions list;*
 - d. *Application system related to regulatory reporting.*

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40. Risk Management Policies (continued)

Compliance Risk (continued)

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk: (continued)

B. Monitoring the Financial Indicator (continued)

In implementation of Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Program, The Bank has taken steps which include: (continued)

- e) *Human resource and training, where Bank already have:*
- a. *Conducted Know Your Emplpyee (KYE) process before employee recruitment;*
 - b. *Conducted training related to AML-CFT, minimum once a year;*
 - c. *implemented training method through:*
 - i. *Face to face: in class trainings;*
 - ii. *E-Learning, with Basic, Intermediate and Advance modules application.*

Apart from the above, Compliance Function also plays an important advisory role as it provides the business and other units with regulatory and compliance advice on an ongoing basis.

Strategic Risk

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

Strategic Risk Management Policy has been established in order to support the identification, measurement, monitoring and reporting of strategic risk.

Strategic risk management refers to how the Bank makes strategic decisions in response to significant changes in the current and prospective environment (internal and external) and how it deploys capital and resources to achieve its Bank strategic goals.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kepatuhan (lanjutan)

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan: (lanjutan)

B. Pemantauan Indikator Keuangan (lanjutan)

Dalam penerapan Program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Bank telah melakukan langkah-langkah yang mencakup: (lanjutan)

- e) Sumber daya manusia dan pelatihan, di mana Bank telah:
- a. Melakukan proses *Know Your Employee* (KYE) sebelum penerimaan karyawan;
 - b. Melakukan pelatihan terkait dengan APU-PPT, minimal 1 tahun sekali;
 - c. menerapkan metode *training* dengan cara:
 - i. *Face to face* : Pelatihan *in class*;
 - ii. *E-Learning*, dengan penerapan *module Basic, Intermediate* dan *Advance*.

Selain hal di atas, Fungsi Kerja *Compliance* juga berperan penting sebagai penasihat dengan memberikan saran regulasi dan kepatuhan secara berkelanjutan kepada fungsi kerja bisnis dan fungsi kerja lainnya.

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 merespon 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.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Strategik (lanjutan)

Secara berkelanjutan, Bank melakukan kaji ulang berkala atas pencapaian target keuangan dan realisasi strategi. Seluruh fungsi kerja bisnis juga bertanggung jawab untuk memantau risiko strategik pada areanya dan melaporkan secara tepat waktu kepada Direktur atau pejabat eksekutif senior terkait 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 disebabkan oleh adanya kelemahan aspek yuridis yang antara lain disebabkan adanya tuntutan hukum, ketiadaan peraturan perundang-undangan yang mendukung atau kelemahan perikatan seperti tidak dipenuhinya syarat sahnya perjanjian dan pengikatan agunan yang tidak sempurna.

Bank melakukan pemantauan atas potensi risiko hukum yang mungkin timbul dari ketidakjelasan dalam kontrak/perjanjian, adanya perkara-perkara litigasi dan jaminan, klaim, kelemahan sistem hukum dan ketiadaan peraturan perundangan yang jelas. Dalam pengelolaan risiko hukum, Bank melakukan pemantauan komprehensif terhadap seluruh kegiatan operasional, terutama yang melibatkan pihak ketiga, yang berpotensi menimbulkan benturan kepentingan maupun tuntutan hukum. Pemantauan dilakukan dengan mengembangkan standar perjanjian meliputi peraturan dan kebijakan internal, melakukan kaji ulang atas perjanjian transaksional, dan menganalisa potensi risiko hukum pada produk dan aktivitas baru.

Risiko Reputasi

Risiko Reputasi merupakan dampak negatif pada pendapatan, likuiditas, atau modal Bank yang timbul dari persepsi atau opini negatif *stakeholder* terhadap praktik bisnis, kegiatan dan kondisi keuangan Bank.

Pengendalian risiko reputasi dilakukan melalui pencegahan peristiwa yang dapat menyebabkan risiko reputasi, misalnya dengan melakukan pemantauan, komunikasi secara berkala kepada para pemangku kepentingan, dan kegiatan tanggung jawab sosial perusahaan.

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40. Risk Management Policies (continued)

Strategic Risk (continued)

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

All functions are responsible for the monitoring of strategic risk.

Legal Risk

Legal risk is defined as the risk caused by the weakness of the judicial aspect due to lawsuits, the absence of legislation support or weakness in binding such as not fulfilled the terms of agreement and imperfect collateral binding.

Bank has monitored the potential legal risk that might arise from lack of clarity of the contracts/agreements, litigation cases and collaterals, claims, weaknesses of juridical aspects and nonexistence of clear regulations. In managing the legal risk, Bank conduct monitoring in all operational activities, mainly those involving the third parties, which potentially cause conflict of interest as well as lawsuits. Monitoring is conducted by developing standard agreements that include regulations and internal policies, reviewing transactional agreements, and analyzing new products or activities for potential legal risks.

Reputation Risk

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

Risk controlling for reputation risk is conducted through prevention of events that could lead to reputation risk, for example by conducting a regular communication to stakeholders in the process of creating positive reputation and a series of activities such as corporate social responsibility.

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40. Risk Management Policies (continued)

Reputation Risk (continued)

Mitigation of reputation risk was performed through intensive monitoring and management of negative publications in media and all service tools by Strategic Communication and Customer Advocacy Division and Brand Division.

Service quality and handling of customer complaints have been improved through the regular monitoring and development program by Strategic Communication and Customer Advocacy Division.

The Bank's effort in mitigating reputation risk through:

- Revising and adjusting policy and guidance for complaint handling.*
- Socializing all revised policies and complaint management procedure to all units.*

- Maximizing the role of Contact Center by improving the mechanism to handle hard/media threat complaints and delegation of duty regarding customer complaints settlement.*
- Monitoring media coverage daily and providing special attention to negative news or complaint which has the potential to have impact on the Bank's reputation.*
- Evaluating and coordinating regularly with related units to discuss customer complaint, find out alternative solution including complaint resolution as per determined SLA.*

- Educating related customers on the precautionary against fraud by placing posters in branches and ATMs as well as through the display space on the ATM screen.*
- In order to improve the Bank's service quality and to encourage the customer's loyalty, therefore monthly meeting was conducted through Service Excellence Council.*

- Coaching and monitoring on the standard service for all frontliners by PIC Service from regional periodically.*

- Socializing to all business segments and divisions related to process flow of complaint handling, therefore it can be followed up properly.*

- Responding customer's complaint in writing immediately and properly either received from Contact Center, branches, Media, Central Bank, OJK (Financial Service Authority).*

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41. 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/ 31 December 2017 | |
|--|-----------------------------------|----------------------------|
| | Nilai Tercatat/ Carrying Value | Nilai Wajar/ Fair Value |
| Aset Keuangan | | |
| Pinjaman yang diberikan dan piutang | | |
| Kas | 398.298 | 398.298 |
| Giro pada Bank Indonesia | 6.071.513 | 6.071.513 |
| Giro pada bank lain | 2.452.901 | 2.452.901 |
| Penempatan pada Bank Indonesia dan bank lain | 3.416.404 | 3.416.404 |
| Kredit yang diberikan - neto | 61.689.720 | 61.689.720 |
| Tagihan akseptasi - neto | 1.826.050 | 1.826.050 |
| Aset lain-lain | 326.127 | 326.127 |
| Aset keuangan diukur pada nilai wajar melalui laporan laba rugi | | |
| Efek-efek yang diperdagangkan | 1.118.120 | 1.118.120 |
| Tagihan derivatif | 146.399 | 146.399 |
| Kredit yang diberikan - neto | 308.484 | 308.484 |
| Aset keuangan tersedia untuk dijual | | |
| Investasi keuangan tersedia untuk dijual | 10.355.167 | 10.355.167 |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.015.168 | 1.015.168 |
| Aset keuangan yang dimiliki hingga jatuh tempo | | |
| Dimiliki hingga jatuh tempo - neto | 4.596.187 | 4.596.187 |
| Total | 93.720.538 | 93.720.538 |

| | | |
|--|-------------------|-------------------|
| Liabilitas Keuangan | | |
| Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi | | |
| Liabilitas derivatif | 105.770 | 105.770 |
| Pinjaman yang diterima | 333.138 | 333.138 |
| Liabilitas Lain-lain | | |
| Liabilitas segera | 149.371 | 149.371 |
| Simpanan | 75.046.863 | 75.046.863 |
| Simpanan dari bank lain | 2.314.828 | 2.314.828 |
| Bunga yang masih harus dibayar | 225.648 | 225.648 |
| Liabilitas akseptasi | 1.843.428 | 1.843.428 |
| Efek hutang yang diterbitkan - neto | 3.388.604 | 3.547.334 |
| Liabilitas lain-lain | 231.344 | 231.344 |
| Total | 83.638.994 | 83.797.724 |

41. 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 at fair value through profit or loss | |
| Trading securities | |
| Derivatives receivable | |
| Loans - net | |
| Available-for-sale financial assets | |
| Financial investments available-for-sale | |
| Receivables on securities purchased with agreements to resell | |
| Held-to-maturity financial assets | |
| Held-to-maturity - net | |
| Total | |

| | |
|---|--|
| Financial Liabilities | |
| Financial liabilities at fair value through profit or loss | |
| Derivatives payable | |
| Borrowings | |
| Other Liabilities | |
| Current liabilities | |
| Deposits | |
| Deposits from other banks | |
| Interest payable | |
| Acceptances payable | |
| Debt securities issued - net | |
| Other liabilities | |
| Total | |

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41. 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/ 31 December 2016 | |
|--|-----------------------------------|----------------------------|
| | Nilai Tercatat/ Carrying Value | Nilai Wajar/ Fair Value |
| Aset Keuangan | | |
| Pinjaman yang diberikan dan piutang | | |
| Kas | 535.517 | 535.517 |
| Giro pada Bank Indonesia | 5.724.310 | 5.724.310 |
| Giro pada bank lain | 1.098.294 | 1.098.294 |
| Penempatan pada Bank Indonesia dan bank lain | 3.321.154 | 3.321.154 |
| Kredit yang diberikan - neto | 64.698.998 | 64.698.998 |
| Tagihan akseptasi - neto | 1.748.937 | 1.748.937 |
| Aset lain-lain | 304.156 | 304.156 |
| Aset keuangan diukur pada nilai wajar melalui laporan laba rugi | | |
| Efek-efek yang diperdagangkan | 945.104 | 945.104 |
| Tagihan derivatif | 202.112 | 202.112 |
| Aset keuangan tersedia untuk dijual | | |
| Investasi keuangan tersedia untuk dijual | 9.316.226 | 9.316.226 |
| Tagihan atas surat berharga yang dibeli dengan janji dijual kembali | 1.902.219 | 1.902.219 |
| Aset keuangan yang dimiliki hingga jatuh tempo | | |
| Dimiliki hingga jatuh tempo - neto | 2.656.545 | 2.656.545 |
| Total | 92.453.572 | 92.453.572 |

| | | |
|--|-------------------|-------------------|
| Liabilitas Keuangan | | |
| Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi | | |
| Liabilitas derivatif | 194.328 | 194.328 |
| Liabilitas Lain-lain | | |
| Liabilitas segera | 101.348 | 101.348 |
| Simpanan | 73.004.901 | 73.004.901 |
| Simpanan dari bank lain | 3.641.664 | 3.641.664 |
| Bunga yang masih harus dibayar | 211.247 | 211.247 |
| Liabilitas akseptasi | 1.770.688 | 1.770.688 |
| Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali | 339.412 | 339.412 |
| Efek hutang yang diterbitkan - neto | 3.185.128 | 3.268.137 |
| Liabilitas lain-lain | 205.203 | 205.203 |
| Total | 82.653.919 | 82.736.928 |

41. 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 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 at fair value through profit or loss | |
| Trading securities | |
| Derivatives receivable | |
| Available-for-sale financial assets | |
| Financial investments available-for-sale | |
| Receivables on securities purchased with agreements to resell | |
| Held-to-maturity financial assets | |
| Held-to-maturity - net | |
| Total | |

| | |
|---|--|
| Financial Liabilities | |
| Financial liabilities at fair value through profit or loss | |
| Derivatives payable | |
| Other Liabilities | |
| Current liabilities | |
| Deposits | |
| Deposits from other banks | |
| Interest payable | |
| Acceptances payable | |
| Liabilities on securities sold under repurchase agreements | |
| Debt securities issued - net | |
| Other liabilities | |
| Total | |

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41. Nilai Wajar Instrumen Keuangan (lanjutan)

Nilai wajar aset dan liabilitas keuangan, kecuali efek-efek yang diperdagangkan, tagihan dan liabilitas derivatif, investasi keuangan yang tersedia untuk dijual dan efek hutang yang diterbitkan, mendekati nilai tercatatnya karena aset dan liabilitas keuangan dalam jumlah signifikan memiliki jangka waktu yang pendek dan/atau suku bunganya sering ditinjau ulang. Tagihan dan liabilitas derivatif nilai wajarnya dihitung berdasarkan teknik penilaian. Efek-efek yang diperdagangkan dan investasi keuangan yang tersedia untuk dijual nilai wajarnya berdasarkan harga yang dapat diperoleh atau dapat diobservasi. Nilai wajar dari efek hutang yang diterbitkan dihitung menggunakan diskonto arus kas berdasarkan tingkat suku bunga pasar.

Penilaian atas nilai wajar instrumen keuangan berdasarkan hirarki nilai wajar dapat dilihat pada Catatan 2ab.

Tabel dibawah ini menyajikan aset dan liabilitas yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas:

| 31 Desember/ 31 December 2017 | | | | |
|---|-----------------------|-----------------------|-----------------------|-------------------|
| | Tingkat 1/ Level 1 | Tingkat 2/ Level 2 | Tingkat 3/ Level 3 | Total |
| Aset yang diukur pada nilai wajar | | | | |
| Kredit yang diberikan - neto | - | 308.484 | - | 308.484 |
| Tagihan derivatif | - | 146.399 | - | 146.399 |
| Efek-efek yang diperdagangkan | 1.118.020 | - | - | 1.118.020 |
| Investasi keuangan tersedia untuk dijual | 10.355.167 | - | - | 10.355.167 |
| Total aset yang diukur pada nilai wajar | 11.473.187 | 454.883 | - | 11.928.070 |
| Aset yang nilai wajarnya diungkapkan | | | | |
| Kredit yang diberikan - neto | - | 61.104.101 | 585.619 | 61.689.720 |
| Investasi keuangan dimiliki hingga jatuh tempo - neto | - | 4.596.187 | - | 4.596.187 |
| Agunan yang diambil alih - neto | - | - | 36.757 | 36.757 |
| Properti terbengkalai | - | - | 8.560 | 8.560 |
| Total aset yang nilai wajarnya diungkapkan | - | 65.700.288 | 630.936 | 66.331.224 |
| Total | 11.473.187 | 66.155.171 | 630.936 | 78.259.294 |

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41. Fair Value of Financial Instruments (continued)

The fair value of financial assets and liabilities, except for trading securities, derivatives receivables and liabilities, financial investments available-for-sale and debt securities issued, approximate its carrying values because financial assets and liabilities in significant amount have short-term period and/or the interest rate is frequently reviewed. Derivatives receivables and liabilities fair value is based on valuation technique. Trading securities, and financial investment available-for-sale fair value is based on quoted or observable prices. The fair value of debt securities issued are calculated using discounted cash flows using market interest rate.

Valuation for the fair value of financial instruments based on the fair value hierarchy refer to Note 2ab.

The tables below show the asset and liabilities recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of asset and liabilities:

| |
|--|
| Assets measured at fair value |
| Loans - net |
| Derivatives receivable |
| Trading securities |
| Financial investments available-for-sale |
| Total assets measured at fair value |
| Assets for which fair value are disclosed |
| Loans - net |
| Financial investments held-to-maturity - net |
| Foreclosed assets - net |
| Abandoned property |
| Total assets for which fair value are disclosed |
| Total |

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41. 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)

| 31 Desember/ 31 December 2017 | | | | |
|---|-----------------------|-----------------------|-----------------------|------------------|
| | Tingkat 1/ Level 1 | Tingkat 2/ Level 2 | Tingkat 3/ Level 3 | Total |
| Liabilitas yang diukur pada nilai wajar | | | | |
| Liabilitas derivatif | - | 105.770 | - | 105.770 |
| Pinjaman yang diterima | - | 333.138 | - | 333.138 |
| Total liabilitas yang diukur pada nilai wajar | - | 438.908 | - | 438.908 |
| Liabilitas yang nilai wajarnya diungkapkan | | | | |
| Efek hutang yang diterbitkan - neto | - | 3.547.334 | - | 3.547.334 |
| Total liabilitas yang nilai wajarnya diungkapkan | - | 3.547.334 | - | 3.547.334 |
| Total | - | 3.986.242 | - | 3.986.242 |

| 31 Desember/ 31 December 2016 | | | | |
|---|-----------------------|-----------------------|-----------------------|-------------------|
| | Tingkat 1/ Level 1 | Tingkat 2/ Level 2 | Tingkat 3/ Level 3 | Total |
| Aset yang diukur pada nilai wajar | | | | |
| Tagihan derivatif | - | 202.112 | - | 202.112 |
| Efek-efek yang diperdagangkan | 945.104 | - | - | 945.104 |
| Investasi keuangan tersedia untuk dijual | 9.106.758 | 209.468 | - | 9.316.226 |
| Total aset yang diukur pada nilai wajar | 10.051.862 | 411.580 | - | 10.463.442 |
| Aset yang nilai wajarnya diungkapkan | | | | |
| Kredit yang diberikan - neto | - | 63.002.742 | 1.696.256 | 64.698.998 |
| Investasi keuangan dimiliki hingga jatuh tempo - neto | - | 2.656.545 | - | 2.656.545 |
| Agunan yang diambil alih - neto | - | - | 41.693 | 41.693 |
| Properti terbengkalai | - | - | 9.583 | 9.583 |
| Total aset yang nilai wajarnya diungkapkan | - | 65.659.287 | 1.747.532 | 67.406.819 |
| Total | 10.051.862 | 66.070.867 | 1.747.532 | 77.870.261 |

| |
|---|
| Liabilities measured at fair value |
| Derivatives liabilities |
| Borrowings |
| Total liabilities measured at fair value |
| Liabilities for which fair value are disclosed |
| Debt securities issued - net |
| Total liabilities for which fair value are disclosed |
| Total |

| |
|--|
| Assets measured at fair value |
| Derivatives receivable |
| Trading securities |
| Financial investments available-for-sale |
| Total assets measured at fair value |
| Assets for which fair value are disclosed |
| Loans - net |
| Financial investments held-to-maturity - net |
| Foreclosed assets - net |
| Abandoned property |
| Total assets for which fair value are disclosed |
| Total |

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41. 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)

| 31 Desember/ 31 December 2016 | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------|---|
| | Tingkat 1/ Level 1 | Tingkat 2/ Level 2 | Tingkat 3/ Level 3 | Total | |
| Liabilitas yang diukur pada nilai wajar | | | | | <i>Liabilities measured at fair value</i> |
| Liabilitas derivatif | - | 194.328 | - | 194.328 | <i>Derivatives liabilities</i> |
| Total liabilitas yang diukur pada nilai wajar | - | 194.328 | - | 194.328 | <i>Total liabilities measured at fair value</i> |
| Liabilitas yang nilai wajarnya diungkapkan | | | | | <i>Liabilities for which fair value are disclosed</i> |
| Efek hutang yang diterbitkan - neto | - | 3.268.137 | - | 3.268.137 | <i>Debt securities issued - net</i> |
| Total liabilitas yang nilai wajarnya diungkapkan | - | 3.268.137 | - | 3.268.137 | <i>Total liabilities for which fair value are disclosed</i> |
| Total | - | 3.462.465 | - | 3.462.465 | <i>Total</i> |

41. 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)

42. Informasi Segmen Operasi

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

| 31 Desember/ 31 December 2017 | | | | | |
|---|------------|-------------|--------------------|-------------|---|
| | Wholesale | Retail | Lainnya/ Others | Total | |
| Laporan Laba Rugi dan Penghasilan Komprehensif Lain | | | | | <i>Statement of Profit or Loss and Other Comprehensive Income</i> |
| Pendapatan | 1.484.813 | 1.289.893 | 5.290.912 | 8.065.618 | <i>Income</i> |
| Beban | (94.333) | (1.111.382) | (5.296.370) | (6.502.085) | <i>Expenses</i> |
| Cadangan kerugian penurunan nilai | (935.121) | (313.216) | (6.693) | (1.255.030) | <i>Allowance for impairment losses</i> |
| Laba sebelum beban pajak | 455.359 | (134.705) | (12.151) | 308.503 | <i>Income before tax expense</i> |
| Beban pajak | | | | (230.982) | <i>Tax expense</i> |
| Laba tahun berjalan | | | | 77.521 | <i>Income for the year</i> |
| Laporan Posisi Keuangan | | | | | <i>Statement of financial position</i> |
| Jumlah aset | 67.465.854 | 23.821.975 | 3.956.284 | 95.244.113 | <i>Total assets</i> |
| Jumlah liabilitas | 37.147.269 | 39.432.820 | 7.717.373 | 84.297.462 | <i>Total liabilities</i> |

42. Operating Segment Information

The tables below show the business segment information of the Bank, which are based on operating segment:

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42. Informasi Segmen Operasi (lanjutan)

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

| 31 Desember/ 31 December 2016 | | | | | |
|---|------------|------------|--------------------|-------------|---|
| | Wholesale | Retail | Lainnya/ Others | Total | |
| Laporan Laba Rugi dan Penghasilan Komprehensif Lain | | | | | <i>Statement of Profit or Loss and Other Comprehensive Income</i> |
| Pendapatan | 1.655.693 | 1.210.093 | 5.342.231 | 8.208.017 | <i>Income</i> |
| Beban | (302.223) | (793.099) | (5.484.289) | (6.579.611) | <i>Expenses</i> |
| Cadangan kerugian penurunan nilai | (683.194) | (269.664) | (5.811) | (958.669) | <i>Allowance for impairment losses</i> |
| Laba sebelum beban pajak | 670.276 | 147.330 | (147.869) | 669.737 | <i>Income before tax expense</i> |
| Beban pajak | | | | (190.464) | <i>Tax expense</i> |
| Laba tahun berjalan | | | | 479.273 | <i>Income for the year</i> |
| Laporan Posisi Keuangan | | | | | <i>Statement of financial position</i> |
| Jumlah aset | 65.881.225 | 24.379.807 | 3.832.816 | 94.093.848 | <i>Total assets</i> |
| Jumlah liabilitas | 34.924.401 | 40.856.643 | 7.491.734 | 83.272.778 | <i>Total liabilities</i> |

43. Penitipan Harta

Bank juga memberikan jasa penitipan harta. Total uang jasa yang diterima dari pemberian jasa ini selama tahun 2017 dan 2016 adalah masing-masing sebesar Rp3.374 dan Rp4.576. 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.

43. Custodianship

The Bank engages in the provision of custodial services. Total fees received from custodial services during 2017 and 2016 amounted to Rp3,374 and Rp4,576, respectively. On 6 July 2010, the Bank has obtained a Decree of the Capital Market and Financial Institutions Supervisory Agency No. KEP-287/BL/2010 about the Stipulation of Use Approval of Commercial Bank as Custodian on behalf of PT Bank UOB Indonesia.

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44. 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.

- PSAK 71: Instrumen Keuangan, yang diadopsi dari IFRS 9, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini mengatur klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik dari arus kas kontraktual dan model bisnis entitas; metode kerugian kredit ekspektasian untuk penurunan nilai yang menghasilkan informasi yang lebih tepat waktu, relevan dan dimengerti oleh pemakai laporan keuangan; akuntansi untuk lindung nilai yang merefleksikan manajemen risiko entitas lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

- PSAK 73: Sewa, yang diadopsi dari IFRS 16, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 72: Pendapatan dari Kontrak dengan Pelanggan.

PSAK ini menetapkan prinsip pengakuan, pengukuran, penyajian, dan pengungkapan atas sewa dengan memperkenalkan model akuntansi tunggal dengan mensyaratkan untuk mengakui aset hak-guna (*right-of-use assets*) dan liabilitas sewa. Terdapat 2 pengecualian opsional dalam pengakuan aset dan liabilitas sewa, yakni untuk: (i) sewa jangka-pendek dan (ii) sewa yang aset dasarnya (*underlying assets*) bernilai-rendah.

- ISAK No. 33 - Transaksi Valuta Asing dan Imbalan Dimuka, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi penggunaan tanggal transaksi untuk menentukan kurs yang digunakan pada pengakuan awal aset, beban atau penghasilan terkait pada saat entitas telah menerima atau membayar imbalan dimuka dalam valuta asing.

44. 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 year financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

- *SFAS 71: Financial Instruments, adopted from IFRS 9, effective 1 January 2020 with earlier application is permitted.*

This SFAS provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.

- *SFAS 73: Leases, adopted from IFRS 16, effective 1 January 2020 with earlier application is permitted, but not before an entity applies SFAS 72: Revenue from Contracts with Customers.*

This SFAS establish the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

- *IAS No. 33 - Foreign currency Transaction and Advance Consideration, effective 1 January 2019 with earlier application is permitted.*

This amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

44. 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)

- Amandemen PSAK No. 2: Laporan Arus Kas tentang Prakarsa Pengungkapan, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

Amandemen ini mensyaratkan entitas untuk menyediakan pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan non-kas.

- Amandemen PSAK No. 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi bahwa untuk menentukan apakah laba kena pajak akan tersedia sehingga perbedaan temporer yang dapat dikurangkan dapat dimanfaatkan; estimasi atas kemungkinan besar laba kena pajak masa depan dapat mencakup pemulihan beberapa aset entitas melebihi jumlah tercatatnya.

- Amandemen PSAK No. 62: Kontrak Asuransi tentang Menerapkan PSAK No. 71 Instrumen Keuangan dengan PSAK No. 62 Kontrak Asuransi, berlaku efektif 1 Januari 2020.

Amandemen ini mengizinkan yang memenuhi kriteria tertentu untuk menerapkan pengecualian sementara dari PSAK No. 71 (*deferral approach*) atau memilih untuk menerapkan pendekatan berlapis (*overlay approach*) untuk aset keuangan yang ditetapkan.

44. 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 year financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective. (continued)

- *Amandments to SFAS No. 2: Statement of Cash Flows on the Disclosures Initiative, effective 1 January 2018 with earlier application is permitted.*

This amendments requires entities to provide disclosures that enable the financial statements users to evaluate the changes in liabilities arising from financing activities, including changes from cash flow and non-cash.

- *Amandments to SFAS No. 46: Income Taxes on the Recognition of Deferred Tax Assets for Unrealized Losses, effective 1 January 2018 with earlier application is permitted.*

This amendments clarifies that to determine whether the taxable income will be available so that the deductible temporary differences can be utilized; estimates of the most likely future taxable income can include recovery of certain assets of the entity exceeds its carrying amount.

- *Amendments to SFAS No. 62: Insurance Contract on Applying SFAS No. 71 Financial Instruments with SFAS No. 62 Insurance Contract, effective 1 January 2020.*

This amendments allows those who meet certain criteria to apply a temporary exclusion of SFAS No. 71 (deferral approach) or choose to implement overlay approach for financial assets designated.

| | |
|---|---|
| The original financial statements included herein are in the Indonesian language. | |
| <div><div><div>PT BANK UOB INDONESIA</div><div>CATATAN ATAS LAPORAN KEUANGAN</div><div>Tahun 31 Desember 2017 dan untuk</div><div>Tahun yang Berakhir pada Tanggal Tersebut</div><div>(Disajikan dalam Jutaan Rupiah,</div><div>Kecuali Dinyatakan Lain)</div></div><div><div>PT BANK UOB INDONESIA</div><div>NOTES TO THE FINANCIAL STATEMENTS</div><div>As of 31 December 2017 and</div><div>for the Year Then Ended</div><div>(Expressed in Millions of Rupiah,</div><div>Unless Otherwise Stated)</div></div></div> | |
| <div>44. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)</div> <div>Bank sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan Bank.</div> <div>45. Penyelesaian Laporan Keuangan</div> <div>Manajemen bertanggung jawab atas penyajian laporan keuangan yang telah diselesaikan dan diotorisasi untuk terbit oleh Direksi Bank pada tanggal 25 Januari 2018.</div> | <div>44. Accounting Standards Issued but not yet Effective (continued)</div> <div>The Bank is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.</div> <div>45. Completion of the Financial Statements</div> <div>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 25 January 2018.</div> |

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Corporate Information

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|-----|---|
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Board of Commissioners' Profiles



Wee Cho Yaw
President Commissioner

Dr. Wee Cho Yaw, aged 89, is a Singaporean citizen domiciled in Singapore. Dr. Wee was first appointed as President Commissioner of UOB Indonesia at the AGM of 14 October 2005 and was most recently reappointed at the AGM of 26 April 2017. Dr. Wee is a veteran banker with more than 60 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 and United Overseas Bank (Malaysia).

He also chairs the board of United Overseas Bank (Thai) Public Company and is the Supervisor of United Overseas Bank (China). His other board chairmanships include United Overseas Insurance, Haw Par Corporation, UOL Group, Pan Pacific Hotels Group, United Industrial Corporation, Marina Centre Holdings, Wee Foundation and Chung Cheng High School. He is the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

Dr. Wee received a Chinese high school education. He had served on numerous school management committees and the Councils of the Nanyang University and National University of Singapore. Since 2004, he has been the Pro-Chancellor of the Nanyang Technological University (NTU). He was conferred Honorary Degrees of Doctor of Letters by the National University of Singapore in 2008 and by the NTU in 2014. Both Honorary Degrees were conferred in recognition of his long standing support of education, community welfare and the business community.



Wee Ee Cheong
Deputy President Commissioner

Mr Wee Ee Cheong, aged 65, is a Singapore citizen domiciled in Singapore.

Mr Wee was appointed as Commissioner pursuant to the Annual General Meeting (AGM) held on 22 June 2007 and most recently re-appointed as Deputy President Commissioner at the AGM held on 26 April 2017.

A career banker with more than 35 years of experience in the UOB Group, Mr Wee joined United Overseas Bank Singapore (UOBS) in 1979 and has been a director of UOBS since 1990. He is currently the Deputy Chairman and Chief Executive Officer of UOBS and Chairman of United Overseas Bank (China). His other directorships include United Overseas Bank (Malaysia), United Overseas Bank (Thai) Public Company and United Overseas Insurance.

Mr Wee is a council member of The Association of Banks in Singapore, The Institute of Banking & Finance and the Indonesia-Singapore Business Council. He is a member of the Board of Governors of the Singapore-China Foundation, Visa APCEMEA Senior Client Council and an honorary council member of the Singapore Chinese Chamber of Commerce & Industry. He was previously Deputy Chairman of the Housing & Development Board and a Director of the Port of Singapore Authority, UOL Group and Pan Pacific Hotels Group.

In 2013, he was awarded the Singapore Public Service Star by the Singapore Government for his contributions to the financial industry.

A keen art enthusiast, Mr Wee is the Patron of the Nanyang Academy of Fine Arts. He is also a director of Wee Foundation. Mr Wee is the son of Dr. Wee Cho Yaw who is President Commissioner of the Bank.

- Training programs attended by Mr Wee in 2017 are as follows:
- Cyber Security Awareness by Nut Payongsri, Computer Technical Officer, Professional Level, from the Ministry of Digital Economy and Society
 - OurCrowd Technology Showcase by Jon Medved, OurCrowd
 - Technology Forum - Payments Innovation by Hany Fam – President of Mastercard Enterprise Partnership, Michael Moon – Head of Payments Asia Pacific of SWIFT, Perry Liu – CEO UCF Pay, Tania Aidrus - Country Manager South Asia Emerging Market of Google
 - Technology Forum - Digital Financial Services in China – An Insider's Perspective by Phang Yew Kiat, CEO of Credit China FinTech Holdings Limited
 - Technology Forum - Innovation, Blockchain and Cryptocurrencies by Paul Misener – VP Global Innovation Policy of Amazon, David Pinski – Chief Strategist, Financial Innovation, Hitachi's Global Center Social Innovation of Hitachi, Vitalik Buterin - Co-founder of Ethereum
 - Geopolitics - ASEAN Perspective, Malaysia Growth by Prof Danny Quah
 - GIC Insights 2017: Asia's Evolving Role in an Uncertain World by GIC
 - AML Topics on Sanctions and Economic Levers, Enforcement in Asia and Enforcement Appetite Of The United States by Adam Smith, Gibson, Dunn & Crutcher LLP
 - Changes to Regulations in the Region to allow the Adoption of Digital Innovations by Sopnendu Mohanty, Chief Fintech Officer, Monetary Authority of Singapore

Board of Commissioners' Profiles



Lee Chin Yong Francis
Commissioner

- Digitalisation Updates by Janet Young, UOB Singapore
- Anti-Money Laundering Training by Datin Prof Dr Lee Mei Pheng, Asian Banking School
- MAS Financial Stability Review - Performance of UOB's Singapore Household and Corporate Portfolio Compared To Industry by Chan Kok Seong, UOB Singapore
- Market Outlook – China by Jimmy Koh, UOB Singapore
- Sustainability Reporting by Eric Lim/CSR Works, UOB Singapore
- Basel 4 - Looking ahead and what it means for UOB by Frankie Phua, UOB Singapore
- MAS 643 – Transactions with Related Parties by Frankie Phua, UOB Singapore
- ICAAP Stress Test Results by Frankie Phua, UOB Singapore
- Risk Management & Regulatory Landscape in Malaysia by Alex Por, Daniel Loke, UOB Malaysia & Chan Kok Seong, UOB Singapore
- Sustainability Strategy by Eric Lim/CSR Works, UOB Singapore
- Industry-Wide Stress Test Results And Observations Shared by MAS Chan Kok Seong, UOB Singapore
- Thai Banking Study by Stephen Lin, UOB Singapore

Mr Wee Ee Cheong holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, DC.

Mr Lee Chin Yong Francis, aged 64, is a Malaysian citizen, is domiciled in Singapore. He was first appointed as Commissioner of UOB Indonesia in December 2005 and was most recently appointed at the AGM of 26 April 2017, serving also as Member of the Remuneration and Nomination Committee.

Mr Lee, joined United Overseas Bank Malaysia (UOBM) in 1980 and currently leads the UOB Group's consumer and small business retail divisions. Prior to his appointment in Singapore in 2003, he was the Chief Executive Officer of UOBM.

Mr Lee does not have any affiliation relationship with fellow members of the Board of Directors or members of the Board of Commissioners of the Bank.

- Training programs attended by Mr Lee in 2017 are as follows:
- Sustainability Reporting by CSR Works, UOB Singapore
 - Basel 4 – Looking Ahead and What It Means For UOB by Frankie Phua, UOB Singapore
 - MAS 643 – Transactions with Related Parties by Frankie Phua, UOB Singapore
 - ICAAP Stress Test Results by Frankie Phua, UOB Singapore
 - Sustainability Strategy by Chan Kok Seong, UOB Singapore

- Sustainability Strategy by Eric Lim/CSRWorks
- Industry-wide Stress Test Results And Observations Shared by MAS by Chan Kok Seong, UOB Singapore
- Thai Banking Study by Stephen Lin, UOB Singapore
- Cyber Security Awareness by Nut Payongsri, Ministry of Digital Economy and Society, Thailand
- Technology Forum - Payments Innovation by by Hany Fam – President of Mastercard Enterprise Partnership, Michael Moon – Head of Payments Asia Pacific of SWIFT, Perry Liu – CEO UCF Pay, Tania Aidrus - Country Manager South Asia Emerging Market of Google
- Technology Forum - Digital Financial Services in China – An Insider's Perspective by Phang Yew Kiat, CEO of Credit China FinTech Holdings Limited
- Technology Forum - Innovation, Blockchain and Cryptocurrencies by Paul Misener – VP Global Innovation Policy of Amazon, David Pinski – Chief Strategist, Financial Innovation, Hitachi's Global Center Social Innovation of Hitachi, Vitalik Buterin - Co-founder of Ethereum

Mr Lee Chin Yong Francis holds a Malaysian Certificate of Education and has more than 40 years of experience in the financial industry.

Board of Commissioners' Profiles



Rusdy Daryono

Independent Commissioner

Mr Rusdy Daryono, aged 68, is an Indonesian citizen, is domiciled in Jakarta. He was first appointed as Independent Commissioner of UOB Indonesia in June 2006 and was recently reappointed at the AGM of 26 April 2017, serving also as Chairman of the Remuneration and Nomination Committee.

He started his career at the public accounting firm of Drs. Utomo, Mulia & Co from 1973 to 1978. He joined PT Salim Economic Development Corp as Assistant to the Managing Director from 1978 to 1982, PT Hardy Trading as General Manager from 1982 to 1987 and the public accounting firm of Drs. Mulia Iskandar & Co as Managing Partner from 1983 to 1987. He served as a Partner and Division Head at the public accounting firm of Prasetio, Utomo & Co from 1987 to 2002, and was a Partner at Osman Ramli Satrio & Partner from 2003 to 2006. He currently holds position of Independent Commissioner at PT Total Bangun Persada, Tbk.

He holds a Bachelor of Economics from the University of Indonesia and has more than 42 years of experience in the financial industry.

Mr Rusdy Daryono does not have any affiliation relationship with fellow members of the Board of Commissioners, or member of Board of Directors, or with the controlling shareholders of the Bank.

Aswin Wirjadi

Independent Commissioner

Mr Aswin Wirjadi, aged 70, is an Indonesian citizen, is domiciled in Jakarta. Mr Wirjadi was first appointed as Independent Commissioner of UOB Indonesia in June 2009 and was recently reappointed at the AGM of 26 April 2017, serving also as Chairman of the Risk Monitoring Committee.

He started his career at PT IBM Indonesia in 1972. He joined Chase Manhattan Bank NA from 1977 to 1989 with his last position as a Country Consumer and Private Banking Head, Jakarta Branch. He was appointed as a Director of MIS at PT Indomobil Niaga International in 1989. He joined PT Bank Central Asia in 1990 and last held the position of Vice President Director in 2008. He was the Chairman of Financial Wealth Pte Ltd since 2008 until 2016 and Commissioner of PT Limawira Wisesa from 2005 to 2009.

He holds a Bachelor of Engineering from the Catholic University of Atmajaya, Jakarta and has more than 38 years of experience in the banking industry.

Mr Aswin Wirjadi does not have any affiliation relationship with fellow members of the Board of Commissioners, or member of Board of Directors, or with the controlling shareholders of the Bank.

Wayan Alit Antara

Independent Commissioner

Mr Wayan Alit Antara, aged 70, is an Indonesian citizen, is domiciled in Jakarta. Mr Antara was first appointed as Independent Commissioner of UOB Indonesia in January 2009 and was recently reappointed at the AGM of 26 April 2017, serving also as Chairman of the Audit Committee.

He started his banking career in PT Bank Rakyat Indonesia in 1976 with last position as Vice President Director and retired in 2006. During his 30 years of career at PT Bank Rakyat Indonesia, he served in several positions namely as Director of Financial and Treasury and Director of Micro and Retail Loan and Sharia. He had been an Independent Commissioner of PT Bhakti Securities from 2007 to 2008 and a Commissioner of PT Sumber Abadi Tirtasentosa from 2008 until 2016.

He holds a Bachelor of Agriculture Economy degree from the Agriculture Faculty of University of Gajah Mada, Yogyakarta and has more than 40 years of experience in the banking industry.

Mr Wayan Alit Antara does not have any affiliation relationship with fellow members of the Board of Commissioners, or member of Board of Directors, or with the controlling shareholders of the Bank.

Board of Directors’ Profiles



Lam Sai Yoke

President Director

Mr Lam Sai Yoke (Kevin Lam), aged 49, is a Singaporean citizen domiciled in Jakarta. He was first appointed as President Director of UOB Indonesia pursuant to the EGM dated 2 November 2015 and was recently reappointed at the AGM of 26 April 2017.

Mr Lam Sai Yoke has worked for several large international foreign banks and technology companies in Singapore, USA, and Hong Kong for more than a decade before joining UOB Group. In his 25 years of experience in the banking industry, he has held a range of positions in the areas of strategic planning, business management, product development, sales and distribution, technology and banking infrastructure development and other areas of corporate services.

Mr Lam Sai Yoke has been with UOB since 2005 and served various important positions namely Head of Secured Loans Personal Financial Services in UOB Singapore from 2005 to 2009, Managing Director Head of Sales and Distribution in UOB

Singapore from 2009 to 2010 and Managing Director Head of Personal Financial Services in UOB Malaysia from 2011 to 2013. Prior to joining UOB Indonesia, his latest position is Deputy Chief Executive Officer in UOB Malaysia since 2013.

Educational and training courses attended by Mr Lam Sai Yoke in 2017 is The CEO & Executive Breakthrough Program by Egon Zehnder & Mobius Executive Leadership.

Mr Lam Sai Yoke holds a Business Administration degree from National University of Singapore and has more than 25 years of experience in the banking industry.

Mr Lam Sai Yoke does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Iwan Satawidinata

Deputy President Director

Mr Iwan Satawidinata, aged 49, is an Indonesian citizen domiciled in Jakarta. He was first appointed as Deputy President Director of UOB Indonesia pursuant to EGM dated 15 April 2010, and was most recently reappointed at the AGM of 26 April 2017.

Prior to joining UOB Indonesia, Mr Satawidinata served as Assistant Manager for Panda Export Import Inc, Los Angeles, USA from 1987 to 1989 and Assistant Regional Manager for Southern California Banking Group at United Savings Bank FSB, USA from 1990 to 1991. He joined with ex. UOB Indonesia (previously United Overseas Bank Bali) from 1991 to June 2010 where he last held the position of President Director.

Educational and training courses attended by Mr Satawidinata in 2017 is High Performance Leadership by IMD Business School in Lausanne, Switzerland.

He earned Bachelor of Science in Business Administration

degree from University of Southern California, USA and has more than 27 years of experience in the banking industry.

Mr Iwan Satawidinata does not have any affiliation relationship with fellow members of the Board of Directors, or member of the Board of Commissioners, or with the controlling shareholders of the Bank.

Board of Directors’ Profiles



Muljono Tjandra

Director

Mr Muljono Tjandra, aged 52, is an Indonesian citizen domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the AGM of 28 April 2015 and was recently reappointed at the AGM of 26 April 2017.

Mr Tjandra, joined UOB Indonesia in 2015 as Finance and Corporate Services Director. Prior to his assignment in UOB Indonesia, Mr Tjandra started his career as auditor in KPMG Hanadi, Sudjendro, & Partners and KPMG Australia public accounting firm from 1990 to 1998. Afterwards, he served as Senior Manager at Pricewaterhouse Coopers Indonesia with his specialization in finance services industry from 1998 to 2003. His career in banking started when he joined PT Danamon Indonesia Tbk with his latest position as Division Head in several areas from 2003 to 2012. In 2012, he served as Finance Director in PT Asuransi Adira Dinamika until Februari 2015.

Educational and Training Courses attended by Mr Tjandra in 2017 are:

- APEX Capabilities Workshop by UOB Singapore
- Employee Value Proposition Kick Off Workshop by UOB Indonesia
- Branded Service Culture for Senior Leaders Batch 2 by UOB Indonesia
- UOB Budget Workshop Sustainable Growth Plan (Alignment Program (Rembug & Nyekrup)) by UOB Indonesia
- Group CFO Offsite Meeting in by UOB Singapore
- IFRS 9 Update by PwC & KPMG

He holds a Bachelor of Finance Accounting from Trisakti University and has over 27 years of experience in Banking Industry. He is also a registered public accountant in Indonesia.

Mr Muljono Tjandra does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Henky Sulistyo

Director

Mr Henky Sulistyo, aged 43, is an Indonesian citizen domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the EGM of 7 February 2017 and was recently reappointed at the AGM of 26 April 2017.

Prior to joining UOB Indonesia, he started his career at the American Express Bank Jakarta in 1998 as Treasury Middle Office. In 2001, he was transferred to American Express Bank Singapore until 2008 with his last position being Director, Regional Risk Manager for Asia Pacific. Afterwards, he joined DBS Bank as Vice President, Head of Risk Management Unit for DBS Indonesia for two years and from 2010, he was Vice President, Corporate Treasury for branches and subsidiaries outside Singapore and Greater China. In 2012, he returned to Indonesia and joined Bank CIMB Niaga as Senior Vice President, Head of Risk Management. Subsequently, he joined Maybank Indonesia in 2014 and was appointed as Director of Risk Management.

Educational and Training Courses attended by Mr Sulistyo in 2017 are:

- ASEAN Global Leadership Programme 2017 by SRW & Co - University of Cambridge
- Benchmarking by UOB Malaysia

- APEX Capabilities Workshop by UOB Singapore
- Group Risk Management Offsite Meeting by UOB Singapore
- Employee Value Proposition Kick Off Workshop by UOB Indonesia
- 12th Edition of The Global Risks Report Forum by Marsh & McLennan
- Branded Service Culture for Senior Leaders Batch 2 by UOB Indonesia
- UOB Budget Workshop Sustainable Growth Plan (Alignment Program (Rembug & Nyekrup)) by UOB Indonesia
- Indonesian Risk Management Outlook 2018 “Through Great Challenge” & Refreshment Risk Management Certification by Indonesian Banking Development Institution (LPPI)

Mr Sulistyo has more than 19 years of risk management experience in the banking industry and holds a Master’s Degree in Business Administration from La Trobe University, Australia. He is also a certified FRM (Financial Risk Manager) by GARP.

Mr Henky Sulistyo does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Board of Directors’ Profiles



Pardi Kendy Director

Mr Pardi Kendy, aged 59, is an Indonesian citizen domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the EGM of 2 November 2015 and was reappointed at the AGM of 26 April 2017.

Prior to his appointment, Mr Kendy started his career in banking from 1977 to 1987 in Hong Kong and Shanghai Banking Corporation Jakarta, where his latest position was Treasury Executive Officer. From 1987 to 1988, he was Chief Treasury Dealer in Bangkok Bank Limited Jakarta. From 1989 to 1996, he worked in Bank Mitsubishi Buana with his latest position as Treasury General Manager.

Mr Kendy joined UOB Indonesia in 1996 and became Director of Treasury, Electronic Banking, Information & Technology System, and Consumer Credit from 1999 to 2006. Furthermore, he served as a member of Board of Directors overseeing Human Resources from 2006 to 2012. In 2012, he served as Head of Human Resources until 2015. Subsequently, he served as Head of Channels until his appointment as Director in November 2015.

Educational and Training Courses attended by Mr Kendy in 2017 are:

- Retail Banking Forum by EY Indonesia
- Asean Bankers Association Workshop: Blockchain by The Association of Banks in Singapore – COFIT Chairman Hosted by PERBANAS

He is a certified Wealth Manager from the University of Greenwich, England and has more than 40 years of experience in the banking industry. He is also an active member of the Honorary member of Association Cambiste Internationale, Indonesia and Indonesian Banking Human Capital Forum.

Mr Pardi Kendy does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Soehadie Tansol Compliance Director

Mr Soehadie Tansol, aged 58, is an Indonesian citizen domiciled in Jakarta. He was first appointed as Compliance Director pursuant to the GMS dated 25 November 2002 and was most recently reappointed at the AGM of 26 April 2017.

Prior to joining UOB Indonesia the Current Account Department Head, the Bookkeeping Department Head and the Special Authorization Official of PT Bank Buana Indonesia Tbk from 1980 to 1990, the Sub-branch Manager in Pontianak, the Branch Manager in Batam, Pontianak and Palembang of PT Bank Buana Indonesia Tbk from 1990 to 1999, the Procedure, Research and Development Division Head of PT Bank Buana Indonesia Tbk from 1999 to 2001, Associate Director of PT Bank Buana Indonesia Tbk from 2001 to 2002.

Educational and Training Courses attended by Mr Tansol in 2017 are:

- Indonesian Banking Expo Seminar in Jakarta by Perbanas.
- Socialization of POJK “Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in Financial Services Sector” in Jakarta by Financial Services Authority (Otoritas Jasa Keuangan - OJK).
- Socialization of gratification control in Jakarta by Corruption Eradication Commission (Komisi Pemberantasan Korupsi - KPK).

- Internalization of the National Risk Assessment (NRA) of TPPU/TPPT in the Strengthening of the Application of Risk-based PPU APT Program in Financial Services Sector in Jakarta by Financial Services Authority (Otoritas Jasa Keuangan - OJK).
- International “Central Bank’s Role in the Macroprudential Policy” Seminar in Jakarta by Governor of Bank Indonesia.
- Socialization of the Principal of Bank Indonesia regulation related to Integrated Licensing Service related to Operational Relationship of commercial bank with Bank Indonesia in Jakarta by Bank Indonesia.
- Launching of National Payment Gateway in Jakarta by Governor of Bank Indonesia.

He participated in overseas banker program at the Pacific Bankers Management Institute at the University of Washington, USA and has more than 37 years of experience in the banking industry.

Mr Soehadie Tansol does not have any affiliation relationship with fellow members of the Board of Directors, or members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Remuneration and Nomination Committee’s Profiles



Rusdy Daryono

Independent Commissioner/Chairman of the Remuneration and Nomination Committee

Mr Rusdy Daryono was appointed to the Remuneration and Nomination Committee based on Board of Directors’ Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr Daryono can be found on page 348.

Lee Chin Yong Francis

Commissioner/Member

Mr Lee Chin Yong Francis was appointed to the Remuneration and Nomination Committee based on Board of Directors’ Decision No.15/SKDIR/0024 dated 30 June 2015 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr Lee can be found on page 347.

Herman Cahyadi

Member/Executive Officer responsible for HR

Mr Herman Cahyadi, aged 37, is an Indonesian citizen, domiciled in Jakarta. He serves as a member of Remuneration and Nomination Committee based on Board of Directors’ Decision No.17/SKDIR/0032 dated 2 August 2017 on the Appointment of Members of the Remuneration and Nomination Committee.

Mr Cahyadi joined UOB Indonesia as HR Shared Service Head in February 2017. Prior to joining UOB Indonesia, he began his career at PT Bank CIMB Niaga Tbk (previously PT Bank Lippo Tbk) from 2005 to 2012 and served in several positions as Account Officer, Human Resources as Rewards Management Head, and the last position was as HR Medical and Helpdesk Operation Head. Subsequently, he joined Maybank Indonesia as Performance and Rewards Management Head until June 2016 with his last position as Organization Development, Rewards Management, and Strategy Head. Afterwards, he joined Asia Pulp & Paper as Head of Compensation and Benefit until January 2017.

Mr Herman Cahyadi holds a Bachelor of Economics majoring Marketing Management and Magister of Science majoring Psychology of Industry and Organization from University of Tarumanagara, Indonesia and has more than 14 years of experience in human resources.

Audit Committee’s Profiles



Wayan Alit Antara

Independent Commissioner/Chairman of Audit Committee

Mr Wayan Alit Antara was appointed to the Audit Committee based on Board of Directors’ Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee.

The profile of Mr Antara can be found on page 349.

Thomas Abdon

Member (Independent Party)

Mr Thomas Abdon, aged 75, is an Indonesian citizen, domiciled in Jakarta. He is currently appointed as a member of Audit Committee based on Board of Directors’ Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee. Aside from being a member of Audit Committee, Mr Abdon also serves as a member of Risk Monitoring Committee.

He started his career as Auditor at Public Accounting Firm of Drs. B Soenasto from 1965 to 1969. Joined with ABN AMRO Bank Jakarta from 1969 to 2000 and held various positions including Head of Accounting Department and Internal Audit Senior Officer. He joined UOB Indonesia’s Accounting and Finance Division from 2001 to 2007.

Mr Thomas Abdon holds a Bachelor of Economics from the University of Indonesia and has more 50 years of experience in finance & accounting as well as banking industry.

Winny Widya

Member (Independent Party)

Mrs Winny Widya, aged 65, is an Indonesian citizen, domiciled in Jakarta. She was appointed to the Audit Committee based on Board of Directors’ Decision No. 15/SKDIR/0025 dated 30 June 2015 on the Appointment of Members of the Audit Committee.

Mrs Widya started her career as Internal Auditor Staff at Bank Central Asia in 1978. She joined UOB Indonesia as Head of Administration Division from 1981 to 1995. She served as Head of Internal Audit from 1995 to 1996 and was appointed as Head of Accounting and Finance Division from 1996 to 2004.

Mrs Winny Widya holds a Bachelor of Economics in Accounting from University of Indonesia and has over 38 years of experience in banking industry.

Risk Monitoring Committee’s Profiles



Aswin Wirjadi
Independent Commissioner/Chairman of the Risk Monitoring Committee

Mr Aswin Wirjadi was appointed to the Risk Monitoring Committee based on Board of Directors’ Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee.

The profile of Mr Wirjadi can be found on page 348.

Thomas Abdon
Member (Independent Party)

Mr Thomas Abdon was appointed to the Risk Monitoring Committee based on Board of Directors’ Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee. Aside from being a member of Risk Monitoring Committee, Mr Abdon also serves as a member of Audit Committee.

The profile of Mr Abdon can be found on page 357.

Hendry Patria Rosa
Member (Independent Party)

Mr Hendry Patria Rosa, aged 51, is an Indonesian citizen, domiciled in Jakarta. He was appointed to the Risk Monitoring Committee based on Board of Directors’ Decision No.15/SKDIR/0026 dated 30 June 2015 on the Appointment of Members of the Risk Monitoring Committee.

Mr Hendry started his career as Credit Auditor at PT Bank Bintang Manunggal from 1993 to 1994. He joined with Bank Artha Graha from 1994 to 2007 until his last position as Branch Manager. From 2007 until present, he is a Trainer on Banking Risk Management Certification Program.

Mr Hendry Patria Rosa holds a Bachelor of Geodetic Engineering from Gajah Mada University in Yogyakarta and has more than 25 years of experience in banking industry and risk management.

Senior Executive Officers’ Profiles



Ani Pangestu, 52
Head of Human Resources

Mrs Ani Pangestu joined UOB Indonesia in 2015 and currently serves as Head of Human Resources. She holds a Master of Science in Management and Organization Development from Kennedy Western University in Wyoming, USA. Her areas of expertise include human resources development, change management, integration strategic merger and acquisition and has more than 25 years of human resources experiences in various industries.



Goh Seng Huat, 56
Head of Technology and Operations

Mr Goh Seng Huat joined UOB Indonesia in 2005 and currently serves as the Head of Technology & Operations. In 2005, he served as First Vice President, International UOB, following his tenure in UOB Malaysia from 1981 to 1994. He holds a Banking Diploma from the Associate Chartered Institute of Bankers, United Kingdom, and has over 36 years of experiences in the banking industry.

Frederikus P. Weoseke, 54
Head of Global Markets

Mr Frederikus P. Weoseke joined UOB Indonesia in 2009 and currently serves as the Head of Global Markets. He holds a BSc degree in Business Administration from Goldey Beacom College and a Master of Business Administration from Wilmington College, Wilmington Delaware, USA, and has over 24 years of experiences in the banking industry.

Denny Setiawan Hanubrata, 45
Head of Business Banking

Mr Denny Setiawan Hanubrata joined UOB Indonesia in 2016 as the Head of Business Banking. He obtained his Bachelor degree in Accounting from the Parahyangan Catholic University, Bandung. He has more than 23 years of experiences in the banking industry, particularly in the Small Medium Enterprise, and Commercial segment.

Senior Executive Officers' Profiles



Geoffry Nugraha, 46
Head of Corporate Banking

Mr Geoffry Nugraha joined UOB Indonesia in 2014 and currently serves as the Head of Corporate Banking. He obtained a Bachelor of Science in Business Administration and a Master of Business Administration from Hawaii Pacific University, USA. He has over 22 years of banking experiences especially in the area of Corporate and Commercial Banking coverage, Credit and Transaction Banking.

Rudy Widjaja, 46
Head of Retail Credit

Mr Rudy Widjaja joined UOB Indonesia as Head of Retail Credit in 2016. Prior to joining UOB Indonesia, he spent over 20 years in Citibank serving various roles from Credit Operations Director to Country Collections Head in several countries ranging from Indonesia, Philippines, Guam and Japan. He holds a bachelor degree from Iowa State University and has over 21 years of experiences in the banking industry.

Wong Kartyono, 39
Head of Transaction Banking

Mr Wong Kartyono joined UOB Indonesia in 2010 and currently serves as the Head of Transaction Banking. He holds a bachelor of Engineering from the Tarumanegara University, Jakarta, and has over 18 years of experiences in the banking industry.

Profile of Internal Audit

Profile of Corporate Secretary



Suryati Budiyanto, 50
Regional Head, Jakarta 2

Ms Suryati Budiyanto joined UOB Indonesia in 2010 and currently serves as the Regional Head, Jakarta 2 . 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 21 years of experience in the banking industry.

Tonny Timor Basry, 43
Head of Commercial Banking

Mr Tonny Timor Basry joined UOB Indonesia in 2016 as the Head of Commercial Banking. He has been serving at UOB Group as Executive Director since 2009, following tenures at Standard Chartered Bank in Indonesia and China (2004 to 2009), and OCBC Bank Singapore (1997 to 2004). He graduated with a Bachelor of Science in Finance from Indiana University Bloomington.

Ridwan Moezwir, 54
Internal Audit Head

Mr Ridwan Moezwir, joined UOB Indonesia in 2008 and was appointed as Internal Audit Head under BOD Decree No. 08/SKDIR/1326 dated the 12th of August 2008. He has 28 years of experience as an auditor in the financial services industry and holds a Bachelor of Economics in Accounting from the University of Padjajaran, Bandung, and Master of Management from the University of Gadjah Mada, Yogyakarta

Susilowati, 35
Corporate Secretary

Ms Susilowati joined UOB Indonesia in 2014 and was appointed as Corporate Secretary based on Board of Directors Decree No. 15/DIR/0021 dated 24 June 2015. She started her career from 2004 in PT Bank Victoria International Tbk until her latest position as Corporate Secretary. She obtained a Bachelor Degree in Management from Tarumanegara University, Jakarta in 2003 and obtained Master Degree in Accounting from Trisakti University, Jakarta in 2009.

Executive Officers’ Profiles

Head Office

Adrianus Hermawan
Sales Performance Management Head
Joined UOB Indonesia since 3 July 2017 and has over 11 years of experience in banking industry.

Alex
Regional CMB Head – Kalimantan
Joined UOB Indonesia since 1 November 2013 and has over 14 years of experience in banking industry.

Andreadi Chandra
IG Head Resources & Property
Joined UOB Indonesia since 12 July 2017 and has over 13 years of experience in banking industry.

Andreas Eduardo Lazuardi
Wholesale Portfolio Management Head
Joined UOB Indonesia since 1 March 2013 and has over 7 years of experience in banking industry.

Ani Pangestu
Head of Human Resources
Her profile can be seen on page 359.

Bambang Eko Karjono Joewono
PLM/Market Making Head/Deputy Treasurer
Joined UOB Indonesia since 24 January 2007 and has over 28 years of experience in banking industry, particularly in treasury.

Bambang Harjono
Credit Analyst Head
Joined UOB Indonesia since 5 January 2015 and has over 19 years of experience in banking industry.

Budi Sanjaya
Trade Product Management, Marketing & Strategy Head
Joined UOB Indonesia since 17 January 2011 and has over 26 years of experience in financial industry.

Candra Putra
Compliance Advisory and Monitoring Head
Joined UOB Indonesia since 5 September 2011 and has over 12 years of experience in banking risk management.

Carrie
Business Account Management Head
Joined UOB Indonesia since 30 December 2015 and has over 11 years of experience in banking industry.

Christian Yongardi Tandoro Tjhin
Finance Head
Joined UOB Indonesia since 4 January 2016 and has over 21 years of experience in banking industry.

Dani Hasdani Yambo
National Sales Head - Funding
Joined UOB Indonesia since 12 November 2012 and has over 23 years of experience in various industries.

Daniel Prabawa
Trade Sales Head
Joined UOB Indonesia since 29 November 2010 and has over 24 years of experience in banking and various industries.

Daniel Surya Pratama
Product & Marketing Head
Joined UOB Indonesia since 28 December 2009 and has over 11 years of experience in banking industry.

Darjong Tungadi
Industrial COE Head
Joined UOB Indonesia since 4 December 2017 and has over 24 years of experience in financial and banking industry.

David Antares
Sales Productivity Head
Joined UOB Indonesia since 11 January 2010 and has over 15 years of experience in financial and banking industry.

Denny Setiawan Hanubrata
Head of Business Banking
His profile can be seen on page 359.

Dessy Fitriani
Business T&O Head - Group 2
Joined UOB Indonesia since 1 February 2017 and has over 15 years of experience in banking industry.

Dessy Safitri Masri
Cards & Payment Head
Joined UOB Indonesia since 1 August 2016 and has over 23 years of experience in various industries.

Dien Moonly
Business Performance & Monitoring Head
Joined UOB Indonesia since 27 February 2012 and has over 20 years of experience in financial industry.

Djohan Kumala
GM Corporate & Institutional Sales Head
Joined UOB Indonesia since 15 November 2017 and has over 21 years of experience in banking industry.

Edhy Susanto
National Sales Head - Lending
Joined UOB Indonesia since 17 March 1998 and has over 33 years of experience in banking industry.

Edwin Kadir
IG Head Diversified & SOE
Joined UOB Indonesia since 16 November 2015 and has over 19 years of experience in banking industry.

Efriel Lydia
Retail Credit Policy and Portfolio Management Head
Joined UOB Indonesia since 2 September 2013, has over 16 years of experience in financial industry, particularty credit risk cycle.

Eka Kurniawan
Business Banking Credit Center Head
Joined UOB Indonesia since 31 August 2017, has over 17 years of experience in financial industry, particularly credit risk cycle.

Eko Sigit Cahyanto
Portfolio Management Head
Joined UOB Indonesia since 17 October 2011 and has over 17 years of experience in banking industry.

Elly Sandora
AML, Process Improvement & MDO Head
Joined UOB Indonesia since 13 December 2016 and has over 13 years of experience in banking industry.

Endang Santi
Global Markets Business Management Head
Joined UOB Indonesia since 31 May 2010 and has over 16 years of experience in banking industry, particularly treasury support.

Enrico Tanuwidjaja
Economic Research Head
Joined UOB Indonesia since 2 October 2017 and has over 11 years of experience in banking industry and educational institutions.

Epri Senowibowo Apryanto
Retail Operations Head
Joined UOB Indonesia since 10 August 2009 and has over 27 years of experience in banking industry.

Erry Erawan Priolaksono
T&O Buss Finance and Procurement Head
Joined UOB Indonesia since 1 July 2011, has over 17 years of experience in financial industry.

Evelyn Yuvania
Enterprise Banking Head Jakarta
Joined UOB Indonesia since 7 September 2016 and has over 31 years of experience in banking industry.

Evilin Kumala Warangian
Learning & Development Head
Joined UOB Indonesia since 26 June 2014 and has over 17 tahun years of experience in financial industry, particularly training.

Febian Satria Nugraha
Compliance Review and Testing Head
Joined UOB Indonesia since 9 February 2000 and has over 18 years of experience in banking industry.

Ferdy Djojo
Non Bank FI Head
Joined UOB Indonesia since 29 May 2017 and has over 13 years of experience in banking industry and other industries.

Fonita Tatang
Wholesale Business Finance Head
Joined UOB Indonesia since 15 September 2017 and has over 16 years of experience in banking and financial industries.

Fransisca Ririn Endang Diatri Nariratih
Client Access Head
Joined UOB Indonesia since 5 December 2011 and has over 30 years of experience in banking industry.

Fredricus Primus Pericoloso Weoseke
Head of Global Markets
His profile can be seen on page 359.

Fredy Soekendro
Mortgage & Secured Loan Head
Joined UOB Indonesia since 3 December 2014 and has over 17 years of experience in banking industry.

FX Yanto Edy Umar
Commercial Credit Head 2
Joined UOB Indonesia since 27 November 2017 and has over 17 years of experience in banking and other industries.

Geoffry Nugraha
Head of Corporate Banking
His profile can be seen on page 360.

Goh Seng Huat
Head of Technology and Operations
His profile can be seen on page 359.

Grace Manuela
Cash Management Sales Head
Joined UOB Indonesia since 16 April 2015 and has over 18 years of experience in banking and other industries.

Gusnawan
PFS Performance Management Head
Joined UOB Indonesia since 22 May 2017 and has over 24 years of experience in banking and other industries.

Hadi Purwanto
Business Planning & Management Head
Joined UOB Indonesia since 29 June 2016 and has over 13 years of experience in financial and banking industries.

Handi Mulia
Information Security T&O Assurance Head
Joined UOB Indonesia since 9 October 2017 and has over 24 years of experience in various industries, mainly audit and technology.

Hendrik Komandangi
Product Management Head
Joined UOB since 10 November 2014 and has over 15 years of experience in banking industry.

Hendrik Lambertus
Business Compliance Head
Joined UOB Indonesia since 10 December 2010 and has over 22 years of experience in banking and financial industries.

Herman Cahyadi
HR Shared Service Head
His profile can be seen on page 356.

Inarti Tirta
Personal Financial Services Credit Head
Joined UOB Indonesia since 12 October 2015 and has over 21 years of experience in banking industry.

Inge Kartikasari Wonoadi
Mortgage Sales Head
Joined UOB Indonesia since 15 May 2017 and has over 15 years of experience in banking industry.

Irvan Gunardwi
Legal Head
Joined UOB Indonesia since 10 November 2014 and has over 24 years of experience in financial industry.

Ivan Pidyananda
Market & Balance Sheet Risk Management Head
Joined UOB Indonesia since 13 July 2017 and has over 20 years of experience in banking and financial industries.

Jemy Kristian Soegiarto
Operational & Enterprise Risk Management Head
Joined UOB Indonesia since 3 April 2017 and has over 17 years of experience in banking industry, mainly audit.

Jenny Hadikusuma
CEO Office Head
Joined UOB Indonesia since 25 August 2008 and has over 26 years of experience in various industries.

Executive Officers’ Profiles

Jenny Lukito
Special Asset Management Head
Joined UOB Indonesia since 12 October 2015 and has over 24 years of experience in banking industry.

Jeremy Sohan
Banks FI Head
Joined UOB Indonesia since 27 January 2016 and has over 13 years of experience in banking and other industries.

Jieni
Business Technology Services Head
Joined UOB Indonesia since 5 May 1999 and has over 27 years of experience in banking industry.

Joseph Dermawan
Industry Group Head Jakarta
Joined UOB Indonesia since 2 May 2017 and has over 4 years of experience in banking industry.

Juliana Surijanto
Fraud Management Head
Joined UOB Indonesia since 4 January 2017 and has over 23 years of experience in banking and financial industries.

Katarina Chitra
Global Business Development Head
Joined UOB Indonesia since 1 September 2001 and has over 24 years of experience in financial industry, mainly loan and marketing.

Laurentius Eko Purwatmoko
AML/CFT and Sanctions Head
Joined UOB Indonesia since 23 July 2001 and has over 17 years of experience in banking industry.

Maya Rizano
Strategic Communication and Customer Advocacy Head
Joined UOB Indonesia since 21 September 2015 and has over 26 years of experience in banking and other various industries.

Mei Sumiati
Commercial Banking Head East Java & Bali
Joined UOB Indonesia since 10 October 2016 and has over 22 years of experience in banking industry.

Mulianto
Regional CMB Head – Sumatera
Joined UOB Indonesia since 2 January 2014 and has over 23 years of experience in banking industry, particularly in branch offices.

Nofrizal
Internal Audit Head
Joined UOB Indonesia since 12 December 2011 and has over 13 years of experience in banking and other various industries.

Pandji Caesar
PFS Internal Control Head
Joined UOB Indonesia since 18 January 2016 and has over 22 years of experience in financial and banking industries.

R Andiona Boedisoejoto
Cash Product Management Head
Joined UOB Indonesia since 16 December 2010 and has over 30 years of experience in banking industry.

Ratnasari Kartawiria
Corporate Credit Head
Joined UOB Indonesia since 18 July 2011 and has over 27 years of experience in banking industry.

Ritaria Tjokromulio
Client Fulfillment & Service Head
Joined UOB Indonesia since 1 September 2005 and has over 27 years of experience in financial industry.

Ronald
DII Product Head
Joined UOB Indonesia since 10 March 2014 and has over 13 years of experience in banking industry.

Rudy Widjaja
Head of Retail Credit
His profile can be seen on page 360.

Rya Rusvandy
Retail Credit Management Head
Joined UOB Indonesia since 1 September 2016 and has over 24 years of experience in financial industry.

Salvy Gunawan
Retail Business Finance Head
Joined UOB Indonesia since 1 February 2012 and has over 16 years of experience in banking industry.

Samuel Houten
Foreign Direct Investment Head
Joined UOB Indonesia since 3 March 2014 and has over 16 years of experience in various industries.

Santoso Wibowo
Business T&O Head - Group 1
Joined UOB Indonesia since 21 November 2011 and has over 18 years of experience in various industries.

Shirley
Commercial Wealth Management Head
Joined UOB Indonesia since 30 March 2009 and has over 21 years of experience in banking industry.

Sienke Bernadi
BB Strategic Development & Connectivity Head
Joined UOB Indonesia since 27 September 2016 and has over 4 years of experience in banking industry.

Siswo Soebianto Iksan
Commercial Credit Head 1
Joined UOB Indonesia since 9 October 2017 and has over 27 years of experience in banking industry and education institutions.

Susan Kwanto
Branch Ops Control & Development Head
Joined UOB Indonesia since 17 December 1992 and has over 26 years of experience in banking industry.

Susilowati
Corporate Services Head
Her profile can be seen on page 361.

Thay Fong
Credit Risk Management Head
Joined UOB Indonesia since 21 October 2010 and has over 21 years of experience in banking risk management.

Tonny Timor Basry
Head of Commercial Banking
His profile can be seen on page 360.

Tri Mulyadi
Portfolio Management and MIS Head
Joined UOB Indonesia since 1 March 2012 and has over 16 years of experience in banking industry.

Triagung Wibawa
OD & Talent Management Head
Joined UOB Indonesia since 27 April 2011 and has over 11 years of experience in banking and financial industries.

Tunggul Judanto
Customer Experience & People Development Head
Joined UOB Indonesia since 24 July 2012 and has over 22 years of experience in banking industry.

Vera Hasan
Global Markets Commercial & Retail Sales Head
Joined UOB Indonesia since 22 August 2014 and has over 21 years of experience in banking industry, mainly in money market.

Victor Teja
DII Sales & Distribution Head
Joined UOB Indonesia since 3 March 2014 and has over 15 years of experience in banking and other industries.

W Kartyono
Head of Transaction Banking
His profile can be seen on page 361.

Wienda Trifena Wijaya
Wholesale & GM Operations Head
Joined UOB Indonesia since 1 March 2017 and has over 24 years of experience in banking and financial industries.

Wiradian
Demand Management Head
Joined UOB Indonesia since 14 October 2010 and has over 24 years of experience in various industries, mainly in banking.

Yudono
Digital Bank Head
Joined UOB Indonesia since 20 February 2017 and has over 13 years of experience in financial and banking industries.

Yusar
Shared Infrastructure Services Head
Joined UOB Indonesia since 31 August 2017 and has over 10 years of experience in banking and other industries, mainly technology infrastructure.

Yutrizal Jacoub
Network, Planning & Control Head
Joined UOB Indonesia since 12 September 2011 and has over 23 years of experience in financial industry.

Regional Head

Alexis Marzo Tan
Regional Head - Sumatera
Joined UOB Indonesia since 4 January 2010 and has over 31 years of experience in banking industry.

Amir Abidin
Regional Head - Kalimantan & Sulawesi
Joined UOB Indonesia since 25 April 1981 and has over 37 years of experience in banking industry.

Bontor Sitio
Regional Head - Central Java
Joined UOB Indonesia since 1 December 2010 and has over 21 years of experience in banking industry, mainly in regional human resources management.

Edisono Limin
Regional Head - West Java
Joined UOB Indonesia since 1 April 2013 and has over 20 years of experience in banking and other industries.

Fenny Natalya Wiratama
Regional Head - East Java & Bali
Joined UOB Indonesia since 5 July 2017 and has over 18 years of experience in banking industry.

Suryati Budiyanto
Regional Head - Jakarta 2
Her profile can be seen on page 360.

Area Manager
Agnes Kristina
Area Manager - Surabaya Manyar Kertoarjo
Joined UOB Indonesia since 15 September 2008 and has over 22 years of experience in banking industry.

Aina Widjaja
Area Manager - Gajah Mada
Joined UOB Indonesia since 16 May 2011 and has over 22 years of experience in banking industry.

Bambang Siyono
Area Manager - Jember
Joined UOB Indonesia since 25 March 1998 and has over 20 years of experience in banking industry, mainly in retail banking.

Chandra Trisna
Area Manager - Bandar Lampung
Joined UOB Indonesia since 13 May 2014 and has over 22 years of experience in banking industry.

Daniel Irawan Ariesanto Winata
Area Manager - Surabaya
Joined UOB Indonesia since 18 November 2013 and has over 20 years of experience in banking industry.

Decy Indera Indah Gentania
Area Manager - UOB Plaza
Joined UOB Indonesia since 30 September 2011 and has over 23 years of experience in banking industry.

Didi Hermawan
Area Manager - Bandung
Joined UOB Indonesia since 4 January, 2010 and has over 28 years of experience in banking industry, mainly in retail banking and other industries.

Ellen
Area Manager - Tasikmalaya
Joined UOB Indonesia since 1 July 2015 and has over 19 years of experience in banking industry.

Executive Officers’ Profiles

Eva Lie Hwa
Area Manager - Tegal
Joined UOB Indonesia since 2 January 2013 and has over 17 years of experience in banking industry.

Hasung
Area Manager - Jambi
Joined UOB Indonesia since 2 November 2015 and has over 15 years of experience in banking industry.

I Gusti Ayu Suarningrat
Area Manager - Radio Dalam
Joined UOB Indonesia since 1 August 2012 and has over 27 years of experience in banking industry.

Indrianto
Area Manager - Solo
Joined UOB Indonesia since 4 January 2010 and has over 26 years of experience in banking industry, mainly in retail banking.

Ira Christie Wisandha
Area Manager - Kelapa Gading
Joined UOB Indonesia since 2 January 2013 and has over 14 years of experience in banking industry.

Irfan Iskandar
Area Manager - Malang
Joined UOB Indonesia since 11 March 2013 and has over 29 years of experience in banking and other industries.

Janty Wijaya
Area Manager - Bengkulu
Joined UOB Indonesia since 27 March 2014 and has over years of experience in banking industry, as Branch Manager.

July Liman Hermanto
Area Manager - Serang
Joined UOB Indonesia since 15 November 1993 and has over 31 years of experience in banking industry, mainly in retail banking and other industries.

Junardi
Area Manager - Medan
Joined UOB Indonesia since 1 June 1992 and has over 26 years of experience in banking industry, mainly in retail banking.

Ketut Suartini
Area Manager - Bali Renon
Joined UOB Indonesia since 2 July 2012 and has over 28 years of experience in banking industry, mainly as Area Business Manager.

Latip Tanudjaja
Area Manager - Purwokerto
Joined UOB Indonesia since 4 May 2015 and has over 11 years of experience in banking industry.

Lie Liu Tjin
Area Manager - Pontianak
Joined UOB Indonesia since 27 January 1986 and has over 36 years of experience in banking industry, mainly in retail banking and banking operations.

Lilik Soesana
Area Manager - Bukit Darmo
Joined UOB Indonesia since 15 March 2010 and has over 28 years of experience in banking industry, mainly in retail banking.

Lindawati Halim
Area Manager - Bandung Rivai
Joined UOB Indonesia since 1 October 1992 and has over 28 years of experience in banking industry, mainly in banking operations and other industries.

Manhudi Wijaya
Area Manager - Harmoni
Joined UOB Indonesia since 9 March 1998 and has over 19 years of experience in banking industry.

Ritawaty Mandata
Area Manager - Samarinda
Joined UOB Indonesia since 12 February 1990 and has over 28 years of experience in banking industry, mainly in retail banking.

Setiadi
Area Manager - Cirebon
Joined UOB Indonesia since 18 September 2017 and has over 21 years of experience in banking industry.

Soenji Harijanto
Area Manager - Yogyakarta
Joined UOB Indonesia since 1 June 2009 and has over 28 years of experience in banking industry, mainly in retail banking.

Steven
Area Manager - Jombang
Joined UOB Indonesia since 8 April 2014 and has over 5 years of experience in banking industry, mainly in commercial and retail banking.

Tamtomo Bimo Karno
Area Manager - Magelang
Joined UOB Indonesia since 4 May 1987 and has over 30 years of experience in banking industry.

Teddy Polandra
Area Manager - Denpasar
Joined UOB Indonesia since 4 January 2010 and has over 22 years of experience in banking industry, mainly in retail banking.

Teguh Herri Waskito
Area Manager - Banjarmasin
Joined UOB Indonesia since 3 September 2012 and has over 21 years of experience in banking industry, mainly as Branch Manager and other industries.

Theresia Sherry Tjoa
Area Manager - Batam Centre
Joined UOB Indonesia since 24 January 2005 and has over 25 years of experience in banking industry, mainly banking operations.

Tio Lie Meng
Area Manager - Pekanbaru
Joined UOB Indonesia since 3 July 2017 and has over 28 years of experience in banking industry, mainly as Branch Manager and other industries.

Wandy Bernardus Elias
Area Manager - Makassar
Joined UOB Indonesia since 4 August 2014 and has over 22 years of experience in banking industry, mainly as Branch Manager.

Wong Bun Hock
Area Manager - Batam
Joined UOB Indonesia since 1 December 1999 and has over 19 years of experience in banking industry, mainly in commercial banking.

Yemmy Priantoro
Area Manager - Semarang
Joined UOB Indonesia since 2 May 2008 and has over 24 years of experience in banking industry.

Yugho Subekti
Area Manager - Bogor
Joined UOB Indonesia since 1 March, 2013 and has over 12 years of experience in banking industry.

Yusda Elfani
Area Manager - Balikpapan
Joined UOB Indonesia since 6 August 2012 and has over 23 years of experience in banking industry, mainly in funding.

Yusra
Area Manager - Medan Djuanda
Joinid UOB Indonesia since 6 October 2010 and has over 26 years of experience in banking industry, mainly as Branch Manager.

Yustinus Oswari
Area Manager - Palembang
Joined UOB Indonesia since 2 February 2009 and has over 9 years of experience in banking industry.

Operations Network

Head Office

Jln. M.H. Thamrin No. 10, Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta 10230
Tel. +62 21 23506000
Faks. +62 21 29936632

Regional Offices

Regional Office 1
Jakarta
Gedung UOB Plaza Lantai 11,
Jln. M.H. Thamrin No. 10,
Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta, 10230
Tel. +62 21 23506000
Faks. +62 21 29936632

Regional Office 2
Medan
Jln. Palang Merah No. 30, Lantai 3,
Kel. Kesawan,
Kec. Medan Barat, Medan
Sumatera Utara, 20231
Tel. +62 61 4156574
Faks. +62 61 4148556, 4154793, 4560116

Regional Office 3
Semarang
Menara Suara Merdeka Lantai 2,
Jln. Pandanaran No. 30, Kel. Pekunden,
Kec. Semarang Tengah, Semarang
Jawa Tengah, 50137
Tel. +62 24 86448000
Faks. +62 24 86446066

Regional Office 4
Surabaya
Jln. Panglima Sudirman No. 53, Lantai 3, Kel. Embong Kaliasan, Kec. Genteng
Surabaya
Jawa Timur, 60271
Tel. +62 31 5471772, 5481888
Faks. +62 31 5345026, 5345136, 5345146

Regional Office 5
Balikpapan
Kavling 8 Square Blok A6 & A7,
Lantai 3, RT 28
Jln. M.T. Haryono, Kel. Damai,
Kec. Balikpapan Selatan
Kalimantan Timur, 76114
Tel. +62 542 7208888, 7209999
Faks. +62 542 765477

Regional Office 6
Jakarta
Kompleks Rukan Gajah,
Jln. Dr. Sahardjo No. 111, RT. 001, RW. 01,
Persil No.12 & No.13,
Kel. Tebet Barat, Kec. Tebet,
Jakarta, 12810
Tel. +62 21 83798666, 83788700
Faks. +62 21 83798555

Regional Office 7
Bandung
Jln. Jend. Sudirman No. 55 A,
Bandung, 40241
Tel. +62 22 4204491
Faks. +62 22 4238906

Branch Offices

Serang
Jln. M. Hasanuddin,
Serang Plaza Blok II No. 3-7, Serang,
Banten, 42112
Tel. +62 254 200153, 201566
Faks. +62 254 200692

Harmoni
Jln. Gajah Mada No.1 A
DKI Jakarta, 10130
Tel. +62 21 63865927, 6330585
Faks. +62 21 6330558, 6335377

UOB Plaza
Jln. M.H. Thamrin No. 10,
Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta, 10230
Tel. +62 21 29936900
Faks. +62 21 29936680-82

Kelapa Gading
Jln. Raya Barat Boulevard
Blok LC 7 No. 1-2, Kelapa Gading Permai
DKI Jakarta, 14240
Tel. +62 21 4529171
Faks. +62 21 4529179

Green Garden
Komplek Perumahan Green Garden,
Blok A.7 No. 47-50,
Kel. Kedoya Utara, Kec. Kebon Jeruk
DKI Jakarta, 11520
Tel. +62 21 5819005, 5802814
Faks. +62 21 5802776

Operations Network

Gajah Mada
Jln. Gajah Mada No. 87-87A,
Kel. Krukut, Kec. Taman Sari,
Jakarta Barat, 11140
Tel. +62 21 6329779
Faks. +62 21 632 9696, 632 9766, 632 9966,
632 9906

Radio Dalam
Jln. Radio Dalam No. 9 A, Kebayoran Baru,
DKI Jakarta, 12140
Tel. +62 21 7252647
Faks. +62 21 7252648

Bogor
Jln. Suryakencana No. 260 F, Kel. Gudang,
Kec. Bogor Tengah, Kota Bogor
Jawa Barat, 16151
Tel. +62 251 8325256
Faks. +62 251 8325307

Bandung
Jln. Jend. Sudirman No. 55 A, Bandung
Jawa Barat, 40241
Tel. +62 22 4204491
Faks. +62 22 4238906

Bandung Rivai
Jln. Abdul Rivai No. 2 A, Bandung
Jawa Barat, 40116
Tel. +62 22 4209980
Faks. +62 22 4209970

Tasikmalaya
Jln. Empang No. 50, Tasikmalaya,
Jawa Barat, 46113
Tel. +62 265 310300
Faks. +62 265 332007

Tegal
Jln. Kolonel Sugiono No. 56, RT. 003 /
RW. 05,
Kel. Pekauman, Kec. Tegal Barat, Tegal,
Jawa Tengah, 52113
Tel. +62 283 325001, 325005
Faks. +62 283 325008

Cirebon
Jln. Yos Sudarso No. 29, Cirebon,
Jawa Barat, 45111
Tel. +62 231 205040, 206959, 206396,
221541
Faks. +62 231 201989, 248340

Purwokerto
Jln. Jend. Sudirman No. 330, Purwokerto,
Jawa Tengah, 53116
Tel. +62 281 631464, 623466, 635996,
630942, 630259, 635950
Faks. +62 281 636747, 640945

Semarang
Menara Suara Merdeka
(Ground Floor, Mezzanine Floor, 2nd
Floor)
Jln. Pandanaran No. 30,
Kel. Pekunden, Kec. Semarang Tengah,
Semarang, Jawa Tengah, 50137
Tel. +62 24 8644 8000
Faks. +62 24 8644 6066

Magelang
Jln. Tidar No. 17, Magelang,
Jawa Tengah, 56126
Tel. +62 293 362181, 364344, 365261,
364405-06
Faks. +62 293 364271

Yogyakarta
Jln. Jend. Sudirman No. 62,
D.I. Yogyakarta, 55224
Tel. +62 274 562000, 517410
Faks. +62 274 563433

Solo
Jln. Jend. Urip Sumoharjo No. 13-17, Solo
Jawa Tengah, 57129
Tel. +62 271 646348
Faks. +62 271 668758, 630620, 646947

Banyuwangi
Jln. Jend. Sudirman No. 16, Banyuwangi,
Jawa Timur, 68416
Tel. +62 333 426500, 424705, 423061-62,
422270-71, 424070
Faks. +62 333 424260

Jombang
Jln. Merdeka No. 133, Jombang,
Jawa Timur, 61413
Tel. +62 321 862500-01, 862337, 874857-58
Faks. +62 321 862171

Malang
Jln. Basuki Rahmat No. 63, Malang,
Jawa Timur, 60261
Tel. +62 341 342333
Faks. +62 341 342572

Jember
Jln. Gajah Mada No. 68, Jember
Jawa Timur, 68131
Tel. +62 331) 484545, 424759, 424859
Faks. +62 331) 484980

Surabaya Bukit Darmo
Jln. Raya Bukit Darmo Golf,
Blok R No. 28-30,
Kel. Pradah Kalikendal, Kec. Dukuh Pakis
Surabaya, Jawa Timur, 60226
Tel. +62 31 7343949 (Hunting)
+62 31 7326000 (Privilege Banking)
+62 31 5486008 (Call Centre 24 jam)
Faks. +62 31 7343910 (Sekretariat)
+62 31 7348259 (Back Office Lt. 1)
+62 31 7341943 (Back Office Lt. 2)

Surabaya
Jln. Panglima Sudirman No. 53,
Kel. Embong Kaliasan, Kec. Genteng
Surabaya Jawa Timur, 60271
Tel. +62 31 5471772, 5481888
Faks. +62 31 5345026, 5345136, 5345146

Surabaya Manyar Kertoarjo
Jln. Manyar Kertoarjo No. 50,
Kel. Manyar Sabrangan, Kec. Sukolilo
Surabaya, Jawa Timur, 60116
Tel. +62 31 5991168, 5991428
Faks. +62 31 5991411, 5991412

Medan
Jln. Palang Merah No. 30,
Kel. Kesawan, Kec. Medan Barat, Medan
Sumatera Utara, 20231
Tel. +62 61 4156574
Faks. +62 61 4148556, 4154793, 4560116

Medan Djuanda
Jl. Ir. H. Djuanda No. 20i,
Kel. Sukadamai, Kec. Medan Polonia,
Medan, 20157
Tel. +62 61 88815959
Faks. +62 61 42003822

Bengkulu
Jln. Let. Jend. Suprpto No. 169-171
Bengkulu, 38221
Tel. +62 736 21705
Faks. +62 736 21110

Palembang
Jln. Mesjid Lama No. 48-50, Palembang,
Sumatera Selatan, 30125
Tel. +62 711 310965
Faks. +62 711 313216, 316663, 361150,
357816

Pekanbaru
Jln. Jend. Sudirman No. 442, Pekanbaru,
Riau, 28116
Tel. +62 761 21168, 21116, 20879, 848053
Faks. +62 761 848052

Bandar Lampung
Jln. Ikan Tenggiri No. 17/A, Teluk Betung,
Bandar Lampung, 35223
Tel. +62 721 482982
Faks. +62 721 482951

Jambi
Jln. R. Mattaher No. 34-35,
Kel. Orang Kayo Hitam, Jambi, 36113
Tel. +62 741 20623
Faks. +62 741 7554014

Batam
Komplek Batam Plaza Blok E No. 1-3,
Jln. Imam Bonjol, Kota Batam,
Kepulauan Riau, 29444
Tel. +62 778 459691
Faks. +62 778 458601

Batam Centre
Komplek Mahkota Raya Blok D
No. 7 & No. 8,
Jln. Engku Putri, Kel. Teluk Tering, Kec.
Batam Kota,
Kota Batam, Kepulauan Riau, 29461
Tel. +62 778 7486000
Faks. +62 778 7486025

Pontianak
Jln. HOS Cokroaminoto No. 266/A,
Kota Pontianak, Kalimantan Barat, 78117
Tel. +62 561 732600, 734656
Faks. +62 561 736282

Makassar
Jln. Sulawesi No. 83, Makassar,
Sulawesi Selatan, 90174
Tel. +62 411 321421
Faks. +62 411 315702, (0411) 319457

Balikpapan
Kavling 8 Square Blok A6 & A7, RT 28
Jln. M.T. Haryono,
Kel. Damai, Kec. Balikpapan Selatan,
Kalimantan Timur, 76114
Tel. +62 542 7208888, 7209999
Faks. +62 542 765477

Banjarmasin
Jln. Lambung Mangkurat No. 17,
Banjarmasin, Kalimantan Selatan, 70111
Tel. +62 511 3357172, 3353754, 3365312
Faks. +62 511 3353305

Samarinda
Jln. Pangeran Diponegoro No. 68-70,
Samarinda, Kalimantan Timur, 75112
Tel. +62 541 732492-95-97, 749516-17-18
Faks. +62 541 732490

Denpasar
Jln. Dr. Wahidin No. 39, Denpasar, Bali
Tel. +62 361 433014
Faks. +62 361 424245

Denpasar Bali Renon
Jln. Raya Puputan Komplek Pertokoan
Niti Mandala Raya No. 17, Renon,
Denpasar, Bali, 80235
Tel. +62 361 241888
Faks. +62 361 245978

Sub Branch Offices

Cilegon
Jln. Jend. Ahmad Yani No. 6,
Cilegon, Banten, 42411
Tel. +62 254 391033, 391034, 392057
Faks. +62 254 391151

Rangkasbitung
Jln. Sunan Kalijaga No. 62,
Rangkasbitung, Banten, 42311
Tel. +62 252 201595, 201596
Faks. +62 252 201703

Cimone
Jln. Merdeka No. 320,
Kel. Cimone Jaya, Kec. Karawaci,
Tangerang, Banten, 15113
Tel. +62 21 5522004
Faks. +62 21 5525017

Gading Serpong
Ruko Graha Boulevard Blok GBVC/002
Jln. Boulevard Gading Serpong,
Kel. Curug, Kec. Kelapa Dua,
Tangerang, Banten 15810
Tel. +62 21 29001081
Faks. +62 21 29001071

Alam Sutera
Jl. Jalur Sutera Kav. 29 D, No. 45,
Kel. Pakualam, Kec. Serpong Utara
Kota Tangerang Selatan, 15320
Tel. +62 21 30030524
Faks. +62 21 30030525

Tangerang
Jln. Ki Asnawi No. 64 C-D,
Tangerang, Banten, 15111
Tel. +62 21 5523081-83-84, 55799082-83
Faks. +62 21 5523082

BSD Golden
Ruko BSD Golden Boulevard Blok C No. 6,
Jln. Pahlawan Seribu,
Kel. Buaran Lengkong Karya, Kec. Serpong,
Tangerang, Banten 15322
Tel. +62 21 53160680, 53160681, 53153168,
53153169
Faks. +62 21 53153087

Bintaro Sektor 3A
Rukan Bintaro Blok A.6 (Rukan depan
Bintaro Plaza), Sektor 3A,
Kel. Pondok Karya, Kec. Pondok Aren,
Kota Tangerang Selatan, Banten, 15225
Tel. +62 21 7362898
Faks. +62 21 7362897

Green Ville
Komplek Pertokoan Green Ville Blok BG
No. 14-15, Kel. Duri Kepa, Kec. Kebon Jeruk,
Jakarta Barat, 11510
Tel. +62 21 56957883-84, 56957895,
56957897
Faks. +62 21 56957902

Citra Garden 2
Komplek Rukan Citra Niaga, Blok A No. 3,
Jln. Utan Jati, Kel. Pegadungan, Kec.
Kalideres, Jakarta Barat, 10750
Tel. +62 21 54377025-31
Faks. +62 21 54374621

Operations Network

Central Park
Central Park Mall, 3rd Floor, Shop Unit No. L3 – 203 A,
Jln. Let. Jend. S. Parman Kav. 28, Kel. Tanjung Duren, Kec. Grogol Petamburan, Jakarta Barat, 11470
Tel. +62 21 2920 1015 (Hunting), 2920 1013, 2920 1014, 2920 1016
Faks. +62 21 2920 1017

Tanjung Duren
Jln. Tanjung Duren Raya Blok N No. 352 RT.007/RW.03, Kel. Tanjung Duren Utara, Kec. Grogol Petamburan, Jakarta Barat, 11470
Tel. +62 21 5642027, 5673950, 56969082
Faks. +62 21 5685079

Duta Mas
Komplek Perumahan Taman Duta Mas Blok D8 No. 1, Grogol Petamburan, Jakarta Barat, 11460
Tel. +62 21 5648262, 5649550
Faks. +62 21 5649464

Puri Kencana
Grand Puri Kencana, Jl. Puri Kencana Blok K7/2A, Kel. Kembangan Selatan, Kec. Kembangan, Jakarta Barat, 11610
Tel. +62 21 5823602, 5823603, 5823604, 5823605
Faks. +62 21 5819222

Cengkareng
Komplek Taman Palem Lestari Blok D 10 No.1, Cengkareng Barat, Jakarta Barat, 11730
Tel. +62 21 55957447, 55957448, 55957449
Faks. +62 21 55957446

Pasar Minggu
Jln. Raya Ragunan No. 11, Jakarta Selatan, 12520
Tel. +62 21 7804680, 78831562, 7890439
Faks. +62 21 7890438

Permata Hijau
Grand ITC Permata Hijau - Emerald No. 10, Jln. Letjen Soepeno (Arteri Permata Hijau), Kel. Grogol Utara, Kec. Kebayoran Lama, Jakarta Selatan, 12210
Tel. +62 21 53663111, 53664376
Faks. +62 21 53663222

Kebon Jeruk
Gedung Graha Kencana, Lantai 1, Jln. Raya Perjuangan No. 88, Kebon Jeruk, DKI Jakarta, 11530
Tel. +62 21 5350638
Faks. +62 21 5350639

Pondok Indah
Jln. Metro Pondok Indah Sektor II Blok UA Kav. 46-47, Jakarta Selatan, 12310
Tel. +62 21 75906165, 75900178
Faks. +62 21 75900185

Fatmawati
Jln. Fatmawati Raya No. 1, RT. 001 / RW. 04, Jakarta Selatan, 12410
Tel. +62 21 7504770, 7664823, 7661367
Faks. +62 21 7661333

Kemang
Jln. Kemang Raya No. 24 A, Kel. Bangka, Kec. Mampang Prapatan Jakarta Selatan, 12730
Tel. +62 21 71794084, 71794085, 71794086
Faks. +62 21 71794083

Panglima Polim
Jln. Panglima Polim Raya No. 18A, B, C, Jakarta Selatan, 12160
Tel. +62 21 7251603, 7202668, 7251655
Faks. +62 21 7222187

Wolter Monginsidi
Gedung One Wolter Place, Jl. Wolter Monginsidi No. 63 B, Kel. Rawa Barat, Kec. Kebayoran Baru, Jakarta Selatan, 12810
Tel. +62 21 72786262
Faks. +62 21 7394880

Rasuna Said
Wisma Tugu II, Jln. H.R. Rasuna Said Kav. C7 No. 9, Kel. Karet, Kec. Setiabudi, Kuningan, DKI Jakarta, 12950
Tel. +62 21 5221107
Faks. +62 21 5221108

Tebet
Kompleks Rukan Gajah, Jln. Dr. Sahardjo No.111 Kel. Tebet Barat, Kec. Tebet, DKI Jakarta, 12810
Tel. +62 21 83798666, 83788700
Faks. +62 21 83798555

Palmerah
Jln. Palmerah Barat No. 39 B, Jakarta Pusat, 10270
Tel. +62 21 5325479, 5308785
Faks. +62 21 5329249

Tanah Abang
Pusat Perdagangan Tanah Abang Bukit Blok F No. 6-8, Jln. K.H. Fahrudin, Jakarta Pusat, 10250
Tel. +62 21 3803320, 3846171
Faks. +62 21 3151787, 38903406

Senen
Pusat Grosir Senen Jaya, Lantai Dasar No. C8-1, Jln. Senen Raya, Kel. Senen, Kec. Senen DKI Jakarta
Tel. +62 21 29939511, 29939513, 29939514, 29939515, 29939516
Faks. +62 21 29939512

Bungur
Ruko Central Bungur, Jln. Bungur Besar 42 B, Gunung Sahari Selatan, Jakarta Pusat, 10610
Tel. +62 21 4250813, 4248841
Faks. +62 21 4248844

Wahid Hasyim
Jln. K.H. Wahid Hasyim No. 89, Jakarta Pusat, 10350
Tel. +62 21 29276200
Faks. +62 21 29276400

Cempaka Mas
Ruko Mega Grosir Cempaka Mas, Blok D1 No. 3, Jln. Letjen Suprpto, Kel. Sumur Batu, Kec. Kemayoran, Jakarta Pusat, 10640
Tel. +62 21 42906693, 42906694, 42889441
Faks. +62 21 42889440

Kelapa Gading Boulevard Raya
Jln. Boulevard Raya Blok DG No. 2, Kelapa Gading, DKI Jakarta, 14240
Tel. +62 21 4527582
Faks. +62 21 4527583

Petojo
Jln. A.M Sangaji No. 25 E, DKI Jakarta, 10130
Tel. +62 21 6324562-63
Faks. +62 21 6324562, 63855187

Metro Tanah Abang
Pusat Grosir Metro Tanah Abang, Banking Center Lantai 7 Unit No. 1, Jln. K.H. Wahid Hasyim No. 187-189, Tanah Abang, Jakarta Pusat, 10250
Tel. +62 21 30036023, 30036024, 30036025
Faks. +62 21 30036026

Kramat Jati
Jln. Raya Bogor No. 1, Unit RA 2, RT. 001 / RW. 01, Kel. Kramat Jati, Kec. Kramat Jati, Jakarta Timur, 13830
Tel. +62 21 8092417, 8011644, 80878641
Faks. +62 21 8013973

Jatinegara
Jln. Pintu Pasar Utara No. 10-12, Kel. Balimester, Kec. Jatinegara, Jakarta Timur, 13310
Tel. +62 21 8191918, 8193110, 8197726, 2800178
Faks. +62 21 8508919

Glodok Plaza
Komp. Glodok Plaza Blok F No. 1-2, Jln. Pinangsia Raya, DKI Jakarta, 11110
Tel. +62 21 6595026, 6596745, 6280943-44
Faks. +62 21 6280944

Pluit
Jln. Pluit Kencana Raya No. 76, DKI Jakarta, 14450
Tel. +62 21 6611770-71
Faks. +62 21 6691163

Petak Baru
Jln. Petak Baru No. 25-26 DKI Jakarta, 11230
Tel. +62 21 6922115, 6922432, 6912224, 6924069, 6901756-57, 6917410-11
Faks. +62 21 6928086

Pangeran Jayakarta
Jln. Pangeran Jayakarta No. 126-129 Blok A/5, Kel. Mangga Dua Selatan, Kec. Sawah Besar, DKI Jakarta, 10730
Tel. +62 21 62201905, 62201906, 62201907, 6016574
Faks. +62 21 62201904

Roxy Mas
Jln. Kyai Haji Hasyim Ashari Blok D 4 No. 18, DKI Jakarta, 10150
Tel. +62 21 63858204-07
Faks. +62 21 63858207

K.H.M. Mansyur
Jln. KHM Mansyur No. 202 B, DKI Jakarta, 11270
Tel. +62 21 6332755, 6332756
Faks. +62 21 6332759

Sawah Besar
Jln. Sukarjo Wiryopranoto No. 26, DKI Jakarta, 10120
Tel. +62 21 3853677, 231368, 2313479, 3453336, 3453337
Faks. +62 21 3860602

Pasar Baru
Jln. K. H. Samanhudi 40 A, RT. 006/RW. 02, Pasar Baru, Sawah Besar, DKI Jakarta, 10710
Tel. +62 21 3500523, 3850468, 3866520, 3510587, 3510588
Faks. +62 21 3510589

Mangga Besar
Jln. Mangga Besar No. 68-68 A, DKI Jakarta, 10730
Tel. +62 21 6594677, 6292150, 6292349
Faks. +62 21 6293113

Sunter Agung
Jln. Danau Sunter Agung Utara Blok D 1 No. 6 B, Sunter Agung, Jakarta Utara, 14350
Tel. +62 21 6451120-21, 65833281-82
Faks. +62 21 6453821

Mangga Dua
Pusat Grosir Pasar Pagi Mangga Dua Lt. III, Blok BC 011,012,012 A & 014, Jln. Mangga Dua Raya, DKI Jakarta, 11110
Tel. +62 21 6255661, 6127340
Faks. +62 21 6127341

Mangga Dua Plaza
Mangga Dua Plaza Blok F No. 5, Jln. Mangga Dua Raya, DKI Jakarta, 11110
Tel. +62 21 6120086, 6120912, 6129128, 6129129
Faks.+62 21 6129130

Jembatan Dua
Jln. Jembatan Dua No. 139 A, DKI Jakarta, 14450
Tel. +62 21 6631760, +62 21 6631761-62
Faks. +62 21 6610615

Muara Karang
Jln. Muara Karang No. 1, RT. 019/RW. 02, Kav. Blok Y3 Barat No. 10, DKI Jakarta, 14450
Tel. +62 21 6625967-69, 6601048
Faks. +62 21 6606171

Pluit Village
Pluit Village MG 8-9, Taman Tirta Loka, Jln. Pluit Permai Raya, DKI Jakarta, 14450
Tel. +62 21 6683682
Faks. +62 21 6683692

Pantai Indah Kapuk
Rukan Exclusive Blok A No. 27, Jln. Marina Raya, Kel. Kamal Muara, Kec. Penjaringan, DKI Jakarta, 14470
Tel. +62 21 56946227
Faks. +62 21 56946227

PIK Boulevard
Graha Indochem, Lt. Basement & Lt. Dasar, Jl. Pantai Indah Kapuk Boulevard Kav. SSB/E, Kel. Kamal Muara, Kec. Penjaringan, Jakarta Utara, 14470
Tel. +62 21 29210600
Faks. +62 21 29210601

Kelapa Gading Boulevard
Jln. Raya Boulevard Blok FW I No. 18, Kelapa Gading Boulevard, Kelapa Gading, Jakarta Utara, 14240
Tel. +62 21 4531069-70
Faks. +62 21 45841059

Tanjung Priok
Jln. Enggano Blok C No. 11-G, Kel. Tanjung Priok, Kec. Tanjung Priok, Jakarta Utara
Tel. +62 21 4351460
Faks. +62 21 4366562

Teluk Gong
Kompleks Duta Harapan Indah Blok G No. 10 Jln. Kapuk Muara, Jakarta Utara, 14460
Tel. +62 21 6617577-78, 6622957
Faks. +62 21 6612279

Operations Network

Bekasi Selatan
Jln. Achmad Yani Kav. A4 No. 7,
Ruko Kalimalang Commercial Centre,
Desa Kayuringin, Bekasi, Jawa Barat, 17144
Tel. +62 21 88965891-93, 8853521
Faks. +62 21 8896 5890

Cikarang
Komplek Ruko Cikarang Commercial
Center, Blok B1 No. 23,
Jln. Raya Cikarang Cibirusah Km.40 No.1,
Kel. Pasir Sari, Kec. Cikarang Selatan,
Bekasi, Jawa Barat, 17550
Tel. +62 21 89835725, 89835726, 89835727
Faks. +62 21 89835724

Cibubur
Ruko Cibubur Times Square Blok B-1 No.11
& 12,
Jln. Alternatif Cibubur KM 3,
Kel. Jatikarya, Kec. Jatisampurna, Kota
Bekasi, Jawa Barat, 17435
Tel. +62 21 84592489, 84302667
Faks. +62 21 84597922

Dewi Sartika
Jln. Dewi Sartika No. 54, RT. 03 / RW. 02,
Kel. Pabaton, Kec. Bogor Tengah,
Bogor, Jawa Barat, 16121
Tel. +62 251 8311836, 8314257
Faks. +62 251 8314933

Depok
Pertokoan ITC Depok No. 48,
Jln. Margonda Raya No.56,
Kel. Depok, Kec. Pancoran Mas,
Kota Depok, Jawa Barat, 16431
Tel. +62 21 7765236, 77202916-18
Faks. +62 21 7765237

Tajur
Jln. Raya Tajur No. 65 D,
Bogor, Jawa Barat, 16141
Tel. +62 251 8392485
Faks. +62 251 8392486

Kopo Bihbul
Jln. Raya Kopo Bihbul No. 69, Bandung,
Jawa Barat, 40228
Tel. +62 22 5401131, 5420269
Faks. +62 22 5420466

Pasir Kaliki
Jln. Pasir Kaliki No. 161, Bandung,
Jawa Barat, 40173
Tel. +62 22 6017027
Faks. +62 22 3044520

Dago
Jln. Ir. H. Juanda No.43 (Dago), Bandung,
Jawa Barat, 40116
Tel. +62 22 4261175, 4261191
Faks. +62 22 4267885

Achmad Yani
Jln. Jend. Achmad Yani No. 235,
Bandung, Jawa Barat, 40271
Tel. +62 22 7204952
Faks. +62 22 7205551

Kopo
Jln. Kopo No. 91, Bandung,
Jawa Barat, 40234
Tel. +62 22 5230030, 5204784
Faks. +62 22 5204784, 5227177

Buah Batu
Ruko Buah Batu No.146 A,
Jln. Buah Batu No.1, Kel. Cijagra, Kec.
Lengkong Bandung, Jawa Barat, 40274
Tel. +62 22 7315139
Faks. +62 22 7315193

Cimahi
Jln. Raya No. 545, Cimahi, Jawa Barat, 40523
Tel. +62 22 6649530
Faks. +62 22 6657013

Sukajadi
Jln. Sukajadi No. 5, Bandung,
Jawa Barat, 40162
Tel. +62 22 2037498, 2039266
Faks. +62 22 2039266

Setiabudi
Jln. Dr. Setiabudi No. 146 B,
Lingkungan Hegarmanah, Kec. Cidadap,
Bandung, Jawa Barat. 40141
Tel. +62 22 82066033
Faks. +62 22 82066481

Andir
Jln. Jamika No. 19
Bandung, Jawa Barat, 40231
Tel. +62 22 6023509
Faks. +62 22 6079274

Kuningan
Jln. Jend. Sudirman No. 51/55, Kuningan,
Jawa Barat, 45511
Tel. +62 232 871738, 871810
Faks. +62 232 876641

Pasar Balong Pekiringan
Jln. Pekiringan No. 113,
Cirebon, Jawa Barat, 45117
Tel. +62 231 205625
Faks. +62 231 211423

Temanggung
Jln. KS. Tubun No. 1,
Kel. Temanggung I, Kec. Temanggung
Jawa Tengah,
Tel. +62 293 491555
Faks. +62 293 491155

Muntilan
Komp. Ruko PJKA A. II No. 3,
Muntilan, Magelang, Jawa Tengah, 56411
Tel. +62 293 586508, 587323
Faks. +62 293 587415

Pasar Wage
Ruko Gede - Kawasan Pasar Wage Blok A
No. 1,
Jln. Jend. Sudirman, Kel. Purwokerto Lor,
Kec. Purwokerto Timur, Kab. Banyumas,
Purwokerto,
Jawa Tengah, 53114
Tel. +62 281 625508
Faks. +62 281 625745

Agus Salim
Kompleks Ruko THD Blok B-21,
Jln. K.H. Agus Salim, Semarang,
Jawa Tengah, 50137
Tel. +62 24 3584035, 3584007
Faks. +62 24 3584036

Pasar Klewer
Beteng Trade Center Blok C No. 4,
Kel. Kedunglumbu, Kec. Pasar Kliwon,
Kotamadya Surakarta, Jawa Tengah, 57133
Tel. +62 271 641798
Faks. +62 271 655203

Kratonan
Jln. Yos. Sudarso No. 246, Jawa Tengah, 57153
Tel. +62 271 652626, 654343
Faks. +62 271 655622

Pasar Legi
Jln. Letjen. S. Parman No. 83,
Kel.Kestalan, Kec. Banjarsari,
Kotamadya Surakarta,
Jawa Tengah, 57133
Tel. +62 271 666536
Faks. +62 271 641177

Sragen
Jln. Raya Sukowati No. 194,
Kel. Sragen Kulon, Kec. Sragen,
Kab. Sragen, Jawa Tengah, 57212
Tel. +62 271 891276, 891250
Faks. +62 271 891276

Brigiend Katamso
Jln. Brigiend. Katamso No. 278 (lama 280),
D.I. Yogyakarta, 55152
Tel. +62 274 384193, 415732
Faks. +62 274 378569

Pasar Beringharjo
Jln. Sriwedani, Ruko No. 11,
Kel. Ngupasan, Kec. Gondomanan,
D.I. Yogyakarta, 55213
Tel. +62 274 546350
Faks. +62 274 555911

Kricak
Jln. Magelang No. 81, D.I. Yogyakarta, 55242
Tel. +62 274 553385
Faks. +62 274 563672

Palur
Jln. Raya Palur No. 59,
Palur, Karanganyar, Solo, Jawa Tengah, 57771
Tel. +62 271 827474, 821733
Faks. +62 271 821166

Siliwangi
Jln. Jend. Sudirman No. 131, Semarang,
Jawa Tengah, 50141
Tel. +62 24 7608791
Faks. +62 24 7608623

Majapahit
Jln. Brigiend. Sudirato 106, Semarang,
Jawa Tengah, 50167
Tel. (024) 6723762
Faks. (024) 6723761

Salatiga
Jln. Jend. Sudirman No. 188, Salatiga,
Jawa Tengah, 50711
Tel. (0298) 322027
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Gang Tengah
Jln. Gang Tengah No. 16, Semarang,
Jawa Tengah, 50111
Tel. +62 24 3561800
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Mataram
Ruko Plaza Blok A No. 8 A,
Jln. MT Haryono, Semarang,
Jawa Tengah, 50136
Tel. +62 24 3560033, 3560461
Faks. +62 24 3560462

Raden Saleh
Jln. Raden Saleh No. 8-A,
Kel. Bubutan, Kec. Bubutan
Surabaya, Jawa Timur,
Tel. +62 31 5359970, 5359971, 5359974,
5359963
Faks. +62 31 5355964

Bratang Binangun
Ruko PT Rukun Makmur Indah (RMI) Blok
G-17,
Jln. Bratang Binangun, Surabaya,
Jawa Timur, 60284
Tel. +62 31 5043647, 5043225
Faks. +62 31 5046026

Baliwerti
Jln. Gemblongan No. 65 L,
Kel. Aloonaloon Contong, Kec. Bubutan,
Surabaya, Jawa Timur, 60174
Tel. +62 31 5322886, 5327030
Faks. +62 31 5353720

Klampis
Jln. Klampis Jaya No. 27 C,
Kel. Klampisngasem, Kec. Sukolilo,
Surabaya, Jawa Timur, 60117
Tel. +62 31 5927672, 5927673
Faks. +62 31 5927262

Ambulu
Jln. Suyitman No. 46, Ambulu, Jember
Jawa Timur, 68172
Tel. +62 336 881902
Faks. +62 336 881902

Perak Timur
Ruko Tanjung Perak, Jln. Perak Timur No.
42, Kel. Perak Timur, Kec. Pabean, Cantian
Surabaya, Jawa Timur, 60164
Tel. +62 31 3550318
Faks. +62 31 3550314

Coklat
Jln. Coklat No. 12-14, Surabaya,
Jawa Timur, 60161
Tel. +62 31 3526784, 3530966
Faks. +62 31 3523332

Kedungdoro
Jln. Kedungdoro 155 D, Surabaya,
Jawa Timur, 60261
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Faks. +62 31 5471442

Kertajaya
Jln. Kertajaya No. 172, Surabaya,
Jawa Timur, 60286
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Faks. +62 31 5017300

Kapas Krampung
Jln. Kapas Krampung 55 B, Surabaya,
Jawa Timur, 60135
Tel. +62 31 3727910, 3718281, 3769292
Faks. +62 31 3715633

Rungkut
Jln. Rungkut Kidul Industri No. 62,
Surabaya, Jawa Timur, 60293
Tel. +62 31 8418271, 8419272
Faks. +62 31 8414517

Pasar Atum
Pasar Atum Mall Lantai 4 FS-3,5,
Jln. Bunguran 45, Kel. Bongkaran, Kec. Pabean
Cantikan, Surabaya, Jawa Timur, 60161
Tel. +62 31 3523545, 3558115
Faks. +62 31 3530793

Gresik
Jln. Usman Sadar No. 84, Gresik,
Jawa Timur, 61118
Tel. +62 31 3990053, 3972145
Faks. +62 31 3990054

Mojokerto
Jln. Mojopahit 55-57, Mojokerto,
Jawa Timur, 61312
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Jln. Sutan Syahrir No. 51,
Kel. Sukoharjo, Kec. Klojen,
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Tel. +62 341 343230, 365096, 365119
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Operations Network

| | | | | | |
|---|---|--|--|--|---|
| Blimbing Kompleks Pertokoan (Ruko) Letjend S. Parman 56, Blok A-6 Kel. Purwatoro, Kec. Blimbing, Malang, Jawa Timur, 65111 Tel. +62 341 405100 Faks. +62 341 418441 | Petisah Jln. Nibung Utama No. 10, Kel. PetisahTengah, Kec. Medan Petisah, Medan, Sumatera Utara, 20112 Tel. +62 61 4554322, 4143383 Faks. +62 61 4530251 | Tanjung Karang Jln. Padang Blok B III No. 2, Tanjung Karang, Bandar Lampung, 35111 Tel. +62 721 261155 Faks. +62 721 241106 | Bandang Jln. Bandang No. 50 B, Makassar, Sulawesi Selatan, 90156 Tel. +62 411 326694 Faks. +62 411 317445 | Gatot Subroto Jln. Gatot Subroto No. 100 X, Kav. 10, Denpasar, Bali, 80111 Tel. +62 361 7450714, 7450175, 7427697 Faks. +62 361 248826 | Tabanan Jln. Gajah Mada No. 80, Tabanan Bali, 82113 Tel. +62 361 811588, 811277 Faks. +62 361 812569 |
| Sidoarjo Jln. Jend. Achmad Yani 40 J, Sidoarjo, Jawa Timur, 61212 Tel. +62 31 8941836, 8941046 Faks. +62 31 8941047 | Krakatau Jln. Gunung Krakatau No. 111-C, Kel. Glugur Darat I, Kec. Medan Timur, Medan, Sumatera Utara, 20725 Tel. +62 61 6620991, 6623079, 6632211 Faks. +62 61 6643483 | Sui Raya Jln. Adi Sucipto Km 7,3 , Sungai Raya, Pontianak, Kalimantan Barat, 79171 Tel. +62 561 721770 | Panakkukang Jln. Pengayoman No. 48, Makassar, Sulawesi Selatan, 90231 Tel. +62 411 421921, 433017 Faks. +62 411 458260 | Diponegoro Jln. Diponegoro No. 150 Blok A 1 No. 2, Denpasar, Bali, 80114 Tel. +62 361 262773, 263719, 263720 Faks. +62 361 247246 | Kuta Kompleks Ruko Istana Kuta Galeria, Blok Valet No. 12 & 12 A, Jln. Patih Jelantik, Kuta, Badung, Bali, 80361 Tel. +62 361 769100 Faks. +62 361 769256 |
| Mayjend. Sungkono Komp. Darmo Park I Blok III-A No. 7-8, Jln. Mayjend. Sungkono, Surabaya, Jawa Timur, 60225 Tel. +62 31 5614431, 5682062 Faks. +62 31 5672982 | Penuin Komplek Pertokoan Citra Mas, Blok A No. 8, Penuin, Kec. Lubuk Baja, Batam, Kepulauan Riau, 29432 Tel. +62 778 428700 Faks. +62 778 452772 | Sultan Muhammad Jln. Sultan Muhammad No. 175, Kel. Benua Melayu Laut, Kec. Pontianak Selatan, Pontianak, Kalimantan Barat, 78123 Tel. +62 561 731583 Faks. +62 561 731582 | | | |
| Tomang Elok Kompleks Tomang Elok Blok A No. 55, Jln. Jend. Gatot Subroto, Sei Sikambing, Medan, Sumatera Utara, 11520 Tel. +62 61 8455405, 8455785, 8455635 Faks. +62 61 8455656 | Nangka Jln. Nangka/TuanKu Tambusai No. 181, Pekanbaru, Riau, 28125 Tel. +62 761 31308-9, 20440 Faks. +62 761 37317 | A. Yani Jln. Jend. A. Yani KM 2, No. 12 RT 17, Banjarmasin, Kalimantan Selatan, 70249 Tel. +62 511 3269525, 3262991 Faks. +62 511 3269525 | | | |
| Central Pasar Central Pasar Medan Lt. 1, Blok I No. 1, 2, 17, 18. Jln. Letjen MT Haryono, Medan, Sumatera Utara, 20231 Tel. +62 61 4531929, 4531611 Faks. +62 61 4531737 | Tanjung Uncang Komplek Pertokoan Fanindo Blok A No. 9-10, Kel. Tanjung Uncang, Kec. Batu Aji, Kepulauan Riau, 29461 Tel. +62 778 7432468 Faks. +62 778 7432469 | Balikpapan Permai Komplek Balikpapan Permai, Jln. Jend. Sudirman Blok C/II No. 88, Balikpapan, Kalimantan Timur, 76114 Tel. +62 542 733238, 733228 Faks. +62 542 733238 | | | |
| Asia Jln. Asia No. 132/172, Kel. Sei Rengas I, Kec. Medan Kota, Medan, Sumatera Utara, 20214 Tel. +62 61 7368623, 7368653 Faks. +62 61 7368932 | Bintan Jln. Merdeka No. 6C, Kel. Tanjungpinang Kota, Kec. Tanjungpinang Kota, Kepulauan Riau, 29111 Tel. +62 771 314909-10 Faks. +62 771 314916 | Ruko Permata Kaltim Jln. Pahlawan (Ruko Permata Kaltim No. 3B), Samarinda, Kalimantan Timur, 75123 Tel. +62 541 200138, 746807, 745082 Faks. +62 541 201961 | | | |
| Medan Business Centre Komplek Medan Business Centre (MBC), Jln. Let. Jend. S. Parman, Blok A No. 16, Kel. Petisah Tengah, Kec. Medan Petisah, Medan, Sumatera Utara, 20112 Tel. +62 61 4148167, 4148724, 4148743 Faks. +62 61 4148295 | Yos Sudarso Jln. Yos Sudarso No. 36, Samarinda, Kalimantan Timur, 75112 Tel. +62 541 731558, 741586 Faks. +62 541 742274 | Plaza Kebun Sayur Ruko Plaza Kebun Sayur No. T.36, Jln. Jend. Suprpto, Kel. Baru Ilir, Kec. Balikpapan Barat, Balikpapan, Kalimantan Timur, 76131 Tel. +62 542 748073 Faks. +62 542 748074 | | | |
| Pulo Brayan Jln. K.L. Yos Sudarso No. 18 A, Kel. Pulo Brayan Kota, Kec. Medan Barat, Medan, Sumatera Utara, 20116 Tel. +62 61 6611688, 6611911 Faks. +62 61 6636922 | Jend. Sudirman Jln. Jend. Sudirman No. 1031 D-E, Palembang, Sumatera Selatan, 30126 Tel. +62 711 358682 , 358411, 358572,364952 Faks. +62 711 354891 | Gunung Sari Jln. Jend. A. Yani No. 267, Balikpapan, Kalimantan Timur, 76121 Tel. +62 542 732531 Faks. +62 542 732534 | | | |
| | R. Sukamto Jln. R. Sukamto No. 106 C, RT. 008 / 004, Kel. 8 Ilir, Kec. Ilir Timur II, Kotamadya Palembang, Sumatera Selatan, 30114 Tel. +62 711 369843 Faks. +62 711 367072 | | | | |

Bank’s Supporting Professionals

Bank’s supporting professionals or institutions are as follows:

Public Accountant
Purwantono, Sungkoro & Surja (Ernst & Young Indonesia)

Gedung Bursa Efek Indonesia Tower 2, Lt.7
Jln. Jenderal Sudirman Kav.52-53
Jakarta 12190, Indonesia
Tel : (021) 52895000
Fax : (021) 52894100

Rating Agency
PT Fitch Ratings Indonesia
DBS Bank Tower Lt.24, Suite 2403
Jln. Prof Dr. Satrio Kav3-5
Jakarta 12940, Indonesia
Tel: (021) 29886800
Fax: (021) 29886822

Share Registrar
PT Sirca Datapro Perdana
Wisma Sirca, Jln. Johar, No. 18, Menteng, Jakarta, 10340, Indonesia
Tel: (021) 3140032
Fax: (021) 3900652

Trustee
PT Bank Permata Tbk.
PermataBank Tower 3 Lantai 14
Jl. MH. Thamrin Blok B 1 No. 1
Pusat Kawasan Niaga Bintaro Jaya Sektor VII
Tangerang 15244
Telp : (021) 7455888
Fax : (021) 7459888

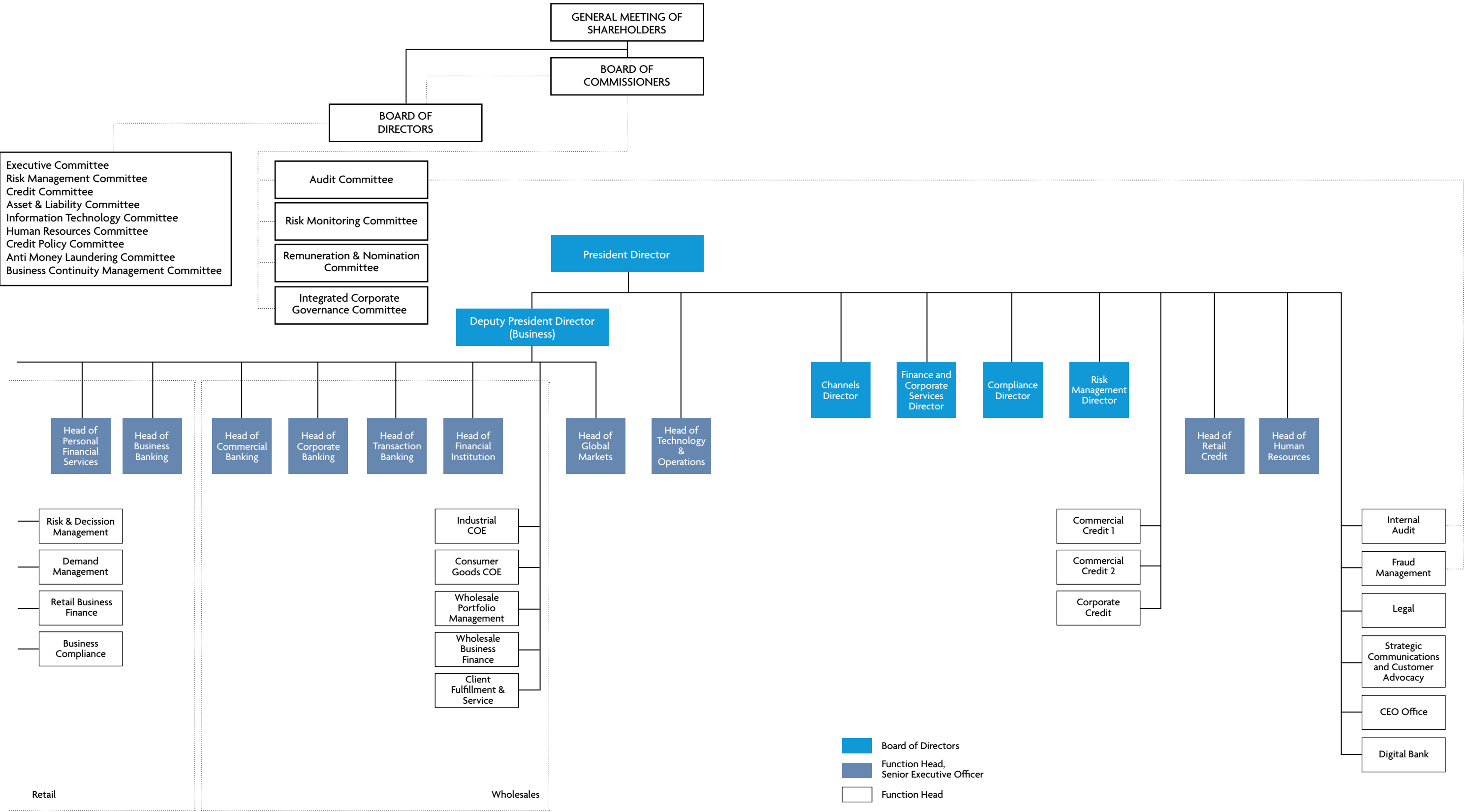
PT Bank Mandiri (Persero) Tbk.
Plaza Mandiri, Lantai 22
Jl. Jenderal Gatot Subroto Kav. 36-38
Tel: (021) 524 5161, 526 8216
Faks: (021) 526 8201

Legal Counsellor
Hiswara Bunjamin & Tandjung
Gedung BRI II 23rd Floor
Jl. Jenderal Sudirman Kav. 44-46
Jakarta 10210, Indonesia
Tel: (021) 574 4010
Fax: (021) 574 4670

Public Notary
Kantor Notaris Ashoya Ratam, SH, MKn
Jl. Suryo No. 54, Kebayoran Baru
Jakarta 12180, Indonesia
Tel: (021) 2923 6060
Fax: (021) 2923 6070

Organizational Structure

PT Bank UOB Indonesia's organizational structure as of 31 December 2017 is as follows:



Corporate Identity

| | |
|---------------------------|--|
| Corporate Name | PT Bank UOB Indonesia |
| Commercial Name | UOB Indonesia (UOBi) |
| Line of Business | Banking Industry |
| Entity Status | Limited Liability Company |
| Corporate Name Changes | PT Bank Buana Indonesia (August 1956) PT Bank UOB Buana Tbk (January 2007) PT Bank UOB Indonesia (May 2011) |
| Head Office | UOB Plaza Jl. M.H. Thamrin No. 10 Jakarta 10230 Indonesia |
| Phone Number | +62 21 2350 6000 (hunting) |
| Fax Number | +62 21 2993 6632 |
| Call center | 14008 |
| Email | uobcare@uob.co.id |
| Website | www.uob.co.id |
| Establishment Date | 31 August 1956 |
| Operation Date | 1 November 1956 |
| Establishment Legal Basis | <ul style="list-style-type: none">• Deed of Establishment No. 150 dated 31 August 1956 of Eliza Pondaag, S.H.• Decree Letter of Minister of Justice of the Republic of Indonesia No. J.A.5/78/4 dated 24 October 1956• State Gazette No. 96 dated 30 November 1956• Supplementary State Gazette No. 1234 dated 30 November 1956 |
| Authorized Capital | IDR9,000,000,000,000 Consists of 36,000,000,000 shares with nominal value of IDR250 per share |
| Paid Up Capital | 9,553,885,804 number of shares or equivalent to IDR2,388,471,451,000 |
| Tax Number | 01.308.443.9.091.000 |
| Business License | No. 13/34/KEP.GBI/2011 dated 19 Mei 2011 |
| Total Offices | 1 Head Office, 41 Branch Offices and 137 Sub-branch Offices |
| Total ATM Network | 160 ATMs |
| Operations Area | 30 cities in 18 provinces in Indonesia |
| Total Employees | 4,028 employees as of 31 December 2017 |
| Shareholders | <ul style="list-style-type: none">• UOB International Investment Private Limited, Singapore 68.943 per cent• United Overseas Bank Limited, Singapore 30.056 per cent• Sukanta Tanudjaja 1.000 per cent• Others 0.001 per cent |

Line of Business

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 bank based on Bank Indonesia (BI) Governor Decree No. 9/39/KEP/DIR/UD dated 22 July 1976. The Bank's detailed business activities are as follows:

- a. Collecting funds from the public in the form of current account, time deposits, certified deposits, saving accounts and/or other similar accounts
- b. Disbursing loans
- c. Issuing bonds
- d. Purchasing, selling or guaranteeing on behalf of the Bank's risk or for the customers' interest and order:
 1. Bill letters including the bills accepted by the bank with a maturity no longer than the usual period for trading bills
 2. Warrants and other equal letters with a maturity no longer than the usual period for trading warrants
 3. State Treasury Bills and Government Certificates
 4. Bank Indonesia Certificates (*Sertifikat Bank Indonesia - SBI*)
 5. Bonds
 6. Securities
 7. Other securities instruments.
- e. Transferring cash both for the Bank or the customer's interest
- f. Investing funds, borrowing funds from, or lending funds to other banks, either under a letter, means of telecommunication or warrant, cheque or other instruments
- g. Accepting payments of securities' bills and calculating compensation with or among third parties
- h. Providing a place to deposit goods and securities
- i. Providing a place to deposit third parties' goods based on a contract
- j. Placing funds from the customers to other customers as securities which are not listed on the stock exchange
- k. Disbursing financing and/or performing other activities including activity based on sharia principles, based on Bank Indonesia regulations
- l. Performing factoring, credit card business and trustee activity
- m. Performing activity on Foreign Currency by complying with Bank Indonesia Regulations
- n. Performing a capital participation in bank or other financial institutions such as through leasing, venture capital, securities companies, insurance, clearing agencies as well as depository and settlement institutions based on the prevailing Law and Bank Indonesia Regulations
- o. Performing temporary capital investment activity to overcome loan defaults, including sharia financing defaults under term that the bank has to divest its shares, based on prevailing law and Bank Indonesia regulations
- p. Acting as a founder of the Pension Fund and Pension Fund Committee according to prevailing Law
- q. Commencing other business which is usual to be carried by a commercial, conventional or sharia bank both domestically and internationally.

Products and Services

UOB Indonesia's list of products and services are as follows:

Loan Products

- UOB Housing Loan (*Kredit Kepemilikan Rumah - KPR*)
- UOB Multi-Finance Loan (*Kredit Multi Guna - KMG*)
- Current Account Loan (Rupiah and FX)
- Revolving Credit Facility
- Fixed Loan
- Fixed Asset Investment Loan
- Business Vehicle Financing
- Construction Investment Loan
- Heavy Equipment Financing
- Property Business Financing
- Installment Loan (Rupiah and FX)
- 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 Lady's Card
 - UOB One Card
 - Corporate Credit Card, such as Corporate Card, Purchasing/D-Card and Business
- Business Express
- Business Solution
- Letter of Credit (LC)
- Shipping Guarantee
- Bank Guarantee – Standby Letter of Credit
- Invoice Financing
- Trust Receipt
- Pre Export Financing
- Early Payment Discount
- Credit Bills Purchased
- Bill of Exchange Purchase
- Financial Supply Chain Management (FSCM) Products:
 - PO Financing
 - Account Receivable Purchase
 - Dealer Financing
- Contract Financing
- Secured Back to Back

Funding Products

- Time Deposit (Rupiah and FX)
- U-Save
- UOB Gold Saving Account
- UOB High Yield Account
- UOB Staff Account
- TabunganKu
- UOB U-Plan
- Rekening Valas Produktif
- Current Account (Rupiah and Foreign Currency)
- Giro UOB
- UOB FlexiYield
- Giro88
- TabunganBiz88

Services

- Safe Deposit Box
- Wesel and Inkaso Facility (FX)
- Bills Collection Facility (FX)
- Bank Draft (FX)
- Inward and Outward Transfer (Rupiah and Foreign Currency)
- Inward and Outward Collection
- Transfer LC
- Clearing
- UOB Bill Pay: PLN, Telkom, Telkomsel, Indosat, XL and Indovision
- UOB ATM and Debit Card
- Bills Payment Autodebit
- 24 Hours Call Centre (14008)
- Escrow Account
- Cash Pick-up
- Liquidity Management Solution (LMS)
- UOB Virtual Account
- Business Internet Banking Plus (BJB Plus)
- Tax Payment/State Acceptance with MPN Gen 2
- Personal Internet Banking
- Bulk Payment/Payroll
- FX Electronic Dealing System (FEDS)

Investment Products

- Mutual Fund Selling Agent
- Indonesia Retail Bond (ORI) and Retail Islamic Bond (SUKUK) Sales Agent
- UOB Maxi Yield

Insurance Products

- UOB Indonesia teams up with insurance companies to provide financial solution for customers by offering life and health insurance products with single or periodic premium payment

Treasury Products

- Foreign Exchange (FX): Value Today, Value Tomorrow and Value Spot
- Derivative Transactions: Forward, Swap, Interest Rate Swap (IRS) and Cross Currency Swap (CCS), Plain Vanilla FX Options
- Structured Product: UOB MaxiYield
- Indonesian Government Bonds (Retail Bonds): Primary Market and Secondary Market Transactions





PT Bank UOB Indonesia

Head Office

UOB Plaza

Jl. M.H. Thamrin No. 10

Jakarta 10230

Tel (62) 21 2350 6000

Fax (62) 21 2993 6632

www.uob.co.id