



PT Bank UOB Indonesia
Annual Report 2018



“/”

Joanne Pang Rui Yun

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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“/”

by Joanne Pang
Mixed media on cotton
140 x 150 cm

Ms Pang's painting, “/”, is the design inspiration for this year's Annual Report. The artist is a lecturer at LASALLE College of the Arts in Singapore and her painting received the Gold award in the Established Artist Category in the 2018 UOB Painting of the Year (Singapore) competition.

The painting title is also meant to be read as “either... or” and represents a strike in motion. It reflects the artist's movements between action and inaction during the painting process as well as captures the concept of time passing and stopping. Through technique and medium, her painting strokes express the impact of force, dynamism and transformation.

The essence of the painting captures UOB's approach to banking where due consideration is given before timely decisions are made for optimal impact.

UOB's support of art is a natural extension of our commitment to our stakeholders in the communities in which we operate. The UOB Painting of the Year competition, in its 37th year in 2018, 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, the Bank changed its status to a public company through an initial public offering of 194 million shares to public. In 2007, the Bank changed its name into PT Bank UOB Buana Tbk and at the Bank's General Meeting of Shareholders in 2008 approved the change of the Bank's status from a publicly listed to private company and delisted the Bank's shares on Indonesia Stock Exchange. On 30 June 2010, the Bank accepted the 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. The Bank focuses on creating long-term value for its stakeholders and is determined to be a significant and trusted bank by providing a wide range of products and services to meet our 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 a head office, 41 branch offices, 137 sub-branch offices and 160 automatic teller machines across 30 cities in 18 provinces in Indonesia. This network is complemented 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 an innovative and sustainable value for the stakeholders through its comprehensive suite of products and services, robust information technology systems, sound capital management and highly qualified employees. The Bank gives back to the community through its corporate social responsibility programme which 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 IDR2 billion through our annual fundraising activity, the UOB Heartbeat Run/Walk.

Vision

To be a significant bank in Indonesia, a key part of the UOB Group, valued by our customers, staff, shareholders, and regulators and admired by the public, as a trusted long term banking institution .

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

(in Billion Rupiah)

Description	31 December				
	2018	2017	2016	2015	2014*
Assets					
Cash	519	398	536	516	591
Current accounts with Bank Indonesia	6,036	6,072	5,724	5,454	5,328
Current accounts with other banks	680	2,453	1,098	704	1,242
Placements with Bank Indonesia and other banks	2,204	3,417	3,321	2,856	5,238
Trading securities and financial investments - net	15,932	16,069	12,918	11,936	7,028
Receivables on securities purchased with agreements to resell	907	1,015	1,902	-	-
Derivatives receivable	668	146	202	142	239
Loans - net	72,308	61,998	64,699	60,573	55,833
Acceptance receivable - net	2,175	1,826	1,749	2,613	3,133
Deferred tax assets - net	136	95	36	-	-
Fixes assets - net book value	1,118	1,063	1,093	1,135	989
Other assets - net	993	692	816	718	429
Total assets	103,676	95,244	94,094	86,647	80,050
Liabilities and equity					
Current liabilities	148	149	101	62	68
Demand deposits	11,401	11,258	9,488	6,887	7,247
Savings deposits	16,231	14,850	16,144	12,624	9,834
Time deposits	49,690	48,939	47,373	44,946	46,154
Deposits from other banks	3,142	2,315	3,642	5,507	1,000
Taxes payable	85	65	145	211	120
Derivatives payable	619	106	194	143	256
Liabilities on securitites sold under repurchase agreements	580	-	339	-	-
Interests payable	248	226	211	243	218
Acceptances payable	2,203	1,843	1,771	2,644	3,136
Borrowings	3,200	333	-	-	328
Deferred tax liability - net	-	-	-	26	102
Liabilities for employee's benefits	278	328	209	186	208
Debt securities issued - net	3,791	3,389	3,185	2,488	994
Other liabilities	683	496	471	412	401
Total liabilities	92,299	84,297	83,273	76,379	70,066
Total equity	11,377	10,947	10,821	10,268	9,984
Total liabilities and equity	103,676	95,244	94,094	86,647	80,050

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

Statement of Profit or Loss and Other Comprehensive Income

(in Billion Rupiah)

Description	For the Year Ended 31 December				
	2018	2017	2016	2015	2014*
Interest income	7,319	7,268	7,404	7,193	6,835
Interest expense	(3,715)	(3,757)	(3,867)	(4,116)	(3,819)
Net interest income	3,604	3,511	3,537	3,077	3,016
Other operating income - net	856	794	792	681	542
(Provision for) reversal of impairment losses	(667)	(1,255)	(959)	(656)	(469)
Other operating expenses	(3,111)	(2,745)	(2,712)	(2,471)	(2,182)
Operating income	682	305	658	631	907
Non operating income - net	28	4	12	7	26
Income before tax expense	710	309	670	638	933
Tax expense	(199)	(231)	(191)	(175)	(249)
Income for the year	511	78	479	463	684
Other comprehensive income for the year - net of tax	(81)	43	74	(43)	83
Total comprehensive income for the year	430	121	553	420	767
Net profit attributable to:					
Owner entity	511	78	479	463	684
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the year attributable to:					
Owner entity	430	121	553	420	767
Non-controlling interests	-	-	-	-	-
Net income per share (full amount)	54	8	50	48	72

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

PT Bank UOB Indonesia

Financial and Operational Highlights

Financial Ratios

(in Billion Rupiah, unless otherwise stated)

Description	31 December				
	2018	2017	2016	2015	2014*
Capital Adequacy Ratio (CAR)	15.37%	17.08%	16.44%	16.20%	15.72%
CAR Tier I	13.11%	14.41%	14.30%	13.92%	13.24%
CAR Tier II	2.26%	2.67%	2.14%	2.28%	2.47%
Gross fixed assets to capital	18.35%	16.81%	16.47%	16.44%	15.92%
Gross fixed assets	2,425	2,181	2,049	1,943	1,676
Capital	13,213	12,973	12,440	11,816	10,528
Capital adequacy ratio (CAR) for credit risk**	17.44%	19.26%	18.23%	18.03%	17.31%
Capital adequacy ratio (CAR) for credit risk and market risk**	16.93%	18.95%	18.07%	17.78%	17.25%
Capital adequacy ratio (CAR) for credit risk, market risk and operational risk**	15.37%	17.08%	16.44%	16.20%	15.72%
Assets quality					
Non-performing earning assets and non-performing non-earning assets to total earning assets and total non-earnings assets	0.57%	0.51%	1.63%	1.49%	2.17%
Non-performing earning assets to total earnings assets	1.09%	0.80%	2.50%	2.13%	3.10%
Allowance for impairment losses for financial assets to earning assets	1.50%	1.26%	1.34%	1.06%	0.97%
Non-performing loans - gross	1.42%	1.09%	3.24%	2.68%	3.72%
Non-performing loans - net	0.89%	0.93%	2.61%	2.17%	2.85%

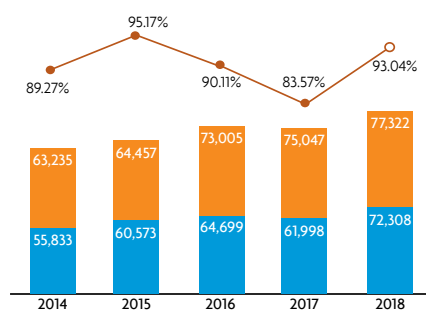
* After the restatement adjustments for adopting SFAS No. 24 (revised in 2013).

** Calculated in accordance with Bank Indonesia/OJK Regulation.

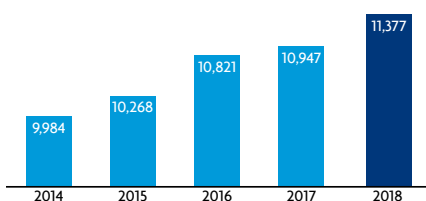
Financial Ratios

Description	31 December				
	2018	2017	2016	2015	2014*
Earnings					
Return on assets (ROA)	0.71%	0.32%	0.77%	0.77%	1.24%
Return on equity (ROE)	4.61%	0.70%	4.49%	4.82%	7.57%
Net interest margin (NIM)	3.79%	3.85%	4.31%	3.97%	4.21%
Operating expense to operating income (BOPO)	97.08%	97.81%	95.90%	96.46%	90.53%
Liquidity					
Loans to deposit ratio (LDR)	93.04%	83.57%	90.11%	95.17%	89.27%
Low cost fund (CASA) ratio	35.74%	34.79%	35.11%	30.27%	27.01%
Compliance					
Violation of legal lending limit	0.00%	0.00%	0.00%	0.00%	0.00%
Lending in excess of the legal lending limit	0.00%	0.00%	0.00%	0.00%	0.00%
Minimum reverse requirement (GMW): IDR					
Primary statutory reserve	6.60%	6.78%	6.84%	7.59%	8.10%
Secondary statutory reserve	-	19.48%	14.79%	15.45%	9.62%
Macroprudential liquidity buffer	18.81%	-	-	-	-
Macroprudential intermediation ratio	87.64%	-	-	-	-
Foreign currencies	8.10%	8.18%	8.85%	8.10%	8.10%
Net open positions (NOP) Aggregate	8.13%	2.22%	0.62%	0.63%	1.79%
Growth ratios					
Net interest income	2.65%	-0.74%	14.95%	2.02%	5.97%
Operating income	123.61%	-53.65%	4.28%	-30.43%	-39.25%
Net income	555.13%	-83.72%	3.46%	-32.31%	-40.42%
Total assets	8.85%	1.22%	8.59%	8.24%	12.14%
Total liabilities	9.49%	1.23%	9.03%	9.01%	12.71%
Total equity	3.93%	1.16%	5.39%	2.84%	8.32%
Others					
Debt to equity	811.28%	770.05%	769.55%	743.85%	701.78%
Debt to assets	89.03%	88.51%	88.50%	88.15%	87.53%
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

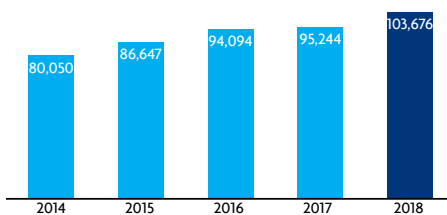
*After the restatement adjustments for adopting SFAS No 24 (Revised in 2013).



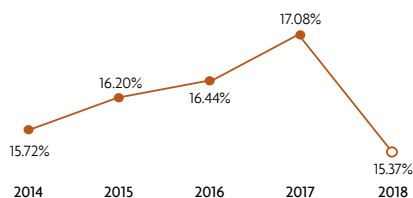
Deposits	IDR77,322 billion	▲	3.0%
Loans - net	IDR72,308 billion	▲	16.6%
LDR	93.04%	▲	9.47%



Total equity	IDR11,377 billion	▲	3.9%
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Total assets	IDR103,676 billion	▲	8.9%
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Capital adequacy ratio (CAR)	15.37%	▼	1.71%
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Share Listing Chronology

Corporate Actions	Distribution Dates	New Shares (Shares)	Paid Capital (Shares)	Nominal Price (IDR)
Shares initial public offering	20 July 2000	194,000,000	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	5,398,922,132	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

Bonds Listing

As of 31 December 2018, we had a number of outstanding bonds, listed in the Indonesia Stock Exchange, with interest ranging from 6.15 per cent up to 11.35 per cent. In line with the Bank's business performance, our bonds were ranked AA (idn) and AAA (idn) by the Fitch Ratings. UOB Indonesia has paid IDR600 billion to the bondholders in 2018, for the matured Senior Debt I Bank UOB Indonesia Series B 2015. In 2019, we will have IDR1,462 billion bonds maturing on 3 June 2019 by IDR862 billion and 25 November 2019 by IDR600 billion.

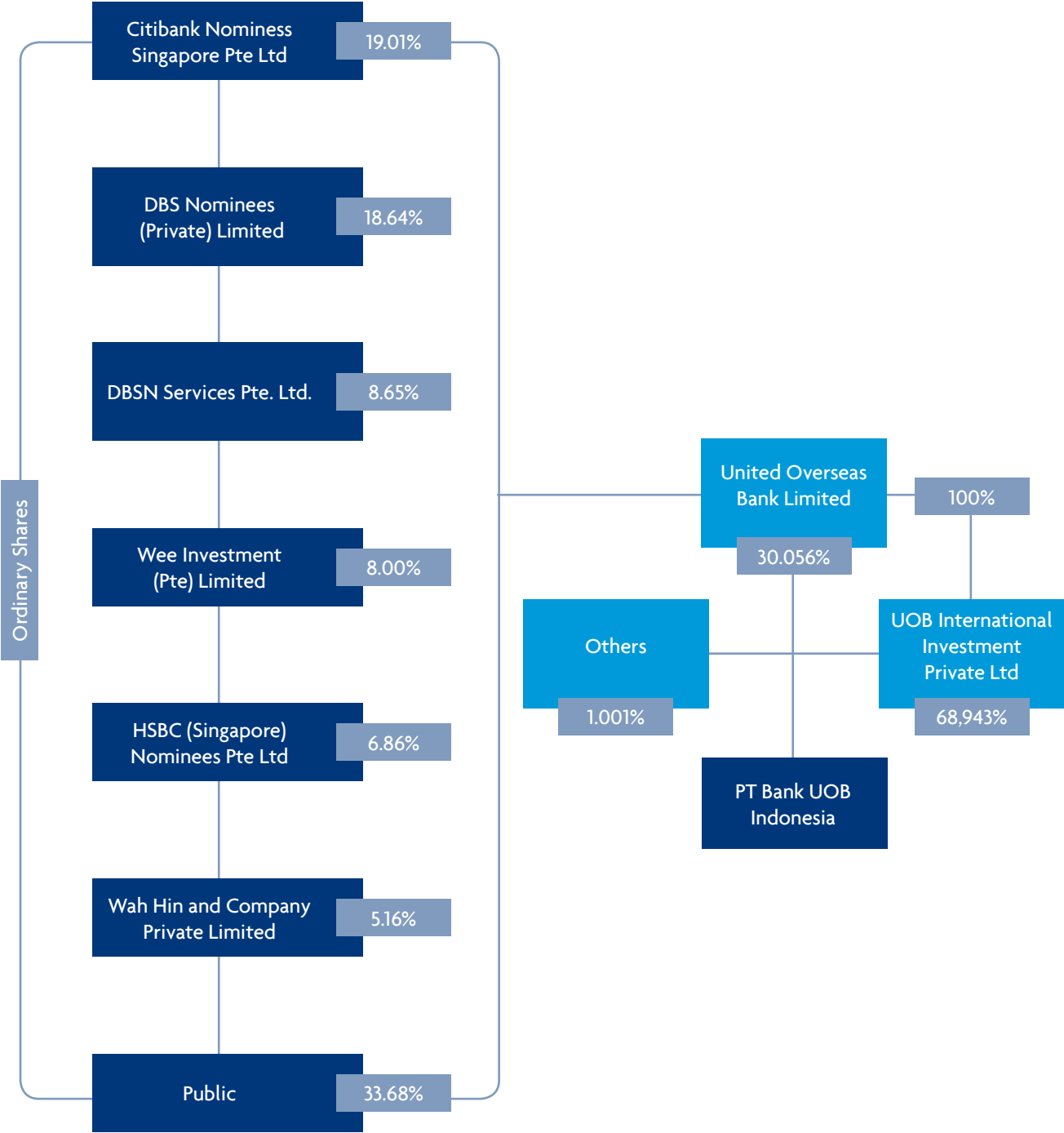
UOB Indonesia's Outstanding and Matured Bonds, as of 31 December 2018

Type	Date of Emission	Maturity	Value (in Billion Rupiah)	Due Date	Coupon	Rating	Listing
Outstanding							
Subordinated Debt I Bank UOB Indonesia	28 May 2014	7 years	1,000	28 May 2021	11.35% p.a	AA (idn) Fitch Ratings	Indonesia Stock Exchange
Senior Debt I Bank UOB Indonesia Series C 2015	1 April 2015	5 years	500	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	25 November 2019	8.00% p.a	AAA (idn) Fitch Ratings	Indonesia Stock Exchange

Type	Date of Emission	Maturity	Value (in Billion Rupiah)	Due Date	Coupon	Rating	Listing
Bank UOB Indonesia Senior Debt Shelf Offering I Phase I 2016 Series C	25 November 2016	5 years	100	25 November 2021	8.25% p.a	AAA (idn) Fitch Ratings	Indonesia Stock Exchange
Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016	25 November 2016	7 years	100	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	17 October 2024	9.25% p.a	AA (idn) Fitch Ratings	Indonesia Stock Exchange
Bank UOB Indonesia Senior Debt Shelf Offering I Phase II 2018 Series A	23 May 2018	370 days	862	3 June 2019	6.15% p.a	AAA(idn) Fitch Ratings	Indonesia Stock Exchange
Bank UOB Indonesia Senior Debt Shelf Offering I Phase II 2018 Series B	23 May 2018	3 years	83	23 May 2021	7.40% p.a	AAA(idn) Fitch Ratings	Indonesia Stock Exchange
Bank UOB Indonesia Senior Debt Shelf Offering I Phase II 2018 Series C	23 May 2018	5 years	55	23 May 2023	7.65% p.a.	AAA(idn) Fitch Ratings	Indonesia Stock Exchange
Matured							
Bank Buana Indonesia Subordinated Bonds I	15 July 2004	10 years (5th year, purchase option)	300	14 July 2014 (Purchase option 14 July 2009) – early settlement on 14 July 2009	13.25% p.a (years 1st-6 th); 22.05% p.a (6 th - 10 th)	Id A+ (Stable) Pefindo	Indonesia Stock Exchange
Senior Debt I Bank UOB Indonesia Series A 2015	1 April 2015	370 days	400	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	5 December 2017	7.20% p.a	AAA (idn) Fitch Ratings	Indonesia Stock Exchange
Senior Debt I Bank UOB Indonesia Series B 2015	1 April 2015	3 years	600	1 April 2018	9.40% p.a	AAA (idn) Fitch Ratings	Indonesia Stock Exchange

Shareholders Structure

United Overseas Bank Limited shareholders composition as of 5 March 2019.



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 provide banking services for the merchant community in Singapore.

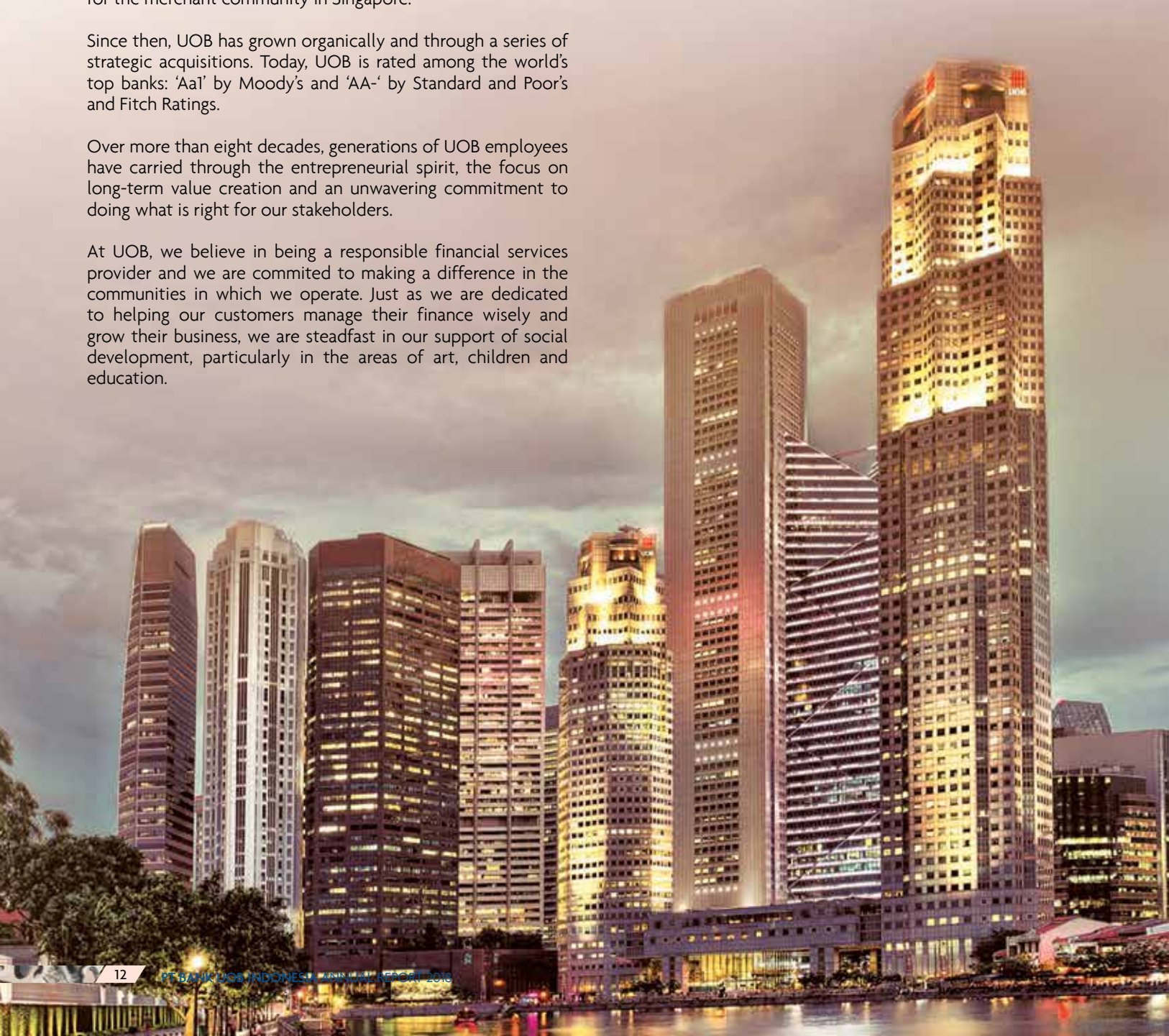
Since then, UOB has grown organically and through a series of strategic acquisitions. Today, UOB is rated among the world's top banks: 'Aa1' by Moody's and 'AA-' by Standard and Poor's and Fitch Ratings.

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 doing what is right for our stakeholders.

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

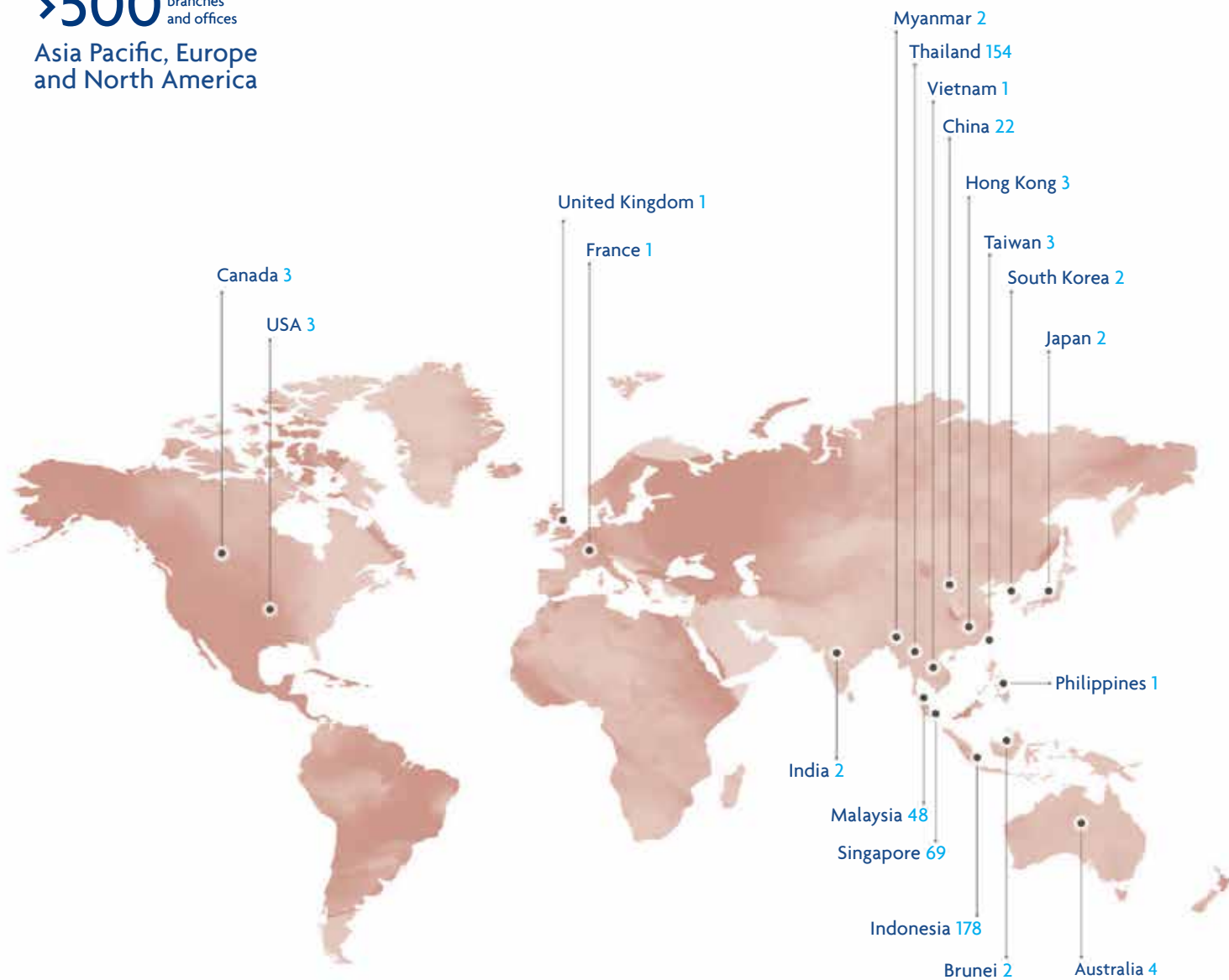
What We Do

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
Asia Pacific, Europe and North America



United Overseas Bank Limited

Financial Highlights

Five-Year Group Financial Summary

Description	31 December				
	2018	2017	2016	2015	2014
Account Profit or Loss Items (in Million Dollar Singapore)					
Total income ¹	9,116	8,563	7,790	7,807	7,258
Total expenses ¹	4,003	3,739	3,425	3,356	2,947
Operating profit ¹	5,113	4,824	4,365	4,451	4,311
Net profit after tax ²	4,008	3,390	3,096	3,209	3,249
Account Balance Items (in Million Dollar Singapore)					
Net customer loans	258,627	232,212	221,734	203,611	195,903
Customer deposits	293,186	272,765	255,314	240,524	233,750
Total assets	388,099	358,592	340,028	316,011	306,736
Shareholders' equity ²	37,628	36,850	32,873	30,768	29,569
Financial Indicators (%)					
Expense/income ratio	48.6	45.5	45.9	44.7	42.2
Non-performing loans ratio	1.5	1.8	1.5	1.4	1.2
Return on average ordinary shareholders' equity	11.3	10.2	10.2	11.0	12.3
Return on average total assets	1.07	0.98	0.95	1.03	1.10
Return on average risk-weighted assets	1.93	1.63	1.51	1.74	1.94
Capital adequacy ratios					
Common Equity Tier 1	13.9	15.1	13.0	13.0	13.9
Tier 1	14.9	16.2	13.1	13.0	13.9
Total	17.0	18.7	16.2	15.6	16.9
Per ordinary share					
Basic earnings (in Million Dollar Singapore)	2.34	1.99	1.86	1.94	1.98
Net asset value (in Million Dollar Singapore)	21.31	20.37	18.82	17.84	17.09
Net dividend (cents) ³	120	100	70	90	75
Dividend cover (times) ³	2.00	2.04	2.73	2.22	2.70

¹ With effect from 1 January 2018, operating profit is presented net of fee and commission expense. The comparative figures have been restated to conform with the current period's presentation

² Relates to the amount attributable to equity holders of the Bank.

³ 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 2018

UOB Indonesia Celebrated Series of Big Day Events to Enliven and Respect Cultural Diversity

Lunar New Year

February 2018

UOB Indonesia celebration of togetherness with customers and colleagues to signify good luck and prosperity.



Idul Fitri Celebration

June 2018

UOB Indonesia shared breakfast with the orphans, offered a 4-day daycare facility for colleagues' children and provided free transportation to colleagues' homecoming to their cities and villages.



Christmas Celebration

December 2018

UOB Indonesia's colleagues celebrated Christmas and conducted a fundraising for Melati Taman Baca foundation.



UOB Indonesia Embarked on Strategic Partnerships



May 2018

A memorandum of understanding with PT Satria Bahana Sarana on a Short-term Trade Working Capital Loan and cash management services.

A strategic partnership with one of the largest co-working spaces in Indonesia, COCOWORK, through UOB x COCOWORK workspace.

August 2018



August 2018

UOB and the Investment Coordinating Board of the Republic of Indonesia reaffirmed their joint commitment to promote Foreign Direct Investment (FDI) into Indonesia.

A collaboration with CloseBuy to provide customers with access to property ownership through an integrated property mobile application platform.

September 2018



October 2018

ASEAN Investment Series: Invest in Indonesia – a joint event between UOB Indonesia (UOB), UOB China (UOBC) and the Indonesia Investment Coordinating Board of the Republic of Indonesia/*Badan Koordinasi Penanaman Modal* (BKPM) in Guangzhou, China, to explore investment opportunities in Indonesia.

A memorandum of agreement with the State Electricity Company/*Perusahaan Listrik Negara* (PLN) for issuance on Bank Guarantee (BG).

December 2018



UOB Indonesia's 62nd Anniversary and Independence Day of Republic of Indonesia

August 2018

UOB Indonesia colleagues celebrated the 62nd anniversary of UOB Indonesia and launched the *Right by Every Generation* Brand Campaign, while commemorating the 73rd anniversary Independence Day of Indonesia.



UOB Indonesia Launched New Products and Services to Provide Customers with Innovative Solutions



May 2018

YOLO Card, the newly launched credit card to meet the needs of financially - independent millennials in pursuing their goals.

May 2018
The launch of USD RI6HTMAX, a foreign currency investment solution.



June 2018

The launch of Big Bang Saving programme offering attractive prizes to customers opening new U-Save accounts.

September 2018
The UOB One Card re-launched with upgraded features to meet the needs of young families.



October 2018

'Blast of Surprise 2.0', a year-end promotion programme for UOB Indonesia credit card members with an array of interesting prizes.

UOB Indonesia Held Series of Events to Deepen Customer Relationships



October 2018

The Annual 2018 UOB Invitational Golf Tournament, exclusively for Commercial Banking clients to strengthen business relationships and explore opportunities.

UOB Indonesia Economic Outlook 2019 - Riding the wave of progressive economic growth, held in Jakarta and Surabaya, attended by notable government officials, and aimed to provide a view of Indonesia's economic development in Asia and global market.

October 2018



October 2018

UOB Indonesia's loyal customers invited exclusively to a Conference and Seminar series which takes part in the International Monetary Fund-World Bank Group Annual Meetings 2018.

UOB Indonesia Held Series of Training Programmes for Colleagues and Customer

January 2018

The opening of the UOB Plaza learning centre for colleagues' training and other recreational activities.



April 2018

UOB Indonesia's First Line Managers attended a leadership programme under the theme of *Pencak Silat*, a traditional martial art that is believed to reflect effective leadership principles.

April 2018

Transaction Banking Experience Centre (TBEX) provides product experience training for wholesale banking customers on cash management and trade products.



2018 General Meeting of Shareholders

May 2018

Annual General Meeting of Shareholders at UOB Plaza, Jakarta.



October 2018

Extraordinary General Meeting of Shareholders at UOB Plaza, Jakarta.



Giving Back to the Communities through Art, Children, and Education



January 2018

UOB Indonesia's Commercial Banking colleagues conducted social activities such as assisting children with special needs from Daya Pelita Kasih foundation, in doing cooking and art-making.

July 2018

UOB Indonesia colleagues and customers rallied together for a good cause in the UOB Heartbeat Run/Walk to raise funds to make art and education accessible to students in need.



October and November 2018

UOB awarded Suvi Wahyudianto with the 2018 UOB Painting of the Year (Indonesia) and UOB Southeast Asian Painting of the Year title. This marked the fifth time an Indonesian artist won the regional prize.

July 2018

As a Major Education Partner of Museum MACAN, UOB supported the artistic progress of 2016 UOB Southeast Asian Painting of the Year winner Gatot Indrajati, through the UOB Museum MACAN Children's Art Space Commission.



August 2018

UOB Indonesia conducted a special exhibition at Art Jakarta 2018 to showcase the works of UOB Painting of the Year winners.

November 2018

UOB Indonesia's art exhibition was held at the National Gallery of Indonesia, showcasing 50 winning and finalists' artworks from the 2018 UOB Painting of the Year (Indonesia) competition.



Awards

In recognition of its efforts to deliver products and services to clients, UOB Indonesia garnered a number of awards in 2018, as presented in this section.



April 2018

The Asset

The Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards:

1. Best in Treasury and Working Capital, LLCs – Indonesia;
2. Best Service Provider, Cash Management—Indonesia;
3. Best Supply Chain Solution (Indonesia)—PT Eurokars Motor Indonesia;
4. Best Cash Management Solution (Indonesia)—PT Primantara Wisesa Sejahtera;
5. Best Cash Management Solution (Indonesia)—PT Travel Recommends Indonesia;
6. Best Cash Management Solution (Indonesia)—PT McConnell Dowell Indonesia;
7. Best Structured Trade Finance Solution (Indonesia)—PT Hutama Karya (Persero);
8. Best Supply Chain Solution (Regional)—Philips Lighting.



April 2018

Carre Centre for Customer Satisfaction Loyalty and Service Excellence Magazine

Contact Center Service Excellence Award 2018:
Regular Credit Card and Regular Banking.



May 2018

SWA Magazine in collaboration with Lembaga Manajemen Fakultas Ekonomi Universitas Indonesia

HR Excellence Award 2018

1. Learning and Development with rating A;
2. HR Technology with rating A;
3. HR Transformation with rating BB.

May 2018

The Asian Banker

The Asian Banker's Choice Awards 2018:
The Best Supplier Relationship Management in Indonesia.



July 2018

Asian Banking & Finance (ABF)
Retail Banking Awards 2018

ABF Retail Banking Awards 2018
Employer Award of the Year – Silver.



October 2018

J.P. Morgan

2018 J.P. Morgan MT 202 Elite Quality
Recognition Award.



December 2018

Mastercard

Mastercard Award 2018.
UOB Lady's Card as Best Ladies Card
Programme.

Milestones

1950



1956 The Bank was established and commercial operations started 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.

2000-2018



- 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 Right Issue II.
- 2004
 - 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 Bank UOB Buana Tbk;
 - United Overseas Bank Limited (UOB), through UOB Indonesia, became the majority shareholder of the Bank.
- 2008
 - The Extraordinary General Meeting of Shareholders approved the change of status to a privately-held entity;
 - The UOB share ownership 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 merged with PT Bank UOB Buana.
- 2011 Changed its name to PT Bank UOB Indonesia.
- 2012 The Bank, together with the UOB Group, introduced a new regional-wide uniform for front-liners conveying an impression of professionalism, confidence and outlook for the UOB Group.
- 2013 Core Banking Standardisation project implemented covering infrastructure systems development through to 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;
 - Business Internet Banking (BIB) and Personal Internet Banking (PIB) service platforms launched to improve the Bank's competitiveness and customer service quality.
- 2017 Issuance of Bank UOB Indonesia Subordinated Debt Shelf Offering I Phase II Year 2017.
- 2018 Issuance of Bank UOB Indonesia Senior Bonds Shelf Offering I Phase II Year 2018.

Board of Directors of UOB Indonesia



Board of Directors and Senior Executive Officers of UOB Indonesia





Report of the Board of Commissioner

In 2018, UOB Indonesia continued on its transformation journey. We remained resolute in generating sustainable growth by pacing our investments and placing a priority on improving productivity and our financial performance.



Dear distinguished shareholders,

Over the course of 2018, the Indonesian economy grew moderately to reach an annual growth of 5.17 per cent. There was steady growth in household expenditure as Indonesia's inflation remained subdued and within Bank Indonesia's (BI) target range, standing at 3.13 per cent at the year-end. The controlled inflation was the result of low core inflation and lower volatile food inflation, and was also supported by the decline in world oil prices.

Indonesia's current account deficit widened in 2018 - from a deficit of USD16.20 billion in 2017 to USD31.106 billion in 2018. This was largely the result of significant capital outflows triggered by rising US interest rates and simmering trade tensions between the US and China. BI responded by raising its benchmark interest rate by 175 basis points to 6 per cent to stabilise the Rupiah currency.

Amid this backdrop, UOB Indonesia continues to focus on strengthening its balance sheet as we maintain a long-term view to building our business. We kept Non-Performing Loan (NPL) gross ratio low at 1.4 per cent and increased our Non-Interest Income (Non-NII) by 10 per cent through higher credit card, trading and investment and wealth management income. We also maintained a healthy Loan-to-Deposit Ratio (LDR) at 93.04 per cent through effective loan and deposit growth. In addition, UOB Indonesia strengthened and diversified its funding structure to support business expansion by issuing Senior Bond II with a maximum target amount of IDR3 trillion for the period of 2018 – 2020.

Creating sustainable business growth

In 2018, UOB Indonesia continued on its transformation journey. We remained resolute in generating sustainable growth by pacing our investments and placing a priority on improving productivity and our financial performance.

We assessed new business opportunities and initiatives prudently, always considering not only the rewards but also the risks. Through our established and integrated regional network, we continued to support Indonesian businesses as they expand across Asia. We also helped the growth of Indonesian small-and-medium- sized enterprises domestically and continued to deepen our relationships with retail customers as we offered financial products and services suited to their lifestyles and lifestyle needs.

We increased our investments in the Bank's technology infrastructure to meet customers' needs and create a platform for future growth. On the innovation front, UOB Indonesia entered into strategic alliances with digital ecosystem partners such as e-commerce companies, start-ups and co-working spaces. We also established a Digital Bank unit to prepare for launch of our mobile-only bank tailored, for Indonesia's digital generation.

UOB Indonesia is committed to investing in training and development programmes to ensure our people have the skills necessary for the future. We continued to run programmes under UOB+you, our employee value proposition which enables us to attract, to retain and to engage local talents.

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, our customers and the community. In fulfilling the Bank's corporate social responsibility, UOB Indonesia has been bringing the community together through its focus on art, children and education.

Good Corporate Governance Implementation

The Board of Commissioners performs a supervisory function to monitor UOB Indonesia's business strategies and policies managed by the Board of Directors. This supervisory role is done with the assistance of the Remuneration and Nomination Committee, Risk Monitoring Committee and Audit Committee, each chaired by an Independent Commissioner.

The Board of Commissioners is committed to best practices in Good Corporate Governance and guides the Board of Directors on embedding sound risk management and strong internal controls in day-to-day operations to ensure that the Bank meets all the compliance requirements as defined by the regulator.

Throughout the year of 2018, the Board of Commissioners and Board of Directors maintained a close working relationship through regular meetings and discussions. UOB Indonesia's Board of Directors drew up plans and strategies for its business development, as well as the targets to be achieved the Board of Commissioners accepted the plan.

Changes in Board of Commissioners

In 2018, there was a change in the Board of Commissioners with Mr Rusdy Daryono retiring as an Independent Commissioner and Mr VJH Boentaran Lesmana being appointed as a new Independent Commissioner through an Annual General Meeting of Shareholders on 9 May 2018. On behalf of the Board of Commissioners, I would like to thank Mr Rusdy Daryono for his valuable contribution during his time with UOB Indonesia.

As at 31 December 2018, 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 Aswin Wirjadi as Independent Commissioner, Mr Wayan Alit Antara as Independent Commissioner, and Mr VJH Boentaran Lesmana as Independent Commissioner.

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

Jakarta, April 2019

Wee Cho Yaw

President Commissioner
PT Bank UOB Indonesia

Report of the Board of Directors

Guided by our time-tested values of Honour, Enterprise, Unity and Commitment, UOB Indonesia improved in all financial performance measures as we continued to build our business sustainably throughout 2018.



On behalf of the Board of Directors of PT Bank UOB Indonesia ("UOB Indonesia"), I am pleased to present the 2018 Annual Report for the fiscal year ending 31 December, 2018, together with the Consolidated Financial Statements.

In 2018, UOB Indonesia made significant progress against its five year strategic plan. As part of our journey to become a significant bank in Indonesia, we continue to sharpen our capabilities and pace our investments. In all our actions we are guided by UOB's time-tested values of Honour, Enterprise, Unity and Commitment.

Overall UOB Indonesia's performance was robust. This was reflected across financial and non-financial metrics and was the result of the efforts of our colleagues in doing what is right and from the loyal support of our customers.

Economic and Banking Industry in 2018

At the global economy level, the conditions in the United States remained a major concern, with the Federal Reserve raising its benchmark interest rate by 25 basis points (bps) four times in 2018, leading to year-end position of 2.25 per cent to 2.50 per cent. The trade tensions between the United States and China also affected other trading partners, which tested the Indonesian economy.

Despite unstable economic conditions globally, the Indonesian economy grew moderately in 2018 at 5.17 per cent, compared with 5.07 per cent the previous year. Indonesia's inflation in 2018 stood at 3.13 per cent, within Bank Indonesia's (BI) target range of 3.5 +/- 1 per cent. However, one notable challenge for Indonesia is its current account deficit. Imports in 2018 surpassed exports causing an increasingly large trade balance deficit. This became a focus of the Government as it impacted the Rupiah exchange rate. The Rupiah weakened to Rp14,390 against the US Dollar at the end of 2018, the lowest level since the 2008 global financial crisis. This has resulted in a more challenging environment for domestic industries that rely on importing raw materials.

To anchor stability in the Rupiah, BI tightened its monetary policy by increasing its benchmark interest rate by 175 bps to 6 per cent, more than the increase in the US Federal Reserve rate.

BI also reported that as of October 2018, overall domestic bank lending grew an average 13.3 per cent year-on-year with a high capital position of 23 per cent and Loan to Deposit Ratio (LDR) at 93.7 per cent. The Financial Services Authority/*Otoritas Jasa Keuangan* (OJK) reported that Indonesia's Non-Performing Loans (NPL) Ratio stood at 2.6 per cent in October 2018.

2018 Financial Performance

In 2018, UOB Indonesia improved in all financial performance measures as we continued to build our business sustainably.

Total assets grew to IDR103,676 billion in 2018, an increase from IDR95,244 billion in 2017. Total loans (net) grew to IDR72,308 billion from IDR61,998 billion in 2017 and total liabilities stood

at IDR92,299 billion compared with IDR84,297 billion the previous year.

As at 31 December 2018, we booked our Income Before Tax at IDR710 billion, which was 230 per cent of what we achieved in the previous year. Total operating revenue amounted to IDR4.46 trillion and total operating expenses amounted to IDR3.78 trillion, resulting in operating income of IDR682 billion.

Loan growth was strong at 17 per cent year-on-year, mostly supported by Wholesale Banking. LDR reached 93.04 per cent as we optimised our increasing deposits that grew 3 per cent year-on-year. The Non Interest Income (Non-NII) to Total Income ratio was 27.7 per cent, an increase from 1.3 per cent last year. Non-Performing Loans (NPL) gross ratio was maintained below 2 per cent, at 1.4 per cent compared to 1.1 per cent last year. Capital Adequacy Ratio (CAR) was 15.4 per cent, lower by 1.7 per cent compared with previous year, and still well above the minimum regulatory requirement.

Non-interest income grew by 10 per cent as a result of growth in wealth management fees of 14.5 per cent year-on-year, Credit Card fees of 18 per cent year-on-year and Trading and Investment Income by 8 per cent year-on-year.

In addition, to support business expansion, it is important that UOB Indonesia continues to strengthen and diversify its funding structure by issuing Senior Debt shelf offering II with the maximum target amount of IDR3 trillion for the period of 2018 – 2020.

Generating Sustainable Growth and Understanding Our Customer's Needs

UOB Indonesia strives to build sustainable growth through a deep understanding of our customers' needs. We do this by fulfilling consumers' financial goals with the right solutions in their preferred manner and by facilitating businesses' growth through cross-border connectivity and specialised sector expertise.

During the year we launched our Right by Every Generation brand campaign to celebrate UOB Indonesia's commitment to be right by customers over the generations while providing financial solutions that are best suited to their needs.

In Wholesale Banking, we upgraded our service capabilities by implementing a new Customer Relationship Management (CRM) system that provides sectorial views, customer insights, leads and activity management. We sharpened our focus on industries including consumer goods, oil and gas, construction and infrastructure and telecommunications, while improving our fee-based income through cash management and trade and finance services. All the while, we maintained asset quality and acquired new customers with good credit quality through our prudent acquisition processes.

In Retail Banking, we continued to attract new-to-bank customers and to maintain customer loyalty by offering products and services to meet customers' lifestyle and life stage needs. We also introduced new products and services in our credit card segment to attract young professionals and young families, as well as enhanced our payment facilities business to gain market share through non-cash payments.

With technological advances accelerating the speed and tenor of change, we ensured that innovation makes banking simpler, smarter and safer for our customers. Our investments focused on enhancing products and solutions, improving customer experience and strengthening our infrastructure to address regulatory changes, data protection and cybersecurity threats. In 2018, on the digital front we continued to harness technology to improve the customer experience. We connected with various industry players, including logistics, e-commerce platforms and gaming industry to provide tailored financial solutions and services such as unsecured loans to e-marketplace merchants through our partnership with FinTech companies.

We also used artificial intelligence and machine learning to develop an alternative digital credit scoring engine to cater for the digital generation who may be new to credit or unable to furnish traditional financial records.

In all that we do, we focus on how best to serve the needs of our customers. In 2018, as part of our Service Excellence programme we continued with our Branded Service training, used Net Promoter Scores to measure internal and external customer satisfaction and advocacy and conducted Fair Dealing surveys to meet our customers' expectations.

Investing in Our People

UOB recognises that people are our most valuable asset. Guided by UOB's values of Honour, Enterprise, Unity and Commitment, we continued to attract, to engage and to retain the best talent to advise and to act in the best interests of our customers.

Our employee value proposition, UOB+you is our commitment to care for our employee's well being and to help them grow professionally.

In 2018, UOB Indonesia launched the U-Bond (UOB Bankers' Orientation Day) induction programme to welcome new employees and to guide them on the Bank's vision, values and culture. We also understand the importance of supporting our employee's career aspirations through our UOB + I Grow programme that helps colleagues prepare for roles in different areas of the bank.

Leaders have the responsibility to demonstrate and to reinforce behaviors that reflect the UOB values. To strengthen the quality of our leaders, we launched two leadership programmes in 2018. The Leadership Right By You - First Line Managers (LRBY FLM) programme challenges leaders to think about the way

they engage with their people through the principles of *pencak silat*. We also conducted a “Manage by Head, Lead by Heart” leadership training programme to build extraordinary leaders.

Recognition and Awards

As part of our commitment to provide the best and contribute positively to our stakeholders, we were granted accolades for cash management, corporate trade finance, service excellence, transaction banking, retail banking and human resources.

1. The Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards :
 - Best in Treasury and Working Capital, LLCs – Indonesia
 - Best Service Provider, Cash Management—Indonesia
 - Best Supply Chain Solution (Indonesia)—PT Eurokars Motor Indonesia
 - Best Cash Management Solution (Indonesia)—PT Primantara Wisesa Sejahtera
 - Best Cash Management Solution (Indonesia)—PT Travel Recommends Indonesia
 - Best Cash Management Solution (Indonesia)—PT McConnell Dowell Indonesia
 - Best Structured Trade Finance Solution (Indonesia)—PT Hutama Karya (Persero)
 - Best Supply Chain Solution (Regional)—Philips Lighting
2. Carre Centre for Customer Satisfaction Loyalty and Service Excellence Magazine: Contact Center Service Excellence Award 2018:
 - Regular Credit Card and Regular Banking
3. The Asian Banker - *The Asian Banker's Choice Awards 2018*:
 - *The Best Supplier Relationship Management in Indonesia*
4. Asian Banking and Finance (ABF) Retail Banking Awards 2018:
 - Employer Award of The Year – Silver
5. 2018 J.P. Morgan MT 202 Elite Quality Recognition Award
6. Mastercard Award 2018:
 - UOB Lady's Card as Best Ladies Card Programme
7. SWA Magazine in collaboration with *Lembaga Manajemen Fakultas Ekonomi Universitas Indonesia* - HR Excellence Award 2018:
 - Learning and Development with rating A
 - HR Technology with rating A
 - HR Transformation with rating BB

Corporate Social Responsibility

The UOB Heartbeat CSR programme focuses on art, children and education and promotes greater partnership, philanthropy and participation to help strengthen community bonds. In 2018, UOB Indonesia's employees contributed more than 1,500 volunteer hours to projects aligned to our CSR pillars.

We believe that through our steadfast support in art and education, we can help open minds and hearts to new ways of thinking, while developing children to their fullest potential. Throughout 2018, UOB Indonesia partnered the Museum of Modern and Contemporary Art in Nusantara (Museum MACAN) in support of its education outreach programmes in Jakarta and greater areas. More than 100,000 people have visited the UOB Museum MACAN Children's Art Space Commission over the last year.

We also partnered the National Gallery of Indonesia to showcase 50 winners and finalists' from the UOB Painting of the Year competition – our flagship art programme. The competition has helped to discover and to nurture artists across the country, including the winners of the UOB Southeast Asian Painting of the Year in 2012, 2014, 2015, 2016, and 2018.

The UOB Heartbeat Run/Walk is one of the avenues for colleagues and customers to jointly take part to help underprivileged children through fundraising activities. This activity brought together more than 2,000 colleagues and customers to make a difference to the local community.

Changes in Board Membership

At an Extraordinary General Meeting of Shareholders on 11 October 2018, there was a change in the Board of Directors following the retirement of Pardi Kendy as Channels Director and the appointment of Paul Rafiuly as Technology and Operations Director. UOB Indonesia hereby expresses its highest appreciation to Pardi Kendy for his valuable contribution and dedication during his tenure.

As at 31 December 2018, the Board of Directors comprised:

President Director	: Lam Sai Yoke
Deputy President Director	: Iwan Satawidinata *
Director	: Muljono Tjandra
Director	: Henky Sulistyo
Compliance Director	: Soehadie Tansol
Director	: Paul Rafiuly

* Mr Iwan Satawidinata effectively resigned from his position as Deputy President Director as of Extraordinary General Meeting of Shareholders on 28 February 2019.

Good Corporate Governance Implementation

The Board of Directors has the responsibility to uphold and implement Good Corporate Governance (GCG) best practices as well as accountability, independence and fairness across the business. The GCG self-assessment conducted in 2018 resulted in a “good” rating. To keep enhancing our GCG standard, a range of strategic programmes have been established to ensure ongoing prudence in risk management, clear policy settings and strong management performance.

Performance of Committees under the Board of Directors

Applying good corporate governance is something we place utmost importance on as we create long-term value for our stakeholders. UOB Indonesia continues to implement good

corporate governance with reference to the provisions set by the Financial Services Authority, Bank Indonesia and upholds the best banking practices in the banking industry.

In 2018, all committees executed governance, as well as assisted the Board of Directors by providing insights, advice, and opinions to ensure sustained operations and mitigate potential risks. For their efforts, UOB Indonesia would like to express its appreciation for their assistance and commitments.

Looking Ahead

Overall, Indonesia's economic prospects for 2019 remain positive. However, there will be some notable challenges to overcome. Economic growth is expected to slow compared with 2018. The tightness in both monetary and fiscal policies will continue anchoring the Rupiah's stability and will attract capital inflows, while at the same time narrowing the current account deficit.

Going forward, Indonesia strong economic fundamentals remain intact. Domestic investment will continue to fuel economic growth and household spending will continue to sustain the country's economic growth momentum. The steady rise in the middle-income class will drive higher private consumption. Investment growth is expected to remain robust, partly due to the continuation of infrastructure investment projects that are already underway, and from those in the pipeline. The recent exchange rate depreciation has offered export price competitiveness in certain economic sectors, supporting economic growth further.

With stability in the economy expected to be maintained post-general election, we are cautiously optimistic about Indonesia's economy in 2019, even though global growth is expected to have plateaued in 2018. The strong and large domestic market is expected to sustain economic growth in 2019, along with possibly higher investment spending and government expenditure later in the year. Loan growth is expected to pick up pace in a range of 11 to 13 per cent.

However, there will still be some lingering external and internal challenges from 2018, such as the US-China trade tensions, Brexit, the Chinese economic slowdown and the possibility of further increases in the US Federal Reserve's interest rate. As such, further financial market deepening and broadening of sources of growth will see financial institutions and especially banks continuing to play an extremely pivotal role in further supporting and enhancing Indonesia's economic growth potential.

Appreciation

On behalf of the Board of Directors, I would like to extend my warmest appreciation to our customers for their support as well as to our regulators for their guidance and support. 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 this close cooperation, mutual trust and the spirit to continue to grow and to innovate, we feel confident that we will achieve our long term vision to be a significant bank in Indonesia. One that is valued by our customers, colleagues, shareholders and the regulator, and admired by the public as a trusted long term banking institution.

Jakarta, April 2019

Lam Sai Yoke

President Director

PT Bank UOB Indonesia



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Management Discussion and Analysis

2018 Macroeconomic Overview

A number of world events affected the global economy in 2018. In the Euro-zone, the impact of the Brexit decision in 2016 was causing economic and business uncertainty; while in Asia, China's economic growth was slowing down as United States (US)-China trade tensions increased. On a wider scale, the trade tensions also indirectly affected the trading partners of the US and China, including Indonesia. For many other countries, the US economy remained a major concern as the Federal Reserve (the Fed) raised its benchmark interest rate to 2.5 per cent by end of year.

Indonesia's Economic Performance in 2018

In 2018, Indonesia experienced strong headwinds from external uncertainties. Nevertheless, the Indonesian economy grew at 5.17 per cent, above the global growth forecast of 3.7 per cent. The growth reflects the country's economic resiliency despite the rising volatility and the Indonesian Rupiah's depreciation in 2018.

The largest portion of the economic growth in 2018, about 55.74 per cent, came from Indonesian household spending, which grew 5 per cent. With spending behaviors shifting towards online purchases we believe the number is probably slightly higher. The Indonesian economy was also boosted by a number of international and national events, such as the Asian Games and Asian Para Games, the International Monetary Fund-World Bank annual meetings and the regional local elections.

With the Indonesian Government committed to its infrastructure development agenda, the investment spending in construction, as well as in non-construction, continued to grow supporting the overall growth trend. In terms of inflation, Indonesia recorded an annual inflation rate of 3.13 per cent; which fell within the government target range of 3.5 per cent, +/- 1 per cent. That demonstrated the Government's successful efforts in managing the stability in food prices and other inflation components, such as clothing and transportation, throughout the year.

On the other hand, the persistent Current Account Deficit (CAD) was a major issue for the Indonesian economy as total imports (including services) continue to exceed exports revenue. As a result, the Rupiah weakened against the USD in 2018. This became a concern for the Indonesian Government as it negatively impacted the economy as domestic industries rely on imported capital goods and some consumption materials.

In order to create a more stable exchange rate, the monetary and financial policymakers issued a mix of closely coordinated policies. The Rupiah, which had reached as high as IDR15,238 (11.3 per cent fall against the USD) in October 2018, closed at IDR14,390 (6.4 per cent rise) by the end of 2018. Financial deepening, structural reforms and policy coordination

supported Indonesia's economic resiliency in the face of external economic turmoil.

2018 Banking Performance Overview

In 2018, Bank of Indonesia (BI) increased interest rates by 175bps in order to stabilise the Rupiah. Following the increases, the BI 7-Days Reverse Repo Rate stood at 6 per cent. It is likely to stay at that rate in 2019 to maintain a stronger Rupiah, however there is a chance of BI starting to cut rates in the fourth quarter of 2019.

Indonesian foreign exchange reserves stood at USD120.7 billion at the end of December 2018, indicating the good external position of the country, leading to higher market confidence. BI also reported a 13.3 per cent growth in lending as at October 2018 in the domestic banking sector with a high capital position at 23 per cent and a Loan - to - Deposit Ratio (LDR) of 93.7 per cent.

Banks in the BUKU III category recorded 15.4 per cent loan growth with a 25 per cent capital position and 102.8 per cent LDR. In terms of Non-Performing Loans (NPL), The Financial Services Authority/Otoritas Jasa Keuangan (OJK) reported that Indonesian banking industry NPL Ratio stood at 2.6 per cent in October 2018 (banks under BUKU III at 2.6 per cent).

Indonesia's Economic Outlook for 2019

Overall, Indonesia's economic prospects in 2019 remain positive with some notable challenges to overcome. Economic growth is projected to be relatively stable in 2019 compared with 2018. Nevertheless, it is important policymakers instill stability before pursuing faster growth.

Some external and internal challenges from 2018 may still linger over the course of 2019, such as simmering US-China trade tensions, Brexit running its course, a Chinese economic slowdown and the possibility of further increases in the Fed's rates. As such, further financial market deepening and the broadening the sources of growth will require financial institutions, and especially banks, to continue playing an extremely pivotal role in supporting and enhancing Indonesia's economic growth potential.

Taking all things into account, we are cautiously optimistic about Indonesia's economic outlook in 2019. The country's strong and large domestic market, supported by household spending, is expected to sustain economic growth in 2019. The steady rise in the middle-income class will also support higher private consumption, including via increased spending via the digital economy and e-commerce.

We also expect higher investment spending and government expenditure this year, supported by infrastructure investment

Management Discussion and Analysis

projects that are already underway or in the pipeline. The recent exchange rate depreciation has also offered export price competitiveness in certain sectors of the economy and will support economic growth further. As Indonesia will hold a general election this year, we expect a stable economy with its promising potential to be unleashed in years to come.

Nevertheless, tight monetary and fiscal policies will continue in 2019, anchoring the Rupiah's stability and attracting capital inflows. At the same time, the Government is expected to work on policies to narrow the CAD significantly. Credit growth consequently is expected to pick up pace to fall in the range of 11 per cent to 13 per cent in 2019.

Business Development Strategy

Economic development, productivity improvements and enhancements in Indonesia's investment climate are the focus of the Government economic reform packages. Its packages aim to accelerate income growth and distribution more evenly across the nation, including the private sector. UOB Indonesia remains committed to supporting the long-term economic development of Indonesia by leveraging on our extensive regional network to facilitate investment opportunities across a range of sectors. With our disciplined business approach and prudent management practices, UOB Indonesia will continue to build on the trust of our valued stakeholders – our customers, business partners, shareholders and regulators – have placed in us. We will continue to create sustainable business growth as we strive to become a significant bank in Indonesia.

We are committed to meeting our customers' needs and strive to provide the best solutions for them. This commitment will be realised through the following strategic priorities:

1. Maintaining robust risk management processes and practices;
2. Continuing to sharpen our prudent financial management processes;
3. Putting the best interests of our customers at the centre of all we do;
4. Nurturing a principled, loyal, dedicated and talented team of bankers; and
5. Harnessing technology to drive performance and improve the customer experience

Keeping Our Customers at the Heart of All We Do

UOB Indonesia offers a range of products and services to meet the needs of our customers through our Retail and Wholesale Banking businesses.

For our retail customers, the main highlights of the year were the launch of the UOB YOLO credit card to meet the needs of financially-independent millennials in pursuing their goals,

and the upgrade of the UOB One Card which offers zero per cent installments for tuition fees and free personal accident insurance coverage for families. We continued to build partnerships with dining, health and beauty, electronics and travel merchants to meet the lifestyle needs of our credit cardmembers. In particular, these partnerships enabled us to provide additional benefits to our PRVI Miles, Preferred Platinum and Lady's Card members.

To help our customers manage their personal finances better, we offered savings products such as the UOB High Yield Account, UOB Plus Saving, the UOB ONE Account and U-Save. In 2018, we launched the Big Bang Saving programme offering attractive prizes to customers opening new U-Save accounts.

We continued to serve our premium customers with a SmartRisk approach to guide them in achieving their financial goals through a better understanding of not only the potential returns of their investments but also the risks. On the digital front, we have made significant investments in our technology capabilities as we provide our customers with a simpler, smarter and safer banking experience, including through our Personal Internet Banking and Business Internet Banking Plus (BIBPlus) services. We also engaged a number of partners in Indonesia across eight industries on collaboration initiatives to develop and to offer tailored products to help businesses grow.

As part of demonstrating our thought leadership in the market and in deepening relationships with our stakeholders, we held annual UOB Indonesia Economic Outlook events in Jakarta and Surabaya. These events provided valuable insights on the latest economic trends important to our customers and are attended by notable guests, comprising government officials, regulators and customers.

To serve the increasing number of Small-and Medium-Sized Enterprises (SMEs) in Indonesia, we continue to deepen the skillset of our bankers in trade financing, cash management and foreign exchange hedging. Our highly-experienced relationship managers are equipped with the expertise to advise our SMEs customers on how to grow their businesses. Since 2016, UOB Indonesia has collaborated with the Institut Teknologi Bandung (ITB) Business Management School to conduct the SME Certificate UOBI-ITB Programme. As at December 2018, 29 of our bankers have completed the certification programme.

As part of our commitment to support of the country's infrastructure development initiatives, we have extended our financial expertise and solutions to infrastructure financing, corporate financing and project financing for national and provincial infrastructure projects.

We continued to offer our corporate customers current and savings account products, namely Giro88 and Tabungan Bisnis88 that offer competitive interest rates and fee-free transactional features based on the customer's account balance.

Operational Review

Retail Banking

Retail Banking provides Personal and Business Banking customers with financial solutions essential for them to achieve their financial goals and aspirations. Our Personal Banking products include deposits, investments and insurance (DII), mortgage and secured loans, credit cards and payments, as well as wealth advisory services for our affluent customers through UOB Privilege Banking. We also provide our Business Banking customers with a range of products, including deposits and loans account, cash management and trade finance to support their business growth.

Personal Financial Services (PFS)

Guided by our values, we provide customers with solutions right for their financial needs. In 2018, PFS recorded deposits of IDR25,893 billion and loans of IDR9,607 billion. Contributing factors included enhancements to our loans, credit cards and wealth advisory products and services.

Deposits, Investments and Insurance

To help our customers to invest and grow their money wisely, we offer deposits and investment in Rupiah and foreign currencies, as well as mutual funds, bonds, treasury products, bancassurance and advisory services. We generate both fee-based income and interest income by offering the right solution at every stage of a customer's life and in keeping with their lifestyle.

In 2018, our wealth management revenue rose 20 per cent while assets under management increased 47 per cent. In 2019, we will ensure that our financial solutions remain relevant to the ever-changing needs of our customers.

With market uncertainty ongoing, our focus will be on helping our customers grow their wealth by investing wisely and continuing to provide prudent advisory services. To achieve this, we adopt SmartRisk approach – a risk-based financial advice and investment solutions to ensure customer understands the risks associated with a product before any discussion takes place on its possible returns.

Mortgage and Secured Loans

We provide our customers with a range of options to suit their property buying needs, including home equity loans for first time homebuyers, loans to upgrade properties, property refinancing or to purchase a new property.

In 2018, we continued to focus on residential properties and partnered reputable developers across more than 200 property projects throughout the country. We launched UOB Home Search, which enables customers to access property information and special housing loan schemes based on their particular needs. Our partnerships resulted in our housing loans increasing 253 per cent to IDR959 billion, compared with the previous year.

We also established a Corporate Employee Programme where we collaborated with corporate customers to offer housing loans to their employees.

Our priorities in 2019 include:

1. Strengthening relationships with reputable developers and property agents to provide enhanced services for our customers;
2. Launching bundled mortgage and current account savings account solutions to meet our customers' needs; and
3. Implementing a straight through process for faster loan process approvals.

Credit Cards and Payments

We create financial solutions essential for the lifestyle of our customers through a range of credit cards, comprising PRVI Miles, Preferred Platinum, Lady's Card, One Card and YOLO Card.

Early in 2018, we launched the UOB YOLO credit card to meet the needs of financially-independent millennials with a penchant for trends and travel. By focusing on their banking and lifestyle needs, the YOLO card helps millennials starting out in their careers to stretch their budgets further.

During the year-end festive season, we launched the UOB Blast of Surprise 2.0 promotion which offers our card members a chance to win prizes through digital games. The spend and win promotion increased the number of transactions during the period.

We continued to build partnerships with merchants from dining, health and beauty, electronics and travel sectors to meet the lifestyle needs of our customers. These included offering:

1. Airline miles from retail transactions, including domestic and overseas transactions made on the UOB PRVI Miles card;
2. Three times reward points for retail transactions made with the UOB Preferred Platinum card;
3. Special offers in selected hair salons and merchants, and access to exclusive events for Lady's Cardmembers;
4. Zero per cent installments for tuition fees, plus free personal accident insurance coverage up to IDR600 million for transactions on the UOB One Card; and
5. Free travel with online transportation, zero per cent travel installments and more daily deals for transactions on the UOB YOLO Card.

In addition, in line with the regulatory requirement to enhance the safety of banking transactions, we issued debit cards with chips and exceeded our implementation target by 20 per cent by year end.

In 2018 we achieved a robust growth of 26 per cent in credit cards loans and a 14 per cent increase in transaction volume year on year, contributing to a 14 per cent increase in total income.

Management Discussion and Analysis

The priorities for Credit Cards and Payments in 2019 are:

1. Continue to strengthen PRVI Miles, Preferred Platinum, Lady's Card, One Card, and YOLO Credit Card as our flagship products;
2. Continue to enhance our credit processes, policies and procedures to improve the customer experience; and
3. Increase card activation, customer loyalty and building the right partnerships to meet our cardholders' needs.

Privilege Banking

Privilege Banking is dedicated to managing the wealth of customers with assets of IDR1 billion and above. Our customers benefit from our comprehensive suite of personal and investment product and services to achieve their financial goals.

In 2018, we continued to provide information about risk and return through our Smart Risk Approach, thereby helping our customers to grow and to preserve their wealth over generations. Our UOB Privilege Banking Client Advisors ensure customers have a deep understanding of the future risk and growth potential of recommended products. Each recommendation we make is based on the customers' affordability, risk appetite and present and long term financial needs.

In 2018, we continued to provide customers with the latest financial market updates and insights at domestic, regional and global level. We also continue to provide a Wealth Planning Calculator to assist our customers in planning for their retirement and their children's education.

Our Privilege Banking customers enjoy the benefits and offers from various merchants through the UOB Privilege Banking ATM/Debit Card and the UOB PRVI Miles Credit Card.

The priorities for UOB Privilege Banking In 2019 are:

1. Continue to deepen client relationships by providing quality advisory with personalised and up-to-date information;
2. Tap the expertise of our Wealth Advisory team to create innovative investment solutions;
3. Offer our Privilege Banking referral service to customers' family and friends; and
4. Enhance our digital channels and branch infrastructure to ensure quality and consistent customer experience.

Business Banking

Our Business Banking team creates business solutions for Small and Medium Enterprises (SMEs) across all industries as they progress through different stages of growth. We offer a wide range of products and services including; commercial loan facilities with a limit up to IDR20 billion, a wide range of deposits, cash management, foreign exchange, trade financing, bancassurance, and BizSmart, our new digital business solutions.

To help prepare SMEs for a digital future, we released the ASEAN SME Transformation Study which shared insight on the importance of business transformation in adapting with the rapid current technology advancements.

In 2018, we provide on the following Business Banking products and services:

1. **Current and Savings Account** – UOB Indonesia has four type of business accounts available for Business Banking customers, Giro 88, U-Biz88, and Tabungan Biz88 for Indonesian Rupiah currency, and Vapro for foreign currency. Each product has specialised features that allow customers to enjoy competitive interest rates, preferential transaction fees, and many other benefits depending on the business requirements of the customers;
2. **Business Internet Banking Plus (BIBPlus)** – This service enables customers to manage their banking transactions more conveniently and efficiently through internet banking capabilities;
3. **Transaction Services** – We provide a variety of foreign exchange, bancassurance, trade and cash management products and services;
4. **BizSmart** – We offer customers a suite of integrated digital business solutions that let customers to manage processes such as sales, invoicing, payroll and accounting;
5. **Business Property Loans** – We provide financing facilities for purchasing or refinancing commercial properties with a tenor up to 20 years;
6. **Business Solutions** – We offer financing facilities for business banking customers to meet their short-term working capital and long-term investment needs. In addition, we also provide foreign currency hedging and trade services for customers with business operations in trading or export-import activities; and
7. **Business Express** – We deliver financing services as a working capital loan facilities with cash collateral equal to 100 per cent of the loan facilities granted.

In 2018, Business Banking Indonesia recorded a total income of IDR796 billion, accounting for 18 per cent of the Bank's total income in 2018. Business Banking contributed 21 per cent to the Bank's total gross loans, and 16 per cent to the Bank's deposits during the year. Fee income was also a strong income contributor off the back of referral activities, cross-selling and bundling initiatives. We also focused on policy and process improvements in our lending and funding products to provide a faster turnaround time for our customers.

Business Banking Indonesia gross loans amounted to IDR15,235 billion, at 2 per cent year-on-year increase from 2017. The growth was due to improved loan processes and policies which helped with sales productivity.

In 2019, Business Banking will focus on the following areas:

1. Helping our customers maximise their potential growth by digitalising their business processes with BizSmart;
2. Meeting the needs of SMEs through our line of products and services;
3. Refining our processes and practices to improve the customer experience; and
4. Continuing to offer customised financial solutions to customers based on their industry.

Wholesale Banking

Wholesale Banking helps companies and institutions optimise their business operations and cash flow, manage risks, expand into new markets and manage their capital needs by providing tailored financial solutions, services and sector insights. We develop trusted partnerships by focusing on our clients' long-term interests and by helping them meet their strategic objectives. Our unique combination of local presence and expertise, astute market insights and regional network connectivity enables us to help unlock Asia's potential for our clients.

Commercial Banking - Enabling the Growth of Medium-Sized Businesses

Our Commercial Banking teams – comprising Commercial Wealth Management, Enterprise Banking and Industry Group experts – are dedicated to supporting the growth of UOB's medium-sized corporate clients. We provide a full suite of Wholesale Banking solutions to help them overcome challenges and to achieve their business objectives.

With our clients located across Indonesia, our Commercial Banking teams are based in the country's major centres of commerce and industry. In 2018, Commercial Banking total loans growth was IDR4.4 trillion, representing 50 per cent of the total growth in UOB Indonesia's overall loan portfolio of IDR8.9 trillion. Aside from loan facilities, Commercial Banking also provided clients with deposits products, with total non-bank deposits reaching IDR3.5 trillion in 2018.

In 2019, Commercial Banking will focus on deepening our relationships with our clients by providing financing solutions in industrial sectors with stable growth such as consumer goods, metal and mining, plantation, forestry, automotive, machinery, equipment, component, textiles, oil and gas, construction and infrastructure, and telecommunication industry sectors.

We will also focus on growing our Current Account Savings Account (CASA) deposits products to serve more medium-sized business clients, mainly across large cities such as Jakarta, Bandung, Surabaya, and Medan.

Corporate Banking - Supporting Large Corporate Clients in Their Regional Expansion

Our Corporate Banking team supports large corporate clients in a number of categories including government, state owned government-linked and private companies. Through UOB's established and integrated network, our global and local teams of relationship managers offer our clients seamless connectivity and specialised expertise as they expand across Asia. We also provide a suite of integrated solutions to meet their financial needs, including support for cross-border merger and acquisition opportunities, financing short-term working capital through to long-term capital expenditure, cash management services and foreign exchange and hedging solutions.

In 2018, our loan disbursements increased to IDR18.1 trillion from IDR15.8 trillion while deposits (including CASA) increased to IDR15.7 trillion.

In 2019, Corporate Banking will:

1. Maintain its solid loan portfolio performance;
2. Develop our deposits business; and
3. Optimise foreign exchange flows.

Financial Institutions Group - Partnering Financial Institutions as They Grow and Expand Across Borders

Our Financial Institutions Group is backed by strong knowledge of the Indonesian market and regional expertise to support our financial institution clients which comprise banks, non-bank financial institutions (central banks, diversified financial, public sector, insurers and real money funds) and property funds. We help our clients to grow their business and to drive their profits across the region. We do this by offering comprehensive solutions in cash management, trade financing, interest rate and currency derivatives, hedging, specialised finance structures and capital markets.

In 2018, we achieved balanced growth in loans and fee-based income and maintained funding stability through diversification in income sources. Our products and services included insurance, asset management, pension funds and CASA products, virtual account services, e-tax services and BIBPlus. We are also a receiving bank for Initial Public Offerings (IPO).

Financial Institutions recorded a 49.5 per cent of growth in net interest income. Our net profit before tax grew by 42 per cent compared with the previous year. This performance was supported by an increase in lending of 53 per cent, and an increase in income from Global Markets products of 63 per cent.

In 2019, Financial Institutions will:

1. Deepen our relationships with existing clients as we support their business growth;
2. Attract new customer by offering working capital solutions;
3. Increase income from transaction banking and global markets;
4. Monitor closely interest rates and liquidity in the banking system; and

Management Discussion and Analysis

5. Diversify our funding into insurance, asset management and pension funds while increasing combined CASA balances.

Transaction Banking

Transaction Banking is committed to providing a comprehensive suite of cash management, trade finance and FSCM solutions to help our clients enhance their operations and cashflow and optimise their working capital. Through our integrated, regional network and cross-border solutions, we offer our clients the connectivity they need as they internationalise and set up regional treasury centres to facilitate their expansion across the region.

Cash Management

Our cash management services are designed to meet the needs of different client segments, providing them with efficiency and convenience in managing their cash flows, including transactions settlement and payment, receipts and cash collection, and cash liquidity management.

Trade Finance and Services

Our Trade Finance and Services products and services facilitate clients' trade transactions, while managing market risk. We provide innovative and comprehensive solutions for corporate clients. The appropriate trade view is also conveyed so that clients receive reliable information to manage their businesses.

In 2018, our efforts to improve our clients' experience in transaction banking were as follows:

1. Industry-based Trade and FSCM Solutions
 - a. We offered a more flexible and competitive trade finance packages for our clients to enable them seizing every business opportunity in the rapidly changing market dynamics;
 - b. We optimised working capital with tools to negotiate more favourable payment and sales terms; and
 - c. We grew business by maintaining a prudent risk management approach.
2. BIBPlus quality improvements

We added Global View features to UOB Business Internet Banking (BIBPlus) to provide easier access for large-scale corporate clients with regional accounts to see a summary of their account balances with one click. With this feature, clients can access the system using a token and can make full use of BIBPlus for ease of transactions.
3. Regional File Transfer System

The Regional File Transfer System is a new electronic channel which allows multi-national scale corporate clients to send flexible regional payment instructions through a single connection to UOB Singapore.

Our strong support of clients' Cash Management and Trade enabled us to record a 10 per cent growth in our operating account portfolio, while trade finance business grew by 20 per cent. Our strong performance was also recognised externally

where we received nine awards; eight awards from The Asset Triple A, and one award from The Asian Banker.

In 2019, we will stay focused on meeting the needs of our clients by continuing to strengthen our product and service capabilities, harnessing technology to offer distinct, integrated solutions as well as borderless, reliable and efficient services. This is our long-term commitment as we seek to expand our client base in the region.

Global Markets

Global Markets develops a customised financial products and treasury solutions across multiple asset classes to help our clients meet their investment, liability and risk management needs. We also manage UOB Indonesia's funding and liquidity in accordance with regulatory requirements and optimise the Bank's assets within our risk framework. Our prudent approach towards managing liquidity helps to maintain UOB Indonesia's funding stability and balance sheet strength.

In 2018, the Global Markets focused on improving the performance of foreign exchange (FX) options and rate hedging products, such as interest rate and cross-currency swaps. Product offerings were expanded to include fixed income products, such as bonds and bond repos. In addition, the team launched a new product as an alternative for customer hedging, namely a Domestic Non-Deliverable Forward (DNDF). This product launch was in accordance with Bank Indonesia regulations to support the Government's efforts to stabilise the Rupiah exchange rate.

In 2018, Global Markets collaborated internally to launch two new products:

1. Working with Financial Institutions, we launched cash-backed funding products to meet the need for long-term Rupiah funding after taking into account currency differences in our clients' assets and liabilities. Through cash-backed funding, clients' Rupiah loans can be guaranteed by USD deposits. These guarantees can be monitored daily and include a top up and down mechanism.
2. Working with Commercial Banking and Transaction Banking, we launched new multi-currency payment services such as the Indian Rupee for clients growing their business investments in India. The product has helped the Bank to double the number of foreign exchange transactions in 2018 as compared with 2017.

In 2019, Global Markets will improve its productivity and efficiency while meeting our clients' financial needs. We will collaborate with business segments across the Bank, as well as improving the products and services capabilities in line with client business segmentations.

Connecting with our customers

Taking our omni-channel approach through our integrated customer touchpoints, we continue to harness technology to enhance the customer experience. Our customers can easily

access our services across our branch network, automated teller machines (ATMs), internet and mobile banking platforms. This ensures that every experience of theirs is safe, reliable, to their preference and wrapped in the warmth of the human touch.

Our customers can conduct their banking at any of our 178 branch offices in 30 cities across Indonesia. Through partnerships with third parties retailers such as coffee or pastry shops, we have broadened the appeal of our branch spaces. By adding retail components to our branches, we welcome customers with a unique experience and attract walk-in customers who are interested to learn more about our services.

In 2018, we created distinctive customer experiences through:

1. Launching Branded Service training, which included a focus on soft skills development in areas such as communication skills. It increased the product knowledge of our colleagues and equipped them with skills to resolve customer complaints. We also extended the training to our security personnel in branches;
2. Celebrating festive occasions in our branches. This simple yet meaningful approach to customer engagement helped increase our NPS to 96.17 per cent in 2018. It also helped increase the productivity of our frontline colleagues by 58 per cent in 2018 compared with 2017; and
3. Setting customer standards through dedicated Duty Managers roles which focus on ensuring faster service times and quality of service. This is in addition to the single captain model introduced in year 2017.

In 2019, our Distribution Channels team will focus on:

1. Expanding our footprint in major cities in Indonesia;
2. Enhancing our customer touchpoints to improve how we serve our customers and to drive business efficiencies and lower operating expenses; and
3. Relocating branch to more strategic locations to provide convenient access improve customer experience and satisfaction.

Customers

Our heritage and values guide how we establish and deepen relationships with our customers wherever they are. UOB Indonesia is committed to acting in the best interests and we help them meet their business, financial and lifestyle goals by providing them with the most appropriate solutions and services. This ensures that every experience of theirs is safe, reliable, to their preference and wrapped in the warmth of the human touch.

Our Customer Commitments

In all our and actions for our cutomers, we strive to meet four commitments, each of which is built on our values of being Honourable, Enterprising, United and Committed.



Honourable:
Do What is Right

We maintain the highest professional and ethical standards in all our dealings with our customers. We are uncompromising in our discipline, clarity and courage to do what is right for them and to make every decision in their best interest.



Enterprising:
Build Meaningful Careers

We draw on our experience, insight and entrepreneurial spirit to provide our customers with solutions that help them achieve their financial goals and aspirations, and manage their daily and future requirements, however simple or complex.



United:
Make a Real Difference

We learn our customers' preference and know what counts for them with every interaction. By understanding them better, we anticipate their needs and offer them the most relevant financial solutions.



Committed:
Lead by Positive Example

We value the relationship that we build and hold with our customers and we are ready to help them through market cycles, across borders and over generations.

Management Discussion and Analysis

Treating our customers fairly

In dealing with customers, we maintain the highest professional and ethical standards. As part of this, we conduct Fair Dealing surveys to ensure that customers are treated with integrity, trust and respect by all of our colleagues.

We take the customer feedback we receive seriously and have robust procedures in place to address concerns fairly, effective and in timely manner. We have launched an change to The Art of Service Recovery training programme for our colleagues to help improve their ability to resolve customer complaints. In 2018, we held two Art of Service Recovery workshops to equip our colleagues with skills to turn challenging situations into positive outcomes.

Raising customer satisfaction and advocacy

Customer's satisfaction remains a top priority and we use feedback from our customers to keep raising the standard of our products and services. To measure customer satisfaction and retention across our business and product groups, we use the Net Promoter Score (NPS) metrics which indicate the likelihood of a customer recommending a company's brand, product or service to others. NPS is an established worldwide metric used to measure customer loyalty and to predict business growth.

Our external NPS score in 2018 increased to +3, up from -3 achieved in 2017. We also extended NPS metrics to departments

within the Bank, ensuring that in all interactions we are serving internal and external stakeholders in accordance with UOB's values. Our internal NPS improved from -15.30 per cent in 2017 to +38.00 per cent in 2018.

We also conduct mystery shopping, service huddles and benchmarking initiatives to review our service performance and practices against industry best practices and to identify areas for improvement. Through our service huddles, we encourage colleagues from all parts of the business to share their ideas on how to support customers at the times that matter most to them. Through the insight we gained from the benchmarking survey, we have launched faster and simpler account opening processes. We have also trained our security personnel in branches to direct walk-in customers to the right branch representative.

Setting the Standard for Excellent Customer Experience

The UOB Customer Commitments Awards campaigns remind us of our responsibility to our customers on our customer-facing roles. The annual campaign culminates in the UOB Customer Commitments Awards ceremony to acknowledge our colleagues who had been exemplary in fulfilling our customer commitments. In 2018, we recognised four individual colleagues and two teams for being role models who had best demonstrated our customer commitments in their daily decisions and actions.



UOB's Best Customer Service teams across Asian countries; Indonesia, Singapore, Malaysia, Thailand, Vietnam and China receiving the highest appreciation of Customer Commitment Awards, in July 2018.



Mr Kevin Lam, President Director of UOB Indonesia proudly awarding the winners of Customer Commitments Awards from Indonesia.

Colleagues

The decisions we make and the actions we take are guided by our values of Honour, Enterprise, Unity and Commitment. These values are also expressed in our care for the professional and personal growth of our colleagues across the organisation. We are dedicated to building a culture where our colleagues are empowered to make a positive and meaningful difference in what they do for our internal and external stakeholders. We do this by fostering an inclusive, prudent, progressive and high-performing organisation that encourages the best

of each individual from our team of principled professionals. We are also committed to looking after our colleagues' well-being because we believe people give their best when they are supported, healthy and happy.

Our Employee Commitments

Our values give us a shared identity and sense of 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 the right for all of our stakeholders and make decisions that are in the best interests of our organisation, our colleagues 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 our colleagues 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 individuals and teams to take on challenges and to take ownership of their actions. Together, we focus on enabling the success and advancement of all our colleagues.

Doing What is Right

Our Commitment to Fairness

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

Our expectations of our people and the policies we expect them to abide by are stated in the UOB Code of Conduct. We update our Code of Conduct periodically to stay relevant with the times and to address regulatory requirements and policy changes. All colleagues are also required to uphold Good Corporate Governance principles.

Management Discussion and Analysis

Upon joining UOB Indonesia, all new colleagues are informed of, and sign up to, their obligations and rights under our Code of Conduct. All colleagues are required to refresh their knowledge and to renew their commitment to our Code of Conduct through completing an e-learning module every year. We also help deepen understanding and embed the practice of our Code of Conduct through frequent and interactive communications across the organisation.

Maintaining a Risk-focused Organisational Culture

Our values drive our conduct and form the bedrock of our risk culture. They are the foundation for the four principles that guide our approach: enforcing robust risk governance; balancing growth with stability; ensuring accountability for all our risk-based decisions and actions; and encouraging awareness, engagement and consistent behaviour in every colleague.

Our comprehensive framework of policies, processes, methodologies and tools helps us identify, measure, monitor and manage material risks and opportunities faced by the Group. Where applicable, an individual's key performance indicators (KPIs) also include risk control metrics.

Ongoing training reinforces risk-focused conduct that enables us to earn the trust of our stakeholders over generations. Many of the training programmes are also available online to enable our colleagues to learn and to complete them at their own pace. The training topics include:

1. Anti-money laundering, prevention of terrorism funding;
2. Assessment and handling of operational risks;
3. Ethics of fair dealing;
4. Prevention of fraud;
5. IT security and awareness of cyber risk;
6. The UK Bribery Act;
7. Risk Management Certification; and
8. Insider trading.

In 2018, to enhance knowledge on risk and to strengthen risk awareness, the Bank also opened up opportunities for high potential bankers to join professional certification programmes in Financial Risk Management.

Encouraging Feedback

We value the opinions of our colleagues and encourage them to share their thinking on what matters to them. Every article that is posted on *MyUOB*, the organisation's intranet, seeks their views which can be given openly or privately.

In 2018, we acted on the feedback provided in an Employee-wide Survey conducted the year before. We analysed the survey results and our Human Resources team partnered function heads to develop and to roll out initiatives to address key improvement areas. Among these was a Manager Index report aimed at helping our people managers to improve their managerial skills and effectiveness to strengthen employee engagement.

We also have a whistle-blowing system that enables colleagues to raise matters of potential concern in a secure manner without fear of reprisal report actions or behavior that are not in accordance with our values or policies. All reported cases are swiftly investigated and resolved. The status of all whistle-blowing cases is tracked by Internal Audit and reported to the Audit Committee every quarter.

Upholding Human Rights

UOB Indonesia is committed to supporting internationally-accepted human rights principles in accordance with the prevailing regulations in Indonesia. We do not tolerate discrimination, forced labor and child labor practices in the workplace. In line with that, we respect equality in workplace.

Ensuring Freedom of Association

We respect our colleagues' lawful right to freedom of association and collective bargaining. Our approach is to maintain mutually trusted and respectful relations with unions. We hold regular meetings with union representatives to understand and to address their concerns and expectations. As part of management-trade union engagement, a Collective Labour Agreement has been developed covering various industrial relations topics, including working time, working arrangement, leave & permit and social welfare.

Building Meaningful Careers

Offering a Distinctive Employee Value Proposition

We focus on developing our colleagues' capabilities to prepare them for the future. We create an environment where they can perform to their best. We also care for their well-being. Our approach is upheld through our employee value proposition, *UOB+you*, which is supported by a wide range of programmes that covers flexible work arrangements, training and development courses, health and wellness, welfare benefits and recognition programmes.

Developing Our Colleagues for the Future

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 realise their own potential and to serve our customers better.

In 2018, we developed new training programmes focusing on preparing our people for the future. More than 4,360 colleagues were trained for a total training time of 264,897 hours.

To improve the quality of our training programmes, our trainers and facilitators must complete the *Learning Champion Certification Programme*. The objective of the programme is to increase the effectiveness of learning materials, delivery and programme management. In 2018, 32 trainers and 15 facilitators passed the certification training classes and continued to fulfil teaching hours requirements of the certification process.

Through our focus on personal development and career advancement, we offer scholarships and a career development programme called *UOB + I_Grow*. Scholarships are provided to high-performing and high-potential colleagues. In 2018, nine colleagues were awarded scholarships for further study at accredited universities in Indonesia. Our *UOB + I_Grow* programme was introduced in 2018 to empower our colleagues to achieve their career aspirations. *UOB + I_Grow* provides in-class and on-the-job training opportunities guided by the mentors to ensure colleagues' succeed in their new job postings. In its first year, the programme helped us to fill Personal Bankers roles from within the Bank.

To balance between colleagues' work schedules and need for continuous learning and development, in 2018 we used a bite-size learning approach to conduct short knowledge sharing sessions and regular mini workshops. An example was the *Advanced Legal Workshop* which focused on legal guarantees for retail loans and was attended by representatives from various businesses and corporate functions. We also organised mini workshops for our colleagues to gain a better understanding of the developments shaping the banking industry. This included weekly Tech Talks for all colleagues to hear from experts from renowned technology companies. Highlights from the talks were shared with all colleagues through the Bank's intranet, MyUOB.

We also focused on deepening our colleagues' knowledge of new products including transaction banking, global markets/treasury, bancassurance and retail liabilities products. For instance, we conducted training with our Relationship Managers and Credit Analysts on our loan processes. The training included updates on our Credit Master System, client onboarding, call report preparation, Credit Risk Management, and sharing sessions between Client Fulfilment Service (CFS), Credit Administration Control (CAC) and Legal.

In 2018, we collaborated with the School of Business and Management, *Institut Teknologi Bandung*, in the SME Bankers Executive Certification Programme. A total of 29 colleagues completed this programme to deepen their understanding of small and medium enterprise (SME) business practices. Using the knowledge they have gained, they are able to help our SME customers to develop their business.

In order for our people to deepen their skills, in accordance with the prevailing regulations, we held various mandatory and professional certification programmes such as:

1. Risk Management Certification;
2. Mutual Funds Effect Sales Agent Representatives/*Wakil Agen Penjual Reksadana* (WAPERD);
3. Indonesia Life Insurance Association/*Asosiasi Asuransi Jiwa Indonesia* (AAJI);
4. Indonesian Society of Appraisers/*Masyarakat Profesi Penilai Indonesia* (MAPPI);
5. Certificate in Trade Finance Compliance;
6. Certificate for Documentary Credit Specialists;

7. Credit Certification; and
8. Treasury Certification.

UOB Indonesia continued to evolve its organisational structure as part of our ongoing transformation. We have established a transformation office unit dedicated to driving our efforts and as part of keeping our colleagues informed of the changes we are making, we conducted a series of roadshows and townhall sessions.

Improved Training Facilities for Our Colleagues

As part of our efforts to foster a continuous learning culture, we set up a new training centre in UOB Plaza in Jakarta to enhance our colleagues' training experience. Among other facilities, the centre has dedicated rooms for e-learning, a simulation room for assessment and a multi-function hall for training purposes. Our colleagues also use the hall to promote well-being through a series of health and wellness activities such as yoga, zumba, table tennis and aikido organised by the UOB Indonesia Staff Club.

Leadership Development and Succession Planning

Leadership development is a key focus area. As part of our ongoing efforts to build our bench strength, we offer distinctive programmes to develop and to retain the best talents and establish the next generation of leaders within UOB Indonesia.

One of our signature leadership development programmes for our next generation of leaders is Leadership Right by You (LRBY). The spirit of the programme is based on pencak silat - an Indonesian martial art which reinforces honesty, ethics and bravery as the core principles in leading our lives. *Pencak silat's* philosophy also represents the mindset and skills which a caring and courageous leader should exhibit in guiding UOB Indonesia colleagues. In 2018, LRBY was introduced to 110 First Line Managers.

To keep our leaders abreast with the most recent leadership and managerial trends, we also rolled out the *Manager Leader Programme*. This programme enriches our leaders' skillsets through managerial tools and leadership insights. Through this programme, we develop leaders with career coaching skills that can help them in building effective teams. In 2018, 84 colleagues, comprising branch leaders and sales team leaders completed the programme.

Other programmes we offered included the *Managing Millennials* training programme which focused on improving leaders' abilities to manage different generations of colleagues. Our leaders also completed the *Leader as a Coach* Programme and the *Executive Coaching Programme* to assist them in developing their leadership capabilities.

Grooming Young Talent

Our long-established UOB Management Associate (MA) programme aims to attract high-calibre, early-career talents from top universities across the country to take on roles in UOB Indonesia. The MA participants were given overseas



Management Discussion and Analysis

assignments to gain regional experience. Since the 18-month long programme started in 2008, UOB Indonesia has hired 73 MA.

We consistently seek to improve our selection process to ensure that we bring in the best talent to build up our leadership pipeline. In 2018, we updated the selection criteria for the MA programme with the development of a new MA Success Profile – a set of key competencies developed with inputs from senior leaders and high-performing MA alumni. These key competencies listed in the MA Success Profile are aligned to our UOB Leadership Strategise, Engage, Execute, Develop (SEED) Competency Model and are used to assess the suitability of each potential candidate.

As millennials relate to creative and interactive concepts, we added game elements to our online MA selection assessment for candidates applying for the 2019 programme.

Through our *General Development Programme* (GDP), we focus on preparing our relationship managers and credit analysts for future leadership roles. GDP is a 20-month long programme in collaboration with the Indonesian Banking Development Institute / *Lembaga Pengembangan Perbankan Indonesia* (LPPI) to equip participants with deep knowledge about the overall banking industry. In the programme, they also had the opportunity to learn about the Bank's business segments, observe the Bank's activities, participate in on-the-job training and engage in projects at various work functions, while obtaining a general banking and risk management certification. In 2018, 15 participants completed the programme and have been placed in different job functions and 23 participants joined the on-the-job training.

We appreciate potential of young talents and provide opportunities for them through our apprentice programme, designed for high school graduates and equivalent, as well as D3 (Diploma 3) graduates with an interest in building a career in banking. In 2018, 48 participants attended this programme.

Managing Employee Performance

UOB's performance management framework is the foundation of our strong performance culture. Under this framework, the performance management process is called PEAK, which stands for Plan, Engage, Appraise and Keep Track. It is a meritocratic and values-based approach to assess and to reward performance, and to support career development.

To enhance our performance management process, we added 360-degree feedback as an additional lens to the SEED competencies and Values measures which we use to assess performance. In 2018, all managing directors in the country underwent the 360-degree feedback process to have a clearer view of their strengths and weaknesses for self-improvement. The 360-degree feedback will be extended to other cohorts in 2019.

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 them 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. The Bank also provides benefits through various talent development programmes, such as international and domestic project assignments, scholarships, and leadership trainings.

UOB's remuneration philosophy is to provide risk-based competitive remuneration to retain, to motivate and to encourage colleagues' to make decisions and to act in accordance with UOB's values. Our remuneration packages are designed to support organisational development, provide competitive advantage for businesses and enable flexibility to respond dynamic business requirements.

UOB Indonesia's remuneration philosophy is governed in accordance to the OJK regulation No.45/POJK.03/2015 concerning the Implementation of Governance in the Provision of Remuneration for Commercial Banks.

Engaging Our Colleagues

We believe that strong engagement with our colleagues leads to nurturing a positive working environment. In 2018, we updated our new employee onboarding procedures and processes to share the Bank's vision, mission and values in an induction programme called U-Bond (UOB Bankers Orientation Day). This ensures that every new employee can appreciate the Bank's history, business philosophy, strategic focus and culture.

Aligned with UOB Indonesia's philosophy and culture, we hosted a range of engagement activities with our colleagues including: Recognition Night, Staff Club Activities, Healthy Talk Show, Employee's Children Scholarship Programme, Happy Retirement, Sport Championship, UOB Heartbeat, Homecoming Travel, *Takjil* and Breakfasting activities, Indonesian Independence Day, etc.

Our culture of appreciation and recognition culminates in the prestigious CEO Award where one colleague is recognised for their leadership in upholding the UOB values and their consistency in delivering performance innovative and continuous process improvements.

In 2018, UOB Indonesia received human resources-related awards in three different categories at the 2018 SWA Magazine HR Excellence Awards in collaboration with the FEB UI Management Institute. The award categories were 'Learning and Development', 'HR Technology' with an A ranking, and 'HR Transformation' with a BB ranking, and an award from the ABF Retail Banking Awards 2018 in the 'Employer Award of the Year' category.



Sport Championship



Heartbeat Run/Walk



Daycare



UOB Recognition Night



Grand Opening of UOB Learning Centre



Christmas Celebration

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Staff Club Activities: Yoga



Staff Club Activities: Basket



Staff Club Activities: Aikido



Staff Club Activities: Football



Health Talk Show



HR Excellence Award 2018

Improving our Human Resources practices

In 2018, we continued to develop our HR Technology, Global Employee Management System (GEMS). GEMS has enabled us to have more effective employee management processes, such as organisation and job post management, employee administration, employee learning and development, employee performance appraisals and payroll administration.

Diversity of Our People

We draw upon the diverse strengths, experiences and capabilities of our colleagues. This helps to enrich our knowledge and appreciation of each other and the markets in which we operate. It also enables us to be sensitive to the needs of our customers and to serve them more effectively. The composition of our colleagues' diversity based on gender, age, rank, education, years of service, and work function, are detailed as follows:

Employee Composition by Gender

Description	2018	2017	2016
Women	2,177	2,182	2,306
Men	1,861	1,846	2,043
Total	4,038	4,028	4,349

Employee Composition by Age

Description	2018	2017	2016
< 25 years old	131	153	171
25-29 years old	616	665	784
30-34 years old	866	886	1,006
35-39 years old	942	944	986
40-45 years old	745	711	738
> 45 years old	738	669	664
Total	4,038	4,028	4,349

Employee Composition by Position

Description	2018	2017	2016
Senior Management	159	128	121
Middle Management	359	292	273
Junior Management	1,804	1,744	1,756
Staff	1,716	1,864	2,198
Non Staff	0	0	1
Total	4,038	4,028	4,349

Employee Composition by Education Level

Description	2018	2017	2016
Master and Doctoral Degree	274	258	277
Bachelor Degree	2,939	2,853	3,117
Diploma	395	449	463
Others	430	468	492
Total	4,038	4,028	4,349

Employee Composition by Length of Service

Description	2018	2017	2016
< 1 years	910	759	523
1 - 4 years	1,120	1,251	1,664
5 – 9 years	717	742	816
10 - 14 years	431	425	456
15 - 19 years	371	338	349
>20 years	489	513	541
Total	4,038	4,028	4,349

Employee Composition by Function

Description	2018	2017	2016
Channels	1,312	1,352	1,409
Corporate Support	433	335	357
Global Markets	57	56	55
Retail	1,382	1,459	1,692
Technology And Operations	560	542	564
Wholesale Banking	294	284	272
Total	4,038	4,028	4,349

Employee Composition by Employment Type

Description	2018	2017	2016
Contract	220	277	323
Permanent	3,818	3,751	4,026
Total	4,038	4,028	4,349

To provide our colleagues with exposure to international best practices, we do employ Foreign Workers / *Tenaga Kerja Asing* (TKA). A cross-border employee exchange programme has been rolled out for temporary positions and for our colleagues to participate in specific projects. The experience and knowledge of TKAs is therefore able to be transferred to UOB Indonesia colleagues.

To support the efforts of our colleagues, UOB Indonesia also outsourced supporting roles in certain fields as permitted by the Ministry of Manpower and Transmigration as stipulated in Regulation No. 19 of 2012, the Ministry of Manpower and Transmigration Circular No. SE.04/MEN/VIII/2013 and POJK No.9/POJK.03/2016. We also have in place policies and procedures in line with government regulations regarding the use of sub-contracted employees.

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Looking Ahead

UOB Indonesia will remain committed to develop a pool of principled and talented individuals, while empowering them to take ownership of their careers. In 2019, the Bank's human resources strategic objectives are as follows:

1. Developing an organisation ready for the future where our people capabilities support UOB's long-term business strategy and plans;
2. Accelerating our talents' career growth by placing them in different work functions in order to deepen their skills;
3. Establishing career-oriented learning and development programmes:
 - a. Strengthening employee capabilities and career pathways through *UOB + I_Grow*;
 - b. Developing a Banking Management Programme and Certification And providing Credit Certification;
 - c. Establishing Wholesale Banking career path programmes;
4. Improving the assessment of employee performance and development through the Performance Development Committee;
5. Improving our recruitment and learning journey:
 - a. Development of eRecruit feature on GEMS to ensure quality recruitment processes;
 - b. Offering operational learning opportunities via mobile devices; and
 - c. Implementing a digital-based training system to improve accessibility to development courses.



Management Together
with Labor Union



Happy Retirement



Public Seminar "*Pension Plan*" in
Collaboration with SWA Magazine



Knowledge Transfer from Foreign Worker
(PFS and Digital Bank)



UOB Indonesia Colleagues in Regional Assignment



UOB Indonesia Leaders at Leadership by You



Sales Award



CEO Award



Service Award

Technology and Operations

With the rapid advances in innovation and technology, we continue to pace our technology and digital investments to provide our customers with a safer, smarter and simpler banking experience. Our investments focus on building and maintaining a robust technology platform, automating more business processes and harnessing technology to develop innovative products and services to serve our growing customer base.

In 2018, Technology and Operations implemented the following:

1. **Loan Origination System** - We started enhancing our loan application system for Wholesale and Retail Banking to cover more areas to be more automated and to reduce processing time and increase quality control and monitoring.
2. **Enhanced SWIFT system using Alliance Messaging Hub (AMH)** - Enhanced the SWIFT (Society for the Worldwide Interbank Financial Telecommunication) messaging system in line with regulatory requirements and to ensure more efficient and automated business processes.
3. **Customer Relationship Management (CRM) System for Wholesale Banking** - Developed a Wholesale Banking CRM system to provide centralised source of industry data, customer insights and prospective customer data. This enables us to offer more relevant services based on customer behaviour and to improve Relationship Manager (RM) productivity through a digital sales support tool.
4. **Enhancement of Cash Management System** - Implemented a series of initiatives to enhance our Cash Management System, Liquidity Management and Consolidated Statement, as well as increasing the availability of transaction services to 24 hours, seven days a week.
5. **Deployment of the National Payment Gateway (NPG)** - This initiative is also to support the government's Programme. The implementation of NPG was done smoothly and in timely manner.
6. **Technology Infrastructure Refresh** - As the commitment to ensure resiliency and robustness of our infrastructure, UOB Indonesia continued to refresh its Information

Technology (IT) infrastructure. There were several major deployments, such as Core Banking System servers' replacement, remittance servers' replacement, network devices replacements.

Our Operations team continued to provide optimal support to all of the business units including Wholesale Banking, Global Markets and Retail Banking.

Wholesale and Global Market Operations

In 2018, Bank Indonesia launched a new Domestic Non-Deliverable Forward (DNDF) product and UOB Indonesia has been appointed as one of the few main banks to perform the new product transactions. We established a new system to support our DNDF product. The team supported the launch of new products, such as Dealer Financing and Bill Purchase.

We also implemented a number of other improvements including the automation of manual processes, such as *Lalu Lintas Devisa* (LLD)/Flow of Foreign Exchange Report and *Laporan Harian Bank Umum* (LHBU)/Commercial Bank Daily Report. These improvements have increased the accuracy of and efficiency in monitoring foreign exchange transactions. We have also reduced the processing time significantly.

Our strong performance has been recognised in 2018, through a number of awards:

1. The 2017 Straight-Through Processing (STP) Awards for STP Rate message type (MT) 103 from Bank of New York;
2. The 2017 Elite Quality Recognition Awards for STP MT 202 rate of 99.99 per cent from JP Morgan Chase, New York;
3. Triple A Best small-medium enterprise (SME) Solutions Award 2018 (in collaboration with Transaction Banking):
 - a. Best Supply Chain Finance Solution: PT Eurokars Indonesia;
 - b. Best Cash Management Solution: Primantara Wisesa Sejahtera and PT Travel Recommends Indonesia.
4. Triple A Best Industrial Solutions 2018 (in collaboration with Transaction Banking):
 - a. Best Structured Trade Finance Solution Award: PT Utama Karya;
 - b. Best Cash Management Solution: PT McConnell Dowell Indonesia.

Management Discussion and Analysis

Retail Operations

Retail Operations supports Personal Financial Services and Business Banking segments through its six operational centres, including Retail Loan Operations, Appraisal and Loan Administration, Channel Operations, Cards Operations and Processing, Retail Operations Readiness and Contact Centre.

In 2018, our Retail Loan Operations centres improved processes and work efficiencies in areas, such as credit assessments. The Retail Operations Readiness Centre continued automating processes to support reporting to regulators.

Our Contact Centre has maintained strong performance as reflected through the award we achieved during the year. In 2018, we were recognised for second consecutive year at the Exceptional Performance in Contact Centre Service Excellence Award in the categories of Regular Banking and Regular Credit Card. This was awarded by the Carre Centre for Customer Satisfaction Loyalty and Service Excellence Magazine.

Board Supervision on Information Technology Implementation

UOB Indonesia's Information Technology Committee plays a significant role in monitoring and supervising IT development and implementation across the organisation. The President Director is the Committee Chairman with the Technology and Operations Director as the Committee Vice-Chairman, supported by relevant Directors and Senior Management as committee members. Regular meetings are conducted to discuss relevant topics, to provide directions and to make strategic or major decisions on IT matters.

The IT Committee has the following responsibilities:

1. To determine IT development priorities;
2. To approve IT development plans and budgets; and
3. To approve policies related to Information Technology and IT Security.

2019 Information Technology Focus areas:

1. **Risk management** - A number of IT security initiatives will support and strengthen IT monitoring and risk control. This includes the plan to implement a Governance, Risk and Compliance platform as well as the development of further IT Security technologies, such as identity management, end-point detection system;
2. **Financial management** - IT will focus on developing a platform for financial reporting to strengthen financial analysis, control and management, in order to generate enhanced management reporting;

3. **Customer banking experience** - The focus is to improving the customer on-boarding experience and automating processes. This includes enhancements to the card and payment systems, enhancement and upgrade of the digital channels, and Transaction Banking systems. In addition, IT will provide infrastructure support to enable strategic collaborations with financial technology (FinTech) companies and third-party partnership to build a digital ecosystem; and
4. **Digital bank launch** - Launch of the digital bank- the first mobile-only digital bank tailored for specific customer segments. It uses the latest technology and behavioural insights to deepen customer engagement and offer a different banking experience.

In support of our business growth, we will continue to strengthen our IT infrastructure by carrying out the following initiatives:

1. **Network Redundancy Implementation** - Network Redundancy implementation will improve the Bank's IT infrastructure in order to ensure that our IT network supports and contributes towards the sustainability of our business operations;
2. **IT Infrastructure Refresh** - This initiative is an annual work programme to renew infrastructure that is no longer supported by major manufacturers. We will further virtualise our IT infrastructure to reduce the need for physical infrastructure and data centre space and to accelerate server set-up, while maintaining levels of service excellence;
3. **Work Environment Transformation** - Employee productivity will be improved through workplace tools such as the expansion of our head office wireless network facilities, enhancements to our internal email system and deployment of mobile-based work tools; and
4. **Information Security** - We will continue to invest in the latest IT security systems to protect our customers' and the Bank's data to support the bank's further penetration into the digital space. In addition, the bank will strengthen the security at the system development phase, as the preventive measure. Besides protection tools implementation, the team continues to conduct initiatives to improve productivity.

In 2019, we will continue to improve the quality of our operational services and support, reduce operational risks, and improve automation. In addition, we will upgrade some systems including Cash and Trade systems, Loan Origination systems, Treasury systems, Regulatory Reporting systems. More importantly, as part of our continued commitment to the regulator, the bank will also onshore the required systems and infrastructure, such as Treasury and SWIFT systems.

Financial Review

Comprehensive Analysis of Financial Performance

This financial review is prepared based on the financial statements of PT Bank UOB Indonesia (UOB Indonesia) that have been prepared and presented in accordance with the Indonesian Financial Accounting Standards issued by the Indonesian Financial Accounting Standards Board (DSAK). All information in the financial statements has been presented in a complete and truthful manner.

The Financial Statements of UOB Indonesia was audited by Public Accountant Office Purwantono, Sungkoro, and Surja (member firms of Ernst & Young Global Limited), with unmodified opinion, which stated that the financial statements present fairly, in all material respects, 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 Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
Operating Income and Expenses		
Interest income and expense		
Interest income	7,319	7,268
Interest expense	(3,715)	(3,757)
Interest Income – Net	3,604	3,511
Other Operating Income		
Administration fees and commissions – net	259	253
Realised and unrealised gain on securities sold and from changes in the fair value of trading securities - net	119	184
Gain from foreign currency transactions	269	167
Others – net	209	190
Total Other Operating Income – net	856	794
(Provision for) reversal of impairment losses		
Financial assets	(662)	(1,256)
Foreclosed assets	(5)	1
Total provision for impairment losses	(667)	(1,255)

Statement of Profit or Loss and Other Comprehensive Income (in Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
Other operating expenses		
Salaries and employees' benefits	(1,877)	(1,638)
General and administrative expenses	(1,234)	(1,107)
Total other operating expenses	(3,111)	(2,745)
Operating Income	682	305
Non-operating income		
Gain on sale of fixed assets and abandoned property	4	3
Others – net	24	1
Total Non-Operating Income	28	4
Income Before Tax Expense	710	309
Tax expense	(199)	(231)
Income for The Year	511	78
Other Comprehensive Income		
Item that will not be reclassified to profit or loss:		
Actuarial remeasurement of contribution benefit plan	91	(75)
Income tax relating to components of other comprehensive income	(23)	19
	68	(56)
Items that shall be reclassified to profit or loss:		
Movement in respect of fair-value change of available-for-sale financial investment	(199)	133
Income tax related to component of other comprehensive income	50	(33)
	(150)	100
Other comprehensive income for the current year - net of tax	(81)	43
Total Comprehensive Income for The Year	430	121

Management Discussion and Analysis

Interest Income

Interest income is derived from loans, financial investments, receivables on securities purchased with agreements to resell, placements with Bank Indonesia and other banks, as well as current accounts with Bank Indonesia and other banks.

Interest Income (in Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
Loans	6,070	6,146
Financial investments	1,041	961
Receivables on securities purchased with agreements to resell	146	121
Placements with Bank Indonesia and other banks	52	29
Current accounts with Bank Indonesia and other banks	10	11
Total	7,319	7,268

Interest income from loans was the largest contributor with a portion of 82.9 per cent of the total interest income.

Interest income in 2018 amounting to IDR7,319 billion, increased by 0.7 per cent or IDR51 billion compared to IDR7,268 billion in 2017.

The increase in interest income was due to an increase in interest income from financial investments, receivables on securities purchased with agreements to resell, and placements with Bank Indonesia and other banks.

1. Interest income from financial investments increased by 8.3 per cent or IDR80 billion compared to the previous year.
2. Interest income from receivables on securities purchased with agreements to resell increased by 20.7 per cent or IDR25 billion compared to the previous year.
3. Interest income from placements with Bank Indonesia and other banks increased by 79.3 per cent or IDR23 billion compared to the previous year.

The increase in Interest income from financial investments was due to an increase in amount of financial investments by 4.3 per cent or IDR641 billion compared to the previous year.

The increase in Interest income from receivables on securities purchased with agreements to resell was due to an increase in effective interest rate for receivables on securities purchased with agreements to resell for Rupiah ranged between 5.95 per cent - 7.30 per cent in 2018, compared to 4.44 per cent - 4.59 per cent in 2017.

The increase in interest income from placements with Bank Indonesia and other banks was due to a increase in average

interest rates for placement with Bank Indonesia and other banks, are as follows:

1. The average interest rate for placement with Bank Indonesia and other banks in Rupiah, in 2018 was 4.35 per cent - 5.69 per cent and in 2017 was 3.87 per cent - 5.13 per cent.
2. The average interest rate for placement with Bank Indonesia and other banks in foreign currency, in 2018 was 0.49 per cent - 2.02 per cent and in 2017 was 0.49 per cent - 1.71 per cent.

However, interest income from loans decreased by 1.2 per cent or IDR76 billion compared to the previous year, from IDR6,146 billion in 2017 to IDR6,070 billion in 2018.

The decrease was due to a decrease in average contractual interest rates for loans in Rupiah. The average contractual interest rate for loans in Rupiah, in 2018 was 10.45 per cent and in 2017 was 10.73 per cent, decreased by 0.28 per cent. The loan portfolio in 2018 is dominated in Rupiah with a portion of 72.2 per cent of the total loan portfolio.

Interest Expense

Interest expense of UOB Indonesia was incurred on time deposits, demand deposits, saving deposits, debt securities issued, premium on government guarantee, deposits and borrowing from other banks, and liabilities on securities sold under repurchase agreements.

Interest Expense (in Billion Rupiah)	Year Ended 31 December	
	2018	2017
Time deposits	2,429	2,563
Demand deposits	367	407
Debt securities issued	326	305
Saving deposits	287	273
Premium on Government guarantee	146	155
Deposits and borrowings from other banks	135	43
Liabilities on securities sold under repurchase agreements	25	11
Total	3,715	3,757

Interest expense of UOB Indonesia in 2017 was dominated by customer deposits in the form of time deposits with a portion of 65.4 per cent of the total interest expense.

Interest expense in 2018 was IDR3,715 billion, decreased by 1.1 per cent or IDR42 billion compared to IDR3,757 billion in 2017.

The decrease in interest expense was mainly due to a decrease in interest expense for time deposits and demand deposits.

1. Interest expense for time deposits decreased by 5.2 per cent or IDR134 billion compared to the previous year.
2. Interest expense for demand deposits decreased by 9.8 per cent or IDR40 billion compared to the previous year.

The decrease was due to a decrease in the average interest rate for time deposits and demand deposits in Rupiah, are as follows:

1. The average interest rate for time deposits in Rupiah, in 2018 was 6.24 per cent and in 2017 was 6.59 per cent, decreased by 0.35 per cent, Time deposit balance was dominated in Rupiah with a portion of 76.6 per cent of the total balance of time deposits.
2. The average interest rate for demand deposits in Rupiah, in 2018 was 3.33 per cent and in 2017 was 3.86 per cent, decreased by 0.53 per cent, The Bank's demand deposits balance was dominated in Rupiah with a portion of 93.0 per cent of the total balance of demand deposits.

Other Operating Income

Other Operating Income (in Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
Administration fees and commissions – net	259	253
Realised and unrealised gain on securities sold and from changes in fair value of trading securities – net	119	184
Gain from foreign currency transactions	269	167
Others – net	209	190
Total	856	794

Other operating income in 2018 was IDR856 billion, increased by 7.8 per cent or IDR62 billion, compared to IDR794 billion in 2017.

The increase in other operating income was mainly due to gain from foreign currency transactions that increased by 61.1 per cent or IDR102 billion, from IDR167 billion in 2017 to IDR269 billion in 2018.

Operating Expenses

Operating expenses consists of provision for impairment losses, salaries and employees' benefits, and general and administrative expenses.

Operational Expenses (in Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
(Provision for) reversal of impairment losses	(662)	(1,256)
Financial assets	(5)	1
Foreclosed assets		
Total Provision for Impairment Losses	(667)	(1,255)
Other Operating Expenses		
Salaries and employees' benefits	(1,877)	(1,638)
General and administrative expenses	(1,234)	(1,107)
Total Other Operating Expenses	(3,111)	(2,745)
Total	(3,778)	(4,000)

The total operating expenses in 2018 was IDR3,778 billion, decreased by 5.6 per cent or IDR222 billion, compared to IDR4,000 billion in 2017.

The decrease in the total operating expenses was mainly due to the decrease of impairment losses on financial assets by 47.3 per cent or IDR594 billion, from IDR1,256 billion in 2017 to IDR662 billion in 2018. The decrease was in line with the quality improvement of financial assets owned by the Bank. In addition, the decrease was a result of the sale of loans to related parties in 2018.

However, there was an increase in salaries and employees' benefits, and general and administrative expenses.

Salaries and employees' benefits increased by 14.6 per cent or IDR239 billion, from IDR1,638 billion in 2017 to IDR1,877 billion in 2018.

The increase in salaries in employees' benefits was mainly due to an increase in salaries, wages, and education and training expenses.

General and administrative expenses increased by 11.5 per cent or IDR127 billion, from IDR1,107 billion in 2017 to IDR1,234 billion in 2018.

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The increase in general and administrative expenses was mainly due to an increase in professional fees by 47.6 per cent or IDR30 billion, an increase in depreciation of fixed assets by 14.6 per cent or IDR25 billion due to the addition of fixed assets by 73.4 per cent or IDR116 billion, and an increase in advertising and promotion expenses by 16.7 per cent or IDR22 billion.

Income Before Tax Expense

As at 31 December 2018, UOB Indonesia booked Income Before Tax Expenses at IDR710 billion, which was 230 per cent of what we achieved in the previous year.

The increase in income before tax expense was due to an increase in net operating income, other operating income, and non-operating income. In addition, The increase was due to an decrease in provision for impairment losses.

Tax Expense

Tax expense decreased by 13.9 per cent or IDR32 billion, from IDR231 billion in 2017 to IDR199 billion in 2018.

Income for the Year

Income for the year of UOB Indonesia in 2018 was IDR511 billion, significantly increased by 555.1 per cent or IDR433 billion compared to IDR78 billion in 2017.

The significant increase in income for the year was due to decrease on impairment losses on financial assets, as described above in the 'Operating Expenses' section.

Comprehensive Income for the Year

Comprehensive income for the year increased by 255.4 per cent or IDR309 billion, from IDR121 billion in 2017 to IDR430 billion in 2018.

Statement of Financial Position

Assets (in Billion Rupiah)	31 December	
	2018	2017
Cash	519	398
Current accounts with Bank Indonesia	6,036	6,072
Current accounts with Other Banks	680	2,453
Placements with Bank Indonesia and Other Banks	2,204	3,417
Trading securities	344	1,118
Financial investments - net	15,588	14,951
Derivatives receivable	668	146
Loans - net	72,308	61,998
Receivables on securities purchased with agreements to resell	907	1,015
Acceptances		
Receivables - net	2,175	1,826
Deferred tax assets - net	136	95
Fixed assets – book value	1,118	1,063
Other assets - net	993	692
Total	103,676	95,244

The majority of UOB Indonesia's assets were derived from net loans with a portion of 69.7 per cent of total assets.

Total assets of UOB Indonesia increased by 8.9 per cent or IDR8,432 billion, from IDR95,244 billion in 2017 to IDR103,676 billion in 2018. This increase was mainly due to an increase in net loans by 16.6 per cent or IDR10,310 billion.

However, there were decrease in current accounts with other banks, and placements with Bank Indonesia and other banks.

Current Assets

Current assets consists of cash, current accounts 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 acceptances receivable.

Current assets of UOB Indonesia in 2018 was IDR101,429 billion, increased by 8.6 per cent or IDR8,035 billion compared to IDR93,394 billion in 2017. This increase was mainly due to an increase in net loans.

Non-Current Assets

Non-current assets consists of Deferred tax assets, fixed assets, and other assets.

Non-current assets of UOB Indonesia in 2018 was IDR2,247 billion, increased by 21.5 per cent or IDR397 billion compared to IDR1,850 billion in 2017. This was due to an increase in net deferred tax assets by 43.2 per cent or IDR41 billion, increase in fixed assets by 5.2 per cent or IDR55 billion, and an increase in net other assets by 43.5 per cent or IDR301 billion.

Loans

Net loans of UOB Indonesia in 2018 was IDR72,308 billion, increased by 16.6 per cent or IDR10,310 billion compared to IDR61,998 billion in 2017.

Loan portfolio in 2018 was IDR73,681 billion, increased by 16.9 per cent or IDR10,650 billion compared to IDR63,031 billion in 2017.

The loan portfolio has the largest contribution to UOB Indonesia's total assets by 71.1 per cent. The biggest exposure was working capital loan with a proportion of 53.5 per cent of the total loan portfolio.

The following is the loans portfolio based on loans type:

Loans (in Billion Rupiah)	31 December	
	2018	2017
Working capital	39,452	31,323
Investment	9,645	12,047
Housing	5,465	4,677
Multi-purpose	1,866	1,966
Credit card	2,082	1,654
Motor vehicles	27	24
Others	15,144	11,340
Total	73,681	63,031

The following is loans portfolio based on loans segmentation:

Segmentation (in Billion Rupiah)	31 December	
	2018	2017
Commercial Banking	24,753	20,448
Corporate Banking	18,077	15,801
Business Banking	15,235	14,972
Personal Financial Services	9,617	8,532
Financial Institution	5,999	3,278
Total	73,681	63,031

Based on business segmentation, increase in loans was mainly due to an increase in loans portfolio of Commercial Banking segment by 21.1 per cent or IDR4,305 billion, from IDR20,448 billion in 2017 to IDR24,753 billion in 2018. In addition, loans portfolio of other segments was also increasing.

The following is loans portfolio based on currency:

Loans (in Billion Rupiah)	31 December	
	2018	2017
Rupiah	53,168	45,919
Foreign currency	20,513	17,112
Total	73,681	63,031

The majority of the loans were derived from loans denominated in Rupiah with portion of 72.2 per cent of the total loan portfolio.

In 2018, the loan portfolio denominated in Rupiah increased by 15.8 per cent or IDR7,249 billion, from IDR45,919 billion in 2017 to IDR53,168 billion in 2018.

In 2018, the loan portfolio in foreign currencies also increased by 19.9 per cent or IDR3,401 billion, from IDR17,112 billion in 2017 to IDR20,513 billion in 2018.

The following is loans portfolio based on economic sector:

Economic Sector (in Billion Rupiah)	31 December	
	2018	2017
Processing industry	20,410	16,305
Wholesale and retail	17,606	16,442
Household	9,628	8,523
Financial intermediaries	6,040	3,362
Agriculture, hunting and forestry	4,605	4,060
Real estate and business service	4,409	4,074
Construction	3,740	2,394
Accommodation provider	2,340	2,614
Mining and excavation	2,164	1,246
Transportation, warehousing, and communication	1,924	3,206
Electricity, water and gas	442	428
Social service	194	160
Educational service	53	55
Fishery	46	48
Health service	45	86
Personal service	4	3
Others	31	25
Total	73,681	63,031

Loans portfolio are dominated by the processing industry and the wholesale and retail household with a portion of 27.7 per cent and 23.9 per cent respectively of the total loan portfolio.

Management Discussion and Analysis

Based on the economic sector, the increase in the loan portfolio was mainly due to an increase in the loan portfolio from the processing industry by 25.2 per cent or IDR4,105 billion, from IDR16,305 billion in 2017 to IDR20,410 billion in 2018.

Allowance for impairment losses on loans in 2018 was IDR1,373 billion, increased by 32.9 per cent or IDR340 billion compared to IDR1,033 billion in 2017.

Allowance for Impairment Losses on Loans (in Billion Rupiah)	31 December	
	2018	2017
Beginning balance	1,033	1,090
Provision during the year	647	1,260
Recovery of loans previously written-off	122	108
Loans written-off during the year	(314)	(774)
Foreign exchange translation	19	(2)
Settlement of allowance related to loans sold	(134)	(649)
Ending Balance	1,373	1,033

The Bank sold loans with the following details:

- On 3 December 2018, the net proceeds obtained by UOB Indonesia from the sale of loans amounted to IDR291 billion.
- On 2 February 2018, the net proceeds obtained by UOB Indonesia from the sale of loans amounted to IDR346 billion and SGD3,497,367 (full amount).
- On 27 December 2017, the net proceeds obtained by UOB Indonesia from the sale of loans amounted to IDR1,974 billion and USD41,041,102 (full amount).

The sale of loans was conducted at book value after considering allowance for impairment losses of loan, the Bank does not book gain or loss on sale of loans. The transfer of the rights was effective on the transaction date.

Net Financial Investments

Net financial investments in 2018 increased by 4.3 per cent or IDR637 billion, from IDR14,951 billion in 2017 to IDR15,588 billion in 2018.

The increase in financial investments was mainly due to an increase in Government Bonds and State Treasury Notes, as well as investments in Certificates of Bank Indonesia in 2018.

1. Investments in Government Bonds increased by 99.9 per cent or IDR2,677 billion from IDR2,680 billion in 2017 to IDR5,357 billion in 2018;
2. Investments in State Treasury Notes increased by 569.1 per cent or IDR1,565 billion from IDR275 billion in 2017 to IDR1,840 billion in 2018; and
3. Investments in Certificates of Bank Indonesia in 2018 was IDR1,191 billion.

Otherwise, investments in Certificate Deposit of Bank Indonesia decreased by 95.2 per cent or IDR5,111 billion from IDR5,371 billion in 2017 to IDR260 billion in 2018.

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

Liabilities (in Billion Rupiah)	31 December	
	2018	2017
Current liabilities	148	149
Deposits	77,322	75,047
Demand deposits	11,401	11,258
Saving deposits	16,231	14,850
Time deposits	49,690	48,939
Deposits from other banks	3,142	2,315
Interests payable	248	226
Taxes payable	85	65
Derivatives payable	619	106
Acceptance payable	2,203	1,843
Liabilities on securities sold under repurchase agreements	580	-
Borrowings	3,200	333
Liabilities for employees' benefits	278	328
Debts securities issued - net	3,791	3,389
Other liabilities	683	496
Total	92,299	84,297

The majority of UOB Indonesia's liabilities were derived from deposits from non-bank customers with a portion of 83.8 per cent of total liabilities.

Total liabilities of UOB Indonesia increased by 9.5 per cent or IDR8,002 billion, from Rp84,297 billion in 2017 to IDR92,299 billion in 2018.

The increase was mainly due to an increase in borrowings by 861.0 per cent or IDR2,867 billion. In addition, there was an increase in Saving Deposits from customer by 9.3 per cent or IDR1,381 billion.

Customer Deposits

Customer deposits consist of demand deposits, saving deposits, and time deposits. Deposits from customers of UOB Indonesia are dominated by time deposits with a portion of 64.3 per cent of total customer deposits.

Customer deposits increased by 3.0 per cent or IDR2,275 billion, from IDR75,047 billion in 2017 to IDR77,322 billion in 2018.

1. Saving Deposits increased by 9.3 per cent or IDR1,381 billion, from IDR14,850 billion in 2017 to IDR16,231 billion in 2018;

2. Time Deposits increased by 1.5 per cent or Rp751 billion, from IDR48,939 billion in 2017 to IDR49,690 billion in 2018;
3. Demand Deposits increased by 1.3 per cent or Rp143 billion, from IDR11,258 billion in 2017 to IDR11,401 billion in 2018.

Borrowings

Borrowings significantly increased by 861.0 per cent or IDR2,867 billion, from IDR333 billion in 2017 to IDR3,200 billion in 2018.

Borrowings (in Billion Rupiah)	31 December	
	2018	2017
Third parties		
Rupiah		
PT Bank ICBC Indonesia	758	-
Foreign Currencies		
PT Bank Resona Perdanania	352	333
PT Bank ICBC Indonesia	5	-
Related Parties		
Foreign currencies		
United Overseas Bank Ltd, Singapore	2,085	-
Total	3,200	333

Debt Securities Issued

Debt securities issued increased by 11.9 per cent or IDR402 billion, from IDR3,389 billion in 2017 to IDR3,791 billion in 2018.

The increase occurred due to the Bank issued Bank UOB Indonesia Senior Debt Shelf Offering I Phase II Year 2018 totalling IDR1,000 billion consists of Bonds Series A amounting to IDR862 billion, Series B amounting to IDR83 billion, and Series C amounting to IDR55 billion with fixed interest rate of 6.15 per cent, 7.40 per cent, and 7.65 per cent, respectively, which is repayable every three months and will mature on 3 June 2019, 23 May 2021, and 23 May 2023, respectively.

UOB Indonesia has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series B with a nominal value IDR600 billion, respectively which matured on 1 April 2018.

Equity (in Billion Rupiah)	31 December	
	2018	2017
Share capital	2,388	2,388
Additional paid-in capital – net	2,107	2,107
Other comprehensive income	(157)	(76)
Retained earnings		
Appropriated	112	112
Unappropriated	6,927	6,416
Total	11,377	10,947

Total equity of UOB Indonesia increased by 3.9 per cent or IDR430 billion, from IDR10,947 billion in 2017 to IDR11,377 billion in 2018. The increase in total equity is in line with the increase in income for the year.

In 2018, there was no additional capital and dividend payment.

No changes were made in the objectives, policies or processes in 2018 and 2017.

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

Statement of Cash Flows

The Statement of Cash Flows is classified on the basis of operating, investing, and financing activities.

Cash and cash equivalents consists of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, and financial investments, maturing within three months or less from the acquisition date provided they are not used as collateral for borrowings nor restricted.

Management Discussion and Analysis

Cash Flows (in Billion Rupiah)	For the Year Ended 31 December	
	2018	2017
Net cash (used in)/provided by operating activities	(6,881)	5,444
Net cash used in investing activities	(2,218)	(3,550)
Net cash provided by financing activities	3,829	192
Net increase (decrease) in cash and cash equivalents	(5,270)	2,086
Net effect on exchange rate on cash and cash equivalents	160	95
Cash and cash equivalents at the beginning of year	14,809	12,627
Cash and cash equivalents at end of year	9,699	14,808

Net Cash (Used in)/Provided by Operating Activities

Net cash used in operating activities increased by 226.4 per cent or IDR12,325 billion.

Cash out-flows from operating activities are used for interest payments, payment of operating expenses, payment of income taxes, and increase in loans.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased by 37.5 per cent or IDR1,332 billion, from IDR3,550 billion in 2017 to IDR2,218 billion in 2018. This decrease was due to a decrease in the purchase of financial investment in 2018 compared to 2017.

Cash usage for investing activities consists of purchase of financial investments and acquisitions of fixed assets.

Net Cash Provided by Financing Activities

Net cash provided by financing activities increased by 1894.3 per cent or IDR3,637 billion, from IDR192 billion in 2017 to IDR3,829 billion in 2018.

The increase in cash in-flows from financing activities was due to the receipt from borrowings amounting to IDR3,200 billion and proceeds from issuing of Bank UOB Indonesia Senior Debt Shelf Offering I Phase II Year 2018 totalling IDR1,000 billion in 2018.

Financial Ratios

Financial Ratios	31 December	
	2018	2017
Capital adequacy ratio	15.37%	17.08%
Non-performing loans (NPL) – gross	1.42%	1.09%
Non-performing loans (NPL) – net		
Return on assets (ROA)	0.89%	0.93%
Return on equity (ROE)	0.71%	0.32%
Net interest margin (NIM)	4.61%	0.70%
Operating expense to operating income	3.79%	3.85%
Loans to deposit ratio (LDR)	97.08%	97.81%
Minimum statutory reserves (GWM) Rupiah	93.04%	83.57%
Primary statutory reserves	6.60%	6.78%
Secondary statutory reserve	-	19.48%
Macroprudential liquidity buffer*	18.81%	-
Macroprudential intermediation ratio **	87.64%	-
Foreign currency	8.10%	8.18%
Net open position (NOP)	8.13%	2.22%
Aggregate		

* As of 16 July 2018, based on PBI No.20/4/PBI/2018 dated 29 March 2018, the term GWM Secondary changed to PLM (Macroprudential Liquidity Buffer)

** As of 16 July 2018, based on PBI No.20/4/PBI/2018 dated 29 March 2018, the term LFR GWM changed to RIM (Macroprudential Intermediation Ratio)

Capital Adequacy Ratio (CAR)

In 2018, Capital Adequacy Ratio (CAR) decreased by 1.71 per cent, from 17.08 per cent in 2017 to 15.37 per cent in 2018.

The required minimum capital in accordance with the risk profile is 9.00 per cent of the RWA.

In 2018 and 2017, 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 with BI Regulation No. 14/18/PBI/2012 dated 28 November 2012 and BI regulation No. 15/12/PBI/2013 dated 12 December 2013.

Non-Performing Loans (NPL)

In 2018, the gross NPL ratio increased by 0.33 per cent, from 1.09 per cent in 2017 to 1.42 per cent in 2018.

Otherwise, the net NPL ratio decreased by 0.04 per cent, from 0.93 per cent in 2017 to 0.89 per cent of the total loans in 2018.

Net NPL ratio is calculated in accordance with Bank Indonesia Regulation No. 15/2/PBI/2013 dated 20 May 2013, the maximum net NPL ratio is 5 per cent of a Bank's total loans.

The Net NPL Net ratio showed good performance since it was still below the maximum of five 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.

Non-Performing Loans (NPL) amounted to IDR1,046 billion and IDR685 billion in 2018 and 2017, respectively.

Return on Assets (ROA)

In 2018, Return on Assets (ROA) increased by 0.39 per cent, from 0.32 per cent in 2017 to 0.71 per cent in 2018.

The increase in ROA was due to an increase in income before tax expense by 129.8 per cent or IDR401 billion.

Return on Equity (ROE)

In 2018, Return on Equity (ROE) increased by 3.91 per cent, from 0.70 per cent in 2017 to 4.61 per cent in 2018.

The increase in ROE was due to the increase in income for the year by 555.1 per cent or IDR433 billion.

Net Interest Margin (NIM)

Net Interest Margin (NIM) in 2018 and 2017 were 3.79 per cent and 3.85 per cent respectively, decreased by 0.06 per cent.

The decrease in NIM was due to an increase in earning assets owned by the Bank.

Operating Expense to Operating Income (BOPO)

BOPO ratio decreased by 0.73 per cent to 97.08 per cent in 2018 compared to 2017 by 97.81 per cent.

The decrease in BOPO was due to the decrease in the provision for impairment losses on financial assets. In addition, the decrease in BOPO was also due to an increase in net interest income and other operating income.

Loans to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR), which identifies the extent to which the Bank's loans are funded by customer's deposits was recorded at 93.04 per cent in 2018, increased by 9.47 per cent compared to 83.57 per cent in 2017.

The increase in LDR was due to an increase in the loan portfolio by 16.9 per cent or IDR10.650 billion.

UOB Indonesia will continuously maintain the LDR in a soundness range.

Minimum Statutory Reserves (GWM)

UOB Indonesia is required to maintain minimum statutory reserves (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 Certificates of Bank Indonesia (SBI), Certificates Deposit of Bank Indonesia (SDBI), Government Debenture Debt (SUN).

Macroprudential liquidity buffer is the minimum liquidity reserve in Rupiah that the Bank is required to maintain in form of the percentage of treasury bonds over third party fund in Rupiah.

Macroprudential Intermediation Ratio is resulted from comparison of loan and corporate bonds owned by the Bank towards third party fund in form of current account, savings and deposits (excluded other banks) and bonds issued by the Bank.

UOB Indonesia's GWM ratios as of 31 December 2018, complies with Bank Indonesia Regulation No. 20/3/PBI/2018 dated 29 March 2018 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank and Board Member of Governor Regulation (PADG) No. 20/10/PADG/2018 dated 31 May 2018 which have been further amended with PADG No. 20/30/PADG/2018 dated 30 November 2018 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank. Parameter of required GWM:

- a. For GWM Rupiah determined at 6.50 per cent, fulfilled in daily basis of 3.50 per cent and in average basis for certain reporting period of 3.00 per cent.
- b. For GWM foreign currencies is at 8.00 per cent, fulfilled in daily basis of 6.00 per cent and in average basis for certain reporting period of 2.00 per cent.

UOB Indonesia's Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer as of 31 December 2018 are complies with Bank Indonesia Regulation No. 20/4/PBI/2018 dated 29 March 2018 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer For Conventional Bank and Board Member of Governor Regulation No. 20/11/PADG/2018 dated 31 May 2018 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer For Conventional Bank.

UOB Indonesia's GWM ratios as of 31 December 2017, complies with Bank Indonesia Regulation No. 19/6/PBI/2017 dated 17 April 2017 regarding The Fifth amended to Bank Indonesia Regulation No. 15/15/PBI/2013 dated 24 December 2013 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank.

1. Primary GWM for Rupiah Currency is set at 6.50 per cent from total third party funds in Rupiah;
2. Secondary GWM is set at 4.00 per cent from total third party funds in Rupiah;
3. GWM in foreign currency is set at 8.00 per cent from total third party funds in foreign currency.

Management Discussion and Analysis

Net Open Position (NOP)

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 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 the Bank as of 31 December 2018 and 2017 is in compliance with BI regulations, i.e. 8.13 per cent and 2.22 per cent, respectively.

Legal Lending Limit (BMPK)

In 2018 and 2017, UOB Indonesia is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

Capital Expenditure

Material Bonds and Investment on Capital Goods

Total capital expenditure increased by 73.0 per cent or IDR116 billion, from IDR159 billion in 2017 to IDR275 billion in 2018. This increase was due to additional of infrastructure and office equipments.

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

Addition of Fixed Assets (in Billion Rupiah)	31 December	
	2018	2017
Addition through purchase of fixed assets	257	146
Addition of fixed assets through reclassification construction in progress	18	13
Total	275	159

Other Financial Information

Target Achievement of 2018 compared with Bank Business Plan (RBB) 2018

NPBT in 2018 was recorded at IDR710 billion, which was 94.7 per cent achievement of the budget. This was mostly contributed by higher NII by 10.2 per cent vs budget driven by higher loan balance by IDR3.8 trillion or 5.5 per cent, while higher expenses as the bank focused to invest in IT, build talent and customer experience.

Total assets in 2018 was recorded at IDR103,676 billion, or 97.6 per cent of the target. The total loans were recorded at IDR73,681 billion or 105.5 per cent of the target, and NPL was at 1.42 per cent.

Total liabilities in 2018 was 95.9 per cent of the target, driven by lower third party funds (99.8 per cent achievement) and securities issued (42.3 per cent achievement), Loans to Deposit ratio (LDR) was at 93.04 per cent.

Capital adequacy ratio (CAR) was at 15.37 or 93.9 per cent achievement of the target.

Financial Projection of 2019 in accordance with Bank Business Plan (RBB) 2019

2019 is the year of the UOB customers, a year of focus on customers which is key part of long term strategic pillars & priorities of UOB Indonesia for performance & excellence. Loan growth is projected to increase by 11 to 12 per cent and deposits growth by 10 to 14 per cent. The focus of deposit growth is on low cost fund (current account and saving account), CASA mix is projected at 41 per cent and gross NPL is at the level of 2.3 per cent.

In addition, UOB Indonesia will also focus on profitability growth while in an investment mode. UOB Indonesia will focus to increase loan growth, low-cost fund (CASA), fee based income and managing NIM. CAR is projected at 15.8 per cent in 2019.

Capital Policy

Capital Structure

The primary objective of UOB Indonesia's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders value.

UOB Indonesia 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, UOB Indonesia may adjust the dividend payment to shareholders, issue new shares or raise debt financing.

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

Throughout 2018, UOB Indonesia did not conduct any material transaction or activities related to investment, expansion, divestment, or acquisition.

Information of Utilisation of Public Offering Proceeds

In 2018, UOB Indonesia has conducted public offering of Senior Debt UOB Indonesia I Phase II year 2018. The issuance of IDR1 trillion was aimed to increase productive assets and support UOB Indonesia's business expansion.

Impact of Market Interest Rate Movement to Bank's Performance

In order to maintain domestic economic stability amidst unfavorable global economic situation including Fed Fund Rate (FFR) hike, worsening geo political and trade tension and propagation risk triggered by economic turmoil in some emerging countries, Bank Indonesia increased BI 7-Day Reverse Repo (BI7DRR) by 175bps from 4.25 per cent to 6.00 per cent per cent at the end of 2018.

BI7DRR and FFR basically are the reference rate of Indonesia banking Industry, that directly and indirectly affects the movement of loan and deposit rate.

In order to mitigate the interest rate risk in 2018, 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 with market rate movement and bank's risk appetite. System, Policy and limits are collaboratively set to aim with a precautionous monitoring of interest rate risk exposure and to be regularly reviewed.

Impact of Change of Laws on Bank Performance

The change of laws did not give any significant impact to UOB Indonesia.

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. UOB Indonesia intends to adopt these standards, if applicable, when they become effective.

1. SFAS No. 71: Financial Instruments, adopted from IFRS 9, effective 1 January 2020 with earlier application is permitted;
2. SFAS No. 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective 1 January 2020 with earlier application is permitted;
3. SFAS No. 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;
4. Amendments to SFAS No. 24: Employee Benefits regarding Amendments, Kurtailmen, or Programme Settlement, effective 1 January 2019;
5. IAS No. 33: Foreign Currency Transaction and Advance Consideration, effective 1 January 2019 with earlier application is permitted; and
6. IAS No. 34: Uncertainty of Income Tax Treatment, effective after 1 January 2019 with earlier application is permitted.

UOB Indonesia is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

Financial Information on Extraordinary Events

UOB Indonesia did not experience any extraordinary events that has a material impact to the financial performance in 2018.

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

Throughout 2018, there were no transactions that can be categorised as transactions with conflict of interest.

In 2018, in carrying out its business activities, UOB Indonesia conducted several transactions with related parties, including loans and deposits from customers. The detail of total, type, and nature of transaction with related parties can be seen on Notes No. 36 in Notes to the Financial Statements.

Dividend Policy and 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.

Good Corporate Governance

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Good Corporate Governance

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

I. Good Corporate Governance Structure

A. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the forum where shareholders make key decisions pertaining to 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, appointment and/or resignation of members of the Board of Commissioners and Directors, determine the amount and type of compensation/remuneration and other benefits 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 2018

In 2018, the Bank convened 1 (one) AGM and 1 (one) EGM.

AGM 2018

The AGM 2018 was held on 9 May 2018 at UOB Plaza, at Jl. MH Thamrin No. 10, Central Jakarta, 10230. The AGM was attended by shareholders and/or their proxies representing 9,553,769,677 shares or 99.99 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

EGM 2018

The EGM 2018 was held on 11 October 2018 at UOB Plaza, at Jl. MH Thamrin No. 10, Central Jakarta, 10230. The AGM was attended by shareholders and/or their proxies representing 9,458,230,389 shares or 98.999 per cent of 9,553,885,804 shares with voting rights issued by the Bank.

Resolution and Realisation of AGM 2018

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
1. Approval of the Annual Report of the Company including the Oversight Report of the Board of Commissioners, and ratification of the Financial Statements of the Company for the financial year ended 31 December 2017.	To approve the Annual Report of the Company for the financial year ended at 31 December 2017 including oversight report of the Board of Commissioners of the Company, and the Financial Statements of the Company for the financial year ended 31 December 2017 as audited by Public Accounting Firm of Purwanto, Sungkoro & Surja according to report No. RPC-5709/PSS/2018 dated 25 January 2018 with Unqualified Opinion, therefore providing release and discharge of responsibilities (<i>Acquit et Decharge</i>) 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 2017, provided such actions are reflected in the Annual Reports and Financial Statements of the Company for the financial year of 2017.	100%	-	Realised
2. Allocation of Net Profit of the Company for the Financial Year ended 31 December 2017.	To approve the use of the net profit of the Company for the financial year ended 2017 as follows: 1. A sum of IDR775,212,646 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 2017 after general reserve and dividends as Retained Earnings amounting IDR77,746,051,933 and for the year of 2017, Company does not distribute dividend.	100%	-	Realised

Good Corporate Governance

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
3. Appointment of Public Accountant Firm to audit the Company Books for the Financial Year of 2018 and Provision of Authority to Board of Directors to determine the fee for the Public Accountant and other requirements relating to 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 2018 in observance of the recommendations of the Audit Committee and to 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.	<p>1. To accept the resignation of Mr Rusdy Daryono as Independent Commissioner of the Company in accordance with his letter of resignation dated 24 April 2018 which shall be effective upon the adjournment of this Meeting; and accordingly, release and discharge Mr Rusdy Daryono off his responsibilities in exercising supervision of the Company in his position as Independent Commissioner of the Company from 1 January 2018 up to 9 May 2018; in so far as such actions are reflected in the Annual Report and Financial Statements of the Financial Year of 2018 provided the Annual Report and the Financial Statements of the Financial Year 2018 are approved and ratified at the Annual General Meeting of Shareholders for the relevant financial year.</p> <p>2. To appoint Mr VJH. Boentaran Lesmana as Independent Commissioner of the Company as of the adjournment of this Meeting until the adjournment of the Annual General Meeting of Shareholders of the Company which will be convened in 2019.</p> <p>The composition of members of Board of Commissioners following the adjournment of this Meeting and up to the adjournment of Annual General Meeting which will be convened in 2019 are as follows:</p> <p>Board of Commissioners</p> <p>President Commissioner : Wee Cho Yaw Deputy President Commissioner : Wee Ee Cheong Commissioner : Lee Chin Yong Francis Independent Commissioner : Wayan Alit Antara Independent Commissioner : Aswin Wirjadi Independent Commissioner : VJH Boentaran Lesmana</p> <p>3. To authorise the Board of Directors of the Company to state the reappointment of the members of the Board of Commissioners of the Company in a separate deed drawn up before a Notary (where necessary) and to arrange the delivery of a notification to that effect to the Ministry of Law and Human Rights of the Republic of Indonesia.</p>	100%	-	Realised

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
5. Provision of honoraria, facilities, allowances and bonuses for the members of the Board of Commissioners and Board of Directors.	<ol style="list-style-type: none"> 1. To authorise the majority Shareholders of the Company, United Overseas Bank International Investment ("UOBII"), to determine the amount of honoraria, facilities, allowances and bonuses in regard of financial year 2018 for members of the Board of Commissioners of the Company considering the recommendations provided by Remuneration and Nomination Committee. 2. To authorise the Board of Commissioners of the Company to determine the amount of salaries, facilities, allowances and bonuses in regard of financial year 2018 for members of the Board of Directors of the Company considering the recommendation provided Remuneration and Nomination Committee. 	100%	-	Realised
6. Report on the Realisation of the Use of Funds From the Issuance of Shelf Registration of Subordinated Bond I Bank UOB Indonesia Tranche II Year 2017.	Given that no decision was required of shareholders on the 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 Subordinated Bond I Bank UOB Indonesia Tranche II Year 2017.



Good Corporate Governance

Resolution and Realisation of EGM 2018

Agenda	EGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation																		
1. Change in the Composition of Members of the Board of Directors of the Company	<p>1. To accept the pension request of Mr Pardi Kendy from his position as Director of the Company, in accordance with his pension request letter dated 21 September 2018 which shall be effective as of the adjournment of this Meeting; subsequently granting release and discharge to Mr Pardi Kendy from his duties and responsibilities in managing the Company in his capacity as Director of the Company from 1 January 2018 to 11 October 2018; insofar as the actions are reflected in the Annual Report and Financial Statements for Financial Year 2018 and insofar as the said Annual Report and Financial Statements for Financial Years 2018 have been approved and ratified at the Annual General Meeting of Shareholders for the relevant Financial Year.</p> <p>2. To appoint Mr Paul Rafiuly as Director of the Company, which have been received Fit and Proper Test result from Financial Services Authority, as of the adjournment of this Meeting until the adjournment of the Annual General Meeting of Shareholders of the Company convened in 2021.</p> <p>The composition of members of Board of Directors subsequent to the adjournment of this Meeting until the adjournment of Annual General Meeting which will be convened in 2021 are as follows:</p> <p>Board of Directors</p> <table><tr><td>President Director</td><td>:</td><td>Lam Sai Yoke</td></tr><tr><td>Deputy President Director</td><td>:</td><td>Iwan Satawidinata</td></tr><tr><td>Director</td><td>:</td><td>Muljono Tjandra</td></tr><tr><td>Director</td><td>:</td><td>Henky Sulistyo</td></tr><tr><td>Compliance Director</td><td>:</td><td>Soehadie Tansol</td></tr><tr><td>Director</td><td>:</td><td>Paul Rafiuly</td></tr></table>	President Director	:	Lam Sai Yoke	Deputy President Director	:	Iwan Satawidinata	Director	:	Muljono Tjandra	Director	:	Henky Sulistyo	Compliance Director	:	Soehadie Tansol	Director	:	Paul Rafiuly	100%	-	Realised
President Director	:	Lam Sai Yoke																				
Deputy President Director	:	Iwan Satawidinata																				
Director	:	Muljono Tjandra																				
Director	:	Henky Sulistyo																				
Compliance Director	:	Soehadie Tansol																				
Director	:	Paul Rafiuly																				
	<p>3. To grant authority to 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.</p>																					

Resolution and Realisation of AGM 2017

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
1. Approval of the Annual Report of the Company including the 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 the financial year ended 31 December 2016 including the oversight report of the Board of Commissioners of the Company and to ratify the Financial Statements of the Company for the 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 January 2017 with Unqualified Opinion, therefore providing the release and discharge of responsibilities (acquit et decharge) to the 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
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 IDR4,792,730,245, 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 2016 after general reserve and dividends as Retained Earnings amounting to IDR474,480,294,326; and for the Company to not distribute a dividend for financial year 2016.	100%	-	Realised
3. Appointment of Public Accountant Firm to audit company books for financial year 2017 and provision of authority to Board of Directors to decide upon the fee for the Public Accountant and other requirements relating to 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 to 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



Good Corporate Governance

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
4. Change in members of the Board of Commissioners and Board of Directors of the Company	<p>1. To approve the re-appointment of members of Board of Commissioners:</p> <p>President Commissioner : Wee Cho Yaw</p> <p>Deputy President Commissioner : Wee Ee Cheong</p> <p>Commissioner : Lee Chin Yong Francis</p> <p>Independent Commissioner : Rusdy Daryono</p> <p>Independent Commissioner : Wayan Alit Antara</p> <p>Independent Commissioner : Aswin Wirjadi</p> <p>Effective from the adjournment of this AGM until the adjournment of the AGM which will be convened in 2019.</p> <p>2. To approve the re-appointment of members of Board of Directors:</p> <p>President Director : Lam Sai Yoke</p> <p>Deputy President Director : Iwan Satawidinata</p> <p>Director : Muljono Tjandra</p> <p>Director : Pardi Kendy</p> <p>Director : Henky Sulistyo</p> <p>Compliance Director : Soehadie Tansol</p> <p>Effective from the adjournment of this AGM until the adjournment of the AGM which will be convened in 2021.</p> <p>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.</p> <p>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 to arrange for the delivery of a notification to that effect to the Ministry of Law and Human Rights of the Republic of Indonesia.</p>	100%	-	Realised
5. Provision of honoraria, facilities, allowances and bonuses for members of the Board of Directors and Board of Commissioners.	<p>1. To authorise the Majority Shareholder of the Company, United Overseas Bank International Investment ("UOBII"), to determine the amount of honoraria, facilities, allowances and bonuses for financial year 2017 for members of the Board of Commissioners of the Company considering the recommendation provided by Remuneration and Nomination Committee.</p> <p>2. To authorise the Board of Commissioners of the Company to determine the amount of salaries, facilities, allowances and bonuses for financial year 2017 for all members of the Board of Directors of the Company considering the recommendation provided by Remuneration and Nomination Committee.</p>	100%	-	Realised

Agenda	AGM Resolution	Agreed (in %)	Disagreed (in %)	Realisation
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 Tranche I Year 2016.	Given that no decision was required of shareholders on the report, there was no resolution on this.	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 Tranche I Year 2016.

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.	<p>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 upon the adjournment of this Meeting, subsequently release and discharge Mr Tan Chin Poh of 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 provided that 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.</p> <p>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 the approval of the Financial Services Authority.</p> <p>In the event that the said approval is not obtained, the appointment shall automatically become void, and the approval of the proposed appointment at the General Meeting of Shareholders will not be required.</p> <p>3. To authorise the Board of Directors of the Company with the 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 to notify the competent authorities of such change, and in relation thereto, to take any actions necessary in accordance with the prevailing laws and regulations.</p>	100%	-	Realised

Good Corporate Governance

B. Board of Commissioners

1. Duties and Responsibilities of the Board of Commissioners

Pursuant to the Articles of Association, the Board of Commissioners must perform supervision of management policies and the general conduct of the management in relation to both the Company and its businesses, and to advise the Board of Directors.

In performing their duties and responsibilities, each member of the Board Commissioners is guided by the 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 2018, resulting in the Decree of The Board of Commissioners PT Bank UOB Indonesia No. 18/COM/0001 dated 11 October 2018 concerning Work Guidelines and Regulations of Board of Commissioners of PT Bank UOB Indonesia.

In addition, every member of the Board of Commissioners shall not act individually, but 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 and be responsible for supervising management policies, the general conduct of business of the Bank and the Bank's business, and advise 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 regard of all business activities of the Bank at all levels of the organisation;
 - e. Provide directions and recommendations for the Bank's strategic development plan and evaluate the implementation of the Bank's strategic policies;
 - f. Ensure that the Board of Directors has followed up on audit findings and recommendations provided by the internal auditor and external auditor, and on the 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 relating to a:
 - 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;and ensure that the established Committees perform their duties effectively;
 - j. Convene meetings of the Board of Commissioners on a regular basis, at least once in 2 (two) months, at which all members of the Board of Commissioners must be physically present at least 2 (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 of which is chaired by 1 (one) Independent Commissioner.

Generally, the responsibilities of the Board of Commissioners, 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 and to advise the Board of Directors.

The abovementioned supervision is conducted through Board of Commissioners' meetings and joint meetings of the Board of Commissioners' meetings the Board of Directors where reports relating to business, operational, human resources, and other aspects presented by the Board of Directors are discussed.

In 2018, in carrying out its supervision function, the Board of Commissioners has provided recommendations to Board of Directors, which included:

- a. Related to Bank's Business Plan:
 - Approved the revised 2018-2020 Business Plan and 2019-2021 Bank's Business Plan;
 - Approved the Supervisory Report of Bank Business Plan for the 2nd Half of 2017 and the 1st Half of 2018;
 - Approved the issuance of Senior Debt through the Shelf Offering 2018-2020 with a maximum value of IDR3 trillion;
 - Approved the Bank's Sustainable Financial Action Plan for the next 1 (one) year and 5 (five) years.
- b. Based on recommendation from Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee:
 - Approved the update of Work Guidelines and Regulations of Board of Commissioners;
 - Approved the update of the Audit Committee Charter;

- Approved the appointment of EY Indonesia as a Public Accountant Firm and Muhammad Kurniawan as a Public Accountant, to conduct audits for financial year 2018;
 - Received recommendations for nominations of candidates for an Independent Commissioner and a member of the Board of Directors;
 - Approved the recommendations relating to the nomination of the new Chairman of the Remuneration and Nomination Committee;
 - Approved the recommendation of a new Senior Executive Officer;
 - Approved the recommendations relating to the amount of remuneration for Directors and total remuneration for Senior Executive Officers in 2018;
 - Approved the recommendations for increasing honoraria for new and existing independent members for Board of Commissioners' Committees;
 - Approved the recommendation for the appointment and reappointment of members of the Risk Monitoring Committee and Integrated Corporate Governance Committee;
 - Approved the recommendations for the appointments of new members of the Audit Committee.
- c. Risk Management Framework, Policies and Risk Appetite Statement:
- Approved Risk Appetite Statement (RAS) in 2018;
 - Approved the Update of the Balance Sheet Risk Management Framework version 6.0;
 - Approved the Integrated Capital Management Policy;
 - Approved Data Governance Framework and Policy;
 - Approved RAS trigger limit excess for Single Obligor Concentration insofar as it does not violate the Legal Lending Limit set by the Regulator or 25% of the Bank's Total Capital, for some customers;
- Approved updates to the Operational Risk Management Framework version 5.0;
 - Approved the proposed revision of the Credit Discretionary Limit (CDL).
 - Approved updates to the Consumer Credit Policy version 7.0.
 - Approved updates to the Outsourcing Policy version 8.0.
 - Approved the update to the Balance Sheet Risk Management Framework.
 - Approved the update to the Risk Management Policy.
 - Approved the update to the General Credit Policy.
- 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 2017.
- 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 9 May 2018 and Extraordinary General Meeting of Shareholders dated 11 October 2018.
- f. Miscellaneous:
- Approved the Framework for the UOBI Recovery Plan in 2018;
 - Approved proposals for projects submitted by Management; and
 - Approved the revision of the Information Technology Strategic Plan (RSTI) in 2018 and the RSTI in 2019.

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

The following are the members of the Board of Commissioners of the Bank as of 31 December 2018:

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
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
VJH Boentaran Lesmana	Independent Commissioner	22 December 2017	9 May 2018	-	2019

Good Corporate Governance

On 9 May 2018, the Bank held an Annual General Meeting of Shareholders (AGM) where the change in members of the Board of Commissioners of the Company was one of the matters tabled. The AGM by way of deliberation to reach a consensus approved the resignation of Mr Rusdy Daryono as Independent Commissioner of the Company and the appointment of Mr VJH. Boentaran Lesmana as Independent Commissioner of the Company as of the adjournment of the AGM until the adjournment of the AGM of the Company which will be convened in 2019.

The composition of the Bank's Commissioners and Independent Commissioners as outlined in the table above complies with the provision of Financial Services Authority (OJK) Regulation No. 55/POJK.03/2016 concerning Implementation of Good Corporate Governance for Commercial Banks, where 50 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 the parent-child relationship between 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-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/*Otoritas Jasa Keuangan* (OJK) 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 are in compliance with the aforementioned regulations.

3. Fit and Proper Test Information Disclosure

Members of the Board of Commissioners as listed in the table on page 71, were all appointed at the General Meeting Shareholders after due consideration to the key criteria including integrity, competency, professionalism, and financial reputation, according to the "fit and proper" test requirements prescribed by regulators.

4. 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, but 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 shall schedule joint meetings with the Board of Directors on a periodic basis, at least once in 4 (four) months.
- d. The Board of Commissioners shall schedule Board of Commissioners meetings for the subsequent year before the financial 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, and the evidence for such absence is not required to be provided to any third party, the meeting of the Board of Commissioners shall be chaired by the Deputy President Commissioner and if he is unavailable, the meeting shall 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 2018, 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 2018, 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 Commissioners' attendance at meetings held in 2018:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Wee Cho Yaw	President Commissioner	6	5	83%
Wee Ee Cheong	Deputy President Commissioner	6	6	100%
Lee Chin Yong Francis	Commissioner	6	6	100%
Wayan Alit Antara	Independent Commissioner	6	6	100%
Aswin Wirjadi	Independent Commissioner	6	6	100%
VJH Boentaran Lesmana*	Independent Commissioner	6	4	67%

* VJH Boentaran Lesmana effectively serves as Independent Commissioner as per 9 May 2018.

The table below sets out the attendance at Board of Commissioners Joint Meetings with Board of Directors in 2018:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Wee Cho Yaw	President Commissioner	4	3	75%
Wee Ee Cheong	Deputy President Commissioner	4	4	100%
Lee Chin Yong Francis	Commissioner	4	4	100%
Wayan Alit Antara	Independent Commissioner	4	4	100%
Aswin Wirjadi	Independent Commissioner	4	3	75%
VJH Boentaran Lesmana*	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%
Hengky Sulisty	Director	4	4	100%
Soehadie Tansol	Compliance Director	4	4	100%
Paul Rafiuly**	Director	4	1	25%

* VJH Boentaran Lesmana effectively serves as Independent Commissioner as per 9 May 2018.

** Paul Rafiuly effectively serves as Director as per 11 October 2018.

Good Corporate Governance

5. Performance Appraisals for the Commissioners

The Bank 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:

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

Evaluation Result

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

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

Approving proposals for projects submitted by Management include:

- Examination of vessels for trade finance transactions that will be carried out by the UOB Group;
- Renewal agreement related to Oracle maintenance for the period 2018-2020;
- DCI Data Center contract extension for 3 years;
- Updates to AS400 devices and their maintenance for the next 5 years;
- GWB Customer Relationship Manager Management Tool (CRM);
- Microsoft License Purchase for IT projects PLCE Instant Approval and Common Reporting Standard (CRS) Projects; and
- Extension of IBM Hardware Maintenance Period 2019-2020.

C. Board of Directors

1. Duties and Responsibilities of the Board of Directors

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

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

- Manage the Bank pursuant to his authority and responsibilities as stated in the Articles of Association and prevailing laws and regulations;
- Take full responsibility of the Bank's management;
- Represent 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;
- The President Director and Deputy President Director are justified and authorised to act for and on behalf of the Board of Directors and the Bank;
- In the event that the President Director and Deputy President Director are both unavailable due to any cause whatsoever, for which third-party evidence is not required, then 2 (two) members of the Board of Directors are justified and authorised to act for and on behalf of the Board of Directors and the Bank;
- Implement business strategies recommended by the Board of Commissioners;
- Perform internal monitoring in an effective and efficient manner;
- Establish the following work functions:
 - Internal Audit Function;
 - Risk Management Function and Risk Management Committee; and
 - Compliance Function;
- Follow up on 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;
- Implement principles of Good Corporate Governance in every business activity of the Bank at all levels of organisation;
- Provide complete, accurate, relevant and timely data and information to the Board of Commissioners;
- Monitor and manage risk encountered by the Bank.
- Maintain a favorable work condition so as to improve productivity and professionalism;
- Manage and develop employees and maintain organisational sustainability;
- 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
- Report the implementation of their 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 Decree No. 17/SKDIR/0025 on the Duties and Authorities of members of the Board of Directors, with the following details:

President Director

- a. Justified and authorised to act on behalf of the Board of Directors and to represent the Bank;
- b. Coordinate the implementation of the Bank's management;
- c. Determine the Bank's strategy.
- d. Ensure the implementation of the compliance function, and the implementation of the principles of good corporate governance as well as prudent banking practices.

Deputy President Director - Business

- a. 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 the Bank;
- b. Assist the President Director in directing the Bank's policies and strategies, in accordance with the scope of coordinated area; and
- c. Provide direction and guidance for the Bank's business development.

Finance and Corporate Services Director

- a. Responsible for the financial report of the Bank as well as the formulation of the Bank's financial management strategy to support Bank's performance;
- b. 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 the Bank; and
- c. Develop financial system and procedure as well as lead, direct and monitor the implementation of corporate actions conducted by the Bank.

Risk Management Director

- a. Formulate the overall risk management strategy of the Bank;
- b. Develop risk management system, rules and procedures covering Operational Risk, Credit Risk and Market Risk;
- c. Ensure the mechanism, identification, and mitigation of risk are in place and are implemented according to the prevailing laws and regulations;
- d. Coordinate with related functions to increase risk awareness in the Bank;
- e. Provide recommendation in relation to risk management;
- f. Ensure the management and development of human resources; and
- g. Responsible for managing the portfolio of bad loans for the wholesale segment and ensuring recovery and assurance management strategies.

Compliance Director

- a. Formulate strategies in order to build a culture of compliance in the Bank;
- b. Propose compliance policies or principles for approval by the Board of Directors;
- c. Implement compliance system and procedures that will be used to develop internal provisions and guidelines;
- d. Ensure that all policies, guidelines, systems, procedures and business activities conducted by the Bank are in compliance with the requirements of regulators and applicable provisions of laws and regulations;
- e. Perform oversight over the implementation of Anti-Money Laundering and Combating the Financing of Terrorism;
- f. Minimise the Bank's compliance risk and provide recommendations on compliance-related issues; and
- g. Perform preventive measures so that the policies and/or decisions taken by the Board of Directors do not violate the provisions of regulator as well as other prevailing regulations.

Technology and Operations Director

- a. Responsible for formulating long-term blueprint for Technology and Operation;
- b. Responsible for formulating, evaluating and determining strategies for infrastructure, systems and information technology security so that operational activities can be carried out effectively and efficiently;
- c. Responsible for formulating, evaluating and determining the Bank's Operational strategies that can drive business units to profit;
- d. Ensure the application development, technology and communication infrastructure networks to support high security and confidentiality of the Bank and customer data;
- e. Ensure that the mechanism of identification and mitigation of risks to the infrastructure system, technological security and operational processes are available and implemented in accordance with the provisions; and
- f. Cooperate with other relevant units to ensure technology cost effectiveness and determine priority scale according to the Bank's capabilities.

Good Corporate Governance

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

Members of the Board of Directors of the Bank as of 31 December 2018 were:

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
Henky Sulisty	Director	18 April 2017	7 February 2017	26 April 2017	2021
Soehadie Tansol	Compliance Director	31 December 2002	25 November 2002	26 April 2017	2021
Paul Rafiuly	Director	27 August 2018	11 October 2018	-	2021

* Mr Iwan Satawidinata effectively resigned from his position as Deputy President Director as of 28 February 2019.

On 11 October 2018, the Bank held an 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 Mr Pardi Kendy as Director of the Company and approved the appointment of Mr Paul Rafiuly as Director of the Company.

On 28 February 2019, the Bank held an 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 Mr Iwan Satawidinata as Deputy President Director of the Company. Upon the result of this EGM, the following is the current composition of Bank's Board of Directors:

Name	Position
Lam Sai Yoke	President Director
Muljono Tjandra	Director
Henky Sulisty	Director
Soehadie Tansol	Compliance Director
Paul Rafiuly	Director

Term of Office for the Bank's Directors as abovementioned is up to the closing of AGM of the Bank to be held in 2021.

Independence of the Board of Directors

- 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;
- None of the members of the Board of Directors, either individually or collectively, own shares amounting to more than 25 per cent of the issued share capital at the Bank or any other company;

- None of the members of the Board of Directors hold a concurrent position as a Commissioner, Director or an Executive Officer at any other bank, company and/or institution; and
- The President Director of the Bank is a party independent of the majority shareholder of the Bank and does not have any financial, management, shareholding and/or family relationship with the majority shareholder of the Bank.

3. Fit and Proper Test

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 and proper" test prescribed by the Regulator.

4. Frequency of Board of Directors Meetings

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

- 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 the written request from one or more members of the Board of Commissioners, or upon the written request from one or more of the shareholders representing 1/10 (one tenth) of the total shares allocated by the Company with valid voting rights;
- The Board of Directors holds a joint meeting with the Board of Commissioners on a periodic basis at least once in four months;
- The Board of Directors schedules the meeting of the subsequent year prior to the conclusion of a financial year; and
- The Board of Directors' meeting is valid and decisions held at such meetings are binding, provided 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 shall 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 an equality of votes, the Chairman of the Board of Directors meeting has the deciding vote; and
- g. The results of the Board of Directors meeting are recorded in minutes of meeting and properly maintained.

In 2018, Board of Directors held 17 (seventeen) meetings, of which 13 (thirteen) were Board of Directors meetings and four were joint meetings with the Board of Commissioners.

The results of the meetings including dissenting opinions (if any) were well documented in the 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 2018:

Name	Position	Number of Meetings	Frequency of Attendance	Percentage
Lam Sai Yoke	President Director	13	13	100%
Iwan Satawidinata	Deputy President Director	13	13	100%
Muljono Tjandra	Director	13	13	100%
Henky Sulisty	Director	13	13	100%
Soehadie Tansol	Compliance Director	13	13	100%
Paul Rafiuly*	Director	13	2	15%

* Paul Rafiuly effectively serves as Director as of 11 October 2018.

The table below sets out Directors' attendance at Joint Meetings with Board of Commissioners in 2018:

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%
Henky Sulisty	Director	4	4	100%
Soehadie Tansol	Compliance Director	4	4	100%
Paul Rafiuly*	Director	4	1	25%
Wee Cho Yaw	President Commissioner	4	3	75%
Wee Ee Cheong	Deputy President Commissioner	4	4	100%
Lee Chin Yong Francis	Commissioner	4	4	100%
Wayan Alit Antara	Independent Commissioner	4	4	100%
Aswin Wirjadi	Independent Commissioner	4	3	75%
VJH Boentaran Lesmana**	Independent Commissioner	4	3	75%

* Mr Paul Rafiuly effectively serves as Director as of 11 October 2018.

** Mr VJH Boentaran Lesmana effectively serves as Independent Commissioner as of 9 May 2018.

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5. Performance Appraisal for the Directors

The Bank has a policy regarding Guidelines on Commissioners' Evaluation and Directors' performance appraisals effective February 2017 which provides guidance to the members of Board of Directors in conducting the evaluation and a standardised set of 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 one time a year.

Performance Criteria

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

- Performance Target and Achievement Process;
- Competency of Strategic, Engage, Execute and Develop (SEED) indicators; and
- Exemplification of corporate values namely Honourable, Enterprising, United and Committed.

Appraisal Result

Result of the self-assessment will be submitted to the Supervisor who 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.

6. Workshop/Training/Seminar Attended by the Board of Directors

Name	Workshop/Training/Dissemination	Venue
Lam Sai Yoke	Anti-Money Laundering and Countering the Financing of Terrorism	Jakarta
	The Next Frontier of Asia's Financial Service Riding the Wave of Global Disruption in the Banking Industry IMF-World Bank Annual Meeting	Bali
Iwan Satawidinata	Anti-Money Laundering and Countering the Financing of Terrorism	Jakarta
	Media Training UOBI Spokespersons	Jakarta
Henky Sulisty	Operational Risk Management 2018	Jakarta
	Anti-Money Laundering and Countering the Financing of terrorism	Jakarta
	Media Training UOBI Spokespersons	Jakarta
Soehadie Tansol	Blockchain and Risks	Bogor
	Anti-Money Laundering and Countering the Financing of Terrorism	Jakarta
Muljono Tjandra	Anti-Money Laundering and Countering the Financing of Terrorism	Jakarta
	ASEAN Global Leadership Programme 2018	Cambridge, UK
	Media Training UOBI Spokespersons	Jakarta
Paul Rafiuly	Risk Management Certification Level 5	Jakarta
	Impact of Basel and Bank Soundness Rating on Technology and Operation	Jakarta
	Focus Group Discussion and Indonesia Banking Expo Seminar 2018	Jakarta
	Anti-Money Laundering and Countering the Financing of Terrorism	Jakarta

II. Completeness and Implementation of Committees' Duties

A. Board of Commissioners Committees

1. Remuneration and Nomination Committee

Pursuant to the Board of Directors' Decree No. 18/SKDIR/0030 dated 22 May 2018 on the Appointment of Members of the Remuneration and Nomination Committee, the composition of the Remuneration and Nomination Committee is three members.

Remuneration and Nomination Committee Members as of 31 December 2018

Name	Position
VJH Boentaran Lesmana	Chairman (Independent Commissioner)
Lee Chin Yong Francis	Member (Commissioner)
Herman Cahyadi	Member (Executive Officer responsible for Human Resource)

Nationality, age, educational background, and work experience of Remuneration and Nomination Committee members can be found under Profile section on page 369 of this Annual Report.

Term of Office

The term of office of the Remuneration and Nomination Committee members is for two years and will expire in 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' Decree No. 16/SKDIR/0002 on Policies and Procedures for the Nomination, Replacement and/or Dismissal of Members of the Board of Commissioners, Board of Directors, Senior Executive Officers, and Committees Reporting to the Board of Commissioners, and also have met the criteria set by the Regulator.

Duties and Responsibilities

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

a. On Remuneration Policy:

- Perform evaluation of remuneration policy by taking into consideration performance, risk, peer group, targets, and Bank's long-term strategy, fulfillment of general reserve obligations as stipulated in the regulations and the Bank's potential income in the future;
- Provide evaluation and recommendations to the Board of Commissioners concerning:
 - Remuneration policy for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders;
 - Remuneration policy for Senior Executive Officers, Executive Officers and employees as a whole to be submitted to the Board of Directors;

- Remuneration structure for members of the Board of Commissioners, the Board of Directors and Senior Executive Officer;
- Amount of remuneration for members of the Board of Commissioners and the Board of Directors;
- Assistance to 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; and
- Ensuring that remuneration policy is in accordance with applicable regulations.

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 AGM;
- Committee member who has a conflict of interests with the recommendation shall disclose the condition in the recommended proposal;
- Provide recommendations to the Board of Commissioners on the appointment of Senior Executive Officers including the extension of term of service of Senior Executive Officers exceeding their normal pension age limit; and
- Make recommendations to the Board of Commissioner on the appointment of independent parties to be members to the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee.

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- 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 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; and
- Provide recommendation to the Board of Commissioners on personal development programmes for members of the Board of Directors and/or members of the Board of Commissioners.

Frequency of Meetings

Remuneration and Nomination Committee meetings are held regularly, at least 1 (one) time in 4 (four) months.

In 2018, the Remuneration and Nomination Committee held 7 (seven) meetings, including via teleconference, which were attended by more than 51 per cent of the members including 1 (one) Independent Commissioner and executive officer overseeing Human Resources.

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

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

The Work Programme of the Remuneration and Nomination Committee and its realisation in 2018 included but was not limited to:

No.	Work Programme	Realisation
1	Perform evaluation towards 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.	Remuneration and Nomination Committee discussed the remuneration policy regarding Material Risk Taker and Variable Compensation Deferral on the Remuneration and Nomination Committee's meeting dated 11 October 2018 and Variable Compensation Deferral and Its Taxation Impact on meeting dated 23 November 2018.
2.	Analyse and provide recommendation to the Board of Commissioners of qualified candidate to be appointed as members of the Board of Commissioners and/or Directors to the Board of Commissioners, to be put to the shareholders' vote at a General Meeting of Shareholders.	Remuneration and Nomination Committee has made recommendations to the Board of Commissioners on candidates to be appointed to the Board of Commissioners and Board of Directors and the selected candidates have been approved by Shareholders at the General Meeting of Shareholders dated 9 May 2018 and 11 October 2018.
3.	Provide recommendations to the Board of Commissioners on the independent parties appointed to be members of the Audit Committee, Risk Monitoring Committee and Integrated Corporate Governance Committee.	Remuneration and Nomination Committee has recommended independent parties as candidates for appointment as new independent members of Audit Committee, re-appointment as members of the Risk Monitoring Committee and Integrated Corporate Governance Committee, and also proposed a candidate for the new Chairman of Remuneration and Nomination Committee.
4.	Assist the Board of Commissioners in appraising the performance of members of the Board of Directors and/or members of the Board of Commissioners based on the determined benchmarks for evaluation.	Remuneration and Nomination Committee has recommended Board of Commissioners and Board of Directors Performance Evaluation at the meeting dated 15 March 2018.
5.	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 15 March 2018.

No.	Work Programme	Realisation
6.	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 re-appointment of the Board of Commissioners and the Board of Directors to Board of Commissioners to be conveyed in Annual General Meeting of Shareholders.
7.	Provide recommendation on the appointment of Senior Executive Officers including the extension of the term of service of the Senior Executive Officers who have exceeded the normal pension age limit to the Board of Commissioners.	Remuneration and Nomination Committee has recommended on the appointment of Senior Executive Officers on the Remuneration and Nomination Committee's meetings dated 1 February 2018, 15 March 2018 and 1 August 2018.
8.	Evaluate and provide input on current policies and update on matters related to Human Resources, not just limited to Board of Commissioners, Board of Directors but for all employees.	In 2018, Remuneration and Nomination Committee (RNC) convened 7 (seven) meetings to discuss on Human Resources. RNC also provided its recommendation on the RNC Workplan for 2019 for Board of Commissioner's approval on the meeting dated 23 November 2018.
9.	Analyse and provide recommendation of qualified candidate for appointment to the Board of Commissioners and/or Directors to the Board of Commissioners to be put to a vote at a General Meeting of Shareholders.	RNC convened a meeting on 1 February 2018 to discuss on succession plan for Independent Commissioner for Board of Commissioners' and subsequently for General Meeting of Shareholders' approval.

2. Audit Committee

Based on Board of Directors' Decree No. 18/SKDIR/0061 dated 15 October 2018 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 2018

Name	Composition
Wayan Alit Antara	Chairman (Independent Commissioner)
Setiawan Kriswanto	Member (Independent Party)
Nina Diyanti Anwar	Member (Independent Party)

Nationality, age, educational background, and work experience of Audit Committee members can be found under Profile section on page 370 and 371 of this Annual Report.

Term of Office

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

Independent Commissioners serving as Audit Committee members may only be reappointed into the Audit Committee for 1 (one) other term of office of the Audit Committee. The term of office of the current Audit Committee will expire on 2019.

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 its independence and objectivity, the Audit Committee consists of Independent Commissioners and Independent Parties. Board of Directors members may not sit on the Audit Committee.

All members of the Audit Committee have high integrity and good moral character, in keeping with the requirements of Audit Committee members as stated in Board of Directors' Decree 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.

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

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- 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:
 - Conformity of audit services conducted by AP and KAP with the prevailing regulations;
 - Adequacy of fieldwork time;
 - Assessment on the adequacy of audit scope and the adequacy of the sampling testing; and
 - Recommendation for improvement by the AP and/or KAP;
- e. Providing recommendation to the Board of Commissioners pertaining to the appointment of the AP and KAP taking into consideration the following:
 - Independence of KAP, AP and persons in KAP;
 - Audit scope;
 - Audit fee;
 - The expertise and experience of AP, KAP and audit team;
 - Audit methodologies, techniques, and facilities used by KAP;
 - Fresh eye perspective benefit to be obtained through the change of AP, KAP and audit team;
 - Potential of risk from the use of the same KAP for consecutive period; and/or
 - The results of evaluation on the audit services provided by the prior AP and KAP in the previous year, if any;
- f. Monitoring, analysing and evaluating audit planning and implementation as well as monitoring follow-up actions on 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:
 - The implementation of tasks of the Internal Audit;
 - Consistency between audit implementation by the KAP and the prevailing auditing standards;
- Consistency between the financial reports and the prevailing accounting standards; and
- Implementation of follow-up actions by the Board of Directors on findings made by the Internal Audit Unit, AP, and the results of supervision by Bank Indonesia and/or the Financial Services Authority, and provision of recommendations to the Board of Commissioners;
- h. Recommending the appointment, resignation or dismissal of the Internal Audit Head and providing inputs on the annual assessment of his/her performance and remuneration;
- i. Preparing the Annual Work Programme and reviewing the Committee's Scope of Functions and its own effectiveness as well as recommending any necessary change to the Board of Commissioners;
- j. Analysing complaints received by the Audit Committee on 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.

The meetings of the Audit Committee were based on the needs of the Bank. In 2018, the Audit Committee held 33 (thirty three) meetings, all of which were attended by more than 51 per cent of all members of the Audit Committee.

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

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

The Audit Committee's work programme and realisations in financial year 2018 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 2018 in order to monitor and evaluate 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.
2.	Evaluation on the implementation of the duties of Internal Audit.	Meetings were conducted and attended by Internal Audit as invitee to discuss on implementation of duties of Internal Audit, i.e. 2018 audit realisation and significant audit issues.

No.	Work Programme	Realisation
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 and to evaluate their appropriateness to the prevailing accounting standards.
4.	Perform evaluation on the audit services provided by the prior AP and/or KAP in the previous year.	The Finance Division and Internal Audit Division were invited to the meeting to provide inputs for the evaluation of the audit services on the financial statements for the period 31 December 2017, conducted by KAP Purwantono, Sungkoro & Surja (EY Indonesia) and Danil Setiadi Handaja as Public Accountant.
5.	Monitoring on the implementation of audit plan by external auditor.	The meeting was held to discuss interim audit progress, with the Finance Division and External Auditor of the Bank as invitees.
6.	Evaluation on follow-up by the Board of Directors to findings of Internal Audit, external auditor and supervision result of the Financial Services Authority/ <i>Otoritas Jasa Keuangan</i> (OJK).	The meeting was held with Compliance Function as invitee to discuss the report on the implementation of the Bank's compliance function to the Board of Directors 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/ <i>Otoritas Jasa Keuangan</i> (OJK) as a recommendation to the Board of Commissioners. In this case, the discussion was on the Implementation Report of Bank Compliance Function Semester II-2017 and Semester I-2018.
7.	Analysing the Bank's level of compliance towards laws and regulations pertaining to the Bank's activities.	The meeting was held with Internal Audit Function as invitee to update regarding laws and regulation pertaining and discuss revisions to the Internal Audit Charter and also revisions to the Audit Committee Charter.
8.	Recommendation on the appointment of Public Accountant and Public Accounting Firm pursuant to prevailing provisions.	<p>The Meeting was held by inviting the Finance Division, Internal Audit Division and KAP Purwantono, Sungkoro & Surja (PSS – Ernst & Young Indonesia) to discuss the proposal from PSS related to the audit services for period 2018.</p> <p>The Audit Committee provides recommendation to the Board of Commissioners on the re-appointment of Public Accounting Firm PSS (member of Ernst & Young Global) and Muhammad Kurniawan, as Public Accountant of for the financial year of 2018, based on considerations in accordance with OJK Regulation and the evaluation result of audit services for previous year 2017, conducted by Public Accounting Firm PSS.</p>
9.	Evaluation on audit implementation conducted by Public Accounting Firm in accordance with prevailing audit standards.	<p>The meetings were held with Finance Division and External Auditor to discuss:</p> <ul style="list-style-type: none"> The final audit result of the financial year ended 2017, interim financial year as at June 2018 and its Management Letters; Audit programme and methodologies and the audit progress with of the financial year ended 2018.



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No.	Work Programme	Realisation
10.	Preparing the Annual Work Programme and reviewing the Committee's Scope of Functions and its own effectiveness as well as recommending any necessary change to the Board of Commissioners.	The meeting was held to prepare the Annual Work Programme and to conduct annual review of the Committee's Scope of Functions and its own effectiveness as well as recommending any necessary change to the Board of Commissioners.

3. Risk Monitoring Committee

Based on Board of Directors' Decree No. 18/SKDIR/0043 dated 1 August 2018 on the Appointment of Members of the Risk Monitoring Committee, the Risk Monitoring Committee consists of three members, namely:

Risk Monitoring Committee Members as of 31 December 2018

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

Nationality, age, educational background, and work experience of Risk Monitoring Committee members can be found under Profile section on page 372 and 373 of this Annual Report.

Term of Office

The term of office of Risk Monitoring Committee members is two years and will expire in 2019. Member of the Risk Monitoring Committee 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' Decree 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.

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

- Evaluation on the compatibility between risk management policy and the implementation of risk management policies;

- Monitoring and evaluation on the implementation of duties of the Risk Management Committee; and
- Monitoring and evaluation on the implementation of duties of the Risk Management Function Unit.

The meetings of the Risk Monitoring Committee were convened based on the needs of the Bank and were attended by members of the Committee and Risk Management Unit as invitees (if necessary). In 2018, the Risk Monitoring Committee held 12 meetings, which were attended by more than 51 per cent of members of the Risk Monitoring Committee.

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

The Work Programme of the Risk Monitoring Committee and its realisation in 2018 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 evaluate on the compatibility between risk management policy and the implementation of risk management policies and to discuss the Bank's risk profile on quarterly basis.

No.	Work Programme	Realisation
2.	Monitoring and evaluating the implementation of duties and responsibilities of the Risk Management Committee and Risk Management Unit	Meeting was held to discuss the implementation of duties of Risk Management 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.

Performance Appraisal for Committees under the Board of Commissioners

Throughout 2018, Board of Commissioners' Committees have implemented their respective duties and responsibilities in accordance with their respective Work Guidelines and Regulations. The Board of Commissioners' Committees had effectively contributed by evaluating and providing constructive recommendations on the implementation of various internal policies and initiatives of the Bank. The realisation of Board of Commissioners' Committees work programme during 2018 can be found in the table of work programme and realisation on respective Board of Commissioners' Committees.

B. Directors Committees

1. Executive Committee (EXCO)

Pursuant to Board of Directors' Decree 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

- Submitting proposals and recommendations to the Board of Commissioners regarding medium- and long-term objectives, strategic directions, goals and priorities of the Bank; and
- Formulating and reviewing policy matters, with a view towards the overall planning and development of strategies to achieve medium- and long-term objectives of the Bank.

b. Expense for Properties Purchase/Other Capital Expense

Analysing and deciding or approving proposals or requests concerning:

- Purchase or sale of the Bank's Fixed Assets;
- Purchase or sale of the Bank's inventory, including computer hardware and software; and
- Procurement of other goods and services conforming to applicable regulations.

EXCO approval is provided according to the applicable authority limits.

c. Treasury and Investment Activities

Determining relevant policies and guidelines for all dealers, officers and relevant committees involved in the Treasury and 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 programmes.

e. Others

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

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

Executive Committee Members as of 31 December 2018

Chairman and acting Permanent Member	President Director
Deputy Chairman and acting Permanent Member	Deputy President Director - Business
Permanent Members	<ul style="list-style-type: none"> • Non-Credit Related <ul style="list-style-type: none"> - Finance and 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 Retail Credit Approval as permanent member
Secretary	<ul style="list-style-type: none"> • Non-Credit Related: Corporate Services Head • Credit Related: Related Credit Approval Division

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EXCO meetings are held as necessary, depending on the volume and urgency of issues requiring follow up. EXCO meetings may be attended in person by EXCO members or via telephone/video conference. The quorum is 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 shall be made through deliberation 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 be as valid as decisions made at any EXCO meeting.

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

The Work Programme of EXCO and its realisation in 2018 includes but is not limited to:

No.	Work Programme	Realisation
1.	Formulating and reviewing any 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 issues 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.	EXCO has conducted meetings to discuss matters such as project close-out report on office relocation from Harmoni to UOB Plaza, long-term property, proposal to sell property assets, and progress update on MRT Tunnel Projects.
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 programme.	EXCO has provided credit decision in accordance with its discretionary limit.

2. Assets and Liabilities Committee (ALCO)

Based on Board of Directors' Decree No. 18/SKDIR/0034 dated 29 June 2018, the composition of Asset and Liability Management Committee is as follows:

Assets and Liabilities Committee Members as of 31 December 2018

Chairman	President Director
Deputy Chairman	Deputy President Director – Business
Secretary	Market and Balance Sheet Risk Management Head
Permanent Members	<ul style="list-style-type: none"> Finance and Corporate Services Director Risk Management Director Channels Director Head of Wholesale Banking Head of Global Markets Head of Personal Financial Services Head of Business Banking Head of Commercial Banking Head of Corporate Banking Head of Transaction Banking Head of Financial Institutions Central Treasury Unit Head Retail Liabilities Product Head
Permanent Invitee	<ul style="list-style-type: none"> Economic Research Head PLM-MMD/Deputy Treasurer Head

The ALCO meeting shall be held based on the requirements of the Bank, or at least once a month.

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 limits relating to 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, Fund Transfer Pricing, and Prime Lending Rate; and
- 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, Profit & Loss, 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 to all aspects of market risk, interest rate risk on banking book and liquidity risks;
- Ensure compliance with regulatory requirements that are relevant to market risk, interest rate risk on banking book and liquidity risk management.
- Review the current and prospective liquidity positions and monitor alternative funding sources; and
- Monitor and ensure a sufficient liquidity is available for unanticipated contingencies.

The Work Programme of ALCO and its realisation in 2018 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 2018, ALCO held 13 (thirteen) meetings which consist of 12 (twelve) regular meeting and 1 (one) <i>ad-hoc</i> meeting. Urgent matters to be approved between ALCO meetings and can be dealt through circulation of a resolution in writing outside the ALCO meetings. The ALCO approved 1 (one) proposal on 6 September 2018 regarding the approval on proceeding sub debt issuance in October 2018 proposed by Central Treasury Unit and 2 (two) proposals on 10 October 2018 regarding expected life mortgage and core non-core calculation proposed by Performance Management.

3. Risk Management Committee

Based on Board of Directors' Decree No. 18/SKDIR/0060 dated 12 October 2018, the composition of Risk Management Committee (RMC) is as follows:

Risk Management Committee Members as of 31 December 2018

Chairman	Risk Management Director
Deputy Chairman	Finance and Corporate Services Director
Secretary	Operational and Enterprise Risk Management Head
Permanent Members	<ul style="list-style-type: none"> • Deputy President Director • Compliance Director • Technology and Operations Director • Head of Human Resources • Internal Audit Head • Legal Head • CEO Office Head • Integrated Fraud Management Head • Retail Operations Head • Business Compliance Head

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Risk Management Committee Members as of 31 December 2018

Permanent Invitee	<ul style="list-style-type: none"> • President Director • Client Fulfillment and Services Head • Branch Operational Control and Development Head • National Special Investigation Head
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RMC meetings are held on a regular basis, with a minimum of 10 (ten) meetings per year.

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

- Recommend or approve Bank-wide risk management strategies, model and methodologies, policies, frameworks, and guidelines;
- Endorse or approve the improvement and development plans of risk management of the Bank based on the risk management implementation evaluation result;
- Ensure an effective risk management implementation through proper risk measurement methodologies;
- Recommend and/or 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;
- 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;
- Assess and evaluate the internal capital adequacy of the Bank, to ensure the Bank has an adequate capital based on its risk profile;
- 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 and procedures, among other taking position or risk exposure beyond tolerable risk thresholds or limits;
- Monitor and evaluate fraud investigation reports including follow up actions;
- Review and approve Bank-wide stress test scenarios, assumptions, methodology, result, and risk mitigation actions to be taken, as well as contingent plans if needed;
- 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;
- Review and decide resolution for un-resolved issues or matters from new product and activity review process escalated by new product and activity assessment parties through Operational Risk Management Division;
- Review and approve new outsourcing activity.

The Work Programme of RMC and its realisation in 2018 includes but is not limited to:

No.	Work Programme	Realisation
1.	RMC meeting is held on a regular basis, with minimum of 10 (ten) meetings per year.	In 2018, RMC meetings were conducted 14 (fourteen) times.
2.	<p>The topics discussed in RMC meeting are, but are not limited to:</p> <ol style="list-style-type: none"> Risk Profile; Bank Soundness Rating; Risk Appetite; Risk Management policy, guidance and procedure; Capital Adequacy assessment; Stress Test; Key Operational Risk Indicators (KORI) and potential or incident of Operational Risk which are deemed significant to the Bank's risk profile; Issues related to Fraud; Issues that are significant to the Bank's position; and Other matters, including discussion regarding the Bank's main risks that are not covered in other Committees such as Strategic, Compliance, Legal and Reputation Risk. 	<ol style="list-style-type: none"> Quarterly, RMC discuss related to Bank's Risk Profile, and semi-annually, discuss related to Bank Soundness Rating; In 2018, policies and guidelines approved through RMC included Operational Risk Management Policy, Clean Desk Policy, Data Governance Policy, Business Continuity Management Policy, Media Communication Policy, Outsourcing Policy, Operations Policy, Insurance Policy, and Outsourcing Guideline. The RMC recommended several frameworks and policies for Board of Commissioners approval, including the Recovery Plan Framework, Data Governance Framework, Operational Risk Management Framework, and Risk Management Policy (Umbrella); and The RMC discussed other significant issues relating to the Bank's risk exposure.

4. Credit Policy Committee

Based on Board of Directors' Decree 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 2018	
Chairman	Risk Management Director
Deputy Chairman	Head of Retail Credit
Secretary	Credit Risk Management Head
Permanent Member	<ul style="list-style-type: none"> • Head of Related Credit Approval (according to CPC topic) • Function Head of related business (according to CPC topic) • Head of Technology and Operations* • Internal Audit Head

* Appointed as Technology and Operations Directors as of 11 October 2018.

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

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 Commissioners;
- 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 changes and improvements are needed;
- 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 the 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 the 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 the 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; and
- Approve, monitor and evaluate the implementation and execution of Internal Rating Based (IRB) Credit Risk parameter, models and scorecard.

Responsibilities

- Submit written reports on a regular basis to the Board of Directors with a copy to the Board of Commissioners, concerning:
 - Supervision report of Credit Policy implementation and execution;
 - Result of monitoring and evaluation on items stated in the 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.

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The Work Programme of CPC and its realisation in 2018 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.	<p>CPC periodically monitors the Bank's credit portfolio. The Bank's credit growth will be monitored for each division, namely, Unsecured Business, Mortgage and Secured Loan, Business Banking, Commercial Banking, Corporate Banking, and Financial Institutions. CPC also monitors other limits such as top 25 debtors, foreign currency loan concentration, and provision made by the Bank. Such monitoring will equip CPC with the necessary knowledge to enable it to give the right direction for Bank's credit portfolio growth.</p> <p>CPC was also kept updated on matters such as rating model review, review of stress test, and credit policy revision.</p>
2.	Review and provide recommendations on the revised credit policy.	<p>In 2018, the CPC held 36 (thirty-six) meetings. It endorsed the General Credit Policy and Consumer Credit Policy. The major changes on General Credit Policy were:</p> <ol style="list-style-type: none"> 1. Changes on Environmental, Social, and Government provisions; 2. Alignment with OJK regulation relating to external appraisal requirement; and 3. New guideline for Management of Watch List Account. <p>The major changes for Consumer Credit Policy were:</p> <ol style="list-style-type: none"> 1. Introduce higher risk credit definition for PEP loan related; and 2. Alignment with OJK regulation related to external appraisal requirement and Loan to Value (LTV). <p>The CPC also approved credit policies, including:</p> <ol style="list-style-type: none"> 1. Business Banking Lending Product; and 2. Mortgage and Credit Card Product Review Document.

5. Human Resources Committee

Based on Board of Directors' Decree No. 18/SKDIR/0079 dated 14 November 2018 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 2018	
Chairman	President Director
Members	<ul style="list-style-type: none"> • Deputy President Director • Finance and Corporate Services Director • Head of Human Resources
Secretary	OD and Talent Management Head
Invitees	Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting.

HR Committee meetings are held as and when required, or at least once in every three months.

The duties and authorities of HR Committee are:

a. Duties

- Review and approve HR strategy to support company's strategy and objectives;
- Review and approve HR policies which cover:
 - Recruitment and assesment;
 - Organisation development;
 - Learning and development;
 - Talent management;
 - Employee performance management;
 - Reward and recognition;
- To ensure the execution of HR strategy and HR policies.

b. Authorities

- Review and approve proposed key HR policies and programmes presented;
- Review HR strategies including resourcing, remuneration, retention, motivation, staff engagement and development;
- Review and approve HR policies and programmes in talent management and succession planning;
- Review and approve identified talents for the Bank and at regional level;
- Review and approve overall staff performance rating, compensation standard and performance bonus distribution;
- Review and approve promotion guidelines and staff promotions;
- To recommend to the Remuneration and Nomination Committee the appointment or replacement of Senior Executive Officer based on competencies, capabilities and experiences, HR Committee can also recommend the remuneration package.

The Work Programme of HR Committee and its realisation in 2018 includes but is not limited to:

No.	Work Programme	Realisation
1.	HR Committee meetings are held as required, or at least once in every three months.	In 2018, the Human Resources Committee conducted meetings in every quarter, with a total of 11 (eleven) meetings held in the year.
2.	Issues or topics discussed at the HR Committee meetings include but are not limited to: <ul style="list-style-type: none"> a. Recruitment and assesment; b. Organisation development; c. Learning and development; d. Talent management; e. Employee performance management; and f. Reward and recognition. 	<ul style="list-style-type: none"> a. In 2018, HR committee meeting conducted staff performance and promotion calibration. HR Committee endorsed the guidelines of employee salary increment 2019 and performance bonus distribution for 2018; b. Discussed and decided on the follow-up on cases of violation of code of ethic and corporate values or fraud or disciplinary by staff, which had been reviewed previously by the ethic panel; c. Endorsed the revision of HR Committee and ethic panel terms of reference; and d. Approved the nomination of new member of Senior Executive Officer. e. Discussed the succession and talent pool to ensure the availability of successor for critical positions - Function Head, Division Head and Area Manager; f. Approved the development programmes for potential employees, among others are approved scholarship for 9 (nine) employees and professional certification programme for 2 (two) employees; g. Approved strategic framework for talent development, including regional assignment and monitoring of development plan execution to key talent in the Bank; h. Approved several benefit guidelines, including those relating to pension benefit management, salary scale, employee leave, material risk takers, relocation allowance, and part time work scheme; and i. Approved the awardees of the UOB Honours Recognition Programme for 2018.

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6. Business Continuity Management (BCM) Committee

Based on Board of Directors' Decree No. 18/SKDIR/0024 dated 16 April 2018 the composition of Business Continuity Management (BCM) Committee is as follows:

Business Continuity Management Committee Members as of 31 December 2018	
Chairman (Recovery Director)	Technology and Operations Director
Deputy Chairman (Alternate Recovery Director)	Channels Director
Secretary	Business Continuity Management - Information Security, Technology and Operations Assurance
Permanent Member	<ul style="list-style-type: none"> • Finance and Corporate Services Director • Compliance Director • Head of Retail Credit • Head of Global Markets • Head of Human Resources • Operational Risk Management Head • Strategic Communication and Customer Advocacy Head • CEO Office Head • Corporate Real Estate Services Head • Retail Operations Head • Wholesale and GM Operations Head • Business Compliance Head
Permanent Invitee	<ul style="list-style-type: none"> • Shared Infrastructures Services Head • Client Fulfillment Services Head

BCM Committee Meeting is held at least twice a year.

The duties and responsibilities of BCM Committee are:

- Drive BCM implementation within the Bank;
- Ensure effectiveness of BCM capability within the Bank;
- Support the policy, guidelines and strategy of BCM;
- Approve list of critical functions;
- Manage BCM particularly as related to risk management matters;
- Review regular reports related to BCM programme status within the Bank; and
- Review annual BCM Assessment within the Bank.

The Work Programme of BCM Committee and its realisation in 2018 includes but is not limited to:

No.	Work Programme	Realisation
1.	Conduct BCM Committee meeting twice a year	a. 1 st BCM Committee meeting 2018 conducted on 1 August 2018; and b. 2 nd BCM Committee 2018 conducted on 18 December 2018.
2.	Conduct following activities on annual basis: a. Business Continuity Plan (BCP) Exercise; b. Call Tree exercise; c. Integrated Crisis Management (ICM) table top exercise; d. BCM annual attestation; e. Evacuation Drill.	These activities have been conducted as per follow: a. BCP Exercise have been conducted successfully as below : <ul style="list-style-type: none"> • BCP Live Transfer Work Exercise for Retail Loan Operations Center (RLOC) Unit was conducted on 7 November 2018; • BCP Live Alternate Site Exercise for Bank Indonesia (BI) Critical Systems (National Clearing System (SKN), Real Time Gross Settlement (RTGS), Scripless Securities Settlement System (SSSS), Bank Indonesia-Electronic Trading Platform (BI-ETP)) was conducted on 12-13 November 2018; • BCP Live Alternate Site Exercise for ISTOA ID Admin was conducted on 22 November 2018; • BCP Live Alternate Site Exercise for Contact Center was conducted on 29 November 2018; • BCP Alternate Site Exercise for critical units in UOB Plaza was conducted on 8 December 2018; • BCP Alternate Site Exercise for critical in UOBI Wahid Hasyim was conducted on 24 November 2018; b. Bank Wide Call Tree Exercise was implemented on 8 December 2018 with successful result (above 90% of all staff has been successfully contacted within 2 hours); c. Integrated Crisis Management (ICM) table top exercise was conducted on 2 & 29 November 2018; d. BCM annual attestation was approved on 18 December 2018 at the 2 nd meeting of the BCM Committee; and e. Evacuation Drill was conducted on 20 December 2018 for UOB Plaza and 17 December 2018 for Wahid Hasyim.

7. Credit Committee

Based on Board of Directors' Decree No. 18/SKDIR/0065 dated 21 October 2018 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 2018	
Chairman	President Director
Deputy Chairman	Deputy President Director – Business
Member	<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"> - Head of Corporate Credit - Head of Commercial Credit 1^a - Head of Commercial Credit 2^a - Financial Institution Credit Head - Head of Retail Credit^b
Secretary	Related Credit Approval Division

^a For Commercial Banking.

^b For Business Banking and PFS credit proposal.

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CC meetings are held when necessary.

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 2018, 1,203 credit proposals were submitted to the Credit Committee, consisting of 194 proposals from Corporate Banking segment, 949 proposals from the Commercial Banking segment, 40 proposals from the Financial Institutions segment and 20 proposals from the Retail Credit segment.

8. Information Technology Committee

Based on Board of Directors' Decree No. 18/SKDIR/0083 dated 26 November 2018 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 2018	
Chairman	President Director
Deputy Chairman	Technology & Operations Director
Members	<ul style="list-style-type: none">• Finance and Corporate Services Director• Risk Management Director• Compliance Director• CEO Office Head
Invitee	Branch Operational Control and Development Head The IT Committee may invite other Directors, function heads, and/or other parties that have relevance to the subject of the meeting.

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

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

a. Duties and Responsibilities

- Assisting the Bank in deciding and supervising the Bank's investments in the field of IT, and being also responsible for developing infrastructure, IT security and strategic plans for information technology, while ensuring that everything is in line with the business strategy of the Bank;
- Discussing specific plans on information technology development, either existing or new;
- Discussing the policies in relation to the utilisation of information technology such as utilisation of software, hardware, and professional service to be engaged;
- Assisting the Bank in directing, overseeing and managing information technology security risk in accordance with technology security policies;

- Reviewing the progress of IT key activities on periodical basis, in order to ensure sufficient Bank resources to support the IT key activities and to resolve issue arising from those IT key activities; and
 - Assuming responsibility for duties and responsibilities delegated as established in this Decree.
- b. Authorities
- Approve information technology development plans, either existing or new;
Note :
Expenses will remain governed by the 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; and
 - 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.

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.	<p>IT Committee conducted 11 (eleven) meetings to review and approve IT investments, with details of agenda of discussion as follows:</p> <ul style="list-style-type: none"> a. National Payment Gateway (NPG) for ATM/Debit Card; b. Branch Secondary Link; c. AS/400 – Technology Refresh; d. Transaction Banking – Cash Management Roadmap phase 2; e. Visa/MasterCard/Amex/UnionPay Compliance April 2018; f. Visa Claim Resolution Compliance 2018; g. Summary of SLIK Reporting Changes; h. CC – Bscore (FICO); i. IT Security Management Policy – Annual Review; j. Additional Budget and Re-baseline for UOBI Instant Approval and DMS; k. Independent consultant to implement SWIFT AMH, Murex; and Trade Financial Supply Chain Management; l. Email and Mobility Upgrade – To purchase WinTel Tech Refresh, Ms. Exchange Server and Good upgrade; m. <ul style="list-style-type: none"> • Distributed Denial of Service (DDOS) Protection; • Security Baseline Configuration Monitoring, with free of charge; • Automated Security Software Testing, with free of charge; n. Credit Master System; o. STASH Account; p. Global Markets Platform - MUREX; q. Trade Roadmap (New Trade and FSCM System); r. Global Electronic Banking (GEB) Next Gen; s. Governance, Risk and Compliance (GRC) system; t. Information Security Project (APT for DR Site, SIEM for Disaster Recovery Site, e-Mail Encryption); u. BIBPlus Bulk e-Tax Service; v. VISA/MasterCard October 2018 Compliance w. Data Center Tactical; x. Onshoring AMH; y. Technology Obsolete - 2018; z. Action from Group Employee Survey; aa. Disaster Recovery untuk DVR UOBI Global Markets; bb. Implementation of e-Recruit and Digital Learning; cc. Silverpeak Tech Refresh; dd. Fixed Deposit Online with Special Rate Table within Personal Internet Banking (PIB); and ee. Scope Changes for Branch Communication Link.



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9. Anti-Money Laundering Committee

Based on Board of Directors' Decree No. 18/SKDIR/0076 dated 14 November 2018 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 2018	
Chairman (also act as member)	Compliance Director
Deputy Chairman	Head of Commercial Banking
Member	<ul style="list-style-type: none"> • Head of Technology and Operations • Head of Personal Financial Services and Digital Bank • Head of Business Banking • Head of Corporate Banking • Head of Financial Institution • Branch Operational Control and Development Head • Operational and Enterprise Risk Management Head • Compliance Head • Business Compliance Head
Permanent Invitees	Internal Audit Head
Invitees	AMLC may invite other Directors, Function Heads, and/or other parties which have relevance to the subject of the meeting to provide inputs.

AMLC shall meet on a monthly basis and meetings 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* meetings will be called. In the event that such meetings cannot be convened, the cases will be circulated to the AMLC members via e-mail or members that participate via teleconference.

Duties, authorities and responsibilities of AMLC are to:

- Review and endorse changes to core tenets of, and deviations from, the Bank's Policy on the Anti-Money Laundering and Countering of Terrorism Financing and Sanctions (AML/CFT and Sanctions);
- Review and endorse Sanction Directives, in line with the applicable AML/CFT and Sanctions framework;
- Approve the on-boarding of prospective or the continuation of an existing relationship with specific customers deemed to pose higher reputation and ethical risks to the Bank;

- Manage, arbitrate and decide on conflicts arising from differing views between Business Work Function and Compliance Function on customer acceptance of specific new customers, and the retention of existing customer;
- Approve account closure arising from the associated AML/CFT and Sanctions compliance risk exposure associated with specific existing customers;
- Approve any significant AML/CFT and Sanctions related matter that increases money laundering or terrorist financing risk exposure to the Bank;
- Approve any AML/CFT and Sanctions controls implementation that pose high AML/CFT risks and approve the compensating AML/CFT controls for implementation;
- Provide a forum for the Board of Directors discussion and decision on any reputational and regulatory compliance issues relating to money laundering, terrorist financing and sanctions; and
- Review and provide guidance on significant weakness in processes and inspection/audit issues noted in the Bank.

During 2018, AMLC held 7 (seven) meetings and granted approval via circulation 5 (five) times. No significant AML/CFT and Sanctions case was escalated to the AMLC.

Directors Committee Membership

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, followings is the information of the Directors Committees as of 31 December 2018.

No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
1	<ul style="list-style-type: none"> • President Director • Chairman of EXCO • Chairman of ALCO • Chairman of HR Committee • Chairman of Credit Committee • Chairman of IT Committee 	Lam Sai Yoke				Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 366.
2	<ul style="list-style-type: none"> • Deputy President Director - Business • Deputy Chairman of EXCO • Deputy Chairman of ALCO • Permanent Member of RMC • Permanent Member of HR Committee • Deputy Chairman of Credit Committee 	Iwan Satawidinata				Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 366.
3	<ul style="list-style-type: none"> • Finance and Corporate Services Director • Permanent Member of EXCO • Permanent Member of HR Committee • Permanent Member of ALCO • Permanent Member of BCM Committee • Deputy Chairman of RMC • Member of IT Committee 	Muljono Tjandra				Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 367.
4	<ul style="list-style-type: none"> • Risk Management Director • Permanent Member of ALCO • Chairman of RMC • Chairman of CPC • Member of Credit Committee • Member of EXCO Committee (Credit-related) • Member of IT Committee 	Henky Sulisty				Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 367.



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No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
5	<ul style="list-style-type: none"> Compliance Director Permanent Member of RMC Permanent Member of BCM Committee Permanent Member of IT Committee Chairman of AML Committee 	Soehadie Tansol	Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 368.			
6.	<ul style="list-style-type: none"> Technology and Operations Directors Permanent Member of RMC Chairman of BCM Committee Deputy Chairman of IT Committee Member of AML Committee Permanen Member of CPC 	Paul Rafiuly	Information on nationality, age, education background, and work experience are provided in the Board of Directors profile in page 368.			
7	<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	53	<ul style="list-style-type: none"> 1990, Bachelor Degree, Kennedy Western University, Wyoming, USA 1991, Master Degree, Kennedy Western University (Distance Learning) 	<ul style="list-style-type: none"> 1991 - 2000, Asia Pulp & Paper, Senior Human Resources Manager 2000 - 2002, HM Sampoerna, Head of Human Resources and Development 2002 - 2003, Bentoel Prima Indonesia, GM Human Resources Development 2003 - 2008, Dexa Medica, Head of Human Resources 2008 - 2010, PT Bank CIMB Niaga Tbk, Head of HR Strategy 2010 - 2012, GE Finance Indonesia, HR, Legal and Compliance Director 2012 - 2015, BII Maybank, Human Capital Director 2015 - present, UOB Indonesia, Head of Human Resources <p>Has more than 26 years of experience in banking and other industries.</p>

No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
8	<ul style="list-style-type: none"> Head of Commercial Credit 2 Permanent Member of Credit Committee Permanent Member of CPC 	FX Yanto Edy Umar	Indonesia	46	1996, Bachelor Degree, Bandung Institute of Technology	<ul style="list-style-type: none"> 1999 - 2001, PT Bank Fuji Internasional Indonesia as Business Plan Supervisor 2001 - 2004, PT Bank Mizuho Indonesia as Officer Business Development 2006 - 2007, PT Bank OCBC Indonesia as AVP Credit & Marketing Dept 2007 - 2009, PT Fitch Ratings Indonesia as Associate Director 2009 - 2016, PT Bank Danamon Indonesia as Wholesale Business Head 2016 - 2017, PT Bank Permata as Head Business Credit Analyst and Portfolio Management 2017 - present, UOB Indonesia as Head of Commercial Credit 2 <p>Has more than 19 years of experience in banking.</p>
9.	<ul style="list-style-type: none"> Head of Corporate Banking Permanent Member of ALCO Member of CPC Committee Member of AML Committee 	Geoffry Nugraha	Indonesia	47	<ul style="list-style-type: none"> 1995, Bachelor Degree, Hawaii Pacific University 1999, Master Degree, Hawaii Pacific University 	<ul style="list-style-type: none"> 1996 - 1999, Bank Danamon as Relationship Manager 1999 - 2000, Rabobank International as Risk Management Credit Analyst 2003 - 2005, HSBC Indonesia as Vice President 2007 - 2008, Standard Chartered Bank, Country Head Transaction Banking 2012 - 2013, Bank ANZ Indonesia as Head of Corporate and Institutional Banking 2014 - present, UOB Indonesia as Head of Corporate Banking <p>Has more than 23 years of experience in banking</p>
10	<ul style="list-style-type: none"> Head of Wholesale Banking Permanent Member of ALCO Permanent Member of CPC 	Harapman Kasan	Indonesia	50	<ul style="list-style-type: none"> 1990, Bachelor Degree, Universitas of HKBP Nomensen 1999, Master of Business Administration, Lembaga Manajemen Internasional Indonesia 1999, Master of Science, Kennedy Western University 	<ul style="list-style-type: none"> 1990 - 1997, PT Bank Niaga, Tbk as Regional Marketing Head 1997 - 2001, Credit Lyonnais as Branch Manager 2001 - 2010, Citibank as Director, National Sales Head For Commercial Banking Group 2010 - 2015, PT Bank Danamon Indonesia, Tbk as EVP, Wholesale Business Head 2015 - 2018, Citibank as Managing Director Head Of Citi Commercial Bank 2018 - present, UOB Indonesia as Head of Wholesale Banking <p>Has more than 28 years of experience in banking</p>



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No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
11	<ul style="list-style-type: none"> Head of Financial Institutions Permanent Member of ALCO Member of AML Committee 	Jenny Lesmana	Indonesia	48	<ul style="list-style-type: none"> 1992, Bachelor Degree, Trisakti University 1995, Master Degree, Prasetya Mulya Business School 	<ul style="list-style-type: none"> 1992 - 1994, Bank Dharmala as Head Teller/ Assistant to Head Operations 1995 - 2002, Pemeringkat Efek Indonesia as Senior Manager, Rating Division 2002 - 2018, Citibank, N.A as Director, Head of Financial Institutions 2018 - present, UOB Indonesia as Head of Financial Institution <p>Has more than 26 years of experience in banking</p>
12	<ul style="list-style-type: none"> Head of Business Banking Permanent Member of ALCO Permanent Member of AML Committee Permanent Member of CPC 	Kan Ngee Fei	Malaysia	44	<ul style="list-style-type: none"> 1998, Bachelor of Engineering, National University of Singapore, Singapore 2012, Master of Business Administration, Manchester Business School, The University of Manchester, United Kingdom 	<ul style="list-style-type: none"> 1998 - 2000, SembCorp Industries Ltd as Project Engineer 2000 - 2003, Aretae Pte Ltd as Project Manager, Telecommunication and Financial Industries 2003 - 2005, Canon Singapore Pte Ltd as Team Leader, Enterprise Solutions For Financial Industry 2005 - 2013, Standard Chartered Bank as VP, Team Head Medium Enterprise, SME Banking 2013 - 2018, United Overseas Bank as Executive Director, Group Sales Management 2018 - present, UOB Indonesia as Head of Business Banking <p>Has more than 20 years of experience in finance, accounting and banking.</p>
13	<ul style="list-style-type: none"> Head of Personal Financial Services & Digital Banking Permanent Member of ALCO Permanent Member of AML Committee Permanent Member of CPC 	Khoo Chock Seang	Malaysia	63	1977, Bachelor of Economics, University of Malaya, Malaysia	<ul style="list-style-type: none"> 1977 - 1981, Lee Wah Bank, Ltd (Malaysia) as Branch Manager 1981 - 2001, Pacific Bank as Head, Sales Management 2001 - 2002, United Overseas Bank as Head of Consumer Banking 2002 - 2018, United Overseas Bank Malaysia Bhd as Head of Sales and Distribution (PFS) 2018 - present, UOB Indonesia as Head of PFS and Digital Bank <p>Has more than 40 years of experience in banking</p>
14	<ul style="list-style-type: none"> Head of Corporate Credit Permanent Member of Credit Committee Permanent Member of CPC 	Ratnasari Kartawiria	Indonesia	54	1989, Bachelor Degree, California State University	<ul style="list-style-type: none"> 1990, PT Nikko Securities as Corporate Finance Officer 1991 - 2008, ABN Amro Bank as Head of Credit Portfolio Management 2008 - 2011, The Royal Bank of Scotland as Head of Transactional dan Portfolio 2011 - present, UOB Indonesia as Head of Corporate Credit <p>Has more than 27 years of experience in banking.</p>

No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
15	<ul style="list-style-type: none"> • Head of Retail Credit • Deputy Chairman of CPC • Member of Credit Committee • Permanent Member of BCM 	Rudy Widjaja	Indonesia	47	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 - 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 <p>Has more than 26 years of experience in banking and other industries</p>
16	<ul style="list-style-type: none"> • Head of Commercial Credit 1 • Permanent Member of Credit Committee • Permanent Member of CPC 	Siswo Soebianto Iksan	Indonesia	52	1990, Bachelor Degree, Kristen Satya Wacana University	<ul style="list-style-type: none"> • 1988 - 1990, Kristen Satya Wacana University as a Lecturer • 1990 - 1994, PT Bank Danamon Indonesia as Account Officer • 1994 - 2000, PT Bank Tiara Asia as Head of Treasury and Internal Division • 2000 - 2010, PT Bank Internasional Indonesia as Corporate Credit Portfolio Head • 2010 - 2017, PT Bank Danamon Indonesia as Senior Credit Officer • 2017 - present, UOB Indonesia as Head of Commercial Credit 1 <p>Has more than 30 years of experience in banking and education.</p>
17	<ul style="list-style-type: none"> • Head of Global Markets • Permanent Member of ALCO • Permanent Member of BCM 	Sonny Samuel	Indonesia	49	2018, Master Degree, Bina Nusantara University	<ul style="list-style-type: none"> • 1990 - 1994, Deutsche Bank Indonesia as Treasury Dealer • 1994 - 1997, Bank of America as Head Treasury Marketing • 1997 - 1998, Barclays Capital as Associate Director • 2000 - 2004, Standard Chartered Bank as Head Sales and Marketing • 2004 - 2009, RBS Indonesia as Treasury Director • 2009 - 2011, Rabobank Intl as Treasury Director • 2011 - 2014, PT Bank CIMB Niaga Indonesia as Head Global Marketing • 2014 - 2018, PT Bank ANZ Indonesia as Head of Global Markets • 2018 - present, UOB Indonesia as Head of Global Markets <p>Has more than 28 years of experience in banking</p>



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No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
18	<ul style="list-style-type: none"> Head of Commercial Banking Permanent Member of ALCO Permanent Member of CPC Deputy Chairman 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 President 2004 - 2006, Standard Chartered Bank China as Head of Sales 2006 - 2009, Standard Chartered Bank Indonesia as General Manager for SME Banking 2009 - 2015, UOB Singapore with last position as Commercial Banking - Industry Group Head 1 2016 - present, UOB Indonesia as Head of Commercial Banking <p>Has more than 22 years of experience in banking</p>
19	<ul style="list-style-type: none"> Head of Transaction Banking Permanent Member of ALCO 	W. Kartyono	Indonesia	40	1999, Bachelor Degree, Tarumanegara University	<ul style="list-style-type: none"> 1999 - 2005, Bank Central Asia, Trade and Payment Specialist at International Banking Division 2005 - 2010, Bank DBS Indonesia as Head of Trade Finance Sales 2010 - 2010, ANZ Panin Bank as Head of Trade and Supply Chain Sales 2010 - present, UOB Indonesia as Head of Transaction Banking <p>Has more than 19 years of experience in banking</p>
20	<ul style="list-style-type: none"> Internal Audit Head Permanent Member of RMC Permanent Member of CPC 	Dawny Rachella Tahar	Indonesia	52	1990, Bachelor Degree, Bogor Institute of Agriculture	<ul style="list-style-type: none"> 1990 - 1992, PT Bank Bukopin, Tbk as Internal Control Officer 1992 - 2017, Standard Chartered Bank as Country Head of Audit 2018 - present, UOB Indonesia as Internal Audit Head <p>Has more than 29 years of experience in banking</p>
21	<ul style="list-style-type: none"> CEO Office Head Permanent Member of RMC Permanent Member of BCM Committee Permanent Member of IT Committee 	Endang Santi	Indonesia	39	<ul style="list-style-type: none"> 2002, Bachelor Degree, Bogor Institute of Agriculture 2009, Master Degree, Bogor Institute of Agriculture 	<ul style="list-style-type: none"> 2001 - 2002, IPB Research Institute as Research Assistant 2002 - 2010, PT Bank OCBC NISP, Tbk as Senior Manager Treasury Business 2010 - present, UOB Indonesia as CEO Office Head <p>Has more than 17 years of experience in banking.</p>

No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
22	<ul style="list-style-type: none"> • Business Compliance Head • Permanent Member of RMC • Permanent Member of BCM Committee • Permanent Member of AML Committee 	Hendrik Lambertus	Indonesia	53	1991, Bachelor Degree, University of Indonesia	<ul style="list-style-type: none"> • 1991 - 1995, Public Accounting Firm Arthur Andersen - Prasetyo Utomo and Co as Audit Supervisor • 1995 - 2000, Bank Universal as Product Development-Business • 2000 - 2001, Amir abadi Jusuf (AAJ) RSM International Public Accounting Finance as Manager • 2001 - 2007, Citibank as Compliance and Control - Global • 2007 - 2010, HSBC as Vice President Operational Risk • 2010 - present, UOB Indonesia as Business Compliance Head <p>Has more than 28 years of experience in finance and accounting and banking</p>
23	<ul style="list-style-type: none"> • Legal Head • Permanent Member of RMC 	Irvan Gunardwi	Indonesia	47	<ul style="list-style-type: none"> • 1993, Bachelor Degree, Brawijaya University • 2005, Master Degree, University of Indonesia 	<ul style="list-style-type: none"> • 1994 - 1995, Shipping Line Company, Export Dep Officer • 1995 - 2003, Bank Bali, Dept Head in Corp Legal and Compliance Dept • 2000 - 2003, Bank Permata, Head of Advisory and Monitoring • 2003 - 2010, BII Maybank, General Legal Counsel and Corporate Secretary Division Head • 2010 - 2014, Bank DBS, Head of Legal - CBG • 2014 - present, UOB Indonesia as Legal Head <p>Has more than 25 years of experience in banking</p>
24	<ul style="list-style-type: none"> • Strategic Communication and Customer Advocacy Head • Permanent Member of BCM Committee 	Maya Rizano	Indonesia	54	1987, Bachelor Degree, University of Hartford, USA and International Franco_Américain de Management, Paris, France	<ul style="list-style-type: none"> • 1988 - 1996, PT Unilever Indonesia as Marketing Manager • 1996 - 1997, Danone International Brands as Marketing Manager • 1997 - 2001, PT Excelcomindo Pratama as General Manager Marketing Communications • 2001 - 2007, Citibank as Vice President, Marketing Communications • 2007 - 2009, Bank Internasional Indonesia as Vice President, Head of Marketing and Branding • 2009 - 2011, Barclays Bank Indonesia as Head of Marketing and Corporate Affairs • 2011-2015, Hong Kong and Shanghai Bank Corporation (HSBC) as Vice President Head of Corporate Communications • 2015 - present, UOB Indonesia as Strategic Communications and Brand Head <p>Has more than 29 years of experience in banking and other industries.</p>



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No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
25	<ul style="list-style-type: none"> Compliance Head Permanent Member of AML Committee 	Candra Putra	Indonesia	40	<ul style="list-style-type: none"> 2001, Bachelor Degree, Gajah Mada University 2009, Master Degree, Gajah Mada University 	<ul style="list-style-type: none"> 2001 - 2005, Bank Central Asia, Associate Officer in Risk Management Dept 2005 - 2006, Bank Mizuho Indonesia, Officer in Credit Risk Management Dept 2006 - 2006, Citibank NA, Assistant Manager in Credit Risk Management Head 2006 - 2008, Bank DBS, Risk Management Unit Manager in Risk Management Unit Dept 2008 - 2011, Bank Permata, Head of Quality Assurance and Operational Risk Manager 2011 - present, UOB Indonesia as Compliance Head <p>Has more than 18 years of experience in banking.</p>
26	<ul style="list-style-type: none"> Financial Institution (FI) Credit Head Permanent Member of Credit Committee Permanent Member of CPC 	Edi Wijaya	Indonesia	38	2003, Bachelor Degree, Charles Sturt University	<ul style="list-style-type: none"> 2003-2003, PT Mars Cargo Indonesia as Finance and Accounting Officer 2004-2009, PT Bank Lippo as Non-Bank Financial Institution Credit Analyst 2009-2018, PT Bank CIMB Niaga as FI & NBFI Credit Analyst Head 2018 - present, UOB Indonesia as FI Credit Head <p>Has more than 15 years of experience in banking.</p>
27	<ul style="list-style-type: none"> Operational and Enterprise Risk Management Head Secretary of RMC Member of AML Committee 	Jemy Kristian Soegiarto	Indonesia	42	<ul style="list-style-type: none"> 1990, Bachelor Degree, Surabaya Institute of Technology 2005, Master Degree, Sepuluh November Institute of Technology 	<ul style="list-style-type: none"> 2000 - 2007, PT Bank Central Asia, Senior Audit Officer 2007 - 2010, PT Bank Danamon, Audit Development Head 2010 - 2015, PT Bank CIMB Niaga, Audit Group Head 2015 - 2017, PT Bank Maybank Indonesia, Non-Retail Credit QA, Policy, and Portfolio Monitoring 2017- present, UOB Indonesia as Operational and Enterprise Risk Management Head <p>Has more than 19 years of experience in banking</p>
28	<ul style="list-style-type: none"> Retail Liabilities Product Head Permanent Member of ALCO 	Jenny Hadikusuma	Indonesia	45	1990, Bachelor Degree, University of Surabaya	<ul style="list-style-type: none"> 1992 - 1996, Colliers Jardine International, Marketing Executive 1996 - 1997, Mal Galaxy, Marketing and PR Executive 1997 - 1999, Jones Lang LaSalle, Assistant Manager 2000 - 2001, Hyatt Regency Surabaya, Manager 2001 - 2005, PT Broadband Multimedia, Corp Sales and Customer Manager 2008 - present, UOB Indonesia as Retail Liabilities Product Head <p>Has more than 27 years of experience in banking and other industries.</p>

No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
29	<ul style="list-style-type: none"> Retail Operations Head Permanent Member of BCM Committee 	Juliando Menachem	Indonesia	41	<ul style="list-style-type: none"> 2001, Bachelor Degree, Trisakti University 2005, Master Degree, University of Indonesia 	<ul style="list-style-type: none"> 2002 - 2003, Sharp Electronic Indonesia as Production Engineer 2004 - 2007, Citibank as Credit Initiation 2008 - 2015, Standard Chartered Bank as Unit Operasional Risk Manager 2016 - 2017, PT Bank BNP Paribas Indonesia as Senior VP, Operations and Client Management 2018 - present, UOB Indonesia as Retail Operations Head <p>Has more than 15 years of experience in banking.</p>
30	<ul style="list-style-type: none"> Central Treasury Unit Head Permanent Member of ALCO 	Stanly Gunawan	Indonesia	35	2006, Bachelor of Science in Business Administration MIS and Finance, The University of Arizona, USA	<ul style="list-style-type: none"> 2006 - 2007, Lufthansa Systems as Software/System Developer 2007 - 2011, Standard Chartered Bank as Senior Assistant Manager, ALCO Support (Country Finance) 2011 - 2014, PT Bank Commonwealth as Senior Manager, ALCO and Treasury Analytics (Global Market, Treasury) 2014 - 2016, PT Bank ANZ Indonesia as AVP, ALM Financial and Governance (Finance) 2016 - 2018, PT Bank Commonwealth as VP, Head of ALM and Portfolio Management 2018 - present, UOB Indonesia as Central Treasury Unit Head <p>Has more than 12 years of experience in banking.</p>
31	<ul style="list-style-type: none"> Corporate Real Estate Services Head Permanent Member of BCM Committee 	Stella Damayanti	Indonesia	43	1999, Bachelor Degree, Parahyangan Catholic University	<ul style="list-style-type: none"> 2002 - 2005, PT Ahara Prima Design as Project Coordinator 2005 - 2007, Jones Lang LaSalle Indonesia as Senior Project Manager 2007 - 2016, DBS Indonesia as VP, Capex, Portfolio and Lease/Transaction Head (CRE Dept) 2016 - 2018, HSBC as SVP, Head of Corp Real Estate 2018 - Present, UOB Indonesia as Corporate Real Estate Services Head <p>Has more than 17 years of experience in banking and other industries</p>
32	<ul style="list-style-type: none"> Branch Operational Control and Development Head Permanent Member of BCM Committee Permanent Member of AML Committee 	Susan Kwanto	Indonesia	48	1992, Bachelor Degree, Sriwijaya University	1992 - present, UOB Indonesia as Branch Operational Control and Development Head Has more than 27 years of experience in banking



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No	Position	Name	Nationality	Age	Education Background	Work Experience (with last held position)
33	<ul style="list-style-type: none"> Wholesale & GM Operations Head Permanent Member of BCM Committee 	Wienda Trifena Widjaja	Indonesia	49	1992, Bachelor Degree, Parahyangan Catholic University	<ul style="list-style-type: none"> 1993 - 1996, PT Bank Umum Sevitia TBK as Senior Admin Marketing and Credit 1996 - 2000, PT Bank Internasional Indonesia TBK as Origination Department, Capital Markets Division 2000 - 2004, The Indonesia Bank Restructuring Agency (IBRA) as Asset Management Credit 2006 - 2017, PT Bank Commonwealth as Head of Operations 2017 - present, UOB Indonesia as Wholesale and GM Operations Head <p>Has more than 25 years of experience in banking and other industries.</p>
34	<ul style="list-style-type: none"> Operational Risk Management Head Permanent Member of BCM Committee 	Virna Medina	Indonesia	44	2001, Master Degree, Bandung Institute of Technology	<ul style="list-style-type: none"> 1997 - 2006, Bank Permata, Operational Risk Officer 2006 - 2012, BII Maybank, Divisional OR and Policy Head 2012 - 2014, OCBC NISP, Quality Assurance and Control Head - Retail Credit 2014 - 2015, Standard Chartered Bank, Quality Assurance and Control Head - Retail Credit 2015 - present, UOB Indonesia as Operational Risk Management Head <p>Has more than 22 years of experience in banking.</p>

Note :

EXCO : Executive Committee
 ALCO : Assets and 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 acts as the liaison between the Bank and the Bank internal parties, authorised institutions affiliated with the Bank, Bank external parties and investors. The Bank appoints the Corporate Secretary to assist the Board of Commissioners and

Board of Directors in carrying out the duties and responsibilities of each related to the implementation of GCG and to manage communications to interested parties (stakeholders), both internally and externally.

A. Appointment of Corporate Secretary

The Corporate Secretary is appointed by the Board of Directors. Currently, the office of the Corporate Secretary is held by Susilowati, who has officially served since the date of 25 June 2015 by virtue of Board of Directors' Decree No. 15/DIR/0021. In the organisational structure of the Bank, 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 received 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.

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 2018 as set out in the following table:

Workshop/Training	Organiser
The Consequences of the Capital Market Law for Public Companies and the Things that Need to be Alerted by the Corporate Secretary	Indonesian Corporate Secretary Association and Bursa Efek Indonesia
Corporate Secretary Conference	UOB Thailand
POJK socialization of Revaluation of the Main Parties of Financial Services Institutions	Financial Services Authority
Bank/Corporate Investor Relations Coordination Forum	Bank Indonesia

C. Duties and Responsibilities of Corporate Secretary

Corporate Secretary must at least have the function as referred to in Financial Services Authority (OJK) 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:
 - a. Information transparency to the public, including availability of information on the Website of the Issuing Company or Public Company;
 - b. Submission of reports to the Financial Services Authority in a timely manner;

- c. Conduct and documentation of General Meeting of Shareholders;
 - d. Conduct and documentation of Board of Directors and/or Board of Commissioners meetings; and
 - e. Implementation of corporate orientation programme for the Board of Directors and the Board of Commissioners.
4. To act as a liaison between the Bank and the shareholders of the Issuing Company or Public Company, the Financial Services Authority and other stakeholders

D. Realisation of Duties and Responsibilities of Corporate Secretary

Activities carried out by the Corporate Secretary in 2018 in relation to her duties and responsibilities include:

1. Preparing and publishing the Annual Report for financial year 2017 which contains information on the Company's performance together with the other working units.
2. Convening the Annual General Meeting of Shareholders on 9 May 2018 and Extraordinary General Meeting of Shareholders on 11 October 2018.

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3. Submitting the Annual Report for financial year 2017 and Financial Statements for financial year 2017 to related stakeholders.
4. Attending and preparing minutes of Board of Commissioners meeting, Board of Directors meeting, as well as meetings of Committees reporting to the Board of Commissioners.
5. Updating the Internal Regulation of the Company regarding Board of Commissioners and Board of Directors as well as Committees reporting to the Board of Commissioners in order to comply with the prevailing regulations.
6. Assisting the Board of Directors and the Board of Commissioners in implementing good corporate governance among others by ensuring smooth communication between the company and the stakeholders, ensuring the availability of and access to information as reasonably required by stakeholders and conveying information about corporate action to the regulator concerned.
7. Coordinating with the Compliance Function in preparing data related to self-assessments on Good Corporate Governance for the Board of Directors, Board of Commissioners and Committees reporting to the Board of Commissioners.
8. Coordinating with related functions in preparing the issuance of Senior Debt Shelf Offering II of PT Bank UOB Indonesia.

IV. Corporate Communications

Corporate Communications function plays a key role in maintaining the corporate 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 2016, Corporate Communications and Corporate Secretary are jointly responsible to prepare and publish the Annual Report that discloses UOB Indonesia's business performance.

Press Release

PT Bank UOB Indonesia (UOB Indonesia) recognises the importance of engaging with the public and aims to raise its profile and share pertinent information on its activities. These objectives are achieved through media activities in the form of news conferences, media gathering, and one-on-one interviews.

At news conferences and other media activities, UOB Indonesia issues news releases. In 2018, the news releases covered the Bank's new products and services, corporate social responsibility programmes and contribution towards Indonesian small and medium enterprises, as well as the outlook of the Indonesian economy.

The following is a list of news releases in 2018:

1. UOB signs MOU with PT Sarana Multi Infrastruktur (Persero) to support infrastructure development in Indonesia, 21 March 2018;
2. UOB Announces Major Education Partnership with Museum MACAN, 10 April 2018;
3. UOB Indonesia launches the UOB YOLO Credit card designed for Indonesian millennials, 08 May 2018;
4. UOB Indonesia launches its 2018 Painting of the Year competition and a series of art workshops for underprivileged children, 15 May 2018;
5. UOB Heartbeat Run/Walk sees record of more than 2,000 participants in its annual fundraising event, 8 July 2018;
6. Museum MACAN Announces Second Commission for the Children's Art Space by Indonesian Artist Mr Gatot Indrajati, 10 July 2018;
7. UOB Indonesia: Indonesian economy to remain resilient amid global turbulence, 26 July 2018;
8. UOB Indonesia partners COCOWORK to set up a co-working space to help emerging enterprises manage their operational costs, 8 August 2018;
9. UOB and Investment Coordinating Board (BKPM) reaffirm joint commitment to promote foreign direct investments into Indonesia, 7 Sept 2018;
10. UOB Indonesia: Robust fundamentals to support Indonesia's economic growth in 2019 despite global turbulence, 3 October 2018;
11. Technology investments among Indonesian SME's top priorities to boost business competitiveness, 12 October 2018;
12. UOB Indonesia launches 'Blast of Surprise 2.0' year-end promotion for its credit cardmembers, 15 October 2018;
13. A visual commentary on the role of humanity wins the 2018 UOB Painting of the Year (Indonesia) award, 16 October 2018;
14. UOB Indonesia holds 2018 UOB Golf Invitational Tournament for its Commercial Banking clients, 1 November 2018;
15. Indonesian artist's evocation on social conflict wins UOB Southeast Asian Painting of the Year 2018, 1 November 2018; and
16. UOB and Investment Coordinating Board (BKPM) collaborate to facilitate foreign direct investment into Indonesia, 9 November 2018.

There was coverage in Indonesia's main media, such as: Antara, Bisnis Indonesia, Detik.com, InfoBank.com, Kompas, Koran Kontan, Koran Sindo, Jawa Pos, Media Indonesia, Metrotvnews.com and Okezone.com.

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

A. Compliance Function

The Role of Compliance Function

The implementation of Bank's Compliance Function refers to Financial Services Authority (OJK) Regulation No. 46/POJK.03/2017.

Following are the roles and responsibilities of the Compliance Function:

1. Create steps in order to support the creation of compliance culture in the Bank's business activities and at every organisational level;
2. Conduct identification, measurement, monitoring, and control of compliance risk with reference to the regulation concerning the Implementation of Risk Management for Commercial Banks;
3. Assess and evaluate strictly, in collaboration with the business/support units the effectiveness, adequacy, and conformity of policies, provisions, systems and procedures of the Bank with prevailing regulations;
4. Conduct reviews and/or recommend update and refinement of policies, regulations, systems and procedures of the Bank to ensure compliance with the regulations issued by regulators and prevailing legislation;
5. Ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities are in compliance with the regulations issued by regulators and prevailing legislation;
6. Ensure that the execution of all systems for customer transaction monitoring is in line with prevailing guidelines, policies and procedures to support a smooth implementation of the AML/CFT programmes and to protect the Bank against sanctions;
7. Identify, assess and document the compliance risks associated with the business activities of the Bank including new products, services, business practices and material changes to existing business and customer relationships, etc;
8. Provide regulatory advice and updated information related to the prevailing Regulator's regulation and other regulations to the Board of Directors, Senior Executive Officers and all business and support units;
9. Develop compliance manuals and guidelines related to the applicable regulations issued by regulators, other regulations and key business conduct jointly with Business/Support Units for use by all officers and staff of the Bank;
10. 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;
11. Assist the Board of Directors and Senior Executive Officers in educating relevant staff on compliance related issues;
12. Provide advice, guidance and continuous training for staff on the appropriate implementation of the compliance framework which includes policies, guidelines and

procedures such as those contained in the Bank's Compliance Guidance, Code of Conduct and Bank's internal guidelines;

13. Advise units/divisions in the Bank and/or Board of Directors and Senior Executive Officers on Compliance, Laws, Rules and Standards (CLRS), the implications of new regulations/regulatory changes, and provide guidance on the proper and prompt implementation of procedures to comply with the regulatory requirements;
14. Monitor, test and report on compliance implementation according to Compliance Framework and internal policies or procedures to the Senior Executive Officers and Board of Directors/Board of Commissioners, and if required, to regulators. However, the responsibility for ensuring day-to-day compliance remains within each respective work function;
15. Make enquiries into compliance incidents and complaints, and carry out further investigations as deemed appropriate;
16. Act as the key liaison body with relevant internal and external parties, including regulators, regarding the Bank's compliance issues; and
17. Fulfill its responsibilities under the compliance plans and procedures developed in accordance with its compliance risk management framework including performing compliance reviews on a risk-based approach.

Actions to Prevent Breaches to Prevailing Regulations

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

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

1. Support the creation of a compliance culture in all Bank business activities at all levels of the organisation through the establishment of:
 - a. Compliance Charter;
 - b. Compliance Organisational Structure;
 - c. Compliance Guidance; and
 - d. Compliance Standard Operational Procedure.
2. Identify, measure and monitor Compliance Risk and implement control processes through:
 - a. Compliance Review Procedure;
 - b. Supervision of sanctions imposed by regulators.
3. 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:
 - a. Reports of Compliance Review Results;
 - b. Regulatory Risk Assessment Reports.
4. Provide opinions on compliance-related matters.
5. Monitor and report on follow-up action plans arising from Regulator's Audit Inspection Results.
6. Socialise regulatory provisions and provide information on compliance related matters, either through face-to-face socialisation activities or through Compliance News.
7. Evaluate marketing material checklist.

Good Corporate Governance

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

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 OJK Circular Letter No. 13/SEOJK.03/2017 dated 17 March 2017.

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

The three governance aspects are:

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

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

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

The Compliance Unit has also reviewed and revised the previous Compliance Guidance in order to provide guidance for all stakeholders to improve the effectiveness of the Compliance Function implementation, as stipulated in Board of Directors' Decree No. 18/SKDIR/0092 dated 28 December 2018 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' Decree No. 15/SKDIR/0062 dated 30 December 2015 on Integrated Compliance Charter for the Financial Conglomerates of UOB as updated through Circular Letter 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' Decree 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 internal audit function, issued the Internal Audit Charter and Internal Audit Guidelines.

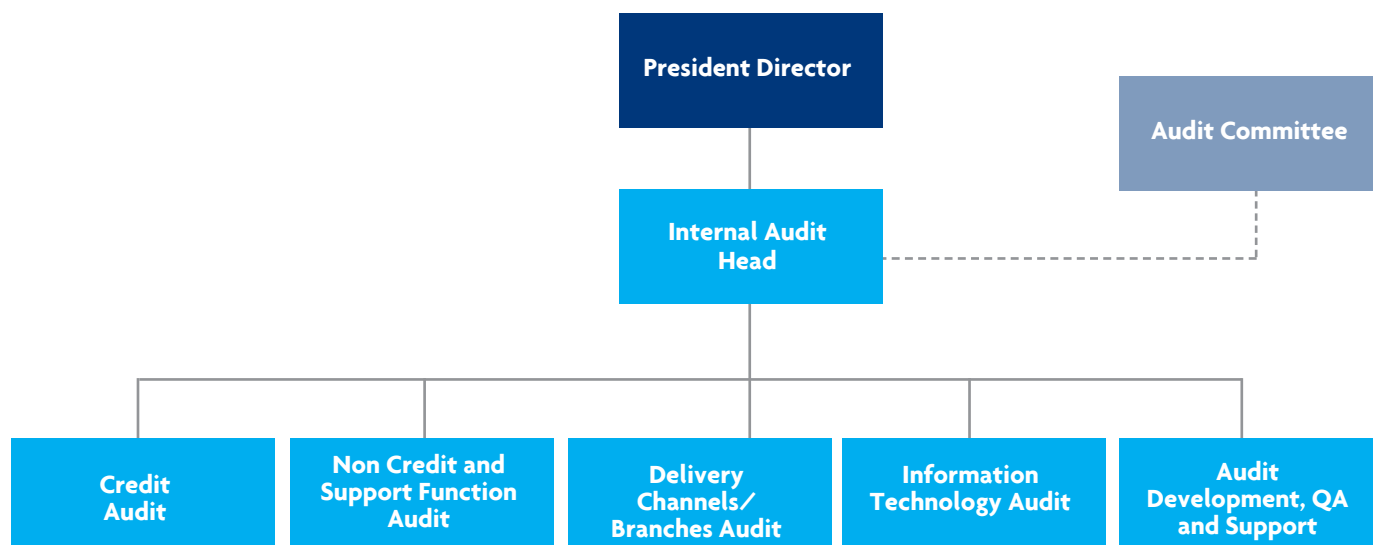
Dawny Rachella Tahar, 52 years old, domiciled in Indonesia, has joined with UOB Indonesia since January 2018 as the Internal Audit Head. Her appointment as Internal Audit Head is pursuant to Directors' Decree No. 18/SKDIR/0003 dated 08 January 2018. She holds a Bachelor Degree of Agribusiness from Institut Pertanian Bogor and a Postgraduate Diploma of Management Studies from Nottingham Trent University, United Kingdom. She has more than 26 years of experience in banking in various areas, with 7 years spent as Country Head of Audit.

Competency Improvement of Head of Internal Audit

During 2018, the Internal Audit Head attended several workshops and training such as Chief Audit Executive (CAE) forum of Bank Internal Auditor Association (IAIB), Risk Management Certification Level 5, and UOB Indonesia Branded Service Workshop.

Structure of Internal Audit Function

The Internal Audit Head directly reports to the President Director and functionally to Audit Committee. There are 5 (five) divisions in the unit namely Credit Audit, Information Technology Audit, Non Credit & Support Function Audit, Delivery Channels and Branches Audit and Audit Development & Support.



Duties and Responsibilities of Internal Audit Function

Internal Audit supports UOB Indonesia management in the risk management and governance oversight by providing independent assurance on adequacy of internal control, financial, operational and compliance to law and regulation, to mitigate both current and emerging risks. In the bank's risk management framework, Internal Audit serve as the third line of defence and work closely with the first line (Business and Support units) and the second line (Compliance and Risk Management functions). Internal Audit duties and responsibilities forms as part of overall internal control system in the bank. Internal Audit tasks cover examination and assessment of all the Bank's processes, system and documentation to provide independent, objective, reliable opinion on effectiveness control design and its implementation in the Bank.

The internal audit tasks implementation is risk-focused, and applies the Risk-Based Approach, as the basis for auditors to analyse, test controls and consider the significance of an audit issue. Under the Internal Audit Charter, the Internal Audit Head has unlimited access to any of the Bank's premises, assets and documentation, and can directly communicate with the Board of Commissioners or through the Audit Committee. On a periodic basis, the Internal Audit Head meets with the Audit Committee, and discusses significant audit issues, the progress of audit work and completion of audit issues completion. In order to maintain its work quality and methodology standard, the Internal Audit function is subjected to a periodic quality assurance performance review conducted by internal Quality Assurance Function within the unit and by external party.

Internal Audit Professional Qualification/Certification

The Bank's Internal Auditor holds internal audit professional qualification and certification, including:

1. Competency Certification as an Assessor (Manager Level on Internal Audit Division) from a National Professional Certification Agency (BNSP).
2. International Certification such as CISA, CCNA, CPA, CEH, CHFI, CBA, CHSI, ISO27001/ Information Security Management System Lead Auditor.
3. Risk Management Certification Level 1 – 5.

Disclosure of Internal Audit Practice in 2018

All internal audit findings had been addressed and rectification actions were on track for completion.

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

C. The Implementation of External Audit Function

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

Public Accountant Firm Purwantono, Sungkoro & 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.

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Public Accountant Firm Purwanto, Sungkoro & Surja, according to Financial Services Authority (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 131.

VII. Related Party Funding and Large Exposure

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

The following are loans to related parties and large exposures as of 31 December 2018:

(in IDR million)

No.	Funding	Total	
		Debtor	Amount
1.	To Related Parties	175	4,412,747
2.	To Core Debtors	25	24,682,081
	a) Individual	-	-
	b) Group	25	24,682,081

Notes:

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

VIII. Bank's Strategic Plan

In order to improve Good Corporate Governance and to comply with regulator provisions, the Bank has proposed a Business Plan detailing the Bank's business activities in the short term, 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 the Bank's vision and values

In 2019-2021, Bank has made long term, medium term and short term target, as follows:

Long Term Plans:

1. Undertake capital management and evaluate the possibility of raising core capital. This is to ensure that the Bank has strong capital structure in support of its business development strategy and complies with the capital adequacy requirements set by the Regulator.
2. Issue financial instruments such as subordinated debt and senior debt and use the funds obtained to support the growth of productive assets and develop the Bank's business. In planning for the issuance of financial instruments, the Bank always take into account the market conditions particularly the interest rate movements.
3. Grow alternative sources of funding as a measure for diversification and improve the liquidity profile to provide stable USD funding over a sufficiently long period in order to improve Bank's Net Stable Funding Ratio (NSFR) and to manage the structure of foreign currency funding gap.
4. Manage non-performing loans, including through loan restructuring, aggressive collection and collateral execution.
5. Recruit and mobilise talents to support the Bank's development and strengthen the organisational structure by increasing bench strength, retention and productivity. In addition, the Bank also encourage participation in various level of leadership academy programmes as well as social responsibility programmes.

6. Increase focus on building a mass customer base through customer acquisition to get new customers, customer activation to build customer loyalty and customer retention as part of sustainable business growth.
7. Implement a technology roadmap to build a strategic platform and aligned with Bank's business strategy in order to support sustainable growth.
8. Embrace digitalisation by promoting awareness of technological developments, building the required competence as well as optimising internal resources in the development of digital technology.
9. Continue to focus on improving the Bank's performance through the concept of "Single Captain", which will be reinforced by redefining tasks and responsibilities and setting reporting matrices.
10. Continue to focus on sectoral solutions strategies to better understand customer needs through industry insights, building banking industry/sector industry developer and increase productivity in wealth management to improve performance as part of the five-year strategic initiative plan.
2. The Bank plans to issue senior debt under Shelf Programme II UOB Indonesia in 2019 as much as IDR2 trillion with a period of up to 5 years in order to diversify funding structure and replace senior debt mature in 2019. The issuance will be done with taking account market conditions, particularly interest rate development.
3. Plan to get offshore long-term borrowing with the maximum amount of USD155mn (depend on the market condition) to support foreign currency loan growth and manage the structure foreign currency funding gap.
4. To reach a Profit Before Tax of IDR751 billion in 2019.
5. To increase loan growth by 11.93% in 2019.
6. To increase deposits growth by 10.02% in 2019.
7. To increase CASA ratio mix from 38.12% to 41.29% in 2019.
8. To maintain total Capital Adequacy Ratio of 15.85% by end of 2019.
9. To achieve ROE 4.91% and ROA 0.68%.
10. To maintain gross Non Performing Loan (NPL) ratio at 2.35% and increase NPL coverage ratio minimum 100%.
11. Maintaining LDR ratio at 92.53% and LFR ratio at 91.05%
12. To maintain short term liquidity by having LCR minimum 100% and NSFR minimum 100% in 2019
13. Maintaining BOPO ratio at 97.05% by the end of 2019.

Medium Term Plans:

Medium-term targets to be achieved by the Bank are as follows:

1. To reach a Profit Before Tax of IDR1,369 billion in 2021.
2. Average loan growth (CAGR) of 10.38% so that at the end of 2021 total loan distribution will reach IDR98,048 billion.
3. Average deposits growth (CAGR) of 10.22% to achieve total fund collection of IDR106,918 billion in 2021.
4. To increase Current Account and Saving Account (CASA) ratio mix to 47.06% by end of 2021.
5. Return on Equity (ROE) of 7.74% and Return on Asset (ROA) to 1.03%.
6. To maintain Operating Cost to Income (BOPO) ratio at 95.29% by end of 2021.
7. Maintaining Loan to Deposit (LDR) ratio at 91.41% and Loan to Funding Ratio (LFR) ratio at 90.21%
8. To maintain Liquidity Coverage Ratio (LCR) minimum 100% and Net Stable Funding Ratio (NSFR) minimum 100% by end of 2021.

Short Term Targets:

1. Issuing subordinated debt under Shelf Programme II with the maximum amount of IDR1 trillion in 2019 with a maximum period of 10 years as part of the Shelf Programme to strengthen the capital structure Tier 2. The issuance will be done with taking account market condition particularly interest rate development.

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 will grow and benefit to all stakeholders.

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

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



Good Corporate Governance

X. Share Ownership and Financial and Family Relationships of Members of The Board of Commissioners and Directors with Fellow Members of the Board of Commissioners, Directors and/or The 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 and overseas)	Ownership Percentage per 31 December 2018 (%)
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	Wayan Alit Antara	Independent Commissioner	PT Citra Indah Prayasa Lestari	5.00
5	Aswin Wirjadi	Independent Commissioner	NIL	
6	VJH Boentaran Lesmana	Independent Commissioner	NIL	
Director				
1	Lam Sai Yoke	President Director	NIL	
2	Iwan Satawidinata	Deputy President Director	NIL	
3	Muljono Tjandra	Director	NIL	
4	Henky Sulisty	Director	NIL	
5	Soehadie Tansol	Compliance Director	NIL	
6	Paul Rafiuly	Director	NIL	

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

Board of Commissioners and Board of Directors	Family Relation With						Financial 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
Wayan Alit Antara	-	-	-	-	-	-	-	-	-	-	-	-	None
Aswin Wirjadi	-	-	-	-	-	-	-	-	-	-	-	-	None
VJH Boentaran Lesmana	-	-	-	-	-	-	-	-	-	-	-	-	None
Lam Sai Yoke	-	-	-	-	-	-	-	-	-	-	-	-	None
Iwan Satawidinata	-	-	-	-	-	-	-	-	-	-	-	-	None
Muljono Tjandra	-	-	-	-	-	-	-	-	-	-	-	-	None
Henky Sulisty	-	-	-	-	-	-	-	-	-	-	-	-	None
Soehadie Tansol	-	-	-	-	-	-	-	-	-	-	-	-	None
Paul Rafiuly	-	-	-	-	-	-	-	-	-	-	-	-	None

XI. Disclose of Remuneration Policy

Preparation Process of Remuneration Policy

Bank has prepared Policies and Structure of Remuneration as approved by the Board of Commissioners and stated in Board of Directors' Decree 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 made some change on deferred condition and Material Risk Taker (MRT) criteria.

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 risks associated with business activities and have significant impact to the Bank's risk profile, which come from 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 MRT of the Bank is the Board of Directors with total number of 27 people.

Good Corporate Governance

The Bank has governed the granting of variable remuneration especially for MRT 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.

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:

1. Size of employee performance;
2. Size of financial and non-financial business performance;
3. Risks associated with the business activities, if relevant; and
4. 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 was 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 to 60 per cent of total variable remuneration, by taking into consideration the defer time associated with performance achievement. The deferral period is at least 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, the Bank did not use any external consultant services.

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 IDR million)

Type of Remuneration and Other Benefits	Total Received in 1 (One) Year			
	Board of Commissioners		Board of Directors	
	Person	Total	Person	Total
Remuneration (salary, bonus, routine allowance, tantiem, and other facilities in the form of cash)	7**	2,922	7***	49,767
Other benefits in kind (housing, transportation, health insurance, etc.) which *	-	-	-	-
a. can be owned	-	-	-	-
b. cannot be owned	-	-	7***	1,051

* Counted in Rupiah equivalent

** There was a replacement of Independent Commissioner in May 2018

*** Channels and Digitalisation Director (January-September 2018), replaced by Technology and Operations Director (October-December 2018)

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	2	1
Above Rp 500 million up to Rp 1 Billion	-	-
Under Rp 500 million	5	-

* Received in Cash

C. Variable Remuneration

Aligned 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 IDR million)

Variable Remuneration	Total Received in 1 (One) Year					
	Board of Commissioners		Board of Directors		Employee	
	Person	Total	Person	Total	Person	Total
Total	3	223	7	25,587	4,028	187,386

D. Position and Number of Material Risk Takers

No.	Position	Number of Person
1	Board of Commissioners	-
2	Board of Directors	6
3	Employees	21

E. Shares Option

During 2018, PT Bank UOB Indonesia did not grant Share Options to Commissioners, Directors or Employees.

F. Highest and Lowest Salary Ratio

Description	Ratio	
	2017	2018
Ratio of the highest and lowest salary of the employees	1 : 93.18	1 : 116.36
Ratio of the highest and lowest salary of the Board of Directors	1 : 1.64	1 : 2.28
Ratio of the highest and lowest salary of the Board of Commissioners	1 : 8.30	1 : 10.38
Ratio of the highest salary of the Board of Directors and highest salary of the employee	1 : 1.79	1 : 1.09

Good Corporate Governance

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

(in IDR million)

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

H. Service Termination and Total Amount of Severance Paid

Total Severance Paid per Person in 1 (One) Year	Number of Employee
Above Rp1 billion	-
Between Rp500 million until Rp1 billion	-
Rp500 million below	17
Nil	38

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

(in IDR million)

Deferred Variable Remuneration	Board of Commissioners		Board of Directors		Employee	
	Person	Total	Person	Total	Person	Total
Total	-	-	6	7,925	20	8,280

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

(in IDR million)

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		66,212
2. Shares/Shares-based Instruments Issued by the Bank		-
B. Variable Remuneration*		
	Not Deferred	Deferred
1. Cash	40,253	16,205
2. Shares/Shares-based Instruments Issued by the Bank	-	-

* Only for MRT in IDR million.

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/Tunai	24,781	-	-	-
2. Shares/Shares-based Instruments Issued by the Bank	-	-	-	-

* Only for MRT in IDR million.

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

The number of fraud cases in 2018 is shown in the table below.

Internal Fraud in 1 (One) Year	Total Cases Conducted By					
	Board of Directors' Member and Board of Commissioners' Member		Permanent Employee		Non Permanent Employee and Outsourcing Staff	
	Previous year (2017)	Current year (2018)	Previous year (2017)	Current year (2018)	Previous year (2017)	Current year (2018)
Total number of fraud case	0	0	10	6	0	2
Has been settled	0	0	8	4	0	2
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	2	2	0	0

Good Corporate Governance

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

The legal cases involving the Bank as at 31 December 2018 are detailed in the table below:

Legal Cases	Number of cases		
	Civil Law		Criminal Law
	Bank UOB Indonesia as plaintiff	Bank UOB Indonesia as defendant	
Settled (has permanent legal power)	1	19	0
In settlement process	2	62	0
Total	3	81	0

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

Throughout 2018 there were no important cases faced by the Bank involving members of the Board of Commissioners and/or Board of Directors.

XVI. Administrative Sanctions

In 2018, there was no significant administrative sanction. Most of the administrative sanctions imposed were caused by error and lateness in transactional reports. The Bank has followed-up on improvement actions in reporting, as well as the risk mitigation such as by conducting training and improving systems and controls.

XVII. Transactions Involving Conflict of Interest

In 2018, there were no transactions within the Bank that can be classified as conflict of interest transactions.

XVIII. Bank's Share and Bond Buybacks

In 2018, the Bank did not perform any share or bond buyback.

XIX. Donation for Social and Political Activities During the Period of 2018

The Bank believes in its ability to actively develop a better environment by participating in various activities to develop the community. Below are the Bank's community activities in 2018:

Category	Type of Activity	Description	Total Fund (in IDR) Total Dana
Social and Community Relations	Cook With Love & Share The Happiness 2018	Employee volunteers worked hand-in-hand in a series of activities, including planting hydroponic trees, financial literacy sessions, cooking healthy food, as well as donating musical instruments to support the educational programme .	50,000,000
	UOB Heartbeat	UOB Indonesia's employees raised funds to support art education for students across Jakarta and greater area, and Maluku through Mari Berbagi Seni movement.	230,000,000
		UOB Indonesia held an employee fundraising through an art class session.	100,000,000
		UOB Indonesia raised funds from its employees to support more than 400 children of whom impacted by the earthquake and tsunami in Palu through a cultural festival.	
Religious	Sacrificial Livestock Event	To celebrate Islamic Day of Sacrifice 1439 H, employees distributed qurban offerings to neighbours around the office.	128,280,600
	Mudik Bersama, Day Care and Tajil	To celebrate Idul Fitri 1439 H, UOB Indonesia held a charity event at an orphanage, distributed staple food packages to more than 2,000 UOB employees and "Mudik Bersama" for 292 employees and their families, and provided daycare facility to employees' children 5 days after Idul Fitri.	522,015,000
	UOB Christmas Celebration	In celebration of Christmas, UOB Indonesia's employees organised a community engagement event, and raised funds to support Kelompok Kerja Sosial (KKS) Melati Foundation, which focuses on providing services on literacy for the underprivileged children.	26.000.000
Education	Scholarship for Employees' Children	Education donations for 128 employees' children with outstanding achievements.	148,900,000
	Scholarship for Employees	Education donations for 23 employees with outstanding achievements to seek higher education.	388,910,000
	Internship	Provided an opportunity for final-year university students to have an experience in the work environment.	121,600,000



Good Corporate Governance

Category	Type of Activity	Description	Total Fund (in IDR) Total Dana
Financial Literacy	Mapping Post-Graduate Life: Introduction to Banking Services and Career	Introduction of Banking Products and Banking as a career	640,000
	Sustaining The Digital Growth in Indonesia	Provision of financial literacy, market outlook and digital economic development information to university and Social and Political Science Faculty (FISIP) lecturer at Universitas Parahyangan.	1,071,550
	UOB Inspirasi: Mulai menabung, yuk!	Introduction of the benefits of savings from an early age to grade schooler at Sekolah Anak Jalanan (SAJA)	2,091,300
	UOB Indonesia Economic Outlook 2018	Provision of professional information related to the latest local and global economic situation and condition.	2,228,000,000
	Ignite	Educate university Student regarding banking industry including financial services to consumers.	71,496,000
	Transaction Banking Experience Center (TBEX)	Increase knowledge of UOB Internet Banking features and the use of internet banking for corporate customers.	165,000,000
Art	Art Jakarta	Participation in Art Jakarta 2018 to showcase the works of UOB Painting of the Year's winners and finalists' alumni.	154,440,000
	Painting competition	Discovery and support new generations of artists through the 2018 UOB Painting of the Year competition, while connecting them to opportunities in the international art stage.	560,000,000
	UOB Painting of the Year Road Show	UOB Indonesia held series of art talk sessions in four cities, Jakarta, Bandung, Yogyakarta and Bali. The talks focused on helping the local community to have a better understanding on the current art scene.	312,156,795
	UOB Art Apprentice	Art workshop with underprivileged children in four cities, Jakarta, Bandung, Yogyakarta, and Bali, led by UOB Painting of the Year finalist, together with employee volunteers.	
	UOB Museum MACAN Major Education Partner	UOB is the Major Education Partner of the Museum MACAN. The partnership strengthens the cross-sector support for art and education in Jakarta and the greater area. The Partnerships includes a series of programme, such as Monthly School Visits, School Outreach Programme, MACAN Educators Forum, Education Resource Kit, and a dedicated education area for children, UOB Museum MACAN Children's Art Space.	1,000,000,000
Total Contribution			5,310,601,245

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 Code of Conduct.

C. Main Points of the Code of Conduct

The Bank periodically reviews the contents of the Code of Conduct and disseminates 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 at the Work Place

The Bank is responsible for creating a conducive working environment which is non-discriminatory in nature. The Bank also provides regular training to all employees and assesses the effectiveness of training activities regularly.

2. Responsibilities to the Customers and Other External Parties

The Code of Conduct contains provisions to treat Customers fairly, prohibit employees from accepting any gift and entertainment where it may appear to others that business judgment has been compromised or conflicts with employees' duty, prohibit employees from accepting money from external parties, and requires employees to exercise appropriate business judgment when selecting third-party business associates or vendors. An employee may participate in political activities if he or she has obtained prior approval from Human Resources function.

3. Responsibilities to the Bank

Employees are obliged to cooperate with external and internal investigators, to safeguard the interests of the Bank in terms of intellectual property rights and the use of information technology tools, to ensure accurate documentation is in place, to ensure proper records retention and proper handling of records' disposal, and are prohibited to influence other employees to leave the employment of the Bank or draw business away from the Bank (non-solicitation).

4. Confidentiality

Every employee shall protect the privacy of customers as well as the confidentiality of customers' data.

5. External Investment and Activities

The Bank prohibits insider trading, avoid involvement in transactions that contain conflict of interest and prohibits any activities outside the Bank which directly or indirectly may interfere the performance of that employee and/or Bank.

6. Legal Provisions and Other Major Compliance

The Bank's provisions prohibit any violation of the prevailing anti-trust law and oblige employees to comply with all prevailing laws and regulations.

D. Dissemination of Enforcement and Sanctions of Code of Conduct

Socialisation for the Bank's Code of Conduct is executed from the time an employee joins the Bank, when he is required to read, understand and sign to indicate his compliance with 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 refreshment. The Bank also regularly creates Code of Conduct awareness through HR News.

As an enforcement action, the Bank has also monitored the transactions of the employees' account, monitor employees' change of behaviour and use vendor services to screen candidate's data and profile and also conduct Financial Service Information System (SLIK) checking.

Employees are expected to be responsible for and to participate actively in preserving and enforcing the provision of Bank's Code of Conduct.

XXI. Corporate Culture

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

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

Good Corporate Governance

The core values of the Bank are as follows:

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

XXII. Whistleblowing

The Bank has established a policy and procedures for whistleblowing. This policy provides for any employee to report in confidence any breach or potential breach of laws, regulations, and the UOB Indonesia's policies, guidelines and code of conduct. UOB Indonesia 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 the whistleblowing channels. 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

Any 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. UOB Indonesia will protect the whistleblower's identity and will not disclose his/her identity without their permission. If there are any particular circumstances where UOB Indonesia fails to settle the issue without disclosing the whistleblower's identity (e.g. due to the evidence is required by the Court), UOB Indonesia will discuss it with the whistleblower on how to follow-up this issue. UOB Indonesia assures that every report submitted to

the UOB Indonesia's officers will be treated with a high level of confidentiality. UOB Indonesia 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 UOB Indonesia'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 2018, there were four cases reported through whistleblowing hotline, three cases have been resolved and the remaining one case is being further investigated.

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:

1. **UOB Intranet Portal**
An online intranet portal containing important information to support Bank's services and daily operations.
2. **CEO Message**
Containing information about Bank's strategic plan and achievement, also congratulatory messages on religious and cultural activities presented by the President Director.
3. **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.
4. **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.

5. HR News

Sent to all staff which containing information on policies related to human resources in the Bank's environment.

6. PFS News

Containing information related to promotional activities carried out by the Personal Financial Services (PFS) function on privilege banking, savings, time deposits, credit cards, housing loans and other internal events held by PFS.

7. TSB News

Containing information on activities conducted by Transaction Banking (TSB) Function.

8. Customer Advocacy and Service Quality (CASQ)

Containing routine publication on information associated to customers' service quality.

9. IT News

Containing information related to policies relating to the information and technology systems within the Bank's environment.

10. Risk Management

Containing information on risk management policies in the Bank.

11. Poster

The Bank created posters which contain information related to the Bank's policies, and stationed in staff's offices, both in head office and branch offices.

12. Screen Saver

The latest information about programmes related to the employees' personal development is provided in the form of a screen saver on the computers of employees.

XXIV. Corporate Social Responsibility

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

XXV. Customer Protection

The Bank 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 relating to customer transactions. To ensure that the complaints and concerns of customers are well addressed, the Bank has implemented 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. 18/SCA/0008 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 and website (www.uob.co.id). The 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



Good Corporate Governance

Table of Customer Complaint of 2018

No.	Types of Financial Transaction	Resolved		In Progress		Unresolved		Number of Complaints
		Total	Percentage	Total	Percentage	Total	Percentage	
1	ATM / Debit Card	502	97%	15	3%	0	0%	517
2	Bancassurance	2	100%	0	0%	0	0%	2
3	Electronic Banking	34	100%	0	0%	0	0%	34
4	Giro	6	100%	0	0%	0	0%	6
5	Credit Card	721	87%	112	13%	0	0%	833
6	Consumer Loan / Financing	6	100%	0	0%	0	0%	6
7	Working Capital Loan / Financing	2	100%	0	0%	0	0%	2
8	Remittance	3	100%	0	0%	0	0%	3
9	Real Time Gross Settlement (RTGS)	1	100%	0	0%	0	0%	1
10	Standing Instruction	1	100%	0	0%	0	0%	1
TOTAL		1,278	91%	127	9%	0	0%	1,405

As at 31 December 2018

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

The Bank conducted a self-assessment of its implementation of Good Corporate Governance principles as at December 2018.

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

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

Based on the GCG Self-Assessment in the 2nd Half of 2018, the Bank scored a composite rating of 2, which means that the Bank has achieved generally 'Good' GCG implementation. This is reflected by the adequate fulfilment of GCG principles.

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

The Bank has conducted a self-assessment of the implementation of Good Corporate Governance principles for the period of January to December 2018. In general, the Good Corporate Governance principles have been applied to satisfy all 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 a comprehensive set 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 general, the Bank has achieved good results in 2018, particularly in the aspect of:

1. adequacy of report transparency;
2. compliance with laws and regulations;
3. customer protection;
4. objectivity in performing assessment/audit;
5. Bank performance (in earnings, efficiency, and capital); and
6. improvement of compliance with prevailing provisions.

In terms of strategic plans, the Bank's performance by the end of 2018 can be reflected from:

1. NPBT reached IDR710 billion or 94.69 per cent of the target.
2. Lending reached IDR73,937 billion or 5.83 per cent above target.
3. Funding reached IDR77,251 billion or 99.74 per cent of target.
4. Capital Adequacy Ratio (CAR) at 15.34 per cent, which is still above regulatory requirement.
5. Core capital ratio against Risk Weighted Asset (RWA) at 13.08 per cent.

The Bank also supports Government programme to create economic independence by providing credit to tourism for 3.91 per cent, infrastructure for 3.91 per cent, maritime for 1.40 per cent, and agriculture economic sectors for 6.80 per cent from the Bank total loans as 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.

As a means to improve and prevent punitive measures from regulators, the Bank has performed the following:

- Formed a task force to analyse potential regulatory reporting error and improvements required.
 - Review to increase the weight of Key Performance Indicator (KPI) deduction point.
 - Conduct refreshment training to reporting officer and its supervisor.
2. Socialisation of policies related to risk managements need to be constantly improved in line with the development of business strategies, changes of internal and external factors and employee turnovers, in order to maintain the implementation consistencies.



Risk Management

Risk Management holds a very important role in UOB Indonesia to support the sustainability of business activities. A good risk management implementation supports the Bank to prevent 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 anticipated 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 of the Bank. This process is in accordance with the Risk Management vision which is *“To have risk management embedded as a culture (risk aware) to support sustainable, trustworthy and sound business growth”*. With this strong risk management culture, the risks arising from business activities shall be consistently identified, managed, monitored, supported with internal control and followed up with the appropriate measures, to minimise the impact of risk, if or when it occurs. The impact of failure in mitigating risks on a timely basis may be very significant. However, if the risks are identified and mitigated effectively and promptly, it may result in opportunities for business development. Hence, the Bank constantly develops and implements risk management controls for all its inherent risks.

In order to achieve the risk management vision, the Bank has established its risk management mission as follows:

1. Promotion of sustainable long-term growth through embracing sound risk management principles and business practices;
2. Continual improvement of risk discovery capabilities and establishment of appropriate value-creating risk controls; and
3. 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. The Bank also has established Risk Management values which are *“AWARE” (Accountable, Weighted, Accurate, Responsive, and Excellence)*.

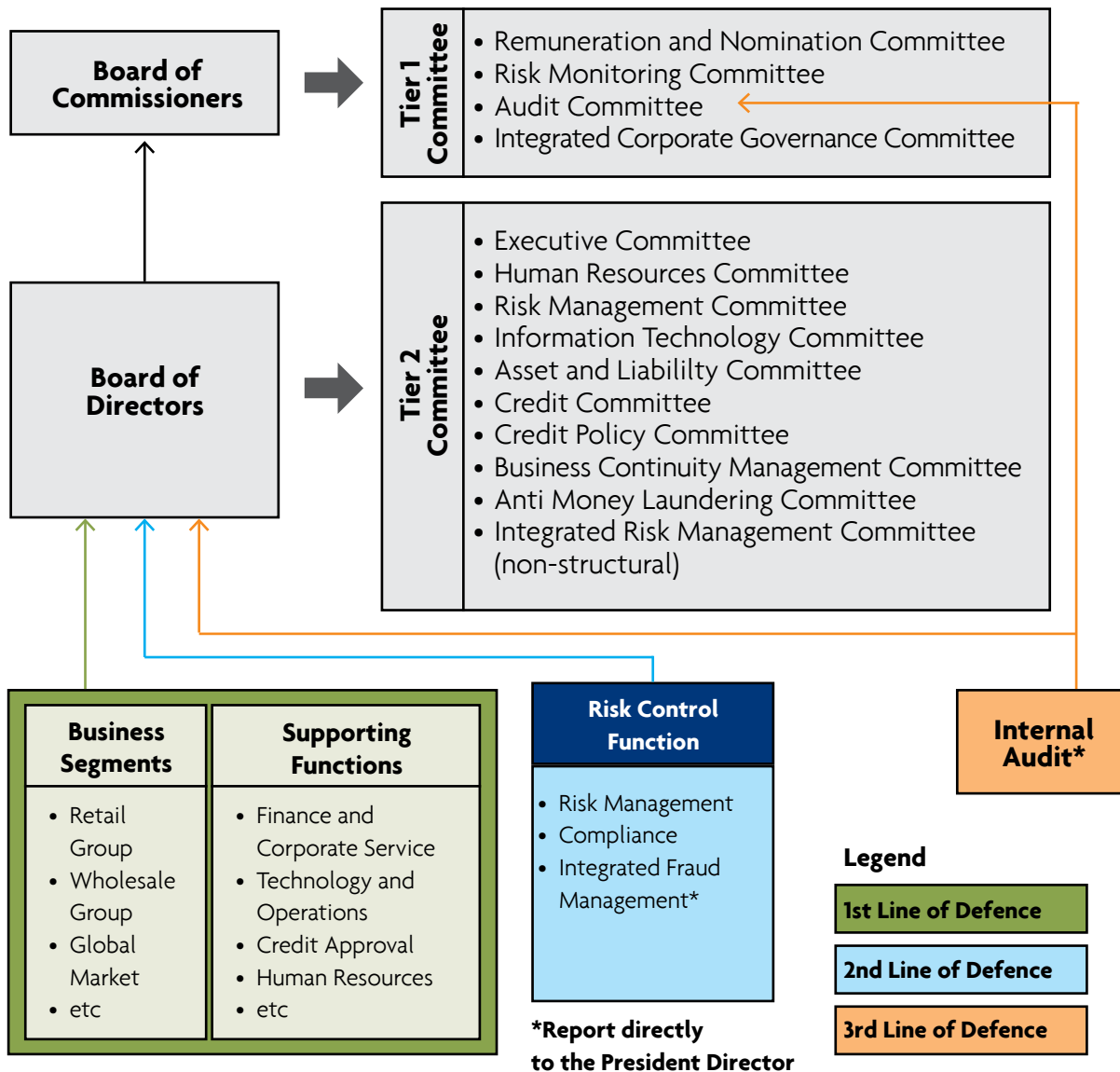
Risk management is also the responsibility of every employee within the Bank. Risk awareness and accountability are embedded in our culture through an established framework that ensures appropriate oversight and accountability for the effective management of risk throughout the Bank and across risk types. This is executed through an organisational control structure that provides three “lines-of-defence” as follows:

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 Integrated Fraud Management) and the Risk Management Director/Chief Risk Officer (CRO) provide the second line of defence.

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.

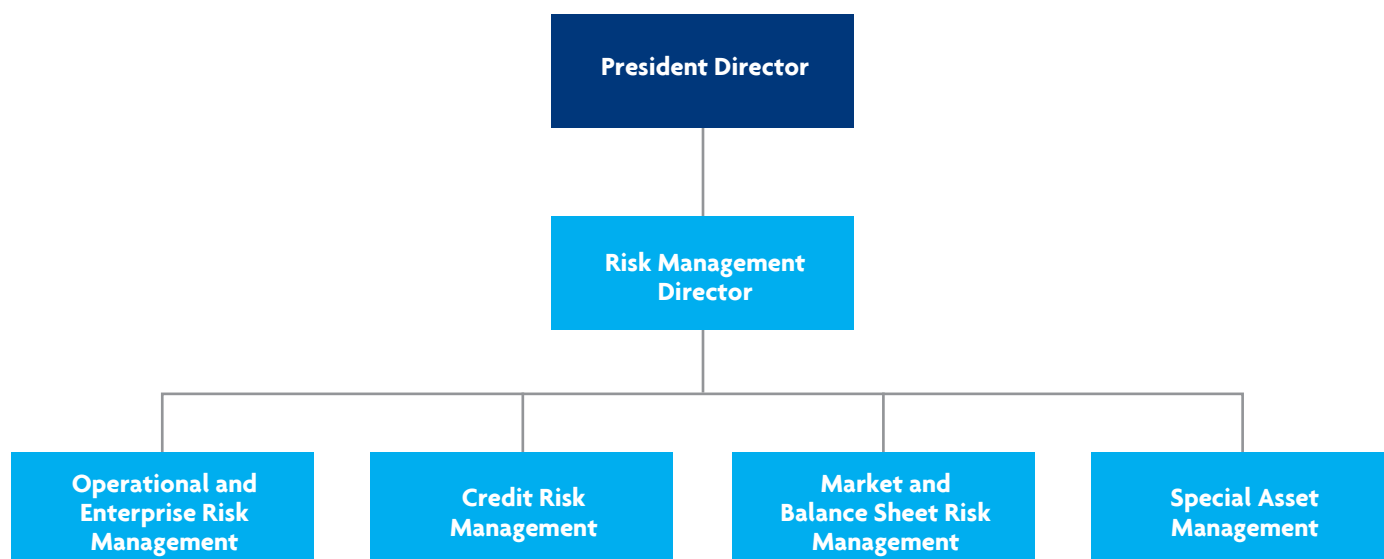
The independence of risk and control oversight functions from business functions ensures the necessary checks and balances are in place.

3. **Third Line of Defence – Independent Audit:**
The Bank'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 (BOC) through Audit Committee on the effectiveness of the risk management and control structure, policies, frameworks, systems and processes.



Risk Management

As governed in the regulatory provision, UOB Indonesia established an independent Risk Management Function which directly reports to the 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 the Bank, and emphasises that the risk management process should also involve all relevant parties in the business lines. Hence, the Bank seeks to build a strong Risk Management culture through the implementation of various risk awareness campaigns coordinated by Risk Management.

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 a comprehensive and integrated manner (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 OJK Regulation No.18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks which consists of:

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

with brief explanations as follows:

A.1 Active Supervision by Board of Commissioners and Directors

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

UOB Indonesia has several committees at the Board of Commissioners level which consist 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 committees such as the Risk Management Committee (RMC), the Asset and Liability Committee (ALCO), the Credit Policy Committee (CPC), and others. The duties and responsibilities of these committees are to review the adequacy of the Risk Management methodologies, policies, procedures and authorisation of limits. These duties and responsibilities are documented in the Terms of Reference of each committee.

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

A.2 Adequacy of Policy, Procedure, and Limit

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

A.3 Risk Management Process and Risk Management Information System

UOB Indonesia implements Risk Management through four stages which consist of:

1. Risk identification: conducted pro-actively, by analysing all sources of risk on the products and activities of Bank, including ensuring the adequacy process of identification and assessment of the inherent risks on new products and activities prior to its launch;
2. Risk measurement: conducted in regular basis to measure overall and individual risk factors and exposures on all products and business activities of Bank;
3. Risk monitoring: covers monitoring the level of risk exposure, risk tolerance, internal limit compliance, stress testing result, and consistency between the implementation and the established policies and procedures; and

4. 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 the Bank.

To support the overall Risk Management process, the Bank implements and develops a robust Risk Management information system in order to identify, measure, monitor, and control risks. The Risk Management Function also provides various reports of 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 towards the implementation of business and operational activities at all organisation levels to support the process of Risk Management implementation based on the established policies and procedures which include:

1. Conduct segregation of duties between operational units with risk control units;
2. Assign an independent Risk Management Function, which is responsible in developing various Risk Management policies, limits and, develop risk measurement methodologies, as well as performing data/model validation;
3. Assign an independent Internal Audit Function, responsible in conducting periodic audits, document audit findings and management responses of the audit result, and also reviewing the follow up of audit findings; and
4. Review and monitor every transaction and functional activities that have risk exposures as necessary, which is performed by each unit.

B. Risk Management Implementation for Each Risk Type

The Bank established various Risk Management policies which consist of eight types of risk; Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Strategic Risk, Legal Risk and Reputation Risk.



Risk Management

B.1 Credit Risk

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

Credit Risk Management Governance Structure

Board of Commissioners, Directors and Senior Executive Officers are responsible to ensure the following governance activities:

1. Ensure the adequacy of Risk Management resources
2. Review the overall risk profile, limits and tolerance
3. Review and approve risk measurement models and approaches
4. Approve Bank's credit policies
5. Approve credit concentration limits (including industry, borrower, obligor and portfolio limits)
6. 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 in UOB Indonesia and monitor any credit issue related to policy implementation.

In line with FSA policy concerning Application of Responsible Financing, the Bank will continue to apply and enhance its Environmental, Social, and Governance (ESG) policy and approach for wholesale banking segment debtors, which aims to direct customers to conduct their business practices with due regard for the environment.

Credit Risk Management (CRM) Division 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 namely Independent Credit Review Unit (ICRU), to ensure all accounts are properly graded and classified according to internal policies and regulatory provisions.

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.

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 the Board of Commissioners (BOC). 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 delegation of CDL follows a stringent process that takes into consideration the experience, seniority and track record of the officer. Credit Risk Management Division acts as the custodian of the CDL structure to ensure that the CDLs are properly administered and reviewed.

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. 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 OJK's three pillars i.e. the repayment capability, business prospect, and debtor's performance.

Retail 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 NPL.

Impairment

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

1. the principal and / or interest are in past due more than 90 days;
2. the outstanding amount, including interest of a revolving credit facility is in excess for more than 90 days; and
3. 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 Risk Management Policies

The Bank established various policies to manage Credit Risk among others as follows:

1. General Credit Policy for Corporate, Commercial, 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;
2. Consumer Credit Policy that governs the principles of credit extension, the credit principles and standards by which the Bank undertakes and manages Credit Risk for the consumer segment;
3. Credit Concentration Risk Management Policy that manages Credit Concentration Risk;
4. Credit Restructuring Policy (Non-Retail) provides guidance on restructuring credit facilities to borrowers who are facing difficulties in meeting their financial obligation to the Bank.
5. Green Banking Guidelines, on UOB Indonesia's role to support the Government's programme to preserve the environment;

6. 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;
7. The Asset Classification Policy lays down the guidelines for classifying exposures into the Basel II Asset Classes for Risk Weighted Asset calculation;
8. The Credit Risk Mitigation Policy specifies the types and minimum requirements for collateral, guarantees and credit derivatives to be eligible for capital relief;
9. Credit Risk Scorecard and Override Rating Policy, contains UOB Indonesia override policies and guidelines for adjusting the rating output;
10. The Workflow for Basel II ECAI (External Credit Assessment Institutions) Process lays down the guidelines for obtaining and maintaining the external ratings of debtors for Risk Weighted Asset calculation; and
11. Credit Risk Management Framework that governs the management of Credit Risk in the Bank.

Credit Exposures under Basel II

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

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

1. Sovereign
2. Non-Central Government Public Sector Entities
3. Multilateral Development Bank
4. Banks
5. Corporate
6. Employee/Retiree
7. Claim Secured by Residential Property
8. Claim Secured by Commercial Real Estate
9. Overdue Claims
10. Other Assets
11. Claims on Micro Business, Small Business, and Retail Portfolio

Stress Test

In 2018, UOB Indonesia has conducted stress test exercise to assess the capital adequacy resilience level and bank's liquidity in responding to changes and shocks in macroeconomic conditions. UOB Indonesia will conduct stress tests exercise periodically as part of the bank's risk management process.

B.2 Market 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 the Bank are interest rates and exchange rates, including changes in the price of the option.

Risk Management

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 operationalise 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 related to the implementation of Market Risk Management and tailored with the purpose, business policy, size and complexity of the Bank. These roles and responsibilities are governed in the Market Risk Management Policy.

Market Risk Management 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 are 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 breach of transaction limit. All Market Risk appetite and controlling limits are reviewed at least once a year, in line with the business strategy and capital adequacy of the Bank.

UOB Indonesia Market Risk measurement methods are able to:

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

We calculate Market Risk capital requirements using the standardised approach as defined by the Regulator. Internally UOB Indonesia also adopted the method of Value at Risk (VaR) calculation with a historical simulation to measure the potential losses at 99 per cent confidence level using historical data of 300 days. Estimation of VaR is backtested using Profit and Loss data on trading book to measure the effectiveness on

the accuracy of the methodology. The process of backtesting is performed to analyse whether the deviation occurred 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 test is conducted on the trading book portfolios to identify UOB Indonesia's vulnerability in the event of crisis.

Market Risk Management Policy

The Bank 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.

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book is defined as the risk of potential loss of capital or reduction in earnings 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.

The banking book interest rate risk exposure is quantified on a monthly basis using simulation techniques. The bank employs a holistic approach towards Balance Sheet Risk Management.

Interest rate risk varies with different repricing periods, currencies, embedded options and interest rate basis. Embedded options may be in the form of loan prepayment and time deposit early withdrawal. In Economic Value of Equity (EVE) sensitivity simulations, the Bank computes the present values for repricing cash flows, with the focus on changes in EVE under different interest rate scenarios. This economic perspective measures interest rate risks across the full maturity profile of the balance sheet, including off-balance sheet items. The Bank estimates the potential effects of interest rate changes on Net Interest Income (NII) by simulating the possible future course of interest rates over time.

Mismatches in the longer tenor will experience greater change in EVE than similar positions in the shorter tenor while mismatches in the shorter tenor will have a greater impact on NII. Interest rate scenarios used in simulations include the six standard scenarios prescribed by Basel. The Bank also performs stress tests regularly to determine the adequacy of capital in meeting the impact of extreme interest rate movements on the balance sheet. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest rate risks in an environment of rapid financial market changes.

B.3 Liquidity Risk

Liquidity Risk is defined as the risk from the Bank's inability to meet its obligations or fund the increase in assets as they fall due.

Liquidity Risk Management Governance Structure

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

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

Liquidity Risk arises because of discrepancy between the period of funding and disbursement of loan on UOB Indonesia business activities. 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. The Bank has determined clear duties and responsibilities on every level 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, the 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 analysing 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 used to measure the Liquidity Risk.

Several strategic actions have been taken to manage Liquidity Risk. On the funding side, the Bank conducts an in-depth evaluation of its funding capacity focusing on funding sources, concentration, tenor, and access to other funding sources in the market. On the asset side, UOB Indonesia conducts 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.

Risk Management

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). Both ratios are above the regulatory requirement.

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.

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 recognise a liquidity crisis, define the appropriate management responsibilities and responses during a crisis, rectify areas of concern and ensure that information flows remain timely and uninterrupted to facilitate quick, precise and effective decision-making. The level of sophistication and detail of the plan would commensurate with the complexity, risk exposure, activities, products and organisational structure of the Bank, in order to determine the most relevant indicators for managing liquidity and funding. In addition, UOB Indonesia also established a Liquidity Task Force (LTF) that is 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 organisation 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 Division, as the second Line of Defence is supported by Operational Risk Management policies, procedures and tools that are tailored to the Bank's business activities. Our limits and policies are reviewed at least annually to comply with the Bank's conditions. ORM also ensures that operational risks and incidents are escalated to Senior Management and Management Committees.

Independent reviews of the implementation of the Operational Risk Management programme was also carried out by Internal Audit as the third Line of Defence on a regular basis.

Operational Risk Management Framework and Policies

UOB Indonesia established an Operational Risk Management Framework and 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 Defence, which also comprises Business Continuity Management, Fraud Management and Outsourcing Risk Management.

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; and
5. Assessment of Operational Risk Management monitoring process and reporting.

Operational Risk Management Programme

The main focus of the UOB Indonesia's Operational Risk Management programme is to strengthen the Operational Risk Management infrastructure and governance. Our Operational Risk Management Framework includes:

1. Operational Risk identification by conducting Key Risk and Control Self Assessment (KRCSA), General Operating and Control Environment Questionnaire (GOCEQ), identify the Key Operational Risk Indicators (KORI), outsourcing risk assessment and reviewing the Bank's new products and activities;
2. Operational Risk is measured using an impact and likelihood matrix;
3. Operational Risk is monitored through various reports such as Operational Risk Highlights, Risk Dashboard, Event Risk Reporting (ERR), KORI, KRCSA, GOCEQ outsourcing activities, as well as new products and activities; and
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:

1. Appoints Line Risk and Control Manager (LRCM) as the person in charge (PIC) for the implementation of operational risk management in each working unit as the first Line of Defence. This is to ensure that the Bank's operations are aligned with the level of risk tolerance. To elevate the skill of LRCMs, ORM Division collaborates with HR – Learning and Development Division to conduct regular training and socialisation sessions on Operational Risk Management for the LRCMs;

2. Conducts Crisis Management simulation on an annual basis to ensure the preparedness of the Crisis Management Team (CMT);
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 e-mail broadcast, workshop and training, e-learning and others);
5. Develops specific operational risk management campaign to promote risk awareness and improve risk culture by giving recognition to the best KRCSA and best LRCM that is essential in assisting the Business Unit/Supporting Unit Head in the implementation of operational Risk Management;
6. Establishes and continues to update Technology Risk Management Framework to manage technology risks in a systematic and consistent manner; and
7. 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.

Business Continuity Management

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

We will continue to increase our capability to minimise the likelihood and impact of identified disaster. The Bank has initiated a strategy to manage a wide-area disruption, especially for Jakarta. In order to support and improve UOB Indonesia's BCM readiness, several BCP exercises are conducted on a regular basis. The exercises include BCP Exercise, Disaster Recovery Exercise for IT system and Management Call Tree Exercise. In addition, the Bank has also established a Crisis Management Plan and conducted an Integrated Crisis Management Simulation exercise in November 2018 to ensure readiness of the Crisis Management Team in executing the plan in case of a crisis.



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Fraud Risk Management

UOB Indonesia defines fraud as:

1. An act, with an element to deceive or to conceal facts, and is not restricted to the gain of monetary or material benefits;
2. A deviating act or a purposeful neglect undertaken in order to deceive, cheat, or manipulate the Bank, customer, or another party, that occurs inside the Bank and/or using the facility so as to cause the Bank, customer, or another party to suffer a loss and/or to cause the fraudster to gain a benefit, both directly as well as indirectly. This definition is in accordance to SEBI No. 13/28/DPNP dated 9 December 2011.

The above definitions are complementing one another.

UOB Indonesia actively manages fraud risks. The Integrated Fraud Management (IFM) Division, as the Second Line of Defence, drives strategy and governance and oversees the framework of fraud Risk Management across the Bank. The corporate governance of fraud risk is provided by the Audit Committee at Board of Commissioners level, and primarily by the Risk Management Committee at Management level.

All employees are required to uphold the UOB Code of Conduct, which includes anti-bribery and anti-corruption provisions. The Bank's fraud hotline ensures independent fraud investigation. IFM works closely with business and support units to strengthen their current practices across the five anti-fraud pillars of prevention, detection, response, remediation and reporting.

B.5 Compliance Risk

Regulatory Compliance Risk as stipulated in Financial Services Authority/*Otoritas Jasa Keuangan* (OJK) is the risk arising due to the Bank's failure to comply with and/or implement the prevailing laws and regulations.

For UOB Indonesia's internal purposes, Regulatory Compliance Risk is defined as follows:

1. The risk of regulatory sanctions, financial loss, or damage to the Bank's reputation and franchise value 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;
2. The risk that a change in laws and regulations, can increase the cost of operation and the cost of capital for the Bank thereby impacting the Bank's earnings or returns.

In line with Financial Services Authority Regulation No. 46/POJK.03/2017 concerning the Implementation of Compliance Function for Commercial Banks, UOB Indonesia is required to ensure the implementation of compliance function by creating compliance culture on all levels of organisation and to ensure that all of the Bank's policies and business activities are in compliance with the prevailing laws and regulations.

Compliance Risk Management Governance Structure

Stakeholders involved in managing Compliance Risk are as follows:

1. Board of Commissioners
 - a. Evaluate the implementation of Bank's compliance function at least twice a year;
 - b. Based on the evaluation results of compliance function implementation, the Board of Commissioners are to provide advice in order to improve the quality of compliance function implementation to President Director and copied to Compliance Director.
2. Board of Directors
 - a. Approve Compliance Charter as a basis for the Bank to implement compliance principles;
 - b. Foster and embody the implementation of the Compliance Culture at all levels of the organisation and the Bank's business activities;
 - c. Ensure the implementation of Bank's compliance function; and
 - d. Responsible in overseeing the management of the Bank's compliance risk.
3. Senior Executive Officers
 - a. Responsible for establishing compliance risk management framework that contains the basic principles to be approved by the Board of Commissioners and explains the main processes by which compliance risks are to be identified and managed through all levels of the organisation;
 - b. Foster awareness of major aspects of Bank's compliance risks that should be explicitly managed;
 - c. Ensure that the Bank can rely on a permanent and effective compliance function that is sufficiently resourced to carry out its role;
 - d. Ensure the implementation of Bank's compliance function;
 - e. Ensure that appropriate remedial or disciplinary action is taken if breaches are identified; and
 - f. Ensure that the Compliance Charter, Compliance Guidance and other relevant frameworks/policies and guidelines/handbooks are observed.
4. Executive Officers
 - a. Ensure the implementation of the compliance culture in all activities of its respective functions and/or branches and/or units;
 - b. Ensure that preventive actions and corrective actions are properly implemented within its respective functions and/or branches and/or units towards potential/actual breaches on the prevailing regulations and/or legislations.
5. Compliance Director
 - a. Formulates strategies to encourage the creation of the Bank's compliance culture;
 - b. Proposes compliance policies or principles that will be set by the Board of Directors;
 - c. Establishes compliance systems and procedures that will be used to formulate Bank's internal provisions and guidelines;

- d. Ensures that all policies, provisions, systems and procedures, as well as business activities conducted by the Bank are in compliance with the prevailing Regulators' provisions and legislations;
 - e. Identifies, manages, and coordinates regulatory compliance risks and provides oversight and functional Compliance leadership to manage/minimise the Compliance Risk of the Bank;
 - f. Takes precautionary action to ensure that the policies and/or decisions taken by the Board of Directors of the Bank do not deviate from the prevailing Regulators' provisions and legislations;
 - g. Submits reports to Regulators and Board of Commissioners and Board of Directors on the implementation of his/her duties; and
 - h. Carries out other duties that are related to Compliance Function, including ensuring that the Board of Directors and Senior Executive Officers are informed of significant compliance issues and plans for resolution.
6. Compliance Function
- a. Create steps to support the creation of compliance culture across the Bank's business activities and at every level of organisation;
 - b. Conduct identification, measurement, monitoring, and control of Compliance Risk with reference to the Regulators' Regulations concerning the implementation of Risk Management for Commercial Banks;
 - c. Assess and evaluate strictly, in collaboration with the Business/Support Units, the effectiveness, adequacy, and appropriateness of policies, provisions, systems and procedures that are owned by the Bank with the prevailing regulations;
 - d. Conduct reviews and/or provide recommendation on updating and refinement of policies, regulations, systems and procedures that are owned by the Bank to comply with the prevailing Regulators' provisions and legislations;
 - e. Conduct efforts to ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities are in compliance with the prevailing Regulators' provisions and legislations;
 - f. Fulfill the role of anti-money laundering function by ensuring the implementation of the entire monitoring system of transactions conducted by customers are in line with the guidelines, policies and procedures that have been stipulated so that the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Programmes are successfully implemented and to prevent the Bank from the imposition of sanctions;
 - g. Identify, assess and document compliance risks associated with business activities of the Bank including new products, services, business practices and material changes to existing business and customer relationships, etc;
 - h. Provide advice to Business and Support Units including the Board of Directors and Senior Executive Officers and keeping them informed about developments related to prevailing Regulator's provisions and other regulations;
 - i. Develop compliance manuals and guidelines containing the prevailing Regulators' provisions, other regulations and key business conduct jointly with the Business/Support Units to be used by all officers and staff of the Bank;
 - j. Identify and maintain an inventory of all prevailing Regulators' provisions and legislations with the support of internal/external legal counsel when necessary;
 - k. Assist the Board of Directors and Senior Executive Officers in educating relevant staff members on compliance issues;
 - l. Provide advice, guidance and continuous training to staff members on appropriate implementation of compliance framework which include policies, guidelines and procedures such as those contained in the Bank's Compliance Guidance, Code of Conduct and the Bank's internal guidelines.
 - m. Advise units/divisions in the Bank and/or Board of Directors and Senior Executive Officers on Compliance Laws, Rules and Standards ("CLRS"), the implications of new regulations/regulatory changes and provide guidance on the proper and prompt implementation of procedures to comply with the requirements;
 - n. Monitor, test and report on compliance with relevant compliance risk management framework and internal policies/procedures to Senior Executive Officers and Board of Commissioners/Board of Directors and, if required, to any regulatory authority. However, the responsibility for ensuring day-to-day compliance remains with the Function;
 - o. Make enquiries into compliance incidents and complaints, and carrying out further investigations as appropriate;
 - p. Act as the key liaison person with relevant internal and external parties, including Regulators, regarding Bank's compliance issues; and
 - q. Fulfill its responsibilities under the compliance plans and procedures developed for each business entity in accordance with its compliance risk management framework including performing compliance review on a risk-based approach.
7. 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. The risk management framework includes the identification, assessment, measurement, monitoring and reporting of the Bank's risks.
8. Internal Audit function
- a. As the third line of defence independently evaluates the reliability, adequacy and effectiveness of the governance process, risk management processes and internal controls of the Bank; assesses the extent to which the Bank's objectives, corporate governance and



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management directives are achieved through the review of systems and operations; determines whether the Bank complies with laws and regulations and adheres to established policies, plans and procedures, and whether Management is taking the appropriate steps to address control deficiencies; and provides objective assurance to add value and improve the Bank's operations;

- b. Provides audit report and summary of audit activities to President Director and Board of Commissioner through Audit Committee with a copy to Compliance Director. All correspondences with Regulator have also been forwarded to Compliance Director.
9. Legal Function is responsible to provide advice from the legal viewpoint on the applicable Laws and Regulations, and also for the development and maintenance of policies, procedures and guidelines for the management of legal risks on a Bank-wide basis.
10. Line Managers and Staffs
- a. Ultimately responsible and accountable for compliance risk, including ensuring that all business activities are in compliance with prevailing Regulators' provisions and legislations;
 - b. Required to understand prevailing Regulators' provisions and legislations and are responsible to ensure compliance with these provisions and legislations, which include:
 - Organising and managing their business and operational functions in proper and professional manner in compliance with the Regulatory provisions and legislations;
 - Implementing compliance manuals in their respective businesses and operational areas; and
 - Reporting promptly all incidents of non-compliance, both actual and potential, to the Compliance Function.

Compliance Risk Management Framework

In order to strengthen our internal control system framework, especially for Compliance Function as the second line of Defence, the Bank developed an organisational structure under Compliance Function, into three units namely Compliance Review and Testing, Compliance Advisory and Monitoring, and AML/CFT and Sanctions. Strategies to implement the Bank's compliance function are through aspects of compliance function governance, compliance risk management, as well as the implementation of compliance culture.

UOB Indonesia's compliance function framework on the compliance risk governance aspects are reflected in the Compliance organisational structure which is independent from the business and other supporting units, where the Compliance Director reports directly to the President Director. This enables the Compliance Function to be managed independently.

In the aspect of Compliance Risk Management, Compliance Function plays a role in providing views/directions towards the fulfillment and/or implementation of laws, policies, regulations,

standards or codes of conduct, monitoring compliance towards the fulfillment of the Bank's commitments and completion of corrective action plans arising from Regulatory Audit inspections and Bank's Internal Audit reviews, managing the imposition of penalty/fines from regulatory breaches, performing Compliance Review and others.

Moreover in the aspect of compliance culture implementation, Compliance Function has stipulated and educated through the Compliance Code of Conduct as a basic reference for all employees in implementing values, actions, behaviours and actualisations of compliance principles.

Compliance Function and Operational Risk Management also perform monitoring and reporting of operational events related to Regulatory Compliance Risk and Operational Risk respectively.

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:

1. Compliance Framework
2. Compliance Code of Conduct
3. Compliance Review Procedure
4. Monitoring of Bank's commitment monitoring and follow-up on request from related Regulator procedure
5. Escalation and Reporting of Compliance Risk Incident Procedure
6. Provisions related to Compliance Function
7. 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 the Bank to better harmonise 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 the Bank's compliance towards the prevailing laws and regulations.

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:

1. The Board of Commissioners and Directors formulate and approve strategic plans and business plans that have been adjusted with the Bank's vision and strategic objectives, direct, monitor and evaluate the implementation of the Bank's strategic policies, including communicating it to all employees across all levels of the organisation;

2. The Risk Management Committee supports the Board of Directors in monitoring the Strategic Risk management implementation in the Bank, as well as providing information related to material risk exposures, issues and action plans;
3. Business and support functions monitor and manage Strategic Risk in their respective areas, and are responsible to ensure all material risks that arise from the business activities and implementation of strategy are reported in timely manner to the related Directors or Senior Executive Officers. Each working function is also responsible for ensuring that the target of its respective working function can be achieved well and in line with the Bank's overall target;
4. Risk Management Function, together with Finance Division, conducts evaluation on the realisation of Bank's Business Plan to support the adequacy of the strategic risk management information system; and
5. CEO Office Working Function supports the management of strategic risk and is responsible in translating the company's strategy into operational plans, monitoring the execution of operational plans, evaluating the progress from predetermined Balance Score Card, as well as highlighting areas that requires attention from the Management.

Strategic Risk Management Framework

UOB Indonesia adheres to prudent principles in all its business decisions so as to minimise and mitigate any risks involved. In managing Strategic Risk, the Bank constantly monitors the environment in which it operates, analyses the Bank's performance in relation to its competitors, and takes corrective actions to adjust its strategies and plans as appropriate. Implementation of strategic decisions and anticipation of changes in the business environment is carried out through a strategic risk management cycle with the main elements in the form of the application of vision and mission; setting objectives and strategic plans; target and business plan setting; as well as implementation, monitoring and evaluation of performance.

The Bank sets a strategic plan based on a proper and realistic manner, as well as considering the prudential principles and risk management implementation. The Bank's strategic plans are prepared by the Board of Directors, and upon approval of the Board of Commissioners, communicated to all employees of the Bank on each level of the organisation. 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 ongoing basis, UOB Indonesia performs periodic reviews on the achievement of financial targets and strategy realisation. The reviews and evaluation coverage is adjusted based on the development of the Bank's risk exposure, market changes, risk measurement and management methods. The Board of Commissioners and Directors also conduct periodical review

towards the Bank's achievement on financial targets and its realisation through various forum and meeting coordinations, such as Board of Directors meeting. All functions are also responsible for monitoring their respective Strategic Risks and reporting promptly to the related Directors and/or Senior Executive Officers on any potential issues or problems that have strategic implications on the Bank. All results of the review and related reports serve as input in order to improve the overall risk management framework and process.

Strategic Risk Management Policies

An effective implementation of Strategic Risk Management is supported with adequate policies and procedures as well as risk limits which are aligned with the Bank's vision, mission and business strategy. The development of these policies and procedures is tailored with the type, complexity of business activity, risk profile and risk limit in accordance with regulations stipulated by Regulators 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.

With regards to the implementation of strategic risk management, internal control system is applied effectively towards the implementation of business activities and operations across all levels of the organisation by referring to the established policies and procedures. The internal control system is also carried out to ensure that the Bank can timely detect weaknesses and irregularities that occur in the process of implementing strategic management.

B.7 Legal Risk

Legal Risk impacts on UOB Indonesia's financial position, operations or reputation, arising out of:

1. Unenforceable/unfavourable/defective/unintended contracts;
2. Lawsuits or claims involving the Bank;
3. Developments in laws and regulations; or
4. Non-compliance with applicable laws, rules and professional standards.

Legal Risk Management Governance Structure

The parties involved in managing legal risk are:

1. Board of Commissioners and Board of Directors (through Risk Management Committee and Risk Monitoring Committee) are responsible for supervising and managing legal risk arising from the Bank's business activities;
2. Risk Management Committee supports the Board of Directors in monitoring risk management in the Bank, providing information on material risk related to exposure, issues and action plans;
3. Business and Support functions are responsible for monitoring and managing Legal Risk and its impact in their respective areas; and



Risk Management

4. Subject matter specialists, such as Compliance, Legal, Human Resources, Technology and Operations, Corporate Real Estate Service, and Corporate Services are responsible for providing guidance related to their respective areas of expertise.

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 and changes of regulations. Every Legal Risk incident and its potential loss numbers must be documented and reported.

The Legal function provides legal advice and guidance to all units of the Bank, as and when needed. This includes the oversight and periodic review of:

- (a) all standard contracts / agreements;
- (b) all standard loan agreements and standard Letters of Offer; between the Bank and other parties.

The Legal Function is also responsible for highlighting new or emerging legal risks, and managing significant litigation involving the Bank.

Legal Risk Management Policies

The Bank 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 Engagement of External Lawyers, and Guidelines on Managing Contractual Risk.

B.8 Reputation Risk

Reputation Risk is the adverse impact on UOB Indonesia's income, liquidity or capital arising from negative stakeholders' 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:

1. Board of Commissioners and Directors are responsible for managing Bank's Reputation Risk.
2. Risk Management Committee assists the Board of Directors in the oversight of the management of Reputation Risk in the Bank, keeping them apprised of the material risk exposures, issues and resolution plans;
3. 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;

4. Business and support functions are responsible for monitoring and managing the various types of risks that are deemed to potentially impact on the reputation risk;
5. 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 their risks, including reputation risk; and
6. Subject matter specialists are from the various functions of Strategic Communications and Brand, Customer Advocacy and Service Quality, Compliance, Legal, Human Resources, Technology and Operations and Corporate Services.

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 the Bank's past experiences.

Risk controlling for Reputation Risk is conducted through:

1. Prevention of events that can lead to Reputation Risk, are among other through media training, daily media coverage monitoring, periodic communications to various stakeholders to create a positive reputation, and corporate social responsibility programmes;
2. 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 incidents related to Reputation Risk, including the amount of potential losses resulting from those incidents shall be noted and tracked for closure.

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

Reputation Risk Management Policies

The Bank establishes a 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.

C. Recovery Plan (RCP)

Although it is yet required by Regulator, Risk Management has established a Recovery Plan (RCP) to enable UOB Indonesia to recover from severely adverse conditions that could cause failure. The recovery plan covers recovery options when the Bank is facing solvability issues (i.e. Capital, Liquidity, Earnings, and Asset Quality). This includes the determination of indicators and trigger levels for each indicator for the purposes of prevention, recovery, and resolution.

D. 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 OJK Circular Letter No. 14/SEOJK.03/2017 regarding the Assessment of Bank's Soundness Rating for Commercial Banks. The assessment of RBBR is conducted towards four factors namely Risk Profile, Good Corporate Governance, Earnings, and Capital.

The self assessment result of RBBR for semester II - 2018 was as follows:

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

Based on the self assessment, UOB Indonesia assessed its soundness rating in the second semester of 2018 at "2" or in a **good** condition, which means 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.

E. Risk Management System Implementation

The applied Risk management system aims to conduct analysis of current or future risks and/or potential risks faced by the Bank and to determine mitigation measures for these risks. Risk

management system is regularly evaluated in order to measure its effectiveness level. Through this evaluation, the Bank is expected to be able to re-analyse 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 provide 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.

F. Basel Implementation

In line with the implementation of regulatory provision, the Bank adopts Standardised Approach (SA) for Credit and Market Risk, and Basic Indicator Approach (BIA) for Operational Risk. Furthermore, UOB Indonesia has also adopted a 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, the Bank has reported a Liquidity Coverage Ratio (LCR) as accordance to OJK regulation No. 42/POJK.03/2015 on a monthly basis starting June 2016 to Regulator, and published in the Bank's website on a quarterly basis starting September 2016. Report and publication of Net Stable Funding Ratio (NSFR) as accordance to OJK regulation No. 50/POJK.03/2017 has been conducted quarterly starting 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 of the Bank's capital. On going basis, the Bank improves the implementation of Pillar 3 "Market Discipline" to ensure the transparency of the Bank's financial and non-financial information.

Disclosure of Pillar 3

Credit Risk

1. Disclosure of Credit Risk Net Claims by Region - Individual Bank

(in IDR million)

No.	Portfolio Category	31 December 2018						
		Net Claims by Region						
		Central Java	East Java and Bali	Jakarta	Kalimantan and Makassar	Sumatera	West Java	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Claims on Sovereigns	-	-	17,340,334	-	-	-	17,340,334
2	Claims on Public Sector Entities	-	-	3,311,440	-	-	-	3,311,440
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-
4	Claims on Banks	5,423	986,811	9,979,808	907	2,556	3,145	10,978,650
5	Claims Secured by Residential Property	186,534	476,129	3,827,354	73,837	313,652	461,252	5,338,758
6	Claims Secured by Commercial Property	849,214	540,188	3,156,907	537,488	304,601	122,176	5,510,574
7	Claims on Employees/Retirees	-	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	70,950	123,198	2,345,969	83,690	162,645	89,706	2,876,158
9	Claims on Corporations	4,311,993	5,766,782	39,907,456	1,849,481	6,144,397	3,724,089	61,704,198
10	Past Due	89,589	97,654	231,921	25,924	71,138	45,585	561,811
11	Other Assets	99,076	109,405	1,708,516	6,566	104,350	74,568	2,102,481
Total		5,612,779	8,100,167	81,809,705	2,577,893	7,103,339	4,520,521	109,724,404

(in IDR million)

No.	Portfolio Category	31 December 2017						
		Net Claims by Region						
		Central Java	East Java and Bali	Jakarta	Kalimantan and Makassar	Sumatera	West Java	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Claims on Sovereigns	-	-	19,782,839	-	-	-	19,782,839
2	Claims on Public Sector Entities	-	-	798,666	-	-	-	798,666
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-
4	Claims on Banks	4,484	882,263	7,713,056	344	7,508	21,491	8,629,146
5	Claims Secured by Residential Property	168,306	314,604	2,467,012	64,009	220,622	419,862	3,654,415
6	Claims Secured by Commercial Property	397,072	311,637	1,818,115	198,187	215,564	142,949	3,083,524
7	Claims on Employees/Retirees	-	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	109,654	192,926	2,267,872	123,338	229,394	156,198	3,079,382
9	Claims on Corporations	4,746,550	4,722,828	37,689,977	2,136,508	5,831,265	3,294,725	58,421,853
10	Past Due	63,861	45,595	188,910	17,840	17,048	38,163	371,417
11	Other Assets	76,790	93,136	1,357,352	39,608	99,375	64,541	1,730,802
Total		5,566,717	6,562,989	74,083,799	2,579,834	6,620,776	4,137,929	99,552,044

Disclosure of Pillar 3

2. Disclosure of Credit Risk Net Claims by Remaining Contract Period - Individual Bank

(in IDR million)

No.	Portfolio Category	31 December 2018					
		Net Claims by Remaining Contract Period					Total
		< 1 year	1 year to 3 years	3 years to 5 years	> 5 years	Non Contractual	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on Sovereigns	6,801,216	2,359,275	999,754	1,144,425	6,035,664	17,340,334
2	Claims on Public Sector Entities	1,147,442	2,162,203	-	-	1,795	3,311,440
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	8,657,581	791,973	239,503	-	1,289,593	10,978,650
5	Claims Secured by residential property	165,271	239,551	580,050	4,352,237	1,649	5,338,758
6	Claims Secured by Commercial Property	468,073	705,464	1,033,581	3,303,456	-	5,510,574
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	923,027	495,030	1,212,110	243,454	2,537	2,876,158
9	Claims on Corporations	44,401,036	7,126,222	5,550,157	4,397,336	229,447	61,704,198
10	Past Due	257,720	57,292	53,978	191,358	1,463	561,811
11	Other Assets	-	-	-	-	2,102,481	2,102,481
Total		62,821,366	13,937,010	9,669,133	13,632,266	9,664,629	109,724,404

(in IDR million)

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 Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on Sovereigns	10,210,268	2,543,707	381,608	575,741	6,071,515	19,782,839
2	Claims on Public Sector Entities	798,551	-	-	-	115	798,666
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	4,979,699	761,563	80,668	-	2,807,216	8,629,146
5	Claims Secured by residential property	172,250	197,761	486,755	2,796,682	967	3,654,415
6	Claims Secured by Commercial Property	100,576	1,011,911	692,770	1,278,267	-	3,083,524
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	878,866	790,509	828,620	563,610	17,777	3,079,382
9	Claims on Corporations	39,378,384	6,315,443	6,258,380	6,220,999	248,647	58,421,853
10	Past Due	162,844	29,413	36,781	138,990	3,389	371,417
11	Other Assets	-	-	-	-	1,730,802	1,730,802
Total		56,681,438	11,650,307	8,765,582	11,574,289	10,880,428	99,552,044



Disclosure of Pillar 3

3. Disclosure of Credit Risk Net Claims by Economic Sector - Individual Bank

(in IDR million)

No.	Economic Sector	31 December 2018										
		Claims on Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Institutions	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	Past Due	Other Assets
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Agriculture, hunting and forestry	-	-	-	-	-	178,614	-	5,325	4,420,795	-	-
2	Fishery	-	-	-	-	-	-	-	3,013	40,914	2,479	-
3	Mining and excavation	-	-	-	-	-	3,713	-	434	2,158,919	976	-
4	Processing industry	-	-	-	-	-	720,889	-	76,924	19,528,086	83,920	25
5	Electricity, gas and water	-	-	-	-	-	158,293	-	1,718	281,734	-	-
6	Construction	-	747,666	-	-	-	156,165	-	20,437	2,787,233	28,947	-
7	Wholesale and retail trade	-	-	-	-	-	1,102,192	-	286,824	16,008,939	208,099	-
8	Provision of accommodation and eating - drinking	-	-	-	-	-	1,007,977	-	7,800	1,323,826	-	-
9	Transportation, warehousing and communications	-	-	-	-	-	92,978	-	11,158	1,796,621	23,694	-
10	Financial intermediaries	2,294,113	2,563,774	-	10,978,650	-	-	-	-	6,040,076	-	64
11	Real estate, business ownership and business service	-	-	-	-	-	2,046,727	-	14,108	2,348,598	-	-
12	Government administration, defense and compulsory social security	-	-	-	-	-	-	-	671	3,555	-	-
13	Education services	-	-	-	-	-	5,291	-	503	43,881	3,634	-
14	Health services and social activities	-	-	-	-	-	22,529	-	2,444	20,197	-	-
15	Community, sociocultural, entertainment and other individual services	-	-	-	-	-	14,814	-	10,927	163,851	4,069	-
16	Individual services which serve household	-	-	-	-	-	392	-	195	3,081	-	-
17	International agency and other extra international agency	-	-	-	-	-	-	-	-	-	-	-
18	Business activities which are not clearly defined	-	-	-	-	-	-	-	-	30,534	-	-
19	Non industrial origin others	8,825,557	-	-	-	5,338,758	-	-	2,433,677	4,703,358	205,993	-
20	Others	6,220,664	-	-	-	-	-	-	-	-	-	2,102,392
Total		17,340,334	3,311,440	-	10,978,650	5,338,758	5,510,574	-	2,876,158	61,704,198	561,811	2,102,481

(in IDR million)

No.	Economic Sector	31 December 2017										
		Claims on Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Institutions	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	Past Due	Other Assets
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Agriculture, hunting and forestry	-	-	-	-	-	605	-	5,245	4,054,220	-	-
2	Fishery	-	-	-	-	-	723	-	2,461	44,904	-	-
3	Mining and excavation	-	-	-	-	-	827	-	586	1,243,760	1,287	-
4	Processing industry	-	-	-	-	-	567,078	-	85,509	15,606,576	45,771	25
5	Electricity, gas and water	-	-	-	-	-	137,481	-	756	289,535	-	-
6	Construction	-	797,696	-	-	-	220,106	-	17,588	1,335,854	22,627	-
7	Wholesale and retail trade	-	-	-	-	-	840,676	-	412,942	15,068,069	119,896	-
8	Provision of accommodation and eating - drinking	-	-	-	-	-	729,271	-	9,803	1,871,488	2,973	-
9	Transportation, warehousing and communications	-	-	-	-	-	57,899	-	20,576	3,119,255	8,102	-
10	Financial intermediaries	6,355,436	970	-	8,629,146	-	-	-	804	3,361,627	-	64
11	Real estate, business ownership and business service	-	-	-	-	-	477,466	-	12,268	3,583,771	150	-
12	Government administration, defense and compulsory social security	-	-	-	-	-	-	-	98	3,121	-	-
13	Education services	-	-	-	-	-	3,595	-	518	47,564	3,433	-
14	Health services and social activities	-	-	-	-	-	30,087	-	2,930	52,660	-	-
15	Community, sociocultural, entertainment and other individual services	-	-	-	-	-	17,265	-	9,830	125,288	7,717	-
16	Individual services which serve household	-	-	-	-	-	445	-	185	2,530	-	-
17	International agency and other extra international agency	-	-	-	-	-	-	-	-	-	-	-
18	Business activities which are not clearly defined	-	-	-	-	-	-	-	-	26,259	-	-
19	Non industrial origin others	5,017,833	-	-	-	3,654,415	-	-	2,497,283	8,585,372	159,461	-
20	Others	8,409,570	-	-	-	-	-	-	-	-	-	1,730,713
Total		19,782,839	798,666	-	8,629,146	3,654,415	3,083,524	-	3,079,382	58,421,853	371,417	1,730,802

Disclosure of Pillar 3

4. Disclosure of Claims and Provision by Region - Individual Bank

(in IDR million)

No.	Description	31 December 2018						
		Region						
		Central Java	East Java & Bali	Jakarta	Kalimantan & Makassar	Sumatera	West Java	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Receivable	5,421,332	7,624,705	69,460,105	2,517,403	6,769,724	4,355,705	96,148,974
2	Receivable Impaired							-
	a. Not Yet Due	10,951	2,715	231,089	6,818	19,875	19,084	290,532
	b. Past Due	108,645	111,306	375,168	31,984	78,624	49,287	755,014
3	Allowance for Impairment Losses - Individual	20,397	13,763	463,021	6,065	10,222	5,329	518,797
4	Allowance for Impairment Losses - Collective	100,163	126,940	562,162	45,407	73,777	12,948	921,397
5	Write Off	9,753	17,573	250,081	3,685	20,849	12,498	314,439

(in IDR million)

No.	Description	31 December 2017						
		Region						
		Central Java	East Java & Bali	Jakarta	Kalimantan & Makassar	Sumatera	West Java	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Receivable	5,433,332	6,113,842	61,260,515	2,492,573	6,451,864	3,955,334	85,707,460
2	Receivable Impaired							-
	a. Not Yet Due	10,331	19,492	154,506	993	62,752	8,344	256,418
	b. Past Due	81,907	51,269	216,525	18,535	18,236	41,677	428,149
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	146,769	25,190	712,867	58,785	53,109	17,700	1,014,420
5	Write Off	95,340	98,028	455,835	83,786	30,368	11,103	774,460

Disclosure of Pillar 3

5. Disclosure of Claims and Provision by Economic Sector - Individual Bank

(in IDR million)

No.	Economic Sector	31 December 2018					
		Receivable	Receivable Impaired		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	4,604,784	-	-	-	32,653	2
2	Fishery	46,379	1	19,178	16,700	292	-
3	Mining and excavations	2,164,210	12,030	976	-	17,984	-
4	Processing industry	23,609,869	192,065	169,342	432,287	159,162	29,555
5	Electricity, gas and water	441,897	-	-	-	4,681	1,033
6	Construction	3,981,590	1,019	29,190	244	55,945	11,739
7	Wholesale and retail trade	17,622,008	57,327	253,368	52,449	261,147	59,794
8	Provision of accomodation and eating - drinking	2,349,474	-	-	-	120,733	-
9	Transportation, warehousing and communications	1,925,275	467	26,363	2,942	10,364	12,271
10	Financial intermediaries	15,863,197	-	-	-	33,698	-
11	Real estate, business ownership and business service	4,411,736	27	-	-	120,795	6
12	Government administration, defense and compulsory social security	4,193	-	-	-	3	-
13	Education services	53,309	-	2,634	-	27	-
14	Health services and social activities	44,855	-	-	-	604	17,509
15	Community, sociocultural, entertainment and other individual services	193,811	-	4,654	586	280	1,137
16	Individual services which serve household	3,668	-	-	-	3	-
17	International agency and other extra international agency	-	-	-	-	-	-
18	Business activities which are not clearly defined	26,341	-	-	-	-	-
19	Non industrial origin others	18,802,378	27,596	249,309	13,589	103,026	181,393
20	Others	-	-	-	-	-	-
Total		96,148,974	290,532	755,014	518,797	921,397	314,439

Disclosure of Pillar 3

(in IDR million)

No	Economic Sector	31 December 2017					
		Receivable	Receivable Impaired		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	4,060,106	-	1	1	34,367	60
2	Fishery	48,052	-	-	-	1,240	-
3	Mining and excavations	1,246,484	-	1,287	-	10,746	52,469
4	Processing industry	19,456,001	52,688	58,645	15,550	176,419	83,327
5	Electricity, gas and water	427,850	-	2,418	2,433	1,489	-
6	Construction	2,472,156	6,406	22,827	1,733	28,482	2,407
7	Wholesale and retail trade	16,448,729	30,731	150,295	34,433	205,623	232,387
8	Provision of accomodation and eating - drinking	2,614,900	7,120	2,973	509	261,629	25,492
9	Transportations, warehousing and communications	3,206,214	23,782	10,266	4,180	26,597	123,497
10	Financial intermediaries	17,636,655	-	-	-	23,988	-
11	Real estate, business ownership and business service	4,074,622	38,753	255	105	147,724	20,941
12	Government administration, defense and compulsory social security	3,194	-	-	-	3	-
13	Education services	55,110	-	3,631	198	79	-
14	Health services and social activities	85,682	-	-	-	1,811	5,098
15	Community, sociocultural, entertainment and other individual services	159,975	4,271	7,719	611	180	452
16	Individual services which serve household	3,160	-	-	-	3	343
17	International agency and other extra international agency	-	-	-	-	-	-
18	Business activities which are not clearly defined	23,065	-	-	-	-	-
19	Non industrial origin others	13,685,505	92,667	167,832	9,097	94,040	227,987
20	Others	-	-	-	-	-	-
Total		85,707,460	256,418	428,149	68,850	1,014,420	774,460

Disclosure of Pillar 3

6. Disclosure of Movements in Allowance for Impairment Losses - Individual Bank

(in IDR million)

No.	Description	31 December 2018	
		Impairment Individual	Impairment Collective
(1)	(2)	(3)	(4)
1	Beginning balance of allowance for impairment losses	68,850	1,014,420
2	Provision for (recovery of) allowance for impairment losses in current period (net)	775,638	(113,551)
	a. Provision for allowance for impairment losses in current period	775,638	-
	b. Recovery of allowance for impairment losses in current period	-	(113,551)
3	Allowance for impairment losses allocated to write off in current period	(314,439)	-
4	Provision for losses on loan sales	(133,611)	-
5	Other provisioning (recovery) in current period	122,359	20,528
Ending balance of allowance for impairment losses		518,797	921,397

(in IDR million)

No.	Description	31 December 2017	
		Impairment Individual	Impairment Collective
(1)	(2)	(3)	(4)
1	Beginning balance of allowance for impairment losses	379,087	764,407
2	Provision for (recovery of) allowance for impairment losses in current period (net)	1,005,010	250,980
	a. Provision for allowance for impairment losses in current period	1,005,010	250,980
	b. Recovery of allowance for impairment losses in current period	-	-
3	Allowance for impairment losses allocated to write off in current period	(774,460)	-
4	Provision for losses on loan sales	(648,966)	-
5	Other provisioning (recovery) in current period	108,179	(967)
Ending balance of allowance for impairment losses		68,850	1,014,420

Disclosure of Pillar 3

7. Disclosure of Net Claims by Portfolio and Rating - Individual Bank

No.	Portfolio Category	Credit Rating Agency				
		Long-Term Rating				
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Claims on Sovereigns					
2	Claims on Public Sector Entities					
3	Claims on Multilateral Development Banks and International Institutions					
4	Claims on Banks					
5	Claims Secured by Residential Property					
6	Claims Secured by Commercial Property					
7	Claims on Employees/Retirees					
8	Claims on Micro, Small Business and Retail Portfolio					
9	Claims on Corporation					
10	Past Due					
11	Other Assets					
	TOTAL					

(in IDR million)

31 December 2018

Net Claim								No Rating	Total
Short-Term Rating									
BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3			
BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3			
Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3			
BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
[Idr]BB+ s.d [Idr] BB-	[Idr]B+ s.d [Idr] B-	Less than [Idr] B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d A2	[Idr]A3+ s.d [Idr] A3	Less than [Idr]A3			
id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
							17.340.334	17.340.334	
							3.311.440	3.311.440	
							-	-	
							10.978.650	10.978.650	
							5.338.758	5.338.758	
							5.510.574	5.510.574	
							-	-	
							2.876.158	2.876.158	
							61.704.198	61.704.198	
							561.811	561.811	
							2.102.481	2.102.481	
							109.724.404	109.724.404	



Disclosure of Pillar 3

No.	Portfolio Category					
		Credit Rating Agency	Long-Term Rating			
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Claims on Sovereigns					
2	Claims on Public Sector Entities					
3	Claims on Multilateral Development Banks and International Institutions					
4	Claims on Banks					
5	Claims Secured by Residential Property					
6	Claims Secured by Commercial Property					
7	Claims on Employees/ Retirees					
8	Claims on Micro, Small Business and Retail Portfolio					
9	Claims on Corporation					
10	Past Due					
11	Other Assets					
TOTAL						

(in IDR million)

31 December 2017

Net Claim								Unrated	Total
Short-Term Rating									
BB+ s.d BB-	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3			
BB+ s.d BB-	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3			
Ba1 s.d Ba3	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3			
BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
[Idr]BB+ s.d [Idr]BB-	[Idr]B+ s.d [Idr]B-	Less than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d A2	[Idr]A3+ s.d [Idr] A3	Less than [Idr] A3			
id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
							19.782.839	19.782.839	
							798.666	798.666	
							-	-	
							8.629.146	8.629.146	
							3.654.415	3.654.415	
							3.083.524	3.083.524	
							-	-	
							3.079.382	3.079.382	
							58.421.853	58.421.853	
							371.417	371.417	
							1.730.802	1.730.802	
							99.552.044	99.552.044	



Disclosure of Pillar 3

8. Disclosure of Counterparty Credit Risk - Individual Bank

a. Derivative Transactions (Over the Counter)

(in IDR million)

No.	Underlying Variable	31 December 2018							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Claims before Credit Risk Mitigation	Credit Risk Mitigation	Net Claims after Credit Risk Mitigation
		<1 year	>1 year - <5 years	>5 years					
1	Interest Rate	21,568,700	10,781,568	-	396,135	343,500	1,499,057	-	1,499,057
2	Exchange Rate	27,979,026	10,890,441	-	271,626	275,085	637,653	-	637,653
3	Others			-				-	-
	Total	49,547,726	21,672,009	-	667,761	618,585	2,136,710	-	2,136,710

(in IDR million)

No.	Underlying Variable	31 December 2017							
		Notional Amount			Derivative Receivables	Derivative Liabilities	Net Claims before Credit Risk Mitigation	Credit Risk Mitigation	Net Claims after Credit Risk Mitigation
		<1 year	>1 year - <5 years	>5 years					
1	Interest Rate	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

b. Repo Transactions

(in IDR million)

No.	Portfolio Category	31 December 2018				31 December 2017			
		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 Reverse Transactions

(in IDR million)

No.	Portfolio Category	31 December 2018				31 December 2017			
		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	425,768	-	425,768	-	1,015,168	-	1,015,168	-
2	Claims on Public Sector Entities	-	-	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-	-
4	Claims on Banks	481,248	-	481,248	162,084	-	-	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-	-	-	-	-
6	Claims on Corporations	-	-	-	-	-	-	-	-
TOTAL		907,016	-	907,016	162,084	1,015,168	-	1,015,168	-



Disclosure of Pillar 3

9. Disclosure of Net Claims by Risk Weight after Credit Risk Mitigation - Individual Bank

No.	Portfolio Category				
		0%	20%	25%	35%
(1)	(2)	(3)	(4)	(5)	(6)
A	On Balance Sheet Exposures				
1	Claims on Sovereigns	16,871,787	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	2,532	4,156,474	-	-
5	Claims secured by Residential Property	20	1,112,342	2,035,463	2,190,863
6	Claims secured by Commercial Property	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	66,059	-	-	-
9	Claims on Corporations	3,356,113	-	-	-
10	Past Due	-	-	-	-
11	Other Assets	519,377	-	-	-
	Total Balance Sheet Exposures	20,815,888	5,268,816	2,035,463	2,190,863
B	Commitment/Contingency Exposure on Administrative Account Transaction				
1	Claims on Sovereigns	-	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	385	-	-
5	Claims secured by Residential Property	-	8	62	-
6	Claims secured by Commercial Property	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	3,415	-	-	-
9	Claims on Corporations	654,716	-	-	-
10	Past Due	-	-	-	-
	Total TRA Exposure	658,131	393	62	-
C	Counterparty Credit Risk Exposure				
1	Claims on Sovereigns	468,547	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	400,817	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Corporations	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA)	-	-	-	-
	Total Counterparty Credit Risk Exposures	468,547	400,817	-	-

(in IDR million)

31 December 2018							RWA	Capital Charges
Net Claims After Credit Risk Mitigation								
40%	45%	50%	75%	100%	150%	Lainnya		
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
-	-	-	-	-	-		-	-
-	-	3,265,520	-	-	-		1,632,760	146,948
-	-	-	-	-	-		-	-
-	-	3,563,874	-	-	-		2,613,232	235,191
-	-	-	-	-	-		1,498,136	134,832
-	-	-	-	5,340,860	-		5,340,860	480,677
-	-	-	-	-	-		-	-
-	-	-	2,696,033	-	-		2,022,025	181,982
-	-	-	-	54,164,701	-		54,164,701	4,874,823
-	-	-	-	130,986	430,825		777,224	69,950
-	-	-	-	1,514,044	69,060		1,617,634	145,587
-	-	6,829,394	2,696,033	61,150,591	499,885	-	69,666,572	6,269,991
-	-	-	-	-	-		-	-
-	-	45,920	-	-	-		22,960	2,066
-	-	-	-	-	-		-	-
-	-	1,234,037	-	-	-		617,096	55,539
-	-	-	-	-	-		17	2
-	-	-	-	169,714	-		169,714	15,274
-	-	-	-	-	-		-	-
-	-	-	761	-	-		571	51
-	-	-	-	3,084,727	-		3,084,727	277,625
-	-	-	-	-	-		-	-
-	-	1,279,956	761	3,254,441	-	-	3,895,085	350,558
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
-	-	1,620,531	-	-	-		890,429	80,139
-	-	-	109,890	-	-		82,418	7,418
-	-	-	-	443,941	-		443,941	39,955
-	-	-	-	-	-		798,229	71,841
-	-	1,620,531	109,890	443,941	-	-	2,215,017	199,352



Disclosure of Pillar 3

No.	Portfolio Category				
		0%	20%	25%	35%
(1)	(2)	(3)	(4)	(5)	(6)
A	On Balance Sheet Exposures				
1	Claims on Sovereigns	18,767,671	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	5,555	4,314,909	-	-
5	Claims secured by Residential Property	21	-	-	3,654,394
6	Claims secured by Commercial Property	1,404	-	-	-
7	Claims on Employees/Retirees	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	77,754	-	-	-
9	Claims on Corporations	3,000,016	-	-	-
10	Past Due	-	-	-	-
11	Other Assets	398,298	-	-	-
	Total Balance Sheet Exposures	22,250,719	4,314,909	-	3,654,394
B	Commitment/Contingency Exposure on Administrative Account Transaction				
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 secured by Residential Property	-	-	-	-
6	Claims secured by Commercial Property	-	-	-	-
7	Claims on Employees/Retirees	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,247	-	-	-
9	Claims on Corporations	168,395	-	-	-
10	Past Due	-	-	-	-
	Total TRA Exposure	170,642	-	-	-
C	Counterparty Credit Risk Exposure				
1	Claims on Sovereigns	1,015,168	-	-	-
2	Claims on Public Sector Entities	-	-	-	-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-
4	Claims on Banks	-	74,108	-	-
5	Claims on Micro, Small Business and Retail Portfolio	-	-	-	-
6	Claims on Corporations	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA)	-	-	-	-
	Total Counterparty Credit Risk Exposures	1,015,168	74,108	-	-

(in IDR million)

31 December 2017							RWA	Capital Charges	
Net Claims After Credit Risk Mitigation									
40%	45%	50%	75%	100%	150%	Lainnya			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
-	-	-	-	-	-		-	-	
-	-	413,571	-	-	-		206,786	18,611	
-	-	-	-	-	-		-	-	
-	-	2,538,011	-	-	-		2,131,988	191,879	
-	-	-	-	-	-		1,279,038	115,113	
-	-	-	-	3,081,495	-		3,081,495	277,335	
-	-	-	-	-	-		-	-	
-	-	-	2,950,918	-	-		2,213,189	199,187	
-	-	-	-	52,625,882	-		52,625,882	4,736,329	
-	-	-	-	88,309	283,108		512,971	46,167	
-	-	-	-	1,295,658	36,846		1,350,928	121,584	
-	-	2,951,582	2,950,918	57,091,344	319,954		-	63,402,277	5,706,205
-	-	-	-	-	-		-	-	
-	-	384,125	-	-	-		192,063	17,286	
-	-	-	-	-	-		-	-	
-	-	1,326,979	-	-	-		663,490	59,714	
-	-	-	-	-	-		-	-	
-	-	-	-	625	-		625	56	
-	-	-	-	-	-		-	-	
-	-	-	12,971	-	-		9,728	876	
-	-	-	-	2,418,766	-		2,418,766	217,689	
-	-	-	-	-	-		-	-	
-	-	1,711,104	12,971	2,419,391	-		-	3,284,672	295,620
-	-	-	-	-	-			-	-
-	-	970	-	-	-	485		44	
-	-	-	-	-	-	-		-	
-	-	369,584	-	-	-	199,614		17,965	
-	-	-	35,492	-	-	26,619		2,396	
-	-	-	-	208,794	-	208,794		18,791	
-	-	-	-	-	-	234,181		21,076	
-	-	370,553	35,492	208,794	-	-		669,693	60,272



Disclosure of Pillar 3

10. Disclosure of Net Claims and Credit Risk Mitigation Methods - Individual Bank

(in IDR million)

		31 December 2018					
No.	Portfolio Category	Net Claims	Portions 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	16,871,787	-	-	-		16,871,787
2	Claims on Public Sector Entities	3,265,520	-	-	-		3,265,520
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-		-
4	Claims on Banks	7,722,880	2,532	-	-		7,720,348
5	Claims secured by Residential Property	5,338,688	20	-	-		5,338,668
6	Claims secured by Commercial Property	5,340,860	-	-	-		5,340,860
7	Claims on Employees/Retirees	-	-	-	-		-
8	Claims on Micro, Small Business and Retail Portfolio	2,762,092	66,059	-	-		2,696,033
9	Claims on Corporations	57,520,814	3,356,113	-	-		54,164,701
10	Past Due	561,811	-	-	-		561,811
11	Other Assets	2,102,481	-	-	-		2,102,481
	Total Balance Sheet Exposure	101,486,933	3,424,724	-	-		98,062,209
B	Off Balance Sheet Exposures						
1	Claims on Sovereigns	-	-	-	-		-
2	Claims on Public Sector Entities	45,920	-	-	-		45,920
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-		-
4	Claims on Banks	1,234,422	-	-	-		1,234,422
5	Claims secured by Residential Property	70	-	-	-		70
6	Claims secured by Commercial Property	169,714	-	-	-		169,714
7	Claims on Employees/Retirees	-	-	-	-		-
8	Claims on Micro, Small Business and Retail Portfolio	4,176	3,415	-	-		761
9	Claims on Corporations	3,739,443	654,716	-	-		3,084,727
10	Past Due	-	-	-	-		-
	Total Off Balance Sheet Exposure	5,193,745	658,131	-	-		4,535,614
C	Counterparty Credit Risk Exposures						
1	Claims on Sovereigns	468,547	-	-	-		468,547
2	Claims on Public Sector Entities	-	-	-	-		-
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-		-
4	Claims on Banks	2,021,348	-	-	-		2,021,348
5	Claims on Micro, Small Business and Retail Portfolio	109,890	-	-	-		109,890
6	Claims on Corporations	443,941	-	-	-		443,941
	Total Counterparty Credit Risk Exposures	3,043,726	-	-	-	-	3,043,726
	Total (A+B+C)	109,724,404	4,082,855	-	-	-	105,641,549

(in IDR million)

		31 December 2017					
No	Portfolio Category	Net Claims	Portions 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	Claims 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	371,417	1,000	-	-		370,417
11	Other Assets	1,730,802	-	-	-		1,730,802
	Total Balance Sheet Exposure	93,533,820	3,085,750	-	-	-	90,448,070
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	-	-	-	-		-
	Total Off Balance Sheet Exposure	4,314,108	170,642	-	-	-	4,143,466
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)	99,552,044	3,256,392	-	-	-	96,295,652

Disclosure of Pillar 3

11. Disclosure of Asset Securitisation Transaction - Bank Individually

As of 31 December 2018 and 31 December 2017, the Bank has no asset securitisation.

12. Disclosure of Assets Securitisation Transaction Activities Summary on Bank as Initial Creditor - Individual Bank

As of 31 December 2018 and 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 - Individual Bank

a. On Balance Sheet Exposure

(in IDR million)

No.	Portfolio Category	31 December 2018			31 December 2017		
		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	16,871,787	-	-	18,767,671	-	-
2	Claims on Public Sector Entities	3,265,520	1,632,760	1,632,760	413,571	206,786	206,786
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	7,722,880	2,614,217	2,613,232	6,858,475	2,133,150	2,131,988
5	Claims secured by Residential Property	5,338,688	1,498,140	1,498,136	3,654,415	1,279,045	1,279,038
6	Claims secured by Commercial Property	5,340,860	5,340,860	5,340,860	3,082,899	3,082,899	3,081,495
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	2,762,092	2,071,569	2,022,025	3,028,672	2,271,504	2,213,189
9	Claims on Corporations	57,520,814	57,520,814	54,164,701	55,625,898	55,625,898	52,625,882
10	Past Due	561,811	777,224	777,224	371,417	512,971	512,971
11	Other Assets	2,102,481	-	1,617,634	1,730,802	-	1,350,928
Total		101,486,933	71,455,584	69,666,572	93,533,820	65,112,253	63,402,277

b. Off Balance Sheet (Commitment/Contingencies) Exposure

(in IDR million)

No.	Portfolio Category	31 December 2018			31 December 2017		
		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	45,920	22,960	22,960	384,125	192,063	192,063
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	1,234,422	617,096	617,096	1,326,979	663,490	663,490
5	Claims Secured by Residential Property	70	17	17	-	-	-
6	Claims Secured by Commercial Property	169,714	169,714	169,714	625	625	625
7	Claims on Employees/Retirees	-	-	-	-	-	-
8	Claims on Micro, Small Business and Retail Portfolio	4,176	3,132	571	15,218	11,414	9,728
9	Claims on Corporations	3,739,443	3,739,443	3,084,727	2,587,161	2,587,161	2,418,766
10	Past Due	-	-	-	-	-	-
Total		5,193,745	4,552,362	3,895,085	4,314,108	3,454,753	3,284,672



c. Counterparty Credit Risk Exposure

(in IDR million)

No.	Portfolio Category	31 December 2018			31 December 2017		
		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	468,547	-	-	1,015,168	-	-
2	Claims on Public Sector Entities	-	-	-	970	485	485
3	Claims on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Claims on Banks	2,021,348	162,084	890,429	443,692	199,614	199,614
5	Claims on Micro, Small Business and Retail Portfolio	109,890	-	82,418	35,492	26,619	26,619
6	Claims on Corporations	443,941	-	443,941	208,794	208,794	208,794
7	Weighted Exposure from Credit Valuation Adjustment (CVA)	-	-	798,229	-	-	234,181
Total		3,043,726	162,084	2,215,017	1,704,116	435,512	669,693

d. Settlement Risk Exposure

(in IDR million)

No.	Transaction Type	31 December 2018			31 December 2017		
		Exposure Values	Capital Deduction Factor	RWA after Credit Risk Mitigation	Exposure Values	Capital Deduction Factor	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Delivery Versus Payment	-		-	-		-
	a. Capital Charges 8% (5 - 15 days)	-		-	-		-
	b. Capital Charges 50% (16 - 30 days)	-		-	-		-
	c. Capital Charges 75% (31 - 45 days)	-		-	-		-
	d. Capital Charges 100% (> 45 days)	-		-	-		-
2	Non-Delivery Versus Payment	-	-	-	-	-	-
Total		-	-	-	-	-	-

e. Securitisation Exposure

(in IDR million)

No.	Portfolio Category	31 December 2018		31 December 2017	
		Capital Deduction Factor	RWA after Credit Risk Mitigation	Capital Deduction Factor	RWA after Credit Risk Mitigation
(1)	(2)	(3)	(4)	(5)	(6)
1	Credit enhancement that meets the requirements				
2	Credit enhancement that does not meet the requirement				
3	Liquidity facility that meets the requirements				
4	Liquidity facility that does not meet the requirements				
5	Purchase of asset-backed securities that meet the requirements				
6	Purchase of asset-backed securities that does not meet the requirements				
7	Securitisation exposures not included in regulation on the cautionary approach in asset securitisation activities for commercial banks				
Total					

f Total Credit Risk Measurement

(in IDR million)

Transaction Type	31 December 2018	31 December 2017
Total RWA Credit Risk	75,776,674	67,356,642
Total Capital Deduction Factor	-	-

Disclosure of Pillar 3

Market Risk

1. Disclosure of Market Risk by Standard Methods

(in IDR million)

No	Type of Risk	31 December 2018		31 December 2017	
		Individual		Individual	
		Capital Charges	RWA	Capital Charges	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest Rate Risk				
	a. Specific Risk	10,788	134,850	6,172	77,150
	b. General Risk	83,928	1,049,095	58,140	726,750
2	Exchange Rate Risk	85,972	1,074,645	23,073	288,413
3	Equity Risk		-		-
4	Commodity Risk		-		-
5	Option Risk	-	-	-	-
Total		180,687	2,258,590	87,385	1,092,313

2. Disclosure of Interest Rate Risk in Banking Book Exposure

(in IDR million)

31 December 2018			31 December 2017		
Economic Value	Capital	EVE Percentage to Capital	Economic Value	Capital	EVE Percentage to Capital
(460,994)	13,213,167	-3.49%	(285,967)	12,972,789	-2.20%

Liquidity Risk

1. Disclosure of Rupiah and Forex Maturity Profile - Individual Bank

a. Profile of Rupiah Maturity

(in IDR million)							
No.	Account	31 December 2018					
		Balance	Maturity				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ON BALANCE SHEET						
	A. Assets						
	1. Cash	471,848	471,848	-	-	-	-
	2. Placement with Bank Indonesia	5,197,726	4,006,310	-	687,205	504,211	-
	3. Placement with Other Bank	220,959	220,959	-	-	-	-
	4. Marketable Securities	11,119,199	979,918	1,898,059	2,437,422	1,427,461	4,376,339
	5. Loans	53,168,449	3,869,050	9,126,109	5,047,073	12,769,191	22,357,026
	6. Other Receivable	1,630,955	990,412	429,098	119,686	46,778	44,981
	7. Other	630,290	480,988	137,947	-	11,355	-
	Total Assets	72,439,426	11,019,485	11,591,213	8,291,386	14,758,996	26,778,346
	B. Liabilities						
	1. Third Party Fund	54,597,419	19,018,261	16,607,286	3,487,353	686,142	14,798,377
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	666,328	666,328	-	-	-	-
	4. Marketable Securities Issued	3,791,207	-	-	860,997	599,003	2,331,207
	5. Borrowings	758,075	-	-	-	758,075	-
	6. Other Payable	877,809	346,021	349,801	119,621	21,448	40,918
	7. Others	691,265	268,740	-	-	-	422,525
	Total Liabilities	61,382,103	20,299,350	16,957,087	4,467,971	2,064,668	17,593,027
	Difference between Assets and Liabilities on Balance Sheet	11,057,323	(9,279,865)	(5,365,874)	3,823,415	12,694,328	9,185,319
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	12,852	12,852	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	12,852	12,852	-	-	-	-
	B. Off Balance Sheet Payable						
	1. Commitment	29,484,575	3,109,791	3,612,435	4,363,352	8,822,523	9,576,474
	2. Contingencies	2,119,086	375,401	236,429	372,188	734,970	400,098
	Total Off Balance Sheet Payables	31,603,661	3,485,192	3,848,864	4,735,540	9,557,493	9,976,572
	Difference of Receivables and Payables Off Balance Sheet	(31,590,809)	(3,472,340)	(3,848,864)	(4,735,540)	(9,557,493)	(9,976,572)
	Difference [(IA-IB)+(IIA-IIB)]	(20,533,486)	(12,752,205)	(9,214,738)	(912,125)	3,136,835	(791,253)
	Cumulative Difference		(12,752,205)	(21,966,943)	(22,879,068)	(19,742,233)	(20,533,486)

Liquidity Risk

(in IDR million)

No.	Account	31 December 2017					
		Balance	Maturity				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ON BALANCE SHEET						
	A. Assets						
	1. Cash	326,846	326,846	-	-	-	-
	2. Placement with Bank Indonesia	11,075,013	5,506,864	1,589,018	2,939,097	1,040,034	-
	3. Placement with Other Bank	776,720	5,829	770,891	-	-	-
	4. Marketable Securities	7,318,963	713,418	1,239,267	1,280,856	585,689	3,499,733
	5. Loans	46,073,750	3,036,833	5,137,904	8,511,208	8,998,515	20,389,290
	6. Other Receivable	1,326,333	1,116,556	110,872	53,562	21,064	24,279
	7. Other	682,031	375,883	295,004	-	11,144	-
	Total Assets	67,579,656	11,082,229	9,142,956	12,784,723	10,656,446	23,913,302
	B. Liabilities						
	1. Third Party Fund	51,890,130	18,253,124	16,267,321	1,697,652	770,459	14,901,574
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	49,468	44,468	-	-	5,000	-
	4. Marketable Securities Issued	3,388,604	-	-	599,576	-	2,789,028
	5. Borrowings	-	-	-	-	-	-
	6. Other Payable	244,519	56,042	111,032	53,612	21,065	2,768
	7. Others	729,395	242,450	-	-	-	486,945
	Total Liabilities	56,302,116	18,596,084	16,378,353	2,350,840	796,524	18,180,315
	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
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	100,006	100,006	-	-	-	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	100,006	100,006	-	-	-	-
	B. Off Balance Sheet Payable						
	1. Commitment	21,857,663	2,001,559	3,005,557	3,902,580	8,123,283	4,824,684
	2. Contingencies	1,864,461	233,390	303,977	384,918	259,500	682,676
	Total Off Balance Sheet Payables	23,722,124	2,234,949	3,309,534	4,287,498	8,382,783	5,507,360
	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)
	Difference [(IA-IB)+(IIA-IIB)]	(12,344,578)	(9,648,798)	(10,544,931)	6,146,385	1,477,139	225,627
	Cumulative Difference		(9,648,798)	(20,193,729)	(14,047,344)	(12,570,205)	(12,344,578)

Disclosure of Pillar 3

b. Profile of Forex Maturity

(in IDR million)

No.	Account	31 December 2018					
		Balance	Maturity				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	O BALANCE SHEET						
	A. Assets						
	1. Cash	47,529	47,529	-	-	-	-
	2. Placement with Bank Indonesia	2,474,581	2,474,581	-	-	-	-
	3. Placement with Other Bank	2,477,799	2,477,799	-	-	-	-
	4. Marketable Securities	3,400,194	992,516	1,345,511	655,341	-	406,827
	5. Loans	20,512,716	1,980,155	711,939	3,904,918	5,383,540	8,532,164
	6. Other Receivable	2,212,622	386,549	915,675	469,579	163,213	277,606
	7. Other	9,534	2,258	7,276	-	-	-
	Total Assets	31,134,975	8,361,387	2,980,402	5,029,837	5,546,753	9,216,596
	B. Liabilities						
	1. Third Party Fund	22,725,155	7,575,508	4,947,281	740,038	375,203	9,087,125
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	2,475,960	534,660	1,797,500	143,800	-	-
	4. Marketable Securities Issued	-	-	-	-	-	-
	5. Borrowings	2,442,165	4,874	-	-	-	2,437,291
	6. Other Payable	2,539,853	742,727	890,093	460,649	186,998	259,386
	7. Others	32,024	17,932	14,092	-	-	-
	Total Liabilities	30,215,157	8,875,701	7,648,966	1,344,487	562,200	11,783,802
	Difference between Assets and Liabilities on Balance Sheet	919,819	(514,314)	(4,668,565)	3,685,351	4,984,552	(2,567,206)
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
	1. Commitment	52,639,084	7,611,884	7,340,185	1,572,033	19,976,869	16,138,113
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	52,639,084	7,611,884	7,340,185	1,572,033	19,976,869	16,138,113
	B. Off Balance Sheet Payables						
	1. Commitment	63,583,474	9,239,009	8,804,443	3,226,758	22,845,046	19,468,219
	2. Contingencies	2,610,430	748,450	812,111	281,388	713,277	55,205
	Total Off Balance Sheet payables	66,193,904	9,987,459	9,616,553	3,508,146	23,558,323	19,523,424
	Difference of Receivables and Payables Off Balance Sheet	(13,554,821)	(2,375,575)	(2,276,368)	(1,936,113)	(3,581,454)	(3,385,311)
	Difference [(IA-IB)+(IIA-IIB)]	(12,635,002)	(2,889,889)	(6,944,933)	1,749,238	1,403,098	(5,952,517)
	Cumulative Difference		(2,889,889)	(9,834,822)	(8,085,584)	(6,682,486)	(12,635,002)

Disclosure of Pillar 3

(in IDR million)

No.	Account	31 December 2017					
		Balance	Maturity				
			< 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 12 months	> 12 months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	ON BALANCE SHEET						
	A. Assets						
	1. Cash	71,446	71,446	-	-	-	-
	2. Placement with Bank Indonesia	3,312,180	3,312,180	-	-	-	-
	3. Placement with Other Bank	3,121,488	3,121,488	-	-	-	-
	4. Marketable Securities	2,335,252	899,010	832,230	590,417	-	13,595
	5. Loans	17,112,294	558,370	4,718,587	1,842,589	2,547,095	7,445,654
	6. Other Receivable	1,725,094	342,105	685,145	594,406	19,361	84,078
	7. Other	7,571	706	6,865	-	-	-
	Total Assets	27,685,325	8,305,304	6,242,827	3,027,411	2,566,455	7,543,326
	B. Liabilities						
	1. Third Party Fund	23,028,145	9,710,165	3,348,730	863,585	1,134,704	7,970,961
	2. Due to Bank Indonesia	-	-	-	-	-	-
	3. Due to Other Bank	2,265,365	699,676	1,565,690	-	-	-
	4. Marketable Securities Issued	-	-	-	-	-	-
	5. Borrowings	333,136	-	-	-	-	333,136
	6. Other Payable	1,705,136	337,994	681,292	591,964	19,089	74,798
	7. Others	38,640	14,300	24,340	-	-	-
	Total Liabilities	27,370,423	10,762,134	5,620,052	1,455,549	1,153,794	8,378,895
	Difference between Assets and Liabilities on Balance Sheet	314,902	(2,456,830)	622,775	1,571,863	1,412,662	(835,568)
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	-
	2. Contingencies	-	-	-	-	-	-
	Total Off Balance Sheet Receivables	23,726,858	5,245,101	1,478,559	8,787,751	8,215,447	-
	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
	2. Contingencies	3,514,498	43,714	988,637	1,624,193	323,463	534,492
	Total Off Balance Sheet payables	36,329,030	6,042,191	5,782,211	3,907,847	3,549,014	17,047,767
	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)
	Difference [(IA-IB)+(IIA-IIB)]	(12,287,271)	(3,253,921)	(3,680,876)	6,451,767	6,079,095	(17,883,335)
	Cumulative Difference		(3,253,921)	(6,934,797)	(483,030)	5,596,065	(12,287,271)

2. Disclosure of Liquidity Coverage Ratio (LCR)

	2018			
	Quarter I	Quarter II	Quarter III	Quarter IV
	(1)	(2)	(3)	(4)
Individual Bank	175%	163%	198%	159%

	2017			
	Quarter I	Quarter II	Quarter III	Quarter IV
	(1)	(2)	(3)	(4)
Individual Bank	200%	179%	178%	222%

Operational Risk

(in IDR million)

No	Adopted Approach	31 December 2018			31 December 2017		
		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	4,243,609	636,541	7,956,767	4,000,975	600,146	7,501,828
	Total	4,243,609	636,541	7,956,767	4,000,975	600,146	7,501,828



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Statement of the Members of Board of Commissioners and Board of Directors Regarding Responsibility for 2018 Annual Report of PT Bank UOB Indonesia

We, the undersigned, hereby declare that all information in the 2018 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.

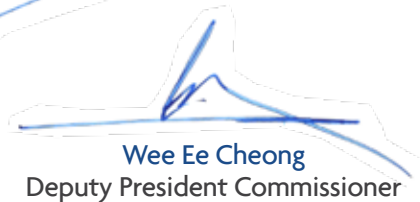
This statement is hereby made truthfully.

Jakarta, April 2019

Board of Commissioners



Wee Cho Yaw
President Commissioner



Wee Ee Cheong
Deputy President Commissioner



Lee Chin Yong Francis
Commissioner



Wayan Alit Antara
Independent Commissioner



Aswin Wirjadi
Independent Commissioner

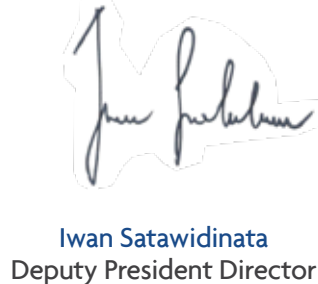


VJH Boentaran Lesmana
Independent Commissioner

Board of Directors



Lam Sai Yoke
President Director



Iwan Satawidinata
Deputy President Director



Muljono Tjandra
Director



Henky Sulistyo
Director



Paul Rafiuly
Director



Soehadie Tansol
Compliance Director

PT Bank UOB Indonesia

31 December 2018

Financial Statements

179 Independent Auditor's Report

PT Bank UOB Indonesia

Laporan keuangan tanggal 31 Desember 2018
dan untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
Financial statements
as of 31 December 2018
and for the year then ended
with independent auditors' report



**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN
PADA TANGGAL 31 DESEMBER 2018
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 2018
AND FOR THE YEAR THEN ENDED
PT BANK UOB INDONESIA**

Kami yang bertanda tangan di bawah ini / We, the undersigned:

- | | |
|-------------------------------------|--|
| 1. Nama/Name | : LAM SAI YOKE |
| Alamat Kantor/Office Address | : Gedung UOB Plaza Jl. M.H. Thamrin No. 10
Jakarta Pusat 10230 |
| Alamat Domisili/Address of Domicile | : Shangri-La Residence, Jl. Jend. Sudirman Kav.1 Jakarta |
| Nomor Telepon/Phone Number | : (62-21) 23506000 |
| Jabatan/Position | : Direktur Utama / President Director |
| 2. Nama/Name | : MULJONO TJANDRA |
| Alamat Kantor/Office Address | : Gedung UOB Plaza Jl. M.H. Thamrin No. 10
Jakarta Pusat 10230 |
| Alamat Domisili/Address of Domicile | : Jl. Pulau Matahari Blok B.5 No.8, Taman Pernata Buana RT 017/009
Kembangan Utara – Kembangan, Jakarta Barat |
| Nomor Telepon/Phone Number | : (62-21) 23506000 |
| Jabatan/Position | : Direktur Keuangan dan Layanan Korporasi /
Finance and Corporate Services Director |

menyatakan bahwa:

declare that:


- | | |
|--|--|
| 1. 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 ("Bank") financial statements; |
| 2. 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; |
| 3. 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; |
| 4. 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 2019 / 25 January 2019


LAM SAI YOKE
Direktur Utama /
President Director


MULJONO TJANDRA
Direktur Keuangan dan Layanan Korporasi /
Finance and Corporate Services Director

The original financial statements included herein are in the Indonesian language.

**PT BANK UOB INDONESIA
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2018 DAN UNTUK
TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK UOB INDONESIA
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2018 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

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Laporan Perubahan Ekuitas.....	7	<i>Statement of Changes in Equity</i>
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The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. 00110/2.1032/AU.1/07/0240-1/1/i/2019

**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 2018, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu 'khtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. 00110/2.1032/AU.1/07/0240-1/1/i/2019

**The Shareholders, the Board of Commissioners
and the Board of 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, 2018, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. 00110/2.1032/AU.1/07/0240-1/1/2019

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 kewajiban 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 2018, 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. 00110/2.1032/AU.1/07/0240-1/1/2019

Auditors' responsibility (continued)

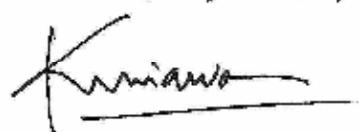
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2018, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja



Muhammad Kurniawan

Registrasi Akuntan Publik No. AP.0240/Public Accountant Registration No. AP.0240

25 Januari 2019/January 25, 2019

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2018
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
As of 31 December 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	31 Desember/ 31 December 2018	Catatan/ Notes	31 Desember/ 31 December 2017	
ASET				ASSETS
Kas	519.377	3,39,41	398.298	Cash
Giro pada Bank Indonesia	6.035.664	4,39,41	6.071.513	Current accounts with Bank Indonesia
Giro pada bank lain		5,39,41		Current accounts with other banks
Pihak ketiga	424.603		1.984.059	Third parties
Pihak berelasi	255.087	36	468.842	Related parties
	679.690		2.452.901	
Penempatan pada Bank Indonesia dan Bank Lain		6,39,41		Placements with Bank Indonesia and Other Banks
Pihak ketiga	504.974		3.278.452	Third parties
Pihak berelasi	1.699.094	36	137.952	Related parties
	2.204.068		3.416.404	
Efek-efek yang diperdagangkan	344.546	7,39,41	1.118.020	Trading securities
Investasi keuangan		8,39,41		Financial investments
Tersedia untuk dijual	10.202.287		10.355.167	Available-for-sale
Dimiliki hingga jatuh tempo	5.424.203		4.629.431	Held-to-maturity
	15.626.490		14.984.598	
Cadangan kerugian penurunan nilai	(38.902)		(33.244)	Allowance for impairment losses
Neto	15.587.588		14.951.354	Net
Tagihan derivatif		9,39,41		Derivatives receivable
Pihak ketiga	437.052		106.463	Third parties
Pihak berelasi	230.709	36	39.936	Related parties
	667.761		146.399	
Kredit yang diberikan		10,16,17 18,39,41		Loans
Pihak ketiga	73.347.108		62.694.739	Third parties
Pihak berelasi	334.057	36	336.113	Related parties
	73.681.165		63.030.852	
Cadangan kerugian penurunan nilai	(1.373.043)		(1.032.648)	Allowance for impairment losses
Neto	72.308.122		61.998.204	Net
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	907.016	11,39,41	1.015.168	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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2018
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	31 Desember/ 31 December 2018	Catatan/ Notes	31 Desember/ 31 December 2017	
ASET (lanjutan)				ASSETS (continued)
Tagihan akseptasi	2.203.221	12,39,41	1.843.428	Acceptances receivable
Cadangan kerugian penurunan nilai	(28.249)		(17.378)	Allowance for impairment losses
Neto	2.174.972		1.826.050	Net
Aset pajak tangguhan - neto	136.592	20,39	95.212	Deferred tax assets - net
Aset tetap		13,30,39		Fixed assets
Biaya perolehan	2.425.101		2.181.021	Cost
Akumulasi penyusutan	(1.307.389)		(1.118.147)	Accumulated depreciation
Nilai buku	1.117.712		1.062.874	Book value
Aset lain-lain - neto	992.840	14,36,39,41	691.716	Other assets - net
TOTAL ASET	103.675.948		95.244.113	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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2018
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	31 Desember/ 31 December 2018	Catatan/ Notes	31 Desember/ 31 December 2017	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	148.107	15,39,41	149.371	Current liabilities
Simpanan		10,39,41		Deposits
Giro		16		Demand deposits
Pihak ketiga	11.375.522		11.220.924	Third parties
Pihak berelasi	25.562	36	37.033	Related parties
	11.401.084		11.257.957	
Tabungan		17		Saving deposits
Pihak ketiga	16.149.708		14.788.383	Third parties
Pihak berelasi	81.354	36	61.264	Related parties
	16.231.062		14.849.647	
Deposito berjangka		18		Time deposits
Pihak ketiga	49.369.682		48.802.237	Third parties
Pihak berelasi	320.746	36	137.022	Related parties
	49.690.428		48.939.259	
Total simpanan	77.322.574		75.046.863	Total deposits
Simpanan dari bank lain	3.142.288	19,36,39,41	2.314.828	Deposits from other banks
Bunga yang masih harus dibayar	247.607	39,41	225.648	Interests payable
Utang pajak	84.823	20,39	65.202	Taxes payable
Liabilitas derivatif		9,39,41		Derivatives payable
Pihak ketiga	493.445		73.309	Third parties
Pihak berelasi	125.140	36	32.461	Related parties
	618.585		105.770	
Liabilitas akseptasi	2.203.221	12,39,41	1.843.428	Acceptances payable
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	580.138	21,36,39,41	-	Liabilities on securities sold under repurchase agreements
Pinjaman yang diterima	3.200.240	22,39,41	333.138	Borrowings
Liabilitas atas imbalan kerja	278.062	34,39	328.451	Liabilities for employees' benefits
Efek hutang yang diterbitkan - neto	3.791.207	23,36,39,41	3.388.604	Debt securities issued - net
Liabilitas lain-lain	682.427	24,36,39,41	496.159	Other liabilities
TOTAL LIABILITAS	92.299.279		84.297.462	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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2018
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	31 Desember/ 31 December 2018	Catatan/ Notes	31 Desember/ 31 December 2017	
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	2.106.818	Additional paid-in capital - net
Penghasilan komprehensif lain	(157.384)	8,34	(76.041)	Other comprehensive income
Saldo laba				Retained earnings
Telah ditentukan penggunaannya	112.199	27	111.424	Appropriated
Belum ditentukan penggunaannya	6.926.565		6.415.979	Unappropriated
Total Ekuitas	11.376.669		10.946.651	Total Equity
TOTAL LIABILITAS DAN EKUITAS	103.675.948		95.244.113	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 taken as a whole.



PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(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 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December				
	2018	Catatan/ Notes	2017	
PENDAPATAN DAN BEBAN OPERASIONAL				OPERATING INCOME AND EXPENSES
Pendapatan dan beban bunga				Interest income and expenses
Pendapatan bunga	7.319.302	28,36	7.268.027	Interest income
Beban bunga	(3.715.320)	29,36	(3.756.802)	Interest expense
PENDAPATAN BUNGA - NETO	3.603.982		3.511.225	INTEREST INCOME - NET
Pendapatan Operasional Lainnya				Other Operating Income
Komisi dan jasa administrasi - neto	258.530		252.963	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	119.170		184.492	Realized and unrealized gain on securities sold and from changes in fair value of trading securities - net
Keuntungan transaksi mata uang asing	269.497		166.565	Gain from foreign currency transactions
Lain-lain - neto	208.801		189.650	Others - net
Total Pendapatan Operasional Lainnya - Neto	855.998		793.670	Total Other Operating Income - Net
(Pembentukan) pemulihan penyisihan kerugian penurunan nilai:				(Provision for) reversal of impairment losses:
Aset keuangan	(662.087)	8,10,12	(1.255.990)	Financial assets
Agunan yang diambil alih	(5.401)	14	960	Foreclosed assets
Total Pembentukan Penyisihan Kerugian Penurunan Nilai	(667.488)		(1.255.030)	Total Provision for Impairment Losses
Beban Operasional Lainnya				Other Operating Expenses
Gaji dan kesejahteraan karyawan	(1.876.742)	31,34	(1.638.503)	Salaries and employees' benefits
Beban umum dan administrasi	(1.234.022)	13,30,36	(1.106.780)	General and administrative expenses
Total Beban Operasional Lainnya	(3.110.764)		(2.745.283)	Total Other Operating Expenses
LABA OPERASIONAL	681.728		304.582	OPERATING INCOME
Pendapatan non-operasional				Non-operating income
Keuntungan penjualan aset tetap dan properti terbengkalai - neto	3.830	13,14	2.831	Gain on sale of fixed assets and abandoned property - net
Lain-lain - neto	24.646		1.090	Others - net
Total Pendapatan Non-Operasional	28.476		3.921	Total Non-Operating Income
LABA SEBELUM BEBAN PAJAK	710.204		308.503	INCOME BEFORE TAX EXPENSE
Beban pajak	(198.843)	20	(230.982)	Tax expense
LABA TAHUN BERJALAN	511.361		77.521	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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(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 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

	Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December			
	2018	Catatan/ Notes	2017	
LABA TAHUN BERJALAN	511.361		77.521	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 manfaat pasti	90.918	34	(74.741)	Actuarial remeasurement of contribution benefit plan
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	(22.730)		18.685	Income tax relating to components of other comprehensive income
	<u>68.188</u>		<u>(56.056)</u>	
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	(199.375)		132.720	Movement in respect of fair-value change of available-for-sale financial investment
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lainnya	49.844	20	(33.180)	Income tax related to component of other comprehensive income
	<u>(149.531)</u>		<u>99.540</u>	
Penghasilan komprehensif lainnya tahun berjalan - setelah pajak	<u>(81.343)</u>		<u>43.484</u>	Other comprehensive income for the year - net of tax
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	430.018		121.005	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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN PERUBAHAN EKUITAS
Untuk tahun yang Berakhir pada Tanggal 31 Desember 2018
(Disajikan dalam Jutaan Rupiah, Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CHANGES IN EQUITY
For the year Ended 31 December 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Catatan/ Notes	Modal Saham Diperoleh dan Disetor Penuh/ Issued and Fully Paid - Share Capital	Tambahkan Modal Disetor - neto/ Additional Paid-in Capital - net	Penghasilan Komprehensif Lain/ Other Comprehensive Income (Kerugian)		Saldo Laba/Retained Earnings	Total Ekuitas/Equity	Balance, 1 January 2017
			keuntungan yang Belum Direalisasi yang Tersedia untuk Dijual - neto/ Unrealized (Loss) gain on Available - for-Sale Securities - net	Pengukuran kembali atas program manfaat pensiun/ Remeasurement of defined benefit plan			
Saldo, 1 Januari 2017	2.388.471	2.102.242	(36.682)	(82.843)	6.343.251	10.821.070	Balance, 1 January 2017
Penyesuaian tambahan modal disetor	-	4.576	-	-	-	4.576	Adjustment on additional paid-in capital
Penghasilan komprehensif tahun berjalan	-	-	-	-	-	-	Comprehensive income for the year
Laba tahun berjalan	-	-	-	-	77.521	77.521	Income for year
Pengukuran kembali aktiva	-	-	-	(56.056)	-	(56.056)	Actuarial remeasurement
- neto setelah pajak	-	-	-	-	-	-	- net of tax
Kauntungan yang belum direalisasi atas	-	-	99.540	-	-	99.540	Unrealized gain on available-for-
efek-efek yang tersedia untuk dijual - neto	-	-	-	-	-	-	sale securities - net
Total penghasilan komprehensif untuk	-	-	-	-	-	-	Total comprehensive income
tahun berjalan 2017	-	4.576	99.540	(56.056)	77.521	125.581	for the year 2017
Pembentukan cadangan umum	-	-	-	-	4.793	-	Appropriation for general reserve
Saldo, 31 Desember 2017	2.388.471	2.106.818	62.858	(138.899)	6.415.979	10.946.651	Balance, 31 December 2017
Penghasilan komprehensif tahun berjalan	-	-	-	-	-	-	Comprehensive income for the year
Laba tahun berjalan	-	-	-	-	511.361	511.361	Income for year
Pengukuran kembali aktiva	-	-	-	68.188	-	68.188	Actuarial remeasurement
- neto setelah pajak	-	-	-	-	-	-	- net of tax
Kerugian yang belum direalisasi atas	-	-	(149.531)	-	-	(149.531)	Unrealized loss on available-for-
efek-efek yang tersedia untuk dijual - neto	-	-	-	-	-	-	sale securities - net
Total penghasilan komprehensif untuk	-	-	-	-	-	-	Total comprehensive income
tahun berjalan 2018	-	-	(149.531)	68.188	511.361	430.018	for the year 2018
Pembentukan cadangan umum	-	-	-	-	775	-	Appropriation for general reserve
Saldo, 31 Desember 2018	2.388.471	2.106.818	(86.673)	(70.711)	6.926.565	11.376.669	Balance, 31 December 2018

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

The accompanying notes to the financial statement form an integral part of these financial statements taken as a whole.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(Disajikan dalam Jutaan Rupiah,
Kecuali Dinyatakan Lain)

PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS
For the Year Ended
31 December 2018
(Expressed in Millions of Rupiah,
Unless Otherwise Stated)

		Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December		
		2018	Catatan/ Notes	2017
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga	7.223.041			Interest received
Penerimaan pendapatan operasional lainnya	871.006			Other operating income received
Penerimaan dari penjualan agunan yang diambil alih	1.630			Receipts from sale of foreclosed assets
Pemulihan dari kredit yang telah dihapusbukukan	122.359	10		Recovery from loans previously written-off
Penerimaan atas penjualan kredit yang diberikan	672.695	10		Proceeds from sale of loans
Pembayaran bunga	(3.687.948)			Payment of interest
Pembayaran beban operasional	(2.882.763)			Payment of operating expenses
Pembayaran pajak penghasilan	(213.288)	20		Payment of income tax
Penerimaan dari transaksi non-operasional - neto	24.255			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	(336.293)			Trading securities
Kredit yang diberikan	(11.932.270)			Loans
Tagihan akseptasi	(359.792)			Acceptances receivable
Surat berharga yang dibeli dengan janji dijual kembali	108.152			Securities purchased with agreements to resell
Aset lain-lain	(159.618)			Other assets
Kenaikan (penurunan) liabilitas operasi:				Increase (decrease) in operating liabilities:
Liabilitas segera	(1.263)			Current liabilities
Simpanan:				Deposits:
Giro	143.127	16		Demand deposits
Tabungan	1.381.415	17		Saving deposits
Deposito berjangka	751.169	18		Time deposits
Simpanan dari bank lain	827.460	19		Deposits from other banks
Utang pajak	19.799			Taxes payable
Liabilitas akseptasi	359.792			Acceptances payable
Liabilitas lain-lain	186.267			Other liabilities
Kas Neto (Digunakan) / Diperoleh dari Aktivitas Operasi	(6.881.068)			Net Cash (Used in) / 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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
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PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
31 December 2018
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Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December				
	2018	Catatan/ Notes	2017	
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap dan properti terbengkalai	6.848	13	5.271	Proceeds from sales of fixed assets and abandoned property
Penjualan (pembelian) investasi keuangan - neto	(1.967.119)		(3.409.577)	Proceed (purchase) of financial investment - net
Perolehan aset tetap	(257.222)	13	(145.987)	Acquisitions of fixed assets
Kas Neto Digunakan untuk Aktivitas Investasi	(2.217.493)		(3.550.293)	Net Cash Used in Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan atas pinjaman	2.851.725	22,44	333.223	Receipt from borrowings
Pembayaran atas efek hutang yang jatuh tempo	(600.000)	23,44	(300.000)	Payment of debt securities issued have matured
Penerimaan atas efek hutang yang diterbitkan	1.000.000	23,44	500.000	Proceeds from debt securities issued
Pembayaran biaya transaksi hutang	(2.809)	23,44	(1.652)	Payment of debt transaction costs
Surat berharga yang dijual dengan janji dibeli kembali	580.138	44	(339.412)	Securities sold under repurchase agreements
Kas Neto Diperoleh dari Aktivitas Pendanaan	3.829.054		192.159	Net Cash Provided by Financing Activities
(Penurunan) kenaikan neto Kas dan Setara Kas	(5.269.507)		2.086.027	Net (decrease) increase in Cash and Cash Equivalents
Pengaruh neto perubahan kurs pada Kas dan Setara Kas	160.036		95.083	Net effect on exchange rate on Cash and Cash Equivalents
Kas dan Setara Kas Awal Tahun	14.808.497		12.627.387	Cash and Cash Equivalents at Beginning of Year
Kas dan Setara Kas Akhir Tahun	9.699.026		14.808.497	Cash and Cash Equivalents At The 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 taken as a whole.

PT BANK UOB INDONESIA
LAPORAN ARUS KAS (lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
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PT BANK UOB INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended
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Tahun yang Berakhir pada tanggal 31 Desember/ For the Year Ended 31 December				
	2018	Catatan/ Notes	2017	
Komponen Kas dan Setara Kas				Components of Cash and Cash Equivalents
Kas	519.377	3	398.298	Cash
Giro pada Bank Indonesia	6.035.664	4	6.071.513	Current accounts with Bank Indonesia
Giro pada Bank Lain	679.690	5	2.452.901	Current accounts with Other Banks
Penempatan pada Bank Indonesia dan Bank Lain - jatuh tempo dalam 3 bulan sejak tanggal perolehan	2.204.068	6	3.416.404	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	260.227	8	2.469.381	Financial investments - maturing within 3 months from the date of acquisition
Total	9.699.026		14.808.497	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 taken as a whole.



**PT BANK UOB INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
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**PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
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1. Umum

a. Pendirian Bank dan Informasi Umum

PT Bank UOB Indonesia (dahulu PT Bank UOB Buana) ("Bank") didirikan di Indonesia berdasarkan Akta Pendirian No. 150 tanggal 31 Agustus 1956 yang dibuat di hadapan Notaris Eliza Pondaag, S.H. Akta pendirian ini disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A 5/78/4 tanggal 24 Oktober 1956, didaftarkan pada Pengadilan Negeri Jakarta dengan No. 1811 tanggal 27 Oktober 1956 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 96, Tambahan No.1243 tanggal 30 November 1956.

Bank memulai aktivitas perbankan secara komersial pada tanggal 1 November 1956 berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. 203443/U.M.II tanggal 15 Oktober 1956 tentang Pemberian Izin Usaha PT Bank Buana Indonesia berkedudukan di Jakarta. Sesuai dengan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan usaha Bank adalah menjalankan kegiatan umum perbankan. Bank telah memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan Surat Keputusan Gubernur Bank Indonesia (BI) No. 9/39/KEP/DIR/UD tanggal 22 Juli 1976.

Pada tahun 2000, Bank mengubah status Perseroan menjadi perusahaan terbuka dengan melakukan penawaran umum perdana kepada masyarakat sebanyak 194 juta saham. Perubahan status Bank menjadi perusahaan terbuka telah disetujui oleh Bapepam-LK berdasarkan Surat Ketua Badan Pengawas Pasar Modal No. S-1544/PM/2000, tanggal 27 Juni 2000. Selanjutnya pada tahun 2002, 2003 dan 2006, Bank melakukan Penawaran Umum Terbatas I, II dan III.

Pada tahun 2007, Bank (yang pada saat itu bernama PT Bank Buana Indonesia Tbk) mengganti nama menjadi PT Bank UOB Buana Tbk sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 9 tanggal 19 Januari 2007, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta, yang telah mendapatkan persetujuan dari Kementerian Hukum dan Hak Asasi Manusia No. W7-01036 HT.01.04-TH-2007 tanggal 29 Januari 2007.

1. General

a. Establishment of the Bank and General Information

PT Bank UOB Indonesia (formerly PT Bank UOB Buana) (the "Bank") was established in Indonesia based on the Deed of Establishment No. 150 dated 31 August 1956 of Eliza Pondaag, S.H. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in 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 bank 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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PT BANK UOB INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
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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 dirubah sehubungan dengan perubahan status Bank dari perusahaan terbuka (publik) menjadi perusahaan tertutup.

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No. 12 tanggal 15 April 2010, dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta dan telah diberitahukan kepada Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Penerimaan Pemberitahuan No. AHU-AH.01.10-14548 tanggal 14 Juni 2010, para pemegang saham Bank (yang pada saat itu bernama PT Bank UOB Buana) setuju untuk melakukan penggabungan usaha dengan suatu bank yang pada saat itu bernama PT Bank UOB Indonesia.

Pada tanggal 30 Juni 2010, Bank (yang pada saat itu bernama PT Bank UOB Buana) secara efektif menerima penggabungan usaha PT Bank UOB Indonesia, penggabungan tersebut telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 12/45/KEP.GBI/2010 tanggal 10 Juni 2010 tentang Pemberian Izin Penggabungan Usaha (Merger) PT Bank UOB Indonesia ke dalam PT Bank UOB Buana. Izin tersebut tetap berlaku sebagai izin usaha Bank sebagai perusahaan hasil penggabungan.

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In 2008, the general meeting of shareholders of the Bank has approved the change in the Bank's status from publicly listed to private company and delisted the Bank's shares at Indonesian Stock Exchange (BEI). The change in status, including the delisting process, had been conducted in compliance to the requirements determined by OJK (formerly Capital Market and Financial Institution Supervisory Agency) and BEI, the Bank which had settled the rights of minority shareholders through tender offer process in accordance with applicable regulations. Pursuant to the Deed of Statement of Resolutions of Extraordinary Meeting of Shareholders No. 16 dated 16 January 2009, drawn up before Fathiah Helmi, SH, Notary in Jakarta and approved by the Minister of Laws and Human Rights through Letter of Approval No. AHU-26687.AH.01.02. Year 2009 dated 17 June 2009, Articles of Association of the Bank have been amended in relation to the change in the Bank's status from a publicly listed to a private company.

By virtue of Deed of Resolutions Statement of Extraordinary Meeting of Shareholders No. 12 dated 15 April 2010, drawn up before Fathiah Helmi, SH, Notary in Jakarta and as notified to the Minister of Laws and Human Rights through Letter of Notification Receipt No. AHU-AH.01.10-14548 dated 14 June 2010, shareholders of the Bank (whose name at the time was PT Bank UOB Buana) agreed to merge its business with a bank whose name at the time was PT Bank UOB Indonesia.

On 30 June 2010, the Bank (whose name at the time was PT Bank UOB Buana) effectively accepted the business merger of PT Bank UOB Indonesia, this merger had obtained the approval of BI under Decision of BI Governor No. 12/45/KEP.GBI/2010 dated 10 June 2010 regarding Granting of Merger Permit of PT Bank UOB Indonesia into PT Bank UOB Buana. The permit still applies as the business permit of the Bank as the surviving bank.

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1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada bulan Mei 2011, Bank melakukan perubahan nama dari PT Bank UOB Buana menjadi PT Bank UOB Indonesia dan telah memperoleh persetujuan dari BI berdasarkan Surat Keputusan Gubernur BI No. 13/34/KEP.GBI/2011 tanggal 19 Mei 2011 tentang Perubahan Penggunaan Izin Usaha Atas Nama PT Bank UOB Buana Menjadi Izin Usaha Atas Nama PT Bank UOB Indonesia.

Penawaran Umum Obligasi

Pada bulan Mei 2014, Bank melakukan penawaran umum Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) dengan tingkat bunga tetap sebesar 11,35% dan dalam jangka waktu 7 tahun sejak tanggal emisi.

Pada bulan Maret 2015, Bank melakukan penawaran umum Obligasi I Bank UOB Indonesia Tahun 2015 dengan jumlah pokok sebesar Rp1.500.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A, Obligasi Seri B dan Obligasi Seri C dengan tingkat bunga tetap masing-masing sebesar 8,60%, 9,40%, dan 9,60% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi.

Bank telah melakukan pelunasan pokok atas Obligasi I Bank UOB Indonesia Tahun 2015 Seri A dan Seri B dengan nilai nominal masing-masing sebesar Rp400.000.000.000 dan Rp600.000.000.000 (nilai penuh) yang jatuh tempo masing-masing pada tanggal 11 April 2016 dan 1 April 2018.

Pada bulan November 2016, Bank melakukan Penawaran Umum Obligasi Berkelanjutan I Bank UOB Indonesia dan Penawaran Umum Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia dengan target total dana yang dihimpun masing-masing sebesar Rp2.000.000.000.000 (nilai penuh) dan Rp1.000.000.000.000 (nilai penuh).

1. General (continued)

a. Establishment of the Bank and General Information (continued)

In May 2011, the Bank changed its name from PT Bank UOB Buana into PT Bank UOB Indonesia and has obtained approval from the Central Bank by virtue of BI Governor Decree No. 13/34/KEP.GBI/2011 dated 19 May 2011 regarding the Change of Business Permit Use on Behalf of PT Bank UOB Buana into a Business License Under Name of PT Bank UOB Indonesia.

Public Offering of Bonds

In May 2014, the Bank issued Bank UOB Indonesia Subordinated Bonds I Year 2014 amounting to Rp1,000,000,000,000 (full amount) with fixed interest rate of 11.35% and tenor of 7 years since issuance date.

In March 2015 the Bank issued Bank UOB Indonesia Bonds I Year 2015 amounting to Rp1,500,000,000,000 (full amount) which consist of Bonds Series A, Series B and Series C with fixed interest rate of 8.60%, 9.40%, and 9.60%, respectively and tenor of 370 days, 3 years, and 5 years since issuance date, respectively.

The Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A and Series B with a nominal value Rp400,000,000,000 and Rp600,000,000,000 (full amount), respectively and which matured on 11 April 2016 and 1 April 2018, respectively.

On November 2016, Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering I and Bank UOB Indonesia Subordinate Debt Shelf Offering I with total fund of Rp2,000,000,000,000 (full amount) and Rp1,000,000,000,000 (full amount), respectively.

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1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi-Obligasi sebagai berikut:

1. Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 pada bulan November 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).

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).

2. Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 pada bulan November 2016 yang 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).
3. Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 pada bulan Oktober 2017 yang 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).
4. Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018 pada bulan Mei 2018 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp862.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp83.000.000.000 (nilai penuh) dan Obligasi Seri C sebesar Rp55.000.000.000 (nilai penuh) dengan tingkat bunga tetap masing-masing sebesar 6,15%, 7,40%, dan 7,65% dalam jangka waktu masing-masing 370 hari, 3 tahun dan 5 tahun sejak tanggal emisi (Catatan 23).

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1. General (continued)

a. Establishment of the Bank and General Information (continued)

Regarding the public offering, Bank issued bonds as follow:

1. UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 in November 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).

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).

2. UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 in November 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).
3. UOB Indonesia Subordinate Debt Shelf Offering I Phase II 2017 in October 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).
4. UOB Indonesia Senior Debt Shelf Offering I Phase II Year 2018 in May 2018 totalling to Rp1,000,000,000,000 (full amount) consist of Bonds Series A amounting to Rp862,000,000,000 (full amount), Series B amounting to Rp83,000,000,000 (full amount) and Series C amounting to Rp55,000,000,000 (full amount) which with fixed interest rate of 6.15%, 7.40%, and 7.65%, and tenor of 370 days, 3 years and 5 years since issuance date, respectively (Note 23).

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1. Umum (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Pada bulan Desember 2018, Bank melakukan Penawaran Umum Berkelanjutan II Bank UOB Indonesia dengan target total dana yang dihimpun sebesar Rp3.000.000.000.000 (nilai penuh).

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi Berkelanjutan II Bank UOB Indonesia Tahap I Tahun 2019 pada tanggal 9 Januari 2019 dengan jumlah pokok sebesar Rp100.000.000.000 (nilai penuh) dengan tingkat bunga tetap sebesar 8,20%, dalam jangka waktu 370 hari (Catatan 23).

Perubahan Anggaran Dasar Bank terakhir adalah sebagaimana dinyatakan dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham No. 68 tanggal 25 Mei 2012 mengenai ketentuan Direksi Bank, yang dibuat di hadapan Fathiah Helmi, SH, Notaris di Jakarta. Perubahan Anggaran Dasar Bank tersebut telah diterima dan dicatat oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana tercantum dalam Surat No. AHU-AH.01.10-45670 tanggal 26 Desember 2012.

Kantor pusat Bank berlokasi di Jl. M.H. Thamrin No. 10, Jakarta. Pada tanggal 31 Desember 2018, 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.

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).

1. General (continued)

a. Establishment of the Bank and General Information (continued)

On December 2018, Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering II with total fund of Rp3,000,000,000,000 (full amount).

Regarding the public offering, Bank issued UOB Indonesia Senior Debt Shelf Offering II Phase I Year 2019 on 9 January 2019 totalling to Rp100,000,000,000 (full amount) with fixed interest rate of 8.20% and tenor of 370 days since issuance date, respectively (Note 23).

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.

The Bank's head office is located in Jl. M.H. Thamrin No. 10, Jakarta. As of 31 December 2018, 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.

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).

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1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan

Susunan Dewan Komisaris pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/ 31 December 2018
Komisaris Utama	Wee Cho Yaw
Wakil Komisaris Utama	Wee Ee Cheong
Komisaris	Lee Chin Yong Francis
Komisaris Independen	Wayan Alit Antara
Komisaris Independen	Aswin Wirjadi
Komisaris Independen	VJH Boentaran Lesmana**)

1. General (continued)

b. Boards of Commissioners and Directors and Employees

The composition of the Bank's Board of Commissioners as of 31 December 2018 and 2017, are as follows:

	31 Desember/ 31 December 2017	
Wee Cho Yaw	Wee Cho Yaw	President Commissioner
Wee Ee Cheong	Wee Ee Cheong	Deputy President Commissioner
Lee Chin Yong Francis	Lee Chin Yong Francis	Commissioner
Wayan Alit Antara	Wayan Alit Antara	Independent Commissioner
Aswin Wirjadi	Aswin Wirjadi	Independent Commissioner
Rusdy Daryono *)	Rusdy Daryono *)	Independent Commissioner

* Rusdy Daryono efektif mengundurkan diri berdasarkan Rapat Umum Pemegang Saham Tahunan yang diadakan pada tanggal 9 Mei 2018. / Rusdy Daryono effectively resigned upon the Annual General Meeting of Shareholders convened on 9 May 2018.

** VJH Boentaran Lesmana efektif menjabat sebagai Komisaris Independen berdasarkan Rapat Umum Pemegang Saham Tahunan yang diadakan pada tanggal 9 Mei 2018 dan telah mendapatkan persetujuan dari Otoritas Jasa Keuangan melalui Keputusan Anggota Dewan Komisiner Otoritas Jasa Keuangan Nomor Kep-236/D.03/2017 tanggal 22 Desember 2017. / VJH Boentaran Lesmana become effective holding position as Independent Commissioner based on the Annual General Meeting of Shareholders convened on 9 May 2018 and approval from Financial Services Authority through Decree of Board of Commissioners Members of Financial Services Authority Number Kep-236/D.03/2017 dated 22 December 2017.

Susunan Direksi Bank pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

The composition of the Bank's Board of Directors as of 31 December 2018 and 2017, are as follows:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Direksi			Boards of Directors
Direktur Utama	Lam Sai Yoke	Lam Sai Yoke	President Director
Wakil Direktur Utama	Iwan Satawidinata***)	Iwan Satawidinata	Deputy President Director
Direktur Keuangan dan Layanan Korporasi	Muljono Tjandra	Muljono Tjandra	Finance and Corporate Services Director
Direktur Channels	-	Pardi Kendy *)	Channels Director
Direktur Kepatuhan	Soehadie Tansol	Soehadie Tansol	Compliance Director
Direktur Manajemen Risiko	Henky Sulisty	Henky Sulisty	Risk Management Director
Direktur Teknologi dan Operasional	Paul Rafiuly**)	-	Technology and Operations Director

* Pardi Kendy efektif mengundurkan diri berdasarkan Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 11 Oktober 2018. / Pardi Kendy effectively resigned upon the Extraordinary General Meeting of Shareholders convened on 11 October 2018.

** Paul Rafiuly efektif menjabat sebagai Direktur Perseroan berdasarkan Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 11 Oktober 2018 dan telah mendapatkan persetujuan dari Otoritas Jasa Keuangan melalui Salinan Keputusan Anggota Dewan Komisiner Otoritas Jasa Keuangan Nomor Kep-143/D.03/2018 tanggal 27 Agustus 2018. / Paul Rafiuly become effective holding position as Director of the Company based on the Extraordinary General Meeting of Shareholders convened on 11 October 2018 and received approval from the Financial Services Authority through Decree of Board of Commissioners Members of Financial Services Authority Number Kep-143/D.03/2018 dated 27 August 2018.

*** Iwan Satawidinata telah mengajukan surat pengunduran diri sebagai Wakil Direktur Utama Perseroan pada tanggal 8 Januari 2019 dan akan berlaku efektif setelah mendapatkan persetujuan Rapat Umum Pemegang Saham Luar Biasa. / Iwan Satawidinata has submitted a resignation letter as Deputy President Director of the Company on 8 January 2019 and will be effective upon the approval of the Extraordinary General Meeting of Shareholders.

Per tanggal 31 Desember 2018, Susunan Komite Audit diputuskan melalui Rapat Dewan Komisaris tanggal 11 Oktober 2018 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 18/SKDIR/0061 tanggal 15 Oktober 2018.

As of 31 December 2018, Composition of the Audit Committee was appointed based on the Resolution of Board of Commissioners Meeting on 11 October 2018 and established by Decree of the Board of Directors No. 18/SKDIR/0061 dated 15 October 2018.

Per tanggal 31 Desember 2017, Susunan Komite Audit diputuskan melalui Rapat Dewan Komisaris 26 Juni 2015 dan ditetapkan berdasarkan Surat Keputusan Direksi No. 15/SKDIR/0025 tanggal 30 Juni 2015.

As of 31 December 2017, Composition of the Audit Committee was appointed based on the Resolution of Board of Commissioners Meeting on 26 June 2015 and established by Decree of the Board of Directors No. 15/SKDIR/0025 dated 30 June 2015.

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1. Umum (lanjutan)

b. Dewan Komisaris dan Direksi dan Karyawan (lanjutan)

Susunan Komite Audit pada tanggal 31 Desember 2018 dan 2017 sebagai berikut :

**Komite Audit/
Audit Committee**

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Komite Audit		
Ketua Komite Audit	Wayan Alit Antara	Wayan Alit Antara
Anggota	Setiawan Kriswanto	Thomas Abdon
Anggota	Nina Diyanti Anwar	Winnie Widya

Per tanggal 31 Desember 2018 dan 2017, Kepala Sekretaris Perusahaan Bank adalah Susilowati berdasarkan Surat Keputusan Direksi No. 15/SKDIR/0021 tanggal 25 Juni 2015.

Pada tanggal 31 Desember 2018, Kepala Satuan Kerja Audit Intern (Kepala SKAI) adalah Dawny Rachella Tahar berdasarkan Surat Keputusan Direksi 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).

Imbalan kerja jangka pendek yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp40.496 dan Rp35.530.

Imbalan kerja jangka panjang yang diterima oleh Dewan Komisaris dan Direksi Bank untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp7.569 dan Rp2.919. Biaya yang dikeluarkan oleh Bank terkait program imbalan pasca kerja Dewan Komisaris dan Direksi Bank dengan jumlah masing-masing sebesar Rp987 dan Rp950, untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017.

Pada tanggal 31 Desember 2018 dan 2017 total karyawan masing-masing sebanyak 4.038 dan 4.028 orang.

1. General (continued)

b. Boards of Commissioners and Directors and Employees (continued)

Composition of the Audit Committee on 31 December 2018 and 2017, are as follows:

Audit Committee
Head of Audit Committee
Member
Member

As of 31 December 2018 and 2017, Head Corporate Secretary is Susilowati based on the Board of Directors Decree No. 15/DIR/0021 dated 25 June 2015.

As of 31 December 2018, Internal Audit Unit Head is Dawny Rachella Tahar based on the Board of Directors' Decree 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.

Short-term employee benefits received by the Bank's Boards of Commissioners and Directors for the year ended 31 December 2018 and 2017 amounted to Rp40,496 and Rp35,530, respectively.

Long-term employee benefits received by Bank's Boards of Commissioners and Directors for the years ended 31 December 2018 and 2017 amounted to Rp7,569 and Rp2,919, respectively. Expenses incurred by the Bank relating to post-employment benefits the Bank's Boards of Commissioners and Directors amounted to Rp987 and Rp950, for the years ended 31 December 2018 and 2017, respectively.

As of 31 December 2018 and 2017, the Bank had 4,038 and 4,028 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 2018 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 dan bank lain, dan investasi 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 2018, 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 and other banks, and financial investments, 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. 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 tentang "Pengungkapan Pihak-pihak Berelasi".

Seluruh transaksi yang signifikan dengan pihak berelasi telah diungkapkan dalam catatan atas laporan keuangan.

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya (entitas pelapor). Yang termasuk pihak berelasi adalah sebagai berikut:

1. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - a. Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - b. Memiliki pengaruh signifikan atas entitas pelapor; atau
 - c. Merupakan personil manajemen kunci entitas pelapor atau entitas induk pelapor.
2. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal sebagai berikut:
 - a. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain);

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 SFAS No. 7, "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)

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).
- h. Entitas, atau anggota dari kelompok dimana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor

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".

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).
- h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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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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).

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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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".

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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Pengakuan dan Pengukuran (lanjutan)

Aset Keuangan (lanjutan)

b) Aset keuangan tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang tidak diklasifikasikan sebagai dimiliki untuk diperdagangkan atau ditetapkan pada nilai wajar melalui laporan laba rugi. Setelah pengukuran awal, instrumen keuangan tersedia untuk dijual selanjutnya diukur sebesar nilai wajar. Keuntungan dan kerugian yang belum direalisasi diakui sebagai penghasilan komprehensif lainnya (sebagai "Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto").

c) Aset keuangan yang dimiliki hingga jatuh tempo

Aset keuangan yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

Setelah pengakuan awal, aset keuangan yang dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif (EIR), dikurangi dengan penurunan nilai. Biaya perolehan diamortisasi dengan memperhitungkan diskonto atau premi pada awal akuisisi dan fee/biaya sebagai bagian yang tidak terpisahkan dari EIR. Amortisasi dan kerugian yang timbul dari penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Recognition and Measurement (continued)

Financial Assets (continued)

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are neither classified as held-for-trading nor designated as at fair value through profit or loss. After initial measurement, available-for-sale financial instruments are subsequently measured at fair value. Unrealized gains and losses are recognized as other comprehensive income (as "Unrealized gain (loss) on available-for-sale securities - net").

c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has positive intention and ability to hold the financial assets to maturity.

After initial measurement, held-to-maturity financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees/costs that are an integral part of the EIR. The amortization and the losses arising from impairment of such investments are recognized in the statement of profit or loss and other comprehensive income.

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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 dikuotasi 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.

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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 (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.

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2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Pengakuan dan Pengukuran (lanjutan)

Recognition and Measurement (continued)

Aset Keuangan (lanjutan)

Financial Assets (continued)

d) Pinjaman yang diberikan dan piutang (lanjutan)

d) Loans and receivables (continued)

Bank mengakui pendapatan bunga dengan menggunakan tingkat pengembalian yang mewakili estimasi terbaik dari tingkat pengembalian konstan selama *expected behavioural life* atas kredit yang diberikan dan mengakui dampak dari tingkat bunga yang berpotensi berbeda yang dibebankan pada berbagai tahap dan karakteristik lainnya dari siklus hidup produk (termasuk pembayaran di muka, biaya bunga dan biaya penalti). Estimasi ini, pada dasarnya, memerlukan elemen penilaian mengenai perilaku yang diharapkan dan siklus hidup instrumen, serta biaya yang diharapkan untuk tarif dasar Bank dan pendapatan/pengeluaran *fee* lainnya yang merupakan bagian integral dari instrumen.

The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rate charged at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected charges to Bank's base rate and other fee income/expense that are integral parts of the instrument.

Sejak Agustus 2018, Manajemen mengubah estimasi ekspektasi umur kredit perumahan dari pendekatan umur kontraktual menjadi umur *behaviour*.

Since August 2018, Management changed the estimated expected life of mortgage loan from contractual life to behaviour life approach.

Liabilitas Keuangan

Financial Liabilities

a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

a) Financial liabilities at fair value through profit or loss

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi terdiri dari dua sub-kategori, yaitu liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laporan laba rugi.

Financial liabilities at fair value through profit or loss consist of two sub-categories; financial liabilities classified as held for trading and financial liabilities designated by the Bank as at fair value through profit or loss upon initial recognition.

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Pengakuan dan Pengukuran (lanjutan)

Liabilitas Keuangan (lanjutan)

- a) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi (lanjutan)

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti pola ambil untung dalam jangka pendek terkini. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas yang diklasifikasikan sebagai diperdagangkan dan yang diukur dari nilai wajar melalui laporan laba rugi dicatat melalui laporan laba rugi 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 (continued)

- a) Financial liabilities at fair value through profit or loss (continued)

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of 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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2. Summary of Significant Accounting Policies (continued)

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c. Financial Assets and Liabilities (continued)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut:

The following table presents financial instruments classification of the Bank based on their characteristic:

Instrumen Keuangan dan Klasifikasinya

Financial Instruments and their Classification

Aset keuangan:

Financial assets:

Kas
Pinjaman yang diberikan dan piutang

Cash
Loans and receivables

Giro pada Bank Indonesia
Pinjaman yang diberikan dan piutang

Current accounts with Bank Indonesia
Loans and receivables

Giro pada bank lain
Pinjaman yang diberikan dan piutang

Current accounts with other bank
Loans and receivables

Penempatan pada Bank Indonesia dan bank lain
Pinjaman yang diberikan dan piutang

Placements with Bank Indonesia and other banks
Loans and receivables

Efek-efek yang diperdagangkan
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Trading Securities
Financial assets at fair value through profit or loss

Investasi keuangan
Aset keuangan yang dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual

Financial investments
Held-to-maturity financial assets and Available-for-sale financial assets

Tagihan derivatif
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Derivatives receivable
Financial assets at fair value through profit or loss

Kredit yang diberikan
Pinjaman yang diberikan dan piutang
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi

Loans
Loans and receivables
Financial assets at fair value through profit or loss

Tagihan atas surat berharga yang dibeli dengan janji dijual kembali
Pinjaman yang diberikan dan piutang

Receivables on securities purchased with agreements to resell
Loans and receivables

Tagihan akseptasi
Pinjaman yang diberikan dan piutang

Acceptances receivable
Loans and receivables

Aset lain-lain
Pinjaman yang diberikan dan piutang

Other assets
Loans and receivables

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2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut: (lanjutan)

The following table presents financial instruments classification of the Bank based on their characteristic: (continued)

Instrumen Keuangan dan Klasifikasinya (lanjutan)

Financial Instruments and their Classification (continued)

Liabilitas keuangan:

Financial liabilities:

Liabilitas segera

Current liabilities

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Simpanan

Deposits

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Bunga yang masih harus dibayar

Interest payable

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Simpanan dari bank lain

Deposit from other bank

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Liabilitas derivatif

Derivatives payable

Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Financial liabilities at fair value through profit or loss

Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali

Liabilities on securities sold under repurchase agreements

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Efek hutang yang diterbitkan

Debt securities issued

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Pinjaman yang diterima

Borrowings

Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi

Financial liabilities at fair value through profit or loss

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Liabilitas akseptasi

Acceptances payable

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

Liabilitas lain-lain

Other liabilities

Liabilitas keuangan yang diukur pada biaya perolehan setelah diamortisasi

Financial liabilities measured at amortized cost

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Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Penghentian Pengakuan

a. Aset keuangan dihentikan pengakuannya jika:

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Bank telah mentransfer hak-nya untuk menerima arus kas yang berasal dari aset keuangan atau menanggung kewajiban untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (*pass through arrangement*); dan
- (a) Bank telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Bank tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

Ketika Bank telah mentransfer hak untuk menerima arus kas dari aset atau di bawah kesepakatan pelepasan (*pass through arrangement*), dan tidak mentransfer serta tidak memiliki secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Bank yang berkelanjutan atas aset tersebut.

Kredit yang diberikan atau aset keuangan lain dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian kredit dalam waktu dekat atau hubungan normal antara Bank dan debitur telah berakhir. Kredit yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Penerimaan kemudian atas kredit yang telah dihapusbukukan sebelumnya, jika pada periode berjalan dikreditkan ke dalam akun cadangan kerugian penurunan nilai atas kredit yang diberikan di laporan posisi keuangan, sedangkan jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows from the financial assets have expired; or
- The Bank has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a "pass through arrangement"; and
- (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a "pass through arrangement", and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

Loans and receivables or other financial assets are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Bank and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent recoveries of loans previously written off, are added to the allowance for impairment losses account in the statement of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operational income, if recovered after the statement of financial position date.

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Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Penghentian Pengakuan (lanjutan)

- b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas keuangan tersebut berakhir, yaitu ketika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

Jika suatu liabilitas keuangan yang ada digantikan dengan yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, seperti pertukaran atau modifikasi yang diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Saling Hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan pada laporan posisi keuangan jika, dan hanya jika, saat ini terdapat hak yang berkekuatan hukum untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan. Hak yang berkekuatan hukum berarti:

- a. tidak terdapat kontinjensi di masa yang akan datang, dan
- b. hak yang berkekuatan hukum pada kondisi-kondisi berikut ini;
 - i. kegiatan 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. 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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c. Financial Assets and Liabilities (continued)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Nilai Wajar (lanjutan)

Fair Value (continued)

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Di pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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 ekonomi terbaiknya.

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.

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.

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.

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.

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.

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:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : 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;

- 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;

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Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Nilai Wajar (lanjutan)

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan: (lanjutan)

- Level 3 : Input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Untuk aset dan liabilitas yang diakui pada laporan keuangan secara berulang, Bank menentukan apakah terjadi transfer antara level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan input level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

Reklasifikasi Instrumen Keuangan

Bank tidak melakukan reklasifikasi instrumen keuangan dari atau ke klasifikasi yang diukur pada nilai wajar melalui laporan laba rugi selama instrumen keuangan tersebut dimiliki atau diterbitkan.

Bank tidak mereklasifikasi setiap instrumen keuangan dari diukur pada nilai wajar melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Bank sebagai diukur pada nilai wajar melalui laba rugi.

Bank mereklasifikasi aset keuangan dari diukur pada nilai wajar jika aset keuangan tersebut tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali dalam waktu dekat (meskipun aset keuangan mungkin telah diperoleh atau timbul terutama untuk tujuan penjualan atau pembelian kembali dalam waktu dekat).

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Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Fair Value (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (continued)

- Level 3 : inputs for the asset and liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Reclassification of Financial Instruments

The Bank shall not reclassify any financial instrument out of or into the fair value through profit or loss classification while it is held or issued.

The Bank does not reclassify any financial instrument out of fair value through profit or loss classification if upon initial recognition the financial instrument is designated by the Bank as at fair value through profit or loss.

The Bank reclassify a financial asset out of fair value through profit or loss classification if the financial asset no longer incurred for the purpose of selling or repurchasing it in the near term (although the financial asset may have been acquired or intended principally for the purpose of selling or repurchasing it in the near term).

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**Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)**

Reklasifikasi Instrumen Keuangan (lanjutan)

Persyaratan untuk reklasifikasi adalah:

- a) Dilakukan dalam situasi yang langka,
- b) Memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak diisyaratkan untuk diklasifikasikan sebagai diperdagangkan pada pengakuan awal) dan Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi instrumen keuangan ke dalam kategori nilai wajar melalui laba rugi setelah pengakuan awal.

Bank mereklasifikasi aset keuangan yang diklasifikasikan sebagai tersedia untuk dijual yang memenuhi definisi pinjaman yang diberikan dan piutang (jika aset keuangan tidak ditetapkan sebagai tersedia untuk dijual) dari tersedia untuk dijual jika Bank memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak mereklasifikasi aset keuangan yang dikategorikan dimiliki hingga jatuh tempo. Jika terjadi penjualan atau reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (selain dari kondisi spesifik tertentu), maka seluruh aset keuangan yang dimiliki hingga jatuh tempo akan direklasifikasi menjadi aset keuangan yang tersedia untuk dijual. Selanjutnya, Bank tidak akan mengklasifikasi aset keuangan sebagai aset keuangan yang dimiliki hingga jatuh tempo selama dua tahun berikutnya.

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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)

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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2. Summary of Significant Accounting Policies (continued)

c. Aset dan Liabilitas Keuangan (lanjutan)

c. Financial Assets and Liabilities (continued)

Aset dan Liabilitas Keuangan (Selain Investasi pada Sukuk) (lanjutan)

Financial Assets and Liabilities (Other Than Investment in Sukuk) (continued)

Reklasifikasi Instrumen Keuangan (lanjutan)

Reclassification of Financial Instruments (continued)

Kondisi spesifik tertentu yang dimaksud adalah sebagai berikut:

The certain specific circumstances are as follows:

- a) Dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, sehingga perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut.
- b) Ketika Bank telah memperoleh secara substansial seluruh jumlah pokok aset-aset keuangan tersebut sesuai jadwal pembayaran atau Bank telah memperoleh pelunasan dipercepat; atau
- c) Terkait dengan kejadian tertentu yang berada di luar kendali Bank, tidak terulang, dan tidak dapat diantisipasi secara wajar oleh Bank.

- 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.

Reklasifikasi aset keuangan dari kelompok diukur pada nilai wajar melalui laba rugi ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang telah diakui sebagai laba rugi tidak dapat dibalik.

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.

Reklasifikasi aset keuangan dari kelompok tersedia untuk dijual ke dalam kelompok pinjaman yang diberikan dan piutang dicatat pada biaya perolehan atau biaya perolehan diamortisasi. Keuntungan atau kerugian belum direalisasi yang sebelumnya diakui dalam ekuitas dicatat dengan cara sebagai berikut:

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) Jika aset keuangan memiliki jatuh tempo tetap, keuntungan atau kerugian diamortisasi ke laba rugi selama sisa umur investasi dengan EIR.
- b) Jika aset keuangan tidak memiliki jatuh tempo yang tetap, keuntungan atau kerugian tetap dalam ekuitas sampai aset keuangan tersebut dijual atau dilepaskan dan pada saat itu keuntungan atau kerugian diakui dalam laba rugi dan penghasilan komprehensif lain.

- 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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c. Aset dan Liabilitas Keuangan (lanjutan)

**Aset dan Liabilitas Keuangan (Selain
Investasi pada Sukuk) (lanjutan)**

Reklasifikasi Instrumen Keuangan (lanjutan)

Reklasifikasi aset keuangan dari kelompok yang dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi diakui dalam ekuitas sampai aset keuangan tersebut dihentikan pengakuannya dan pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Investasi pada Sukuk

Efek-efek dan obligasi Pemerintah syariah, kecuali Reksadana, diklasifikasikan berdasarkan model usaha yang ditentukan oleh Bank pada saat pembelian surat berharga tersebut didasarkan atas klasifikasi yang sesuai dengan PSAK No. 110 tentang "Akuntansi Sukuk" sebagai berikut:

- a. Surat berharga diukur pada biaya perolehan disajikan sebesar biaya perolehan (termasuk biaya transaksi) yang disesuaikan dengan premi dan/atau diskonto yang belum diamortisasi. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.
- b. Surat berharga diukur pada nilai wajar melalui laba rugi, yang dinyatakan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam laporan laba rugi tahun yang bersangkutan.
- c. Surat berharga yang diukur pada nilai wajar melalui penghasilan komprehensif lainnya. Surat berharga disajikan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam penghasilan komprehensif lain. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.

2. Summary of Significant Accounting Policies (continued)

c. Financial Assets and Liabilities (continued)

**Financial Assets and Liabilities (Other Than
Investment in Sukuk) (continued)**

Reclassification of Financial Instruments (continued)

Reclassification of held-to-maturity financial asset to available-for-sale is recorded at fair value. The unrealized gain or loss is recognized in equity until the time financial assets is derecognized and at the time the cumulative gain or loss previously recognized in equity shall be recognized in the statement of profit or loss and other comprehensive income.

Investment in Sukuk

Sharia securities and Government bonds, except for Reksadana, are classified based on business model, determined by the Bank at the date of purchase in accordance with SFAS No. 110 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. Unrealised 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. 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. 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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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.

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2. Summary of Significant Accounting Policies (continued)

h. Instrumen Keuangan Derivatif (lanjutan)

h. Derivatives Financial Instruments (continued)

Keuntungan atau kerugian dari kontrak derivatif yang tidak ditujukan untuk lindung nilai (atau tidak memenuhi kriteria untuk dapat diklasifikasikan sebagai lindung nilai) diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Gain or loss on a derivative contract not designated as a hedging instrument (or does not qualify as a hedging instrument) is recognized in the current year statement of profit or loss and comprehensive income.

Instrumen derivatif melekat dipisahkan dari kontrak utama non-derivatif dan diperlakukan sebagai instrumen derivatif jika seluruh kriteria berikut terpenuhi:

Embedded derivatives instruments are separated from their host non-derivative contract and accounted for as a derivative instrument if all of the following criteria are met:

1. Risiko dan karakteristik ekonomi dari derivatif melekat tidak secara erat berhubungan dengan karakteristik dan risiko kontrak utama.
2. Instrumen terpisah dengan kondisi yang sama dengan instrumen derivatif melekat memenuhi definisi dari derivatif, dan
3. Instrumen hibrid (kombinasi) tidak diukur pada harga wajar dengan perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain (yaitu derivatif melekat dalam aset keuangan atau liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi tidak dipisahkan).

1. *The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.*
2. *A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and*
3. *The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in 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).*

Akuntansi Lindung Nilai

Hedge Accounting

Bank menerapkan akuntansi lindung nilai untuk beberapa transaksi derivatif ketika memenuhi kriteria dibawah ini:

The Bank applies hedge accounting on certain derivative transactions when it meets the specified criterias below:

1. Pada awal hubungan lindung nilai, Bank secara formal mendokumentasikan hubungan antara item yang dilindung nilai dengan instrumen lindung nilainya, jenis risiko, tujuan dan strategi dalam melaksanakan lindung nilai serta metodologi yang digunakan untuk menilai keefektifan lindung nilai tersebut.
2. Selanjutnya, 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 dilindungi. Lindung nilai dinilai setiap kuartal.

1. *At the beginning of a hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess hedging effectiveness.*
2. *Subsequently, an assessment is done to ensure that the hedging instrument is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk. Hedges are assessed quarterly.*

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2. Summary of Significant Accounting Policies (continued)

h. Instrumen Keuangan Derivatif (lanjutan)

h. Derivatives Financial Instruments (continued)

Akuntansi Lindung Nilai (lanjutan)

Hedge Accounting (continued)

Lindung nilai diharapkan menjadi sangat efektif jika perubahan nilai wajar atau arus kas dari *item* yang dilindungi dinilai terkait dengan risiko yang dilindungi dinilai 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 dilindungi 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.

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.

Lindung nilai atas nilai wajar

Fair value hedge

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.

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. Kredit yang Diberikan

i. Loans

Kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan EIR dikurangi cadangan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan nilai kredit pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode EIR yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penurunan untuk penurunan nilai atau nilai yang tidak dapat ditagih. Amortisasi tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

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.

Cadangan kerugian atas penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

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. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

i. Kredit yang Diberikan (lanjutan)

Kredit sindikasi dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

Restrukturisasi Kredit

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit hanya diakui bila nilai tunai penerimaan kas masa depan yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai kredit yang diberikan yang tercatat sebelum restrukturisasi.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya adalah kurang dari nilai tercatat kredit yang diberikan.

Saat ini hanya terdapat restrukturisasi kredit dengan menggunakan metode perpanjangan jangka waktu kredit.

j. Tagihan dan Liabilitas Akseptasi

Tagihan akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR, dikurangi dengan cadangan kerugian penurunan nilai. Liabilitas akseptasi diukur pada biaya perolehan diamortisasi menggunakan metode EIR.

Cadangan kerugian penurunan nilai dilakukan bila terdapat bukti yang obyektif mengenai penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2k.

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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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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

k. Penurunan Nilai Aset Keuangan

k. Impairment of Financial Assets

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.

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.

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).

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 month; in exceptional cases, longer periods are warranted.

Untuk aset keuangan yang dicatat pada biaya perolehan diamortisasi, Bank pada awalnya menentukan apakah terdapat bukti objektif penurunan nilai secara individual atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual.

For financial assets carried at amortized cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

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k. Penurunan Nilai Aset Keuangan (lanjutan)

Penilaian secara individual dilakukan atas aset keuangan yang signifikan yang memiliki bukti objektif penurunan nilai. Aset keuangan yang tidak signifikan dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan dilakukan penilaian secara kolektif.

Jika Bank menyimpulkan tidak terdapat bukti objektif penurunan nilai aset keuangan yang dinilai secara individual, maka Bank memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan menilai penurunan nilai kelompok tersebut secara kolektif.

Bank menetapkan kredit yang dievaluasi penurunan nilainya secara individual, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual memiliki nilai signifikan tertentu dan memiliki bukti obyektif penurunan nilai;
2. Kredit yang direstrukturisasi yang secara individual memiliki nilai signifikan.

Cadangan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows*).

Bank menetapkan bahwa kredit dievaluasi penurunan nilainya secara kolektif, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual bernilai signifikan dan tidak memiliki bukti obyektif penurunan nilai.
2. Kredit yang secara individual bernilai tidak signifikan.
3. Kredit yang telah direstrukturisasi yang secara individual bernilai tidak signifikan.

Bank menerapkan cadangan penurunan nilai secara kolektif yang dihitung dengan menggunakan metode statistik atas data historis berupa *probability of default* di masa lalu, waktu pemulihan dan jumlah kerugian yang terjadi (*Loss Given Default*) yang selanjutnya disesuaikan lagi dengan pertimbangan manajemen terkait kondisi ekonomi dan kredit saat ini.

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2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

Individual assessment is performed on the significant financial assets that had objective evidence of impairment. The insignificant financial assets are included in the group of financial assets with similar credit risk characteristics and assessed collectively.

However, if the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, the Bank includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The Bank determines loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. *Loans which individually have certain significant value and objective evidence of impairment;*
2. *Restructured loans which individually have significant value.*

Allowance for impairment losses on impaired financial assets that is assessed individually by using discounted cash flows method.

The Bank determines that loans to be evaluated for impairment through collective evaluation if one of the following criteria is met:

1. *Loans which individually have significant value and there is no objective evidence of impairment.*
2. *Loans which individually have insignificant value.*
3. *Restructured loans which individually have insignificant value.*

The Bank provides allowance for impairment on impaired financial assets that was assessed collectively, using statistical method of the historical data such as the probability of defaults, time of recoveries, the amount of loss incurred (Loss Given Default), and by considering management's judgment of current economic and credit conditions.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

k. Penurunan Nilai Aset Keuangan (lanjutan)

k. Impairment of Financial Assets (continued)

Bank menggunakan *statistical model analysis method*, yaitu *roll rates analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

The Bank uses *statistical model analysis method*, i.e., *roll rate analysis method* to assess financial asset impairment collectively.

Bank menggunakan nilai wajar agunan (*fair value of collateral*) sebagai dasar dari arus kas masa datang apabila salah satu kondisi berikut terpenuhi:

The Bank uses the fair value of collateral as the basis for future cash flows if one of the following conditions is met:

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.

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.

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.

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.

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.

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. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

2. Summary of Significant Accounting Policies (continued)

k. Penurunan Nilai Aset Keuangan (lanjutan)

k. Impairment of Financial Assets (continued)

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.

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.

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.

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.

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.

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.

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.

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)

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 tentang "Penurunan Nilai Aset". Ketika sebuah indikator penurunan nilai ada atau ketika sebuah pengujian penurunan nilai tahunan untuk aset diperlukan, Bank membuat estimasi resmi atas jumlah terpulihkan.

2. Summary of Significant Accounting Policies (continued)

k. Impairment of Financial Assets (continued)

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in statement of profit or loss and other comprehensive income.

If the terms of the loans and receivables or held-to-maturity marketable securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the terms are modified.

If, in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that 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 SFAS No. 48, "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. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

I. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Nilai yang dapat dipulihkan adalah sebesar jumlah yang lebih tinggi dari nilai wajar aset (atau unit penghasil kas) dikurangi besarnya biaya untuk menjual dibandingkan dengan nilai pakai yang ditentukan untuk aset individu, kecuali aset tersebut menghasilkan arus kas masuk yang tidak tergantung lagi dari aset yang lain atau kumpulan aset, yang dalam hal jumlah terpulihkan dinilai sebagai bagian dari unit penghasil kas. Apabila nilai tercatat suatu aset (atau unit penghasil kas) melebihi jumlah terpulihkan, maka aset (atau unit penghasil kas) tersebut dianggap mengalami penurunan nilai dan diturunkan menjadi sebesar nilai yang dapat dipulihkan. Dalam menilai nilai pakai suatu aset, estimasi terhadap arus kas dipulihkan di masa depan akan didiskontokan menjadi nilai kini dengan menggunakan tingkat suku bunga diskonto sebelum pajak yang mencerminkan penilaian pasar terhadap nilai waktu dari kas dan risiko spesifik aset (atau unit penghasil kas) tersebut.

Kerugian penurunan nilai akan dibebankan pada periode yang bersangkutan, kecuali aset tersebut telah dicatat sebesar jumlah yang direvaluasi, dalam hal ini kerugian penurunan nilai tersebut akan dibebankan langsung ke dalam selisih penilaian kembali aset bersangkutan.

Bank melakukan evaluasi pada setiap tanggal pelaporan apakah terdapat indikasi bahwa pengakuan kerugian penurunan nilai sebelumnya mungkin tidak lagi ada atau telah menurun. Bila terdapat indikasi tersebut, maka jumlah terpulihkan akan diestimasi. Kerugian penurunan nilai yang sebelumnya telah diakui akan dibalik hanya jika telah terjadi perubahan dalam estimasi yang digunakan untuk menentukan jumlah terpulihkan aset sejak kerugian penurunan nilai terakhir diakui. Jika demikian, nilai tercatat aset akan ditingkatkan sejumlah nilai terpulihkan.

2. Summary of Significant Accounting Policies (continued)

I. Impairment of Non-Financial Assets (continued)

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. When the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. For assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations on the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

An assessment is made at each reporting date as to whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amounts are estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

l. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Peningkatan nilai aset setelah penilaian kembali oleh Bank tidak dapat melebihi nilai tercatat yang seharusnya diakui, setelah dikurangi penyusutan jika diasumsikan tidak terdapat penurunan nilai pada tahun sebelumnya. Pembalikan tersebut diakui di dalam laporan laba rugi dan penghasilan komprehensif lain kecuali jika aset tersebut dicatat sebesar nilai yang dipulihkan dimana pembalikannya akan diakui sebagai peningkatan revaluasi. Setelah pembalikan tersebut dicatat, beban penyusutan akan disesuaikan ke depan untuk mengalokasikan nilai tercatat aset yang telah direvaluasi setelah dikurangi nilai sisa yang diperhitungkan secara sistematis sepanjang masa manfaat aset tersebut.

m. Efek-efek yang dibeli/dijual dengan janji dijual/dibeli kembali

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar jumlah penjualan kembali dikurangi dengan pendapatan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan, dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual menggunakan suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar 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.

2. Summary of Significant Accounting Policies (continued)

l. Impairment of Non-Financial Assets (continued)

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, minus any residual value, on a systematic basis over its remaining life.

m. Securities purchased/sold under agreements to resell/repurchase

Securities purchased under agreements to resell are classified as loans and receivables.

Securities purchased under agreements to resell are presented as 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. 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

Biaya pengurusan hak legal atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi.

Sementara biaya pengurusan atas perpanjangan atau pembaruan hak legal atas tanah dalam bentuk HGU, HGB dan HP dibebankan pada laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya karena nilainya tidak signifikan.

2. Summary of Significant Accounting Policies (continued)

n. Fixed Assets

Fixed assets are stated at cost minus accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria is satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

*Buildings and building improvements
Furniture and fixtures, office equipment
and vehicles*

*Buildings and building improvements
Furniture and fixtures, office equipment
and vehicles*

Legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Rights ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was acquired initially are recognized as part of the cost of the land under the "Fixed Assets" account and not amortized.

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP 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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2. Summary of Significant Accounting Policies (continued)

n. Fixed Assets (continued)

The residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively when appropriate, at each period end.

The Bank evaluates any indication of asset impairment in quarterly basis. The Bank determines the estimated realizable amount of its assets if there is an event or condition which indicates impairment of the asset.

o. Foreclosed Assets

Collaterals acquired through 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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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

q. Simpanan

Simpanan adalah dana yang dipercayakan oleh nasabah (di luar bank lain) kepada Bank berdasarkan perjanjian penyimpanan dana. Simpanan terdiri dari giro, tabungan dan deposito berjangka.

Giro, tabungan dan deposito berjangka diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal simpanan dan biaya transaksi yang merupakan bagian yang tak terpisahkan dari EIR.

r. Simpanan dari Bank Lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, dan *interbank call money* dengan periode jatuh tempo menurut perjanjian kurang dari atau sama dengan 90 hari dan deposito berjangka.

Simpanan dari bank lain diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan EIR. Biaya perolehan diamortisasi dihitung dengan memperhitungkan diskonto atau premi yang terkait dengan pengakuan awal simpanan dari bank lain dan biaya transaksi yang merupakan bagian yang tidak terpisahkan dari EIR.

s. 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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2. Summary of Significant Accounting Policies (continued)

q. Deposits

Deposits are deposits of customers (excluding other banks) with the Bank based on deposit agreements. Deposits consist of demand deposits, saving deposits and time deposit.

Demand deposits, saving deposits and time deposits are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits and transaction costs that are an integral part of the EIR.

r. Deposits from Other Banks

Deposits from other banks represent liabilities to other domestic and overseas banks, in the form of demand deposits, saving deposits, and interbank call money with maturity period based on agreement less than or equal to 90 days and time deposits.

Deposits from other banks are initially recognized at fair value and subsequently measured at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of deposits from other bank and transaction costs that are an integral part of the EIR.

s. 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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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.

2. Summary of Significant Accounting Policies (continued)

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 asset keuangan diakui sebagai bagian/(pengurang) atau penambah dari biaya perolehan asset keuangan yang bersangkutan dan akan diakui sebagai pendapatan dengan cara diamortisasi berdasarkan EIR sepanjang perkiraan umur asset 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 2018 dan 2017 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 2018 dan 2017, kurs tengah mata uang asing adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Pound Sterling Inggris	18.311,50	18.325,62
Euro Eropa	16.440,66	16.236,23
Franc Swiss	14.595,28	13.901,13
Dolar Amerika Serikat	14.380,00	13.567,50
Dolar Kanada	10.560,72	10.821,97
Dolar Singapura	10.554,91	10.154,56
Dolar Australia	10.162,35	10.594,19
Dolar Selandia Baru	9.659,05	9.650,57

2. Summary of Significant Accounting Policies (continued)

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 2018 and 2017, 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 2018 and 2017, the middle rates of the foreign currencies are as follows:

Great Britain Pound Sterling
European Euro
Swiss Franc
United States Dollar
Canadian Dollar
Singapore Dollar
Australian Dollar
New Zealand Dollar

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w. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, kurs tengah mata uang asing adalah sebagai berikut: (lanjutan)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Ringgit Malaysia	3.476,79	3.352,07
Yuan China Renminbi	2.090,57	2.083,64
Dolar Hong Kong	1.836,28	1.736,21
Kroner Swedia	1.605,04	1.650,05
Yen Jepang	130,62	120,52

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 direklasifikasi ke 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.

2. Summary of Significant Accounting Policies (continued)

w. Foreign Currency Transactions and Balances (continued)

As of 31 December 2018 and 2017, the middle rates of the foreign currencies are as follows: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Malaysian Ringgit			Ringgit Malaysia
Chinese Yuan Renminbi			Yuan China Renminbi
Hong Kong Dollar			Dolar Hong Kong
Swedish Kroner			Kroner Swedia
Japanese Yen			Yen Jepang

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 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, "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 pajak tangguhnya. Dengan metode ini, aset dan liabilitas pajak tangguhan diakui pada setiap tanggal pelaporan sebesar perbedaan temporer aset dan liabilitas untuk tujuan akuntansi dan tujuan pajak. Metode ini juga mengharuskan pengakuan manfaat pajak di masa akan datang, jika kemungkinan realisasi manfaat tersebut di masa mendatang cukup besar (*probable*). Tarif pajak yang berlaku atau yang secara substansial telah berlaku digunakan dalam menentukan pajak penghasilan tangguhan.

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aset pajak tangguhan tersebut.

2. Summary of Significant Accounting Policies (continued)

x. Employee Benefits (continued)

The interest costs and expected return on plan assets used in the previous version of SFAS No. 24 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 SFAS No. 46, "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 aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas tangguhan terkait pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Perubahan terhadap kewajiban perpajakan dicatat pada saat diterimanya surat ketetapan, atau apabila dilakukan banding, ketika hasil banding diterima.

z. Transaksi restrukturisasi antara entitas sepengendali

Bank menerapkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", yang menggantikan PSAK No. 38, "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.

2. Summary of Significant Accounting Policies (continued)

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 SFAS No. 38, "Business Combinations of Entities Under Common Control", which supersedes SFAS No. 38, "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 SFAS 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. 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 2018 yang dianggap relevan dengan Bank:

a. Amandemen PSAK No. 2: Laporan Arus Kas tentang Prakarsa Pengungkapan

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.

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 2018:

a. Amendments to SFAS No. 2: Statement of Cash Flows on the Disclosures Initiative

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.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ab. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)

Bank telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2018 yang dianggap relevan dengan Bank: (lanjutan)

- b. Amandemen PSAK No. 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi

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.

Bank telah mengevaluasi penyesuaian terhadap standar akuntansi tersebut tidak menimbulkan dampak yang signifikan terhadap laporan keuangan.

ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan

Dalam proses penerapan kebijakan akuntansi Bank, Manajemen telah melakukan pertimbangan dan estimasi profesional dalam menentukan jumlah yang diakui dalam laporan keuangan. Pertimbangan dan estimasi profesional yang signifikan adalah sebagai berikut:

Usaha yang berkelanjutan

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk melanjutkan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk melanjutkan usahanya di masa mendatang.

Selain itu, Manajemen menyadari bahwa tidak ada ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk melanjutkan kelangsungan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

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2. Summary of Significant Accounting Policies (continued)

ab. Change in accounting policies and disclosure (continued)

The Bank adopted the following accounting standards, which are considered relevant, starting on 1 January 2018: (continued)

- b. *Amendments to SFAS No. 46: Incomes Taxes on the Recognition of Deferred Tax assets for Unrealized Losses*

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.

The Bank has evaluated the amendment of these accounting standards did not have significant impact on the financial statements.

ac. Judgments and Significant Accounting Estimates

In the process of applying the Bank's accounting policies, Management has exercised professional judgment and made estimates in determining the amounts recognized in the financial statements. The most significant uses of the professional judgment and estimates are as follows:

Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future.

Furthermore, the Management realized that there are no material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Nilai wajar atas instrumen keuangan

Bila nilai wajar aset keuangan dan liabilitas keuangan yang tercatat pada laporan posisi keuangan tidak tersedia di pasar aktif, nilainya ditentukan dengan menggunakan berbagai teknik penilaian termasuk penggunaan model matematika. Masukan (*input*) untuk model ini berasal dari data pasar yang bisa diamati sepanjang data tersebut tersedia, namun bila data pasar yang bisa diamati tersebut tidak tersedia, digunakan pertimbangan manajemen untuk menentukan nilai wajar.

Pertimbangan manajemen tersebut mencakup pertimbangan likuiditas dan masukan model seperti volatilitas untuk transaksi derivatif yang berjangka panjang dan tingkat diskonto, tingkat pelunasan dipercepat dan asumsi tingkat gagal bayar.

Bank menampilkan nilai wajar atas instrumen keuangan berdasarkan hirarki nilai wajar sebagai berikut:

- Tingkat 1
harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- Tingkat 2
input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung; dan
- Tingkat 3
input untuk aset dan liabilitas yang bukan berdasarkan pada pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Nilai wajar atas instrumen derivatif yang dinilai menggunakan teknik penilaian dengan menggunakan komponen yang dapat diamati di pasar terutama adalah swap suku bunga, swap mata uang dan kontrak pertukaran mata uang. Teknik penilaian yang paling banyak digunakan meliputi model penilaian *forward* dan *swap* yang menggunakan perhitungan nilai kini. Model tersebut menggabungkan berbagai komponen yang meliputi kualitas kredit dari *counterparty*, nilai *spot* dan kontrak berjangka serta kurva tingkat suku bunga.

2. Summary of Significant Accounting Policies (continued)

ac. Judgments and Significant Accounting Estimates (continued)

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management judgment is required to establish fair values.

Management judgments include considerations of liquidity and model inputs such as volatility for long term derivatives and discount rates, early payment rates and default rate assumptions.

The Bank presents fair value of financial instruments based on the following fair value hierarchy:

- Level 1
quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2
inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly; and
- Level 3
inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

**ac. Pertimbangan dan Estimasi Akuntansi
yang Signifikan (lanjutan)**

Nilai wajar atas instrumen keuangan (lanjutan)

Teknik penilaian termasuk model nilai tunai dan arus kas yang didiskontokan, dan perbandingan dengan instrumen yang sejenis dimana terdapat harga pasar yang dapat diobservasi. Asumsi dan input yang digunakan dalam teknik penilaian termasuk suku bunga bebas risiko (*risk-free*) dan suku bunga acuan, *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.

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.

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**2. Summary of Significant Accounting Policies
(continued)**

**ac. Judgments and Significant Accounting
Estimates (continued)**

Fair value of financial instruments (continued)

Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond prices, foreign currency exchange rates, and expected price volatilities and correlations. The objective of valuation technique is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arms length.

Impairment losses on loans

The Bank reviews its loans at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

In estimating these cash flows, the Bank makes judgment about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ in future changes to the allowance.

Impairment in value of available-for-sale asset and acceptances receivable

The Bank reviews assets which are classified as available-for-sale and acceptances receivables at each financial position date to assess whether impairment has occurred. The assessment uses the same considerations as applied to individual assessment on loans.

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ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Penurunan nilai aset non keuangan

Bank mengevaluasi penurunan nilai aset apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan kembali. Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

- a) performa yang tidak tercapai secara signifikan terhadap ekspektasi historis atau proyeksi hasil operasi di masa yang akan datang;
- b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
- c) industri atau tren ekonomi yang secara signifikan bernilai negatif.

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurang biaya untuk menjual dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

Metode Suku Bunga Efektif (EIR)

Sejak Agustus 2018, Manajemen mengubah estimasi ekspektasi umur kredit perumahan dari pendekatan umur kontraktual menjadi umur *behaviour*. Manajemen akan melakukan penilaian kembali perilaku umur behavior untuk menentukan estimasi umur terbaik kredit perumahan secara, berkala.

2. Summary of Significant Accounting Policies (continued)

ac. Judgments and Significant Accounting Estimates (continued)

Impairment of non-financial assets

The Bank assesses impairment of assets whenever events or changes in circumstances that would indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

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.

Effective Interest Rate (EIR) Method

Since August 2018, Management changed the estimated expected life of mortgage loan from contractual life to behaviour life approach. Management will reassess the behavior life to determine the best estimated life of housing loans, regularly.

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ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan perkiraan waktu dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan.

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada Catatan 2c.

Imbalan kerja

Penentuan liabilitas imbalan kerja Bank bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dan manajemen Bank dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian.

Penyusutan aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 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.

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2. Summary of Significant Accounting Policies (continued)

ac. Judgments and Significant Accounting Estimates (continued)

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management 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 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. 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 turnover rate, disability rate, retirement age and mortality rate.

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line method over its estimated useful life. Management estimates the useful life of these fixed assets to be between 3 to 20 years.

Changes in the expected level of usage and technological development could impact the economic useful life and the residual value of these fixed assets, and therefore future depreciation charges could be revised.

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2. Ikhtisar Kebijakan Akuntansi Penting (lanjutan)

ac. Pertimbangan dan Estimasi Akuntansi yang Signifikan (lanjutan)

Pajak penghasilan

Bank mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

2. Summary of Significant Accounting Policies (continued)

ac. Judgments and Significant Accounting Estimates (continued)

Income tax

The Bank recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

3. Kas

Akun ini terdiri dari:

	31 Desember/ 31 December 2018
Rupiah	471.848
Mata uang asing	
Dolar Amerika Serikat	26.393
Dolar Singapura	21.136
Total	519.377

3. Cash

This account consists of:

31 Desember/ 31 December 2017	
326.846	Rupiah
	Foreign currencies
46.092	United States Dollar
25.360	Singapore Dollar
398.298	Total

Kas dalam Rupiah termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) sejumlah Rp11.958 dan Rp13.645 masing-masing pada tanggal 31 Desember 2018 dan 2017.

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp11,958 and Rp13,645 as of 31 December 2018 and 2017, respectively.

4. Giro pada Bank Indonesia

Akun ini terdiri dari:

	31 Desember/ 31 December 2018
Rupiah	3.561.083
Dolar Amerika Serikat	
(USD172.084.914 dan USD166.125.914, masing-masing pada tanggal 31 Desember 2018 dan 2017)	2.474.581
Total	6.035.664

4. Current Accounts with Bank Indonesia

This account consists of:

31 Desember/ 31 December 2017	
3.817.600	Rupiah
	United States Dollar
	(USD172,084,914 and USD166,125,914 as of 31 December 2018 and 2017, respectively)
2.253.913	
6.071.513	Total

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.

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.

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4. Giro pada Bank Indonesia (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, GWM dalam Rupiah dan mata uang asing masing-masing sebesar:

	31 Desember/ 31 December 2018
Rupiah	
Giro Wajib Minimum Primer	6,60%
Giro Wajib Minimum Sekunder	-
PLM (Penyangga Likuiditas Makroprudensial*)	18,81%
RIM (Rasio Intermediasi Makroprudensial**)	87,64%
Valuta Asing	8,10%

*) Per 16 Juli 2018, berdasarkan PBI No. 20/4/PBI/2018 tanggal 29 Maret 2018, istilah GWM Sekunder berubah menjadi PLM (Penyangga Likuiditas Makroprudensial)

**) Per 16 Juli 2018, berdasarkan PBI No. 20/4/PBI/2018 tanggal 29 Maret 2018, istilah GWM LFR berubah menjadi RIM (Rasio Intermediasi Makroprudensial)

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).

GWM *Loan to Funding Ratio* (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 Bank Indonesia (92%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

RIM (Rasio Intermediasi Makroprudensial) adalah rasio hasil perbandingan pinjaman yang diberikan dan surat berharga korporasi yang dimiliki Bank terhadap dana pihak ketiga dalam bentuk giro, tabungan dan simpanan berjangka (tidak termasuk dana antarbank) dan surat berharga yang diterbitkan oleh Bank.

PLM (Penyangga Likuiditas Makroprudensial) adalah cadangan likuiditas minimum dalam Rupiah yang wajib dipelihara oleh Bank dalam bentuk surat berharga yang besarnya ditetapkan oleh Bank Indonesia sebesar presentase tertentu dari dana pihak ketiga dalam Rupiah.

4. Current Accounts with Bank Indonesia (continued)

As at 31 December 2018 and 2017, GWM in Rupiah and foreign currencies are as follows:

	31 Desember/ 31 December 2017	
Rupiah		Rupiah
	6,78%	Primary Statutory Reserve
	19,48%	Secondary Statutory Reserve
	-	Macprudential Liquidity Buffer*)
	-	Macprudential Intermediation Ratio**)
Valuta Asing	8,18%	Foreign Currencies

*) As of 16 July 2018, based on PBI No.20/4/PBI/ 2018 dated 29 March 2018, the term GWM Secondary changed to PLM (Macprudential Liquidity Buffer)

**) As of 16 July 2018, based on PBI No.20/4/PBI/ 2018 dated 29 March 2018, the term LFR GWM changed to RIM (Macprudential Intermediation Ratio)

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).

The Minimum Statutory Reserve on Loan to Funding Ratio (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 Bank Indonesia (92%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

Macprudential Intermediation Ratio is resulted from comparison of loan and corporate bonds owned by Bank towards third party fund in form of current account, savings and deposits (excluded other banks) and bonds issued by Bank.

Macprudential liquidity buffer is the minimum liquidity reserve in Rupiah that the Bank is required to maintain in form of the percentage of treasury bonds over third party fund in Rupiah.

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4. Giro pada Bank Indonesia (lanjutan)

Rasio GWM Bank pada tanggal 31 Desember 2018 telah sesuai dengan Peraturan Bank Indonesia (PBI) No. 20/3/PBI/2018 tanggal 29 Maret 2018 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional dan Peraturan Anggota Dewan Gubernur (PADG) No.20/10/PADG/2018 tanggal 31 Mei 2018 sebagaimana telah diubah dengan PADG No.20/30/PADG/2018 tanggal 30 November 2018 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional. Parameter pemenuhan GWM Rupiah yang ditetapkan sebesar 6,5%, dipenuhi secara harian sebesar 3,5% dan secara rata-rata untuk masa laporan tertentu sebesar 3%. Untuk GWM valuta asing ditetapkan sebesar 8%, dipenuhi secara harian sebesar 6% dan secara rata-rata untuk masa laporan tertentu sebesar 2%.

Rasio GWM Bank pada tanggal 31 Desember 2017 telah sesuai dengan Peraturan Bank Indonesia (PBI) No. 19/6/PBI/2017 tanggal 17 April 2017 tentang Perubahan Kelima atas 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. GWM Primer dalam mata uang Rupiah ditetapkan sebesar 6,5% dari dana pihak ketiga dalam Rupiah dipenuhi secara harian sebesar 5% dan secara rata-rata untuk masa laporan tertentu sebesar 1,5% dan GWM Sekunder sebesar 4% dari dana pihak ketiga dalam Rupiah. GWM dalam valuta asing ditetapkan sebesar 8% dari dana pihak ketiga dalam valuta asing.

Rasio Intermediasi Makroprudensial (RIM) dan Penyangga Likuiditas Makroprudensial (PLM) Bank pada tanggal 31 Desember 2018 telah sesuai dengan Peraturan Bank Indonesia (PBI) No.20/4/PBI/2018 tanggal 29 Maret 2018 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial Bagi Bank Umum Konvensional dan Peraturan Anggota Dewan Gubernur (PADG) No.20/11/PADG/2018 tanggal 31 Mei 2018 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial Bagi Bank Umum Konvensional.

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4. Current Accounts with Bank Indonesia (continued)

The Bank's GWM ratios as of 31 December 2018, comply with Bank Indonesia Regulation No.20/3/PBI/2018 dated 29 March 2018 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank and Board Member of Governor Regulation (PADG) No.20/10/PADG/2018 dated 31 May 2018 which have been further amended with PADG No.20/30/PADG/2018 dated 30 November 2018 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank. Parameter of required GWM Rupiah determined at 6.5%, fulfilled in daily basis of 3.5% and in average basis for certain reporting period of 3%. For GWM foreign currencies is at 8%, fulfilled in daily basis of 6% and in average basis for certain reporting period of 2%.

The Bank's GWM ratios as of 31 December 2017, comply with Bank Indonesia Regulation No. 19/6/PBI/2017 dated 17 April 2017 regarding The Fifth amended to Bank Indonesia Regulation No. 15/15/PBI/2013 dated 24 December 2013 regarding Minimum Reserve Requirement in Rupiah and Foreign Currency For Conventional Bank. Primary GWM for Rupiah Currency is set at 6.5% from total third party funds in Rupiah fulfilled in daily basis of 5% and in average basis for certain reporting period of 1.5% and Secondary GWM is set at 4% from total third party funds in Rupiah. GWM in foreign currency is set at 8% from total third party funds in foreign currency.

The Bank's Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer as of 31 December 2018 are comply with Bank Indonesia Regulation No.20/4/PBI/2018 dated 29 March 2018 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer For Conventional Bank and Board Member of Governor Regulation No.20/11/PADG/2018 dated 31 May 2018 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer For Conventional Bank.

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5. Giro pada Bank Lain

Akun ini terdiri dari:

5. Current Accounts with Other Banks

This account consists of:

Jenis Giro pada Bank Lain	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	Types of Current Accounts with Others Bank
Pihak ketiga			Third parties
Rupiah:			Rupiah:
PT Bank Central Asia Tbk	2.692	4.927	PT Bank Central Asia Tbk
Lain-lain (masing-masing di bawah Rp2.000)	3.267	902	Others (below Rp2,000 each)
Sub-total - Pihak ketiga - Rupiah	5.959	5.829	Sub-total - Third parties - Rupiah
Mata uang asing:			Foreign currencies:
JP Morgan Chase Bank, Amerika Serikat	90.919	184.669	JP Morgan Chase Bank, United States of America
Bank of Tokyo - Mitsubishi UFJ, Jepang	61.534	41.472	Bank of Tokyo - Mitsubishi UFJ, Japan
Canadian Imperial Bank of Commerce, Toronto	58.488	16.596	Canadian Imperial Bank of Commerce, Toronto
Deutsche Bank, Frankfurt	35.231	1.288.719	Deutsche Bank, Frankfurt
Ing Belgium, Brussels	33.527	232.306	Ing Belgium, Brussels
PT Bank Central Asia Tbk	32.897	49.732	PT Bank Central Asia Tbk
ANZ Bank Ltd., Australia	30.840	38.200	ANZ Bank Ltd., Australia
Barclays Bank, London	24.379	41.934	Barclays Bank, London
PT Bank Mandiri (Persero) Tbk	20.447	38.752	PT Bank Mandiri (Persero) Tbk
UBS AG, Zurich	8.400	13.494	UBS AG, Zurich
National Australia Bank, Australia	7.875	2.371	National Australia Bank, Australia
ANZ National Bank, Selandia Baru	7.589	16.651	ANZ National Bank, New Zealand
Deutsche Bank AG, Amerika Serikat	3.496	10.613	Deutsche Bank AG, United States of America
Lain-lain (masing-masing di bawah Rp2.000)	3.022	2.721	Others (below Rp2,000 each)
Sub-total - Pihak ketiga - Mata uang asing	418.644	1.978.230	Sub-total - Third parties - Foreign currencies
Total - Pihak ketiga	424.603	1.984.059	Total - Third parties
Pihak berelasi (Catatan 36)			Related parties (Note 36)
Mata uang asing:			Foreign Currencies:
United Overseas Bank Ltd., Singapura	222.980	423.295	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Tokyo	30.981	43.412	United Overseas Bank Ltd., Tokyo
United Overseas Bank Ltd., Sydney	579	604	United Overseas Bank Ltd., Sydney
United Overseas Bank Ltd., Hong Kong	480	1.489	United Overseas Bank Ltd., Hong Kong
United Overseas Bank Ltd., Malaysia	67	42	United Overseas Bank Ltd., Malaysia
Total - Pihak berelasi	255.087	468.842	Total - Related parties
Total Giro pada Bank Lain	679.690	2.452.901	Total Current Accounts with Other Banks

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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	
	2018	2017
Rupiah dan Mata uang asing	0,00% - 0,25%	0,00% - 0,00%

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2018 dan 2017, 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 2018 dan 2017.

5. Current Accounts with Other Banks (continued)

The average interest rate for current accounts with other banks are as follows:

The Bank's management believes that as of 31 December 2018 and 2017, 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 2018 and 2017.

6. Penempatan pada Bank Indonesia dan Bank Lain

Akun ini terdiri dari:

6. Placements with Bank Indonesia and Other Banks

This account consists of:

Jenis Penempatan	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	Description
Pihak ketiga			Third parties
Rupiah:			Rupiah:
Fasilitas Simpanan Bank Indonesia	185.000	-	Deposit Facilities of Bank Indonesia
Call Money:			Call Money:
Bank of Tokyo - Mitsubishi UFJ Indonesia	150.000	-	Bank of Tokyo - Mitsubishi UFJ Indonesia
PT Bank CTBC Indonesia	65.000	-	PT Bank CTBC Indonesia
PT Bank Sumitomo Mitsui Indonesia	-	300.000	PT Bank Sumitomo Mitsui Indonesia
Term Deposit Bank Indonesia	-	1.249.284	Term Deposits of Bank Indonesia
Sub-total - Pihak ketiga - Rupiah	400.000	1.549.284	Sub-total - Third parties - Rupiah
Mata uang asing:			Foreign currencies:
Call Money:			Call Money:
Bank of New York, Amerika Serikat	104.974	263.878	Bank of New York, United States of America
PT Bank Negara Indonesia Tbk	-	407.025	PT Bank Negara Indonesia Tbk
Term Deposit Bank Indonesia	-	1.058.265	Term Deposits of Bank Indonesia
Sub-total - Pihak ketiga - Mata uang asing	104.974	1.729.168	Sub-total - Third parties - Foreign currencies
Total - Pihak ketiga	504.974	3.278.452	Total - Third parties

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6. Penempatan pada Bank Indonesia dan Bank Lain (lanjutan)

Akun ini terdiri dari: (lanjutan)

Jenis Penempatan	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	Description
Pihak berelasi (Catatan 36)			Related party (Note 36)
Mata uang asing:			Foreign currencies:
Call Money :			Call Money:
United Overseas Bank Ltd., Singapura	1.699.094	137.952	United Overseas Bank Ltd., Singapore
Total - Pihak berelasi	1.699.094	137.952	Total - Related party
Total Penempatan pada Bank Indonesia dan Bank Lain	2.204.068	3.416.404	Total Placements with Bank Indonesia and Other Banks

Suku bunga rata-rata untuk penempatan pada Bank Indonesia dan bank lain adalah sebagai berikut:

The average interest rate for placement with Bank Indonesia and other banks are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017	
Rupiah	4,35% - 5,69%	3,87%-5,13%	Rupiah
Mata uang asing	0,49% - 2,02%	0,49%-1,71%	Foreign currency

Rincian penempatan pada Bank Indonesia dan bank lain berdasarkan jenis penempatan dan sisa umur sampai dengan jatuh tempo adalah sebagai berikut:

The details of placements with Bank Indonesia and other banks based on the type of placements and remaining maturities are as follows:

31 Desember/31 December 2018				
	Penempatan/ Placements	Call Money	Total	
Rupiah				Rupiah
< 1 bulan	185.000	215.000	400.000	< 1 month
Mata uang asing				Foreign currencies
< 1 bulan	-	1.804.068	1.804.068	< 1 month
Total Penempatan pada Bank Indonesia dan Bank Lain	185.000	2.019.068	2.204.068	Total Placements with Bank Indonesia and Other Banks

31 Desember/31 December 2017				
	Penempatan/ Placements	Call Money	Total	
Rupiah				Rupiah
< 1 bulan	1.249.284	-	1.249.284	< 1 month
≥ 1 bulan ≤ 3 bulan	-	300.000	300.000	≥ 1 month ≤ 3 months
Mata uang asing				Foreign currencies
< 1 bulan	1.058.265	808.855	1.867.120	< 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

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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 2018 dan 2017.

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2018 dan 2017, 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 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Efek-efek yang diperdagangkan			
Obligasi Pemerintah	293.204	48.112	341.316
Sukuk Ritel	3.230	-	3.230
Total efek-efek yang diperdagangkan	296.434	48.112	344.546
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

Trading securities
Government Bonds
Retail Sukuk

Total trading securities

Trading securities
Certificates Deposit of
Bank Indonesia
Negotiable Certificate of Deposit
Government Bonds
Retail Sukuk

Total trading securities

Pada tanggal 31 Desember 2018, efek-efek yang diperdagangkan adalah efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa obligasi pemerintah dan sukuk ritel.

Pada tanggal 31 Desember 2017, efek-efek yang diperdagangkan adalah *negotiable certificate of deposit* dan efek-efek yang diterbitkan oleh pemerintah dan dikategorikan tanpa peringkat, berupa Sertifikat Deposito Bank Indonesia, obligasi pemerintah dan sukuk ritel.

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 2018 and 2017.

The Bank's management believes that as of 31 December 2018 and 2017, 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 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Efek-efek yang diperdagangkan			
Obligasi Pemerintah	293.204	48.112	341.316
Sukuk Ritel	3.230	-	3.230
Total efek-efek yang diperdagangkan	296.434	48.112	344.546
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

As of 31 December 2018, trading securities are the securities issued by the government and categorized as non-rated, in the form government bonds and retail sukuk.

As of 31 December 2017, trading securities are the negotiable certificate of deposit and securities issued by the government and categorized as non-rated, in the form of Certificates Deposit of Bank Indonesia, government bonds and retail sukuk.

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7. Efek-efek yang Diperdagangkan (lanjutan)

Manajemen Bank berkeyakinan bahwa pada tanggal 31 Desember 2018 dan 2017, 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.

7. Trading Securities (continued)

The Bank's management believes that as of 31 December 2018 and 2017, 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. Investasi Keuangan

Akun ini terdiri dari:

8. Financial Investments

This account consists of:

31 Desember/31 December 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Efek-efek yang tersedia untuk dijual			
Obligasi Pemerintah	4.998.661	358.715	5.357.376
Surat Perbendaharaan Negara	1.840.091	-	1.840.091
Sukuk Retail	1.553.177	-	1.553.177
Sertifikat Bank Indonesia	1.191.416	-	1.191.416
Sertifikat Deposito Bank Indonesia	260.227	-	260.227
Total efek-efek yang tersedia untuk dijual	9.843.572	358.715	10.202.287
Efek-efek yang dimiliki hingga jatuh tempo			
Wesel Ekspor Berjangka	2.430.836	2.993.367	5.424.203
Total investasi keuangan	12.274.408	3.352.082	15.626.490
Cadangan kerugian penurunan nilai	(15.595)	(23.307)	(38.902)
Neto	12.258.813	3.328.775	15.587.588
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 Retail	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

Available-for-sale securities
Government Bonds
State Treasury Notes
Retail Sukuk
Certificates of Bank Indonesia
Certificates Deposit of Bank Indonesia

Total available-for-sale securities

Held-to-maturity securities
Export bills

Total financial investments

Allowance for impairment losses

Net

Available-for-sale securities
Certificates Deposit of Bank Indonesia
Government Bonds
Retail Sukuk
State Treasury Notes

Total available-for-sale securities

Held-to-maturity securities
Export bills

Total financial investments

Allowance for impairment losses

Net

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8. Investasi Keuangan (lanjutan)

- a. Investasi keuangan yang tersedia untuk dijual pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Nilai Wajar Rupiah		
Obligasi Pemerintah	4.998.661	2.665.913
Surat Perbendaharaan Negara	1.840.091	274.797
Sukuk Ritel	1.553.177	2.030.080
Sertifikat Bank Indonesia	1.191.416	-
Sertifikat Deposito Bank Indonesia	260.227	5.370.776
Sub - Total	9.843.572	10.341.566
Mata Uang Asing Obligasi Pemerintah	358.715	13.601
Total	10.202.287	10.355.167
	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Harga Perolehan	10.394.878	10.272.287
Diskonto yang belum diamortisasi	(77.458)	(1.362)
Keuntungan (kerugian) yang belum direalisasi	(115.133)	84.242
Total	10.202.287	10.355.167

- b. 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.

8. Financial Investments (continued)

- a. The available-for-sale financial investments as of 31 December 2018 and 2017, are as follows:

	Fair Value Rupiah
Government Bonds	
State Treasury Notes	
Retail Sukuk	
Certificates of Bank Indonesia	
Certificate Deposit of Bank Indonesia	
Sub - Total	
Foreign Currencies	
Government Bonds	
Total	

- b. 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.

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8. Investasi Keuangan (lanjutan)

- c. Klasifikasi investasi keuangan yang dimiliki hingga jatuh tempo berdasarkan sisa umur sebelum cadangan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/31 December 2018		
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
< 1 bulan	480.085	992.515	1.472.600
≥ 1 bulan ≤ 3 bulan	797.190	1.345.511	2.142.701
> 3 bulan ≤ 6 bulan	1.153.561	655.341	1.808.902
Total	2.430.836	2.993.367	5.424.203

	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

Rincian investasi keuangan berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

- d. Ikhtisar perubahan cadangan kerugian penurunan nilai investasi keuangan adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Saldo awal tahun	33.244	31.677
Penambahan selama tahun berjalan	4.584	1.328
Selisih kurs penjabaran	1.074	239
Saldo akhir tahun	38.902	33.244

Pada tanggal 31 Desember 2018, 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.

Pada tanggal 31 Desember 2017, kolektibilitas investasi keuangan yang diklasifikasikan sebagai tersedia untuk dijual dan dimiliki hingga jatuh tempo digolongkan lancar.

8. Financial Investments (continued)

- c. The classification of held-to-maturity financial investments based on the remaining maturities before allowance for impairment losses is as follows:

< 1 month
 ≥ 1 month ≤ 3 months
 > 3 months ≤ 6 months

< 1 month
 ≥ 1 month ≤ 3 months
 > 3 months ≤ 6 months
 > 6 months

The details of financial investment based on remaining maturities are shown in Note 39.

- d. The changes in the allowance for impairment losses on financial investments are as follows:

Beginning balance
 Addition during the year
 Foreign exchange translation

Ending balance

As of 31 December 2018, 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.

As of 31 December 2017, the collectibility of financial investments which are classified as available for sale and held to maturity are current.

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8. Investasi Keuangan (lanjutan)

Pada tanggal 31 Desember 2018, obligasi pemerintah dengan jumlah nominal Rp359.500 telah dijual dengan janji dibeli kembali (Catatan 21).

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:

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	2018	2017
Rupiah	2,80% - 12,83%	4,45% - 13,48%
Mata uang asing	1,59% - 6,58%	1,37% - 6,94%

Rupiah
Foreign currency

9. Tagihan dan Liabilitas Derivatif

Ikhtisar tagihan dan liabilitas derivatif adalah sebagai berikut:

8. Financial Investments (continued)

As of 31 December 2018, government bonds has been sold under repurchase agreements with nominal amounts to Rp359.500 (Note 21).

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:

9. Derivatives Receivable and Payable

The summary of derivatives receivable and payable are as follows:

31 Desember/31 December 2018

Jenis	Nilai Nosional (Kontrak) (Ekuivalen Rupiah)/ Notional Value (Contract) (Equivalent Rupiah)	Tagihan Derivatif/ Derivatives Receivable	Liabilitas Derivatif/ Derivatives Payable	Type
Forward jual USD	9.989.953	140.362	128.253	Forward sold USD
Forward beli USD	9.293.530	107.325	122.893	Forward bought USD
Option	3.443.648	23.939	23.939	Option
Swap suku bunga jual Rp	1.656.900	3.518	10.915	Interest rate swap sold IDR
USD	16.784.604	32.942	38.865	USD
Swap suku bunga beli Rp	759.242	15.316	-	Interest rate swap bought IDR
USD	13.149.521	36.578	19.325	USD
Swap pertukaran valas dan suku bunga jual Rp	1.484.118	56.717	38.240	Cross currency interest rate swap sold IDR
USD	8.368.935	109.060	155.804	USD
Swap pertukaran valas dan suku bunga beli Rp	1.067.320	13.811	20.268	Cross currency interest rate swap bought IDR
USD	5.221.962	128.193	60.083	USD
Total		667.761	618.585	Total

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9. Tagihan dan Liabilitas Derivatif (lanjutan)

9. Derivatives Receivable and Payable (continued)

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				Forward sold
USD	6.581.151	19.497	14.335	USD
Forward beli				Forward bought
USD	6.637.161	26.467	14.076	USD
Swap suku bunga jual				Interest rate swap sold
Rp	2.450.407	9.371	3.987	IDR
USD	10.429.264	26.229	3.266	USD
Swap suku bunga beli				Interest rate swap bought
Rp	2.450.407	4.262	1.521	IDR
USD	10.429.264	5.238	13.947	USD
Swap pertukaran valas dan suku bunga jual				Cross currency interest rate swap sold
Rp	4.423.247	15.470	1.025	IDR
USD	5.879.024	30.259	31.147	USD
Swap pertukaran valas dan suku bunga beli				Cross currency interest rate swap bought
Rp	4.179.242	1.117	2.798	IDR
USD	6.130.013	8.489	19.668	USD
Total		146.399	105.770	Total

Rincian tagihan dan liabilitas derivatif berdasarkan sisa umur sampai dengan jatuh tempo terdapat pada Catatan 39.

The details of derivatives receivable and payable based on remaining maturities are shown in Note 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.

In the normal course of the business, the Bank enters into some derivatives transaction to meet the specific needs of its customers as well as to manage its liquidity and hedging position. The Bank has its own risk management policy and the risk amount limit for controlling the foreign exchange and interest rate risks. The changes in variable market risk are actively monitored in the ALCO (Asset and Liability Committee) meeting, whereby the changes serve as the benchmark in determining the Bank's strategies.

Pada tanggal 31 Desember 2018 dan 2017, Bank memiliki beberapa tipe instrumen derivatif sebagai berikut:

As of 31 December 2018 and 2017, the Bank has the following types of derivative instruments:

Pertukaran forward

Forward exchange

Kontrak pertukaran *forward* adalah perjanjian untuk membeli atau menjual suatu mata uang asing pada kurs dan tanggal tertentu. Transaksi tersebut dilakukan di *over-the-counter market*. Secara spesifik, Bank mengadakan transaksi ini dengan tujuan untuk mengendalikan risiko nilai tukar. Jangka waktu perjanjian untuk transaksi pertukaran *forward* yang dilakukan oleh Bank berkisar antara 3 hari - 1 tahun.

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 3 days - 1 year.

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9. Tagihan dan Liabilitas Derivatif (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, Bank memiliki beberapa tipe instrumen derivatif sebagai berikut: (lanjutan)

Option

Perjanjian *option* merupakan perjanjian kontraktual antara dua pihak yang merupakan suatu kontrak yang memberikan hak (bukan kewajiban) kepada pemberi *option* untuk untuk membeli atau menjual mata uang terhadap mata uang lainnya dengan harga yang telah ditentukan (*strike price*) untuk suatu periode tertentu dengan membayar sejumlah premi kepada penjual *option*. Periode perjanjian untuk *option* yang dilakukan oleh Bank berkisar antara 3 - 5 bulan.

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.

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 2018 and 2017, the Bank has the following types of derivative instruments: (continued)

Option

Option are a contractual agreements between two parties which is a contract entitling rights (instead of liabilities) to the option buyer to purchase or sell a currency against another currency at a predetermined price (*strike price*) for a certain period by paying significant amount of premium to the option seller. The contract period for the option transacted by the Bank ranged between 3 - 5 months.

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.

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.

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10. Kredit yang Diberikan

10. Loans

1) Jenis kredit yang diberikan

1) By type of loan

31 Desember/31 December 2018

	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 36)/ Related Parties (Note 36)	Total	
Rupiah				Rupiah
Rekening koran	11.937.121	5.917	11.943.038	Overdraft
Promes	9.606.468	-	9.606.468	Promissory notes
Investasi	7.688.382	-	7.688.382	Investment
Pemilikan rumah	5.422.695	41.962	5.464.657	Housing
Angsuran	5.261.236	-	5.261.236	Installment
Kartu kredit	2.074.872	6.728	2.081.600	Credit card
Multiguna	1.857.548	8.429	1.865.977	Multi-purpose
Sindikasi	317.800	-	317.800	Syndicated
Tetap	35.250	-	35.250	Fixed
Kendaraan bermotor	19.067	8.137	27.204	Motor vehicles
Lain-lain	8.876.837	-	8.876.837	Others
	53.097.276	71.173	53.168.449	
Mata uang asing				Foreign currencies
Promes	4.626.251	-	4.626.251	Promissory notes
Angsuran	3.904.360	-	3.904.360	Installment
Sindikasi	3.757.277	-	3.757.277	Syndicated
Investasi	1.693.884	262.884	1.956.768	Investment
Lain-lain	6.268.060	-	6.268.060	Others
	20.249.832	262.884	20.512.716	
Total	73.347.108	334.057	73.681.165	Total
Cadangan kerugian penurunan nilai	(1.370.514)	(2.529)	(1.373.043)	Allowance for impairment losses
Neto	71.976.594	331.528	72.308.122	Net

31 Desember/31 December 2017

	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 36)/ Related Parties (Note 36)	Total	
Rupiah				Rupiah
Rekening koran	11.336.735	5.748	11.342.483	Overdraft
Investasi	8.661.240	671	8.661.911	Investment
Promes	7.569.716	-	7.569.716	Promissory notes
Pemilikan rumah	4.627.784	49.427	4.677.211	Housing
Angsuran	3.840.192	-	3.840.192	Installment
Multiguna	1.959.710	6.055	1.965.765	Multi-purpose
Kartu kredit	1.648.993	4.594	1.653.587	Credit card
Sindikasi	140.000	-	140.000	Syndicated
Tetap	38.800	-	38.800	Fixed
Kendaraan bermotor	18.871	5.052	23.923	Motor vehicles
Lain-lain	6.004.974	-	6.004.974	Others
	45.847.015	71.547	45.918.562	

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10. Kredit yang Diberikan

10. Loans

1) Jenis kredit yang diberikan (lanjutan)

1) By type of loan (continued)

31 Desember/31 December 2017

	Pihak Ketiga/ Third Parties	Pihak Berelasi (Catatan 36)/ Related Parties (Note 36)	Total	
Mata uang asing				Foreign currencies
Angsuran	4.272.831	-	4.272.831	Installment
Promes	3.621.750	-	3.621.750	Promissory notes
Investasi	3.120.583	264.566	3.385.149	Investment
Sindikasi	497.586	-	497.586	Syndicated
Lain-lain	5.334.974	-	5.334.974	Others
	16.847.724	264.566	17.112.290	
Total	62.694.739	336.113	63.030.852	Total
Cadangan kerugian penurunan nilai	(1.030.140)	(2.508)	(1.032.648)	Allowance for impairment losses
Neto	61.664.599	333.605	61.998.204	Net

2) Sektor ekonomi

2) By economic sector

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Industri pengolahan	20.409.844	16.304.959	Processing industry
Perdagangan besar dan eceran	17.606.053	16.441.583	Wholesale and retail
Rumah tangga	9.628.304	8.523.094	Household
Perantara keuangan	6.040.076	3.361.627	Financial intermediaries
Pertanian, perburuan dan kehutanan	4.604.734	4.060.070	Agriculture, hunting and forestry
Real estate dan jasa usaha	4.409.433	4.073.655	Real estate and business service
Konstruksi	3.740.448	2.393.871	Construction
Penyedia akomodasi	2.339.603	2.613.535	Accommodation provider
Pertambangan dan penggalian	2.164.042	1.246.460	Mining and excavation
Transportasi, pergudangan, dan komunikasi	1.924.451	3.205.832	Transportation, warehousing, and communication
Listrik, air dan gas	441.745	427.772	Electricity, water and gas
Jasa kemasyarakatan	193.660	160.100	Social service
Jasa pendidikan	53.309	55.110	Educational service
Perikanan	46.406	48.088	Fishery
Jasa kesehatan	44.855	85.677	Health service
Jasa perorangan	3.668	3.160	Personal service
Lainnya	30.534	26.259	Others
Total	73.681.165	63.030.852	Total
Cadangan kerugian penurunan nilai	(1.373.043)	(1.032.648)	Allowance for impairment losses
Neto	72.308.122	61.998.204	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 2018	31 Desember/ 31 December 2017	
Rupiah			Rupiah
≤ 1 tahun	13.689.965	10.394.848	≤ 1 year
> 1 tahun ≤ 2 tahun	16.374.174	13.824.959	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	3.895.368	2.866.427	> 2 years ≤ 5 years
> 5 tahun	19.208.942	18.832.328	> 5 years
	53.168.449	45.918.562	
Mata uang asing			Foreign currencies
≤ 1 tahun	6.839.351	7.615.708	≤ 1 year
> 1 tahun ≤ 2 tahun	4.352.447	1.080.654	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	5.948.884	3.917.797	> 2 years ≤ 5 years
> 5 tahun	3.372.034	4.498.131	> 5 years
	20.512.716	17.112.290	
Total	73.681.165	63.030.852	Total
Cadangan kerugian penurunan nilai	(1.373.043)	(1.032.648)	Allowance for impairment losses
Neto	72.308.122	61.998.204	Net

b. Berdasarkan sisa umur jatuh tempo

b. Based on remaining maturities

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Rupiah			Rupiah
≤ 1 tahun	30.811.423	25.620.228	≤ 1 year
> 1 tahun ≤ 2 tahun	2.662.896	1.659.538	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	8.832.294	8.085.251	> 2 years ≤ 5 years
> 5 tahun	10.861.836	10.553.545	> 5 years
	53.168.449	45.918.562	
Mata uang asing			Foreign currencies
≤ 1 tahun	11.980.552	9.652.193	≤ 1 year
> 1 tahun ≤ 2 tahun	3.917.902	1.802.781	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	2.987.296	5.137.738	> 2 years ≤ 5 years
> 5 tahun	1.626.966	519.578	> 5 years
	20.512.716	17.112.290	
Total	73.681.165	63.030.852	Total
Cadangan kerugian penurunan nilai	(1.373.043)	(1.032.648)	Allowance for impairment losses
Neto	72.308.122	61.998.204	Net

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10. Kredit yang Diberikan (lanjutan)

10. Loans (continued)

4) Kolektibilitas menurut Peraturan Bank Indonesia

4) Collectibility based on Bank Indonesia Regulation

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Rupiah			Rupiah
Lancar	50.776.837	43.724.326	Current
Dalam perhatian khusus	1.357.990	1.572.444	Special mention
Kurang lancar	124.087	161.708	Sub-standard
Diragukan	183.576	134.789	Doubtful
Macet	725.959	325.295	Loss
	53.168.449	45.918.562	
Mata uang asing			Foreign currencies
Lancar	20.382.201	16.159.177	Current
Dalam perhatian khusus	118.591	890.338	Special mention
Kurang lancar	-	55.313	Sub-standard
Diragukan	-	-	Doubtful
Macet	11.924	7.462	Loss
	20.512.716	17.112.290	
Total	73.681.165	63.030.852	Total
Cadangan kerugian penurunan nilai	(1.373.043)	(1.032.648)	Allowance for impairment losses
Neto	72.308.122	61.998.204	Net

Pada tanggal 3 Desember 2018, Bank melakukan penjualan kredit yang diberikan dengan Junipa Pte., Ltd., (pihak berelasi). Nilai bersih yang diperoleh oleh Bank atas penjualan kredit yang diberikan sebesar Rp290.970.

On 3 December 2018, the Bank sold loans to Junipa Pte., Ltd., (related party). The net proceeds obtained by the Bank from the sale of loans amounted to Rp290,970.

Pada tanggal 2 Februari 2018, Bank melakukan penjualan kredit yang diberikan dengan Junipa Pte., Ltd., (pihak berelasi). Nilai bersih yang diperoleh oleh Bank atas penjualan kredit yang diberikan sebesar Rp345.874 dan SGD3.497.367 (nilai penuh).

On 2 February 2018, the Bank sold loans to Junipa Pte., Ltd., (related party). The net proceeds obtained by the Bank from the sale of loans amounted to Rp345,874 and SGD3.497.367 (full amount).

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).

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).

Penjualan tidak berdampak pada keuntungan atau kerugian Bank karena transaksi dicatat pada nilai buku setelah dikurangi cadangan kerugian penurunan nilai atas kerugian pada kredit yang diberikan. Pengalihan atas hak-hak yang dialihkan berlaku efektif pada tanggal efektif transaksi.

The sale does not result in a gain or loss to the Bank since it was conducted at book value after considering allowance for impairment losses of loan. The transfer of the assigned rights was effective from the effective date of the transaction.

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10. Kredit yang Diberikan (lanjutan)

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 Rp912.624 dan Rp272.486 masing-masing pada tanggal 31 Desember 2018 dan 2017, digunakan sebagai jaminan atas kredit yang diberikan dan fasilitas bank lainnya (Catatan 16).
- Tabungan sejumlah Rp283.590 dan Rp191.046 masing-masing pada tanggal 31 Desember 2018 dan 2017, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 17).
- Deposito berjangka sejumlah Rp4.896.600 dan Rp4.596.159 masing-masing pada tanggal 31 Desember 2018 dan 2017, digunakan sebagai jaminan atas kredit yang diberikan (Catatan 18).
- Suku bunga kontraktual rata-rata untuk kredit adalah sebagai berikut:

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	2018	2017
Rupiah	10,45%	10,73%
Mata uang asing	4,31%	3,91%

- Kredit yang diberikan kepada karyawan antara lain merupakan kredit untuk pembelian rumah, multiguna 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 Rp264.761 dan Rp302.221 pada tanggal 31 Desember 2018 dan 2017.

10. Loans (continued)

The other significant information relating to loans are as follows:

- Loans are secured with time deposits, registered mortgages over collateral or power of attorney to sell or to liquidate and with other guarantees generally acceptable to the Bank.
- Demand deposits amounting to Rp912,624 and Rp272,486 as of 31 December 2018 and 2017, respectively, are pledged as collateral for loans and other bank facilities (Note 16).
- Saving deposits amounting to Rp283,590 and Rp191,046 as of 31 December 2018 and 2017, respectively, are pledged as collateral for loans (Note 17).
- Time deposits amounting to Rp4,896,600 and Rp4,596,159 as of 31 December 2018 and 2017, respectively, are pledged as collateral for loans (Note 18).
- The average contractual interest rate for loans are as follows:

Rupiah
Foreign currency

- Loans to employees represent, among others, housing, multipurpose and car loans. These loans granted to employees bear a lower interest rates than interest rate charged to non-employee which amounted to Rp264,761 and Rp302,221 as of 31 December 2018 and 2017, respectively.

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- g. Pada tanggal 31 Desember 2018 dan 2017, jumlah kredit yang direstrukturisasi masing-masing sebesar Rp1.765.880 dan Rp2.666.330, dengan cadangan kerugian penurunan nilai yang dibentuk masing-masing sebesar Rp284.651 dan Rp233.399. Bentuk restrukturisasi kredit meliputi antara lain kredit dengan perpanjangan jatuh tempo dan perubahan tingkat suku bunga. Tidak ada kerugian yang timbul dari restrukturisasi kredit tersebut dan Bank tidak memiliki komitmen untuk memberikan tambahan kredit kepada nasabah-nasabah tersebut.

Manajemen berkeyakinan bahwa jumlah cadangan penurunan nilai yang dibentuk telah memadai.

Restrukturisasi kredit berdasarkan jenis kredit yang diberikan:

10. Loans (continued)

The other significant information relating to loans are as follows: (continued)

- g. As of 31 December 2018 and 2017, total restructured loans amounting to Rp1,765,880 and Rp2,666,330, respectively, are provided with allowance for impairment losses of Rp284,651 and Rp233,399, respectively. The restructuring of loans represents extension of maturity dates and reduction of interest rates. There are no losses resulting from those loans restructured and the Bank does not have any commitments to grant additional loans to these customers.

The Bank's management believes that the allowance for impairment losses is adequate.

Restructured loan by type of loan:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Rupiah			Rupiah
Investasi	704.846	1.342.259	Investment
Angsuran	491.957	261.715	Installment
Promes	169.423	10.715	Promissory notes
Multiguna	38.340	9.049	Multi-purpose
Pemilikan rumah	36.011	16.154	Housing
Rekening koran	34.587	61.942	Overdraft
Kartu kredit	5.792	5.389	Credit card
	1.480.956	1.707.223	
Mata uang asing			Foreign currencies
Angsuran	241.248	895.599	Installment
Investasi	20.668	42.305	Investment
Promes	-	1.015	Promissory notes
Lain-lain	23.008	20.188	Others
	284.924	959.107	
Total	1.765.880	2.666.330	Total
Cadangan kerugian penurunan nilai	(284.651)	(233.399)	Allowance for impairment losses
Neto	1.481.229	2.432.931	Net

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

Restrukturisasi kredit berdasarkan kolektibilitas menurut Peraturan Bank Indonesia:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Rupiah		
Lancar	879.235	1.389.356
Dalam perhatian khusus	523.855	169.954
Kurang lancar	14.656	28.333
Diragukan	24.700	12.858
Macet	38.510	106.722
	1.480.956	1.707.223
Mata uang asing		
Lancar	264.487	61.210
Dalam perhatian khusus	8.512	878.042
Kurang lancar	-	19.855
Macet	11.925	-
	284.924	959.107
Total	1.765.880	2.666.330
Cadangan kerugian penurunan nilai	(284.651)	(233.399)
Neto	1.481.229	2.432.931

10. Loans (continued)

The other significant information relating to loans are as follows: (continued)

Restructured loan by collectibility based on Bank Indonesia Regulation:

Rupiah	
Current	
Special mention	
Sub-standard	
Doubtful	
Loss	
Foreign currencies	
Current	
Special mention	
Sub-standard	
Loss	
Total	
Allowance for impairment losses	
Net	

- h. Kredit bermasalah (kredit *non-performing*/NPL) pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp1.045.546 dan Rp684.567.

Rasio NPL kotor (*NPL Gross*) pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar 1,42% dan 1,09% dari total kredit, sedangkan rasio NPL neto (*NPL Net*) masing-masing sebesar 0,89% dan 0,93% 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.

- h. *Non-Performing Loans (NPL)* amounted to Rp1,045,546 and Rp684,567 as of 31 December 2018 and 2017, respectively.

Gross NPL ratio as of 31 December 2018 and 2017 represents 1.42% and 1.09% of the total loans, respectively, and net NPL ratio represents 0.89% and 0.93% 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.

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- i. Ikhtisar perubahan cadangan kerugian penurunan nilai kredit yang diberikan adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Saldo awal tahun	1.032.648	1.090.066
Penambahan selama tahun berjalan	646.825	1.259.503
Penerimaan kembali kredit yang telah dihapusbukan	122.359	108.179
Penghapusbukuan selama tahun berjalan	(314.439)	(774.460)
Selisih kurs penjabaran	19.261	(1.674)
Penyelesaian cadangan kerugian terkait penjualan kredit yang diberikan	(133.611)	(648.966)
Saldo akhir tahun	1.373.043	1.032.648

Kredit yang diberikan dan cadangan kerugian penurunan nilai untuk kredit yang diberikan untuk kelompok individual dan kolektif adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Kredit yang diberikan		
Individual	1.262.639	636.511
Kolektif	72.418.526	62.394.341
Total kredit yang diberikan	73.681.165	63.030.852
Cadangan kerugian penurunan nilai		
Individual	(518.797)	(68.850)
Kolektif	(854.246)	(963.798)
Neto	72.308.122	61.998.204

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya kredit yang diberikan.

- j. Keikutsertaan Bank sebagai anggota sindikasi terhadap jumlah seluruh kredit sindikasi yang diberikan berkisar antara 1,00% sampai dengan 60,00% untuk tahun 2018 dan 5,56% sampai dengan 28,60% untuk tahun 2017.
- k. Rasio kredit usaha kecil terhadap jumlah kredit yang diberikan adalah 0,31% pada tahun 2018 dan 0,37% pada tahun 2017.

10. Loans (continued)

The other significant information relating to loans are as follows: (continued)

- i. The changes in the allowance for impairment losses of loans are as follows:

Beginning balance
Addition during the year
Recovery of loans previously written-off
Loans written-off during the year
Foreign exchange translation
Settlement of allowance related to loans sold
Ending balance

Loans and allowance for impairment losses of loans for individual and collective are as follows:

Loans
Individual
Collective
Total loans
Allowance for impairment losses
Individual
Collective
Net

The Bank's management believes that the allowance for impairment losses of loans is adequate to cover any possible losses on uncollectible loans.

- j. The participation of the Bank as a member of a syndicated loans in the total syndicated loans ranged from 1.00% to 60.00% for 2018 and 5.56% to 28.60% for 2017.
- k. The ratio of loans to small businesses to the total loans is 0.31% in 2018 and 0.37% in 2017.

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10. Kredit yang Diberikan (lanjutan)

Berikut ini adalah informasi signifikan lainnya sehubungan dengan kredit yang diberikan: (lanjutan)

- l. Pada tanggal 31 Desember 2018 dan 2017, Bank menilai penurunan nilai secara individual untuk kategori kredit *non-performing*/NPL dan debitur non NPL dengan nilai baki debit di atas Rp20.000 dan *fully secured*, kecuali kartu kredit.
- m. Pada tanggal 31 Desember 2018 dan 2017, 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 2018, 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 Rakyat Indonesia/ Bank Rakyat Indonesia	SPN	300.000	5 Des 2018/ 5 Des 2018	7 Jan 2019/ 7 Jan 2019	263.553	1.752	261.801
Bank Rakyat Indonesia/ Bank Rakyat Indonesia	INDOIS19	221.452	6 Jun 2018/ 6 Jun 2018	6 Mar 2019/ 6 Mar 2019	220.443	996	219.447
Bank Indonesia/ Bank of Indonesia	FR0064	100.000	27 Jul 2018/ 27 Jul 2018	25 Jan 2019/ 25 Jan 2019	87.790	2.564	85.226
Bank Indonesia/ Bank of Indonesia	FR0064	100.000	27 Jul 2018/ 27 Jul 2018	25 Jan 2019/ 25 Jan 2019	87.798	2.572	85.226
Bank Indonesia/ Bank of Indonesia	FR0064	100.000	27 Jul 2018/ 27 Jul 2018	25 Jan 2019/ 25 Jan 2019	87.811	2.585	85.226
Bank Indonesia/ Bank of Indonesia	FR0064	100.000	27 Jul 2018/ 27 Jul 2018	25 Jan 2019/ 25 Jan 2019	87.833	2.607	85.226
Bank Indonesia/ Bank of Indonesia	FR0064	100.000	24 Aug 2018/ 24 Aug 2018	22 Feb 2019/ 22 Feb 2019	87.567	2.703	84.864
		1.021.452			922.795	15.779	907.016

Suku bunga efektif untuk tagihan atas surat berharga yang dibeli dengan janji dijual kembali berkisar antara 5,95% - 7,30% untuk mata uang Rupiah dan 2,90% untuk mata uang asing.

10. Loans (continued)

The other significant information relating to loans are as follows: (continued)

- l. As of 31 December 2018 and 2017, the Bank assessed the individual impairment for non-performing loan/NPL category and non NPL debtor with outstanding amount above Rp20,000 and fully secured, except for credit card.
- m. As of 31 December 2018 and 2017, 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 2018 consists of:

The effective interest rate for receivables on securities purchased with agreements to resell ranged between 5.95% - 7.30% for Rupiah and 2.90% for foreign currency.

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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 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 adalah 4,44% - 4,59%.

Receivables on securities purchased with agreements to resell as of 31 December 2017 consists of:

The effective interest rate for receivables on securities purchased with agreements to resell is 4.44% - 4.59%.

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 2018	31 Desember/ 31 December 2017
Dolar Amerika Serikat	1.207.280	1.407.078
Rupiah	795.262	235.188
Euro Eropa	107.344	162.667
Yen Jepang	53.978	35.209
Kroner Swedia	30.059	-
Yuan China	5.105	355
Dolar Singapura	4.193	2.931
Total	2.203.221	1.843.428
Cadangan kerugian penurunan nilai	(28.249)	(17.378)
Neto	2.174.972	1.826.050

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

United States Dollar
Rupiah
European Euro
Japanese Yen
Swedish Kroner
Chinese Yuan
Singapore Dollar
Total
Allowance for impairment losses
Net

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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 2018	31 Desember/ 31 December 2017
Dolar Amerika Serikat	1.207.280	1.407.078
Rupiah	795.262	235.188
Euro Eropa	107.344	162.667
Yen Jepang	53.978	35.209
Kroner Swedia	30.059	-
Yuan China	5.105	355
Dolar Singapura	4.193	2.931
Total	2.203.221	1.843.428

2. Berdasarkan jangka waktu

a. Tagihan Akseptasi

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Rupiah		
≤ 1 bulan	57.987	134
> 1 bulan ≤ 3 bulan	285.838	88.407
> 3 bulan ≤ 6 bulan	368.204	123.980
> 6 bulan	83.233	22.667
	795.262	235.188
Mata uang asing		
≤ 1 bulan	3.368	30.203
> 1 bulan ≤ 3 bulan	349.795	89.791
> 3 bulan ≤ 6 bulan	879.122	1.270.497
> 6 bulan	175.674	217.749
	1.407.959	1.608.240
Total	2.203.221	1.843.428
Cadangan kerugian penurunan nilai	(28.249)	(17.378)
Neto	2.174.972	1.826.050

12. Acceptances Receivable and Payable (continued)

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows: (continued)

1. Based on type of currency (continued)

b. Acceptances Payable

United States Dollar
Rupiah
European Euro
Japanese Yen
Swedish Kroner
Chinese Yuan
Singapore Dollar

Total

2. Based on period

a. Acceptances Receivable

Rupiah
≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months

Foreign currencies
≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months

Total

Allowance for impairment losses

Net

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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

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Rupiah		
≤ 1 bulan	57.987	134
> 1 bulan ≤ 3 bulan	285.838	88.407
> 3 bulan ≤ 6 bulan	368.204	123.980
> 6 bulan	83.233	22.667
	795.262	235.188
Mata uang asing		
≤ 1 bulan	3.368	30.203
> 1 bulan ≤ 3 bulan	349.795	89.791
> 3 bulan ≤ 6 bulan	879.122	1.270.497
> 6 bulan	175.674	217.749
	1.407.959	1.608.240
Total	2.203.221	1.843.428

Ikhtisar perubahan cadangan penurunan nilai tagihan akseptasi adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Saldo awal tahun	17.378	21.751
Penambahan (pemulihan) selama tahun berjalan	10.678	(4.841)
Selisih kurs penjabaran	193	468
Saldo akhir tahun	28.249	17.378

Manajemen Bank berkeyakinan bahwa jumlah cadangan penurunan nilai yang dibentuk pada tanggal 31 Desember 2018 dan 2017, adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya tagihan akseptasi.

Pada tanggal 31 Desember 2018, kolektibilitas tagihan akseptasi digolongkan lancar dan dalam perhatian khusus.

Pada tanggal 31 Desember 2017, kolektibilitas tagihan akseptasi digolongkan lancar.

12. Acceptances Receivable and Payable (continued)

Acceptances receivable and payable represent acceptances arising from import bills, supported by letters of credit, which are received from third party customers, with details as follows: (continued)

2. Based on period (continued)

b. Acceptances Payable

Rupiah	
≤ 1 month	
> 1 month ≤ 3 months	
> 3 months ≤ 6 months	
> 6 months	
Foreign currencies	
≤ 1 month	
> 1 month ≤ 3 months	
> 3 months ≤ 6 months	
> 6 months	

The changes in the allowance for impairment losses on acceptances receivable are as follows:

Beginning balance
Addition (reversal) during the year
Foreign exchange translation
Ending balance

The Bank's management believes that the allowance for impairment losses as of 31 December 2018 and 2017, is adequate to cover any possible losses on uncollectible acceptances receivable.

As of 31 December 2018, the collectibility of acceptances receivable are current and special mention.

As of 31 December 2017, the collectibility of acceptances receivable are current.

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13. Aset Tetap

Akun ini terdiri dari:

31 Desember 2018	Saldo Awal/ Beginning Balance	Perubahan Selama Satu Tahun/ Changes During the Year		Saldo Akhir/ Ending Balance	31 December 2018
		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	1.426.977	205.013	12.964	1.619.026	Infrastructure & Office Equipments
Kendaraan	10.500	-	178	10.322	Vehicles
Aset dalam penyelesaian	37.942	69.975	17.766	90.151	Construction in progress
Total biaya perolehan	2.181.021	274.988	30.908	2.425.101	Total cost
Akumulasi Penyusutan					Accumulated Depreciation
Bangunan	278.093	27.860	-	305.953	Buildings
Prasarana & Peralatan Kantor	829.735	172.461	11.082	991.114	Infrastructure & Office Equipments
Kendaraan	10.319	182	179	10.322	Vehicles
Total akumulasi penyusutan	1.118.147	200.503	11.261	1.307.389	Total accumulated depreciation
Nilai Buku	1.062.874			1.117.712	Net Book Value

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

Rincian aset dalam penyelesaian beserta persentase penyelesaian terhadap nilai kontrak adalah sebagai berikut:

The details of the construction in progress with the percentage of completion of the contract values are as follows:

31 December/31 December 2018			
	Persentase penyelesaian/ Percentage of completion	Akumulasi Biaya/ Accumulated Cost	Estimasi penyelesaian/ Estimated completion
Prasarana	50%	199	2019
Peralatan kantor	58%	89.952	2019
		90.151	
			Infrastructure Office Equipment

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13. Aset Tetap (lanjutan)

Rincian aset dalam penyelesaian beserta persentase penyelesaian terhadap nilai kontrak adalah sebagai berikut: (lanjutan)

13. Fixed Assets (continued)

The details of the construction in progress with the percentage of completion of the contract values are as follows: (continued)

31 December/31 December 2017

	Persentase penyelesaian/ Percentage of completion	Akumulasi Biaya/ Accumulated Cost	Estimasi penyelesaian/ Estimated completion	
Prasarana	94%	17.084	2018	Infrastructure
Peralatan kantor	53%	20.858	2018 - 2019	Office Equipment
		37.942		

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 2018	31 Desember/ 31 December 2017	
Bangunan dan prasarana	3.217	3.217	Buildings and infrastructure
Peralatan kantor	363.162	348.067	Office equipments
Kendaraan	7.575	9.588	Vehicles
Total	373.954	360.872	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 2018	31 Desember/ 31 December 2017	
Penambahan melalui pembelian aset tetap	257.222	145.987	Addition through purchase of fixed assets
Penambahan aset tetap melalui reklasifikasi aset dalam penyelesaian	17.766	12.584	Addition of fixed assets through reclassification construction in progress
Total	274.988	158.571	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 2018	31 Desember/ 31 December 2017	
Pengurangan melalui penjualan aset tetap	5.043	3.499	Deduction through sale of fixed assets
Penghapusan aset tetap	8.099	10.684	Write-off of fixed assets
Pengurangan aset dalam penyelesaian melalui reklasifikasi aset tetap	17.766	12.584	Deduction of construction in progress through reclassification
Total	30.908	26.767	Total

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13. Aset Tetap (lanjutan)

Penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain masing-masing sebesar Rp200.503 dan Rp175.012 untuk tahun yang berakhir pada 31 Desember 2018 dan 2017 (Catatan 30).

Manajemen juga berpendapat bahwa tidak terdapat penurunan nilai atas aset tetap tersebut yang harus dicatat pada tanggal-tanggal 31 Desember 2018 dan 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 Adira Dinamika dengan nilai pertanggungan sebesar Rp909.221, USD27.029.513 (nilai penuh) dan SGD870.804 (nilai penuh) pada 31 Desember 2018 serta 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) pada 31 Desember 2017. 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 Rp529 dan Rp765 untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017.

Nilai buku aset tetap yang dijual adalah masing-masing sebesar Rp1.883 dan Rp1.417 untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017.

Kerugian atas penjualan aset tetap masing-masing sebesar Rp1.354 dan Rp652 untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017, 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 Rp200,503 and Rp175,012 for the years ended 31 December 2018 and 2017, 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 2018 and 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 Adira Dinamika with sum insured amounting to Rp909,221, USD27,029,513 (full amount) and SGD870,804 (full amount) as of 31 December 2018, and PT Asuransi FPG Indonesia and PT Asuransi Umum Mega with sum insured amounting to Rp929,870, USD24,814,461 (full amount) and SGD435,402 (full amount) as of 31 December 2017. 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 Rp529 and Rp765 for the years ended 31 December 2018 and 2017, respectively.

Book value from the sale of fixed assets amounted to Rp1,883 and Rp1,417 for the years ended 31 December 2018 and 2017, respectively.

The related loss on sales of fixed assets of Rp1,354 and Rp652 for the years ended 31 December 2018 and 2017, 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 2018	31 Desember/ 31 December 2017	
Piutang bunga	411.423	315.161	Interest receivables
Biaya dibayar dimuka	112.615	99.585	Prepaid expenses
ATM bersama	45.234	45.318	Shared ATM
Agunan yang diambil alih (setelah dikurangi cadangan penurunan nilai masing-masing sebesar Rp14.341 dan Rp8.940 pada tanggal 31 Desember 2018 dan 2017)	68.971	36.757	Foreclosed assets (net of allowance for decline in value of Rp14,341 and Rp8,940 as of 31 December 2018 and 2017, respectively)
Uang muka	42.028	12.680	Advances
Setoran jaminan	10.202	10.287	Security deposits
Properti terbengkalai	7.424	8.560	Abandoned property
Lain-lain	294.943	163.368	Others
Neto	992.840	691.716	Net

Ikhtisar perubahan cadangan kerugian penurunan nilai agunan yang diambil alih adalah sebagai berikut:

The changes in the allowance for the decline in value of foreclosed assets are as follows:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Saldo awal tahun	8.940	9.900	Beginning balance
Penambahan (pemulihan) selama tahun berjalan	5.401	(960)	Addition (reversal) during the year
Saldo akhir tahun	14.341	8.940	Ending balance

Manajemen Bank berkeyakinan bahwa jumlah cadangan kerugian penurunan nilai atas agunan yang diambil alih telah memadai dan nilai tercatat agunan yang diambil alih tersebut merupakan nilai bersih yang dapat direalisasi.

The Bank's management believes that the allowance for the decline in value of foreclosed assets is adequate and the carrying value of foreclosed assets is stated at net realizable value.

15. Liabilitas Segera

Akun ini adalah sebesar Rp148.107 dan Rp149.371 masing-masing pada tanggal 31 Desember 2018 dan 2017 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 Rp148,107 and Rp149,371 as of 31 December 2018 and 2017 respectively, represents 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 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	10.581.199	794.323	11.375.522
Pihak berelasi (Catatan 36)	25.437	125	25.562
Total	10.606.636	794.448	11.401.084
31 Desember/31 December 2017			
	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

Third parties
Related parties (Note 36)

Total

Third parties
Related parties (Note 36)

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		
	2018	2017
Rupiah	3,33%	3,86%
Mata uang asing	0,04%	0,02%

Rupiah
Foreign currency

Pada tanggal 31 Desember 2018 dan 2017, giro yang digunakan sebagai jaminan untuk kredit masing-masing sebesar Rp912.624 dan Rp272.486. Giro yang dijamin ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

As of 31 December 2018 and 2017, demand deposits amounting to Rp912,624 and Rp272,486, 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

Akun ini terdiri dari:

17. Saving Deposits

This account consists of:

31 Desember/31 December 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	5.890.781	10.258.927	16.149.708
Pihak berelasi (Catatan 36)	58.312	23.042	81.354
Total	5.949.093	10.281.969	16.231.062
31 Desember/31 December 2017			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	5.715.245	9.073.138	14.788.383
Pihak berelasi (Catatan 36)	50.292	10.972	61.264
Total	5.765.537	9.084.110	14.849.647

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 Kroner.

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		
	2018	2017
Rupiah	3,12%	3,45%
Mata uang asing	0,98%	0,62%

Pada tanggal 31 Desember 2018 dan 2017, tabungan yang diblokir untuk jaminan fasilitas kredit adalah masing-masing sebesar Rp283.590 dan Rp191.046 (Catatan 10).

As of 31 December 2018 and 2017, saving deposits pledged as collateral for loan facilities amounted to Rp283,590 and Rp191,046, respectively (Note 10).

Tidak terdapat kredit kepada pihak berelasi yang dijamin dengan tabungan.

There are no loan facilities to related parties secured with saving deposits as collateral.

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18. Deposito Berjangka

Akun ini terdiri dari:

18. Time Deposits

This account consists of:

31 Desember/31 December 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	37.891.801	11.477.881	49.369.682
Pihak berelasi (Catatan 36)	149.889	170.857	320.746
Total	38.041.690	11.648.738	49.690.428
31 Desember/31 December 2017			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
Pihak ketiga	35.166.672	13.635.565	48.802.237
Pihak berelasi (Catatan 36)	90.770	46.252	137.022
Total	35.257.442	13.681.817	48.939.259

Third parties
Related parties (Note 36)

Total

Third parties
Related parties (Note 36)

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 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
≤ 1 bulan	169.496	309.476	478.972
> 1 bulan ≤ 3 bulan	19.880.279	6.776.717	26.656.996
> 3 bulan ≤ 6 bulan	10.605.562	2.803.954	13.409.516
> 6 bulan	7.386.353	1.758.591	9.144.944
Total	38.041.690	11.648.738	49.690.428
31 Desember/31 December 2017			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
≤ 1 bulan	265.150	104.594	369.744
> 1 bulan ≤ 3 bulan	13.031.783	8.709.626	21.741.409
> 3 bulan ≤ 6 bulan	14.458.187	1.578.177	16.036.364
> 6 bulan	7.502.322	3.289.420	10.791.742
Total	35.257.442	13.681.817	48.939.259

≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months

Total

≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months

Total

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18. Deposito Berjangka (lanjutan)

Rincian deposito berjangka berdasarkan sisa umur sampai tanggal jatuh tempo adalah sebagai berikut:

18. Time Deposits (continued)

The details of time deposits based on remaining maturities are as follows:

31 Desember/31 December 2018			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
≤ 1 bulan	17.260.861	5.586.209	22.847.070
> 1 bulan ≤ 3 bulan	16.607.313	4.947.281	21.554.594
> 3 bulan ≤ 6 bulan	3.487.363	740.032	4.227.395
> 6 bulan ≤ 12 bulan	686.153	375.216	1.061.369
Total	38.041.690	11.648.738	49.690.428

≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months ≤ 12 months
Total

31 Desember/31 December 2017			
	Rupiah	Mata Uang Asing/ Foreign Currencies	Total
≤ 1 bulan	17.027.966	8.361.650	25.389.616
> 1 bulan ≤ 3 bulan	15.761.342	3.321.873	19.083.215
> 3 bulan ≤ 6 bulan	1.787.233	958.990	2.746.223
> 6 bulan ≤ 12 bulan	680.901	1.039.304	1.720.205
Total	35.257.442	13.681.817	48.939.259

≤ 1 month
> 1 month ≤ 3 months
> 3 months ≤ 6 months
> 6 months ≤ 12 months
Total

Deposito berjangka dalam mata uang asing terdiri dari Euro Eropa, Franc Swiss, Dolar Australia, Dolar Amerika, Dolar Selandia Baru, Dolar Singapura, Yen Jepang dan Dolar Hong Kong.

Foreign currency time deposits consist of European Euro, Swiss Franc, Australian Dollar, United States Dollar, New Zealand Dollar, Singapore Dollar, Japanese Yen and Hong Kong Dollar.

Pada tanggal 31 Desember 2018 dan 2017, deposito berjangka yang diblokir untuk jaminan atas fasilitas kredit yang diberikan kepada nasabah adalah masing-masing sebesar Rp4.896.600 dan Rp4.596.159. Deposito berjangka yang dijamin ini diblokir sepanjang jangka waktu fasilitas kredit (Catatan 10).

As of 31 December 2018 and 2017, time deposits pledged as collateral for loan facilities granted amounted to Rp4,896,600 and Rp4,596,159, respectively. The pledged time deposits are blocked throughout the loan period (Note 10).

Suku bunga rata-rata untuk deposito berjangka adalah sebagai berikut:

The average interest rate for time deposits are as follows:

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017
Rupiah	6,24%	6,59%
Mata uang asing	1,53%	1,15%

Rupiah
Foreign currency

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19. Simpanan dari Bank Lain

Simpanan dari bank lain berdasarkan jenis dan mata uang terdiri dari:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Rupiah		
Call money	590.000	-
Giro	70.520	36.748
Tabungan	5.808	7.720
Deposito berjangka	-	5.000
	666.328	49.468
Mata uang asing		
Call money	2.444.600	2.229.140
Tabungan	31.360	36.220
	2.475.960	2.265.360
Total	3.142.288	2.314.828

19. Deposits from Other Banks

Deposits from other banks based on type and currency consist of:

Rupiah
Call money
Demand deposits
Saving deposits
Time deposits

Foreign currency
Call money
Saving deposits

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 2018	31 Desember/ 31 December 2017
Rupiah		
Pihak Ketiga	618.812	27.774
Pihak Berelasi (Catatan 36)	47.516	21.694
	666.328	49.468
Mata uang asing		
Pihak Ketiga	31.360	36.220
Pihak Berelasi (Catatan 36)	2.444.600	2.229.140
	2.475.960	2.265.360
Total	3.142.288	2.314.828

Rupiah
Third Parties
Related Parties (Note 36)

Foreign currency
Third Parties
Related Parties (Note 36)

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 dijaminkan pada tanggal-tanggal 31 Desember 2018 dan 2017.

There were no deposits from other banks blocked or collateralized as of 31 December 2018 and 2017.

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	
	2018	2017
Rupiah	0,00% - 4,72%	0,00% - 5,77%
Mata uang asing	0,00% - 2,41%	0,00% - 1,80%

Rupiah
Foreign currency

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20. Perpajakan

Utang pajak terdiri dari:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Utang pajak penghasilan		
Pasal 4 (2)	55.448	49.123
Pasal 21	19.205	11.119
Pasal 23 dan 26	1.449	1.195
Pasal 29	1.560	1.738
Pajak Pertambahan Nilai	7.161	2.027
Total utang pajak	84.823	65.202

20. Taxation

Taxes payable consists of:

Income taxes payable
Article 4 (2)
Article 21
Article 23 and 26
Article 29
Value Added Taxes
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 2018 dan 2017 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 2018 and 2017, are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017	
Laba sebelum beban pajak sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain	710.204	308.503	<i>Income before tax expense as stated in the statement of profit or loss and other comprehensive income</i>
Beda temporer:			Temporary differences:
Pembentukan cadangan atas kerugian penurunan nilai aset produktif dan non-produktif	11.180	277.243	<i>Provision for allowance for impairment losses on earning assets and non-earning assets</i>
Cadangan atas imbalan kerja (Kerugian) keuntungan penjualan aset tetap - neto	40.529	44.546	<i>Provision for employees' benefits (Loss) gain on sale of fixed assets - net</i>
Pemulihan (pembentukan) atas cadangan penurunan nilai agunan yang diambil alih	(192)	921	<i>Reversal of (provision for) decline in value of foreclosed assets</i>
Penyusutan aset tetap	5.400	(960)	<i>Depreciation of fixed assets</i>
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(8.572)	(11.143)	<i>Unrealized gain (loss) on trading securities - net</i>
Beda tetap:			Permanent differences:
Penyusutan aset tetap	166	264	<i>Depreciation of fixed assets</i>
Keuntungan penjualan aset tetap dan properti terbengkalai - neto	(5.183)	(3.483)	<i>Gain on sale of fixed assets and abandoned property - net</i>
Lain-lain - neto	90.187	58.687	<i>Others - net</i>
Penghasilan kena pajak - Bank	852.438	659.173	Taxable income - Bank

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Perhitungan beban pajak - tahun berjalan dan beban pajak - tangguhan - neto untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017	
Penghasilan kena pajak	852.438	659.173	Taxable income
Beban pajak penghasilan - tahun berjalan	213.110	164.793	Income tax expense - current
Beban pajak penghasilan - tangguhan			Income tax expense - deferred
Pemulihan atas kerugian penurunan nilai aset produktif dan non produktif	2.795	69.311	Reversal for impairment losses on earning assets and non-earning assets
Cadangan atas imbalan kerja - neto (Kerugian) keuntungan	10.133	11.137	Provision for employees' benefits - net
penjualan aset tetap - neto	(48)	230	(Loss) gain on sale of fixed assets - net
Pemulihan (pembentukan) atas penurunan nilai agunan yang diambil alih	1.350	(240)	Recovery of (provision for) decline in value of foreclosed assets
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	2.180	(3.851)	Unrealized gain (loss) on trading securities - net
Penyusutan aset tetap	(2.143)	(2.786)	Depreciation of fixed assets
Beban pajak penghasilan - tangguhan - neto	14.267	73.801	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	198.843	230.982	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 2018 dan 2017 adalah sebagai berikut:

The computation of tax expense - current and tax expense - deferred - net for the year ended 31 December 2018 and 2017, are as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017	
Laba sebelum beban pajak	710.204	308.503	Income before tax expense
Beban pajak penghasilan berdasarkan tarif pajak yang berlaku	177.551	77.126	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	41	66	Depreciation of fixed assets
Keuntungan penjualan aset tetap dan properti terbengkalai - neto	(1.296)	(871)	Gain on sale of fixed assets and abandoned property - net
Lain-lain - neto	22.547	14.671	Others - net
Koreksi lainnya terkait pemeriksaan PPh Badan	-	139.990	Other correction related to the inspection of Corporate Income Tax
Beban pajak - neto	198.843	230.982	Tax expense - net

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Perhitungan beban pajak - tahun berjalan dan utang pajak penghasilan adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Beban pajak penghasilan - tahun berjalan	213.110	164.793
Pembayaran pajak penghasilan dimuka	(211.550)	(163.055)
Utang pajak penghasilan	1.560	1.738

Rincian aset pajak tangguhan adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Cadangan penurunan nilai agunan yang diambil alih	3.585	2.235
Cadangan kerugian penurunan nilai aset produktif dan non produktif	68.350	65.555
Liabilitas atas imbalan kerja	69.515	82.113
Penyusutan aset tetap	(31.617)	(29.474)
Keuntungan penjualan aset tetap	(751)	(703)
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual	28.891	(20.953)
Keuntungan (kerugian) yang belum direalisasi atas efek-efek yang diperdagangkan - neto	(1.381)	(3.561)
Total	136.592	95.212

Pada tahun 2011, Bank telah menyampaikan Surat Keberatan Pajak kepada Kantor Pajak atas Surat Ketetapan Pajak Kurang Bayar (SKPKB) Pajak Pertambahan Nilai sebesar Rp2.214 atas penjualan agunan diambil alih. Keberatan tersebut telah dikabulkan sebagian oleh Kantor Pajak berdasarkan Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 tanggal 30 Agustus 2012 dan telah mendapat pengembalian pajak sebesar Rp1.040. Atas keputusan ini, Bank menyampaikan permohonan banding ke Pengadilan atas Keputusan Direktur Jenderal Pajak No.KEP-1167/WPJ.19/2012 berdasarkan Surat No.12/DIR/0743 sebesar Rp1.174. Pada tanggal 7 Juli 2014, pengadilan pajak memutuskan untuk menolak permohonan banding Bank berdasarkan surat putusan No. 53881/PP/M.XIIB/16/2014.

Sehubungan dengan keputusan pengadilan pajak tersebut, pada tanggal 20 Oktober 2014, Bank menyampaikan Permohonan Peninjauan Kembali (PK) berdasarkan surat No. 14/DIR/0457.

20. Taxation (continued)

The computations of tax expense - current and income tax payable are as follows:

Tax expense - current
Pre-payments of income taxes

Income tax payable

The details of deferred tax assets are as follows:

Allowance for decline in value of foreclosed assets
Allowance for impairment losses on earning assets and non-earning assets
Liability for employees' benefits
Depreciation of fixed assets
Gain on sale of fixed assets - net

Unrealized gain (loss) on available-for-sale securities
Unrealized gain (loss) on trading securities - net

On 2011, the Bank has submitted a Tax Objection Letter to the Tax Office for Tax Underpayment Assessment Letter (SKPKB) of Value Added Tax on sale of foreclosed assets amounting to Rp2,214. The objection has been partially granted by Tax Office based on decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 dated 30 August 2012 and was received as a tax refund amounting to Rp1,040. Following this decision, the Bank has submitted an appeal for the objection to Court regarding decision of Directorate General of Tax No. KEP-1167/WPJ.19/2012 with Letter No.12/DIR/0743 amounting to Rp1,174. On 7 July 2014, the tax court decided to reject the Bank's appeal as stated on decision letter No. 53881/PP/M.XIIB/16/2014.

Following the decision of the tax court, on 20 October 2014, the Bank has submitted an appeal for Judicial Review (PK) with letter No. 14/DIR/0457.

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20. Perpajakan (lanjutan)

Pada tahun 2017, Bank memutuskan untuk mencabut permohonan peninjauan kembali dan telah membebaskan jumlah yang telah dibayarkan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan dengan mempertimbangkan perkembangan peraturan perpajakan yang berlaku di Indonesia.

Pada tanggal 1 Juni 2016, Bank menerima Surat Ketetapan Kurang Bayar Pajak Penghasilan Badan (SKPKB PPh Badan) tertanggal 12 Mei 2016 untuk tahun pajak 2011 dengan No. 00013/206/11/091/16 sebesar Rp74.245 dan SKPKB Pajak Pertambahan Nilai (PPN) dengan No. 00122/207/11/091/16 sampai dengan 00127/207/11/091/16 sebesar Rp15.911.

Dari hasil SKPKB tersebut, Bank telah menyetujui sejumlah Rp5.872 dan telah dibukukan dalam laporan laba rugi dan penghasilan komprehensif lain tahun 2016. Bank telah mengajukan keberatan atas hasil SKPKB sejumlah Rp84.284 pada tanggal 10 Agustus 2016.

Pada tahun 2017, Bank memutuskan untuk mencabut keberatan atas hasil SKPKB dan membebaskan jumlah yang telah dibayarkan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan dengan mempertimbangkan perkembangan peraturan perpajakan yang berlaku di Indonesia.

Pada tanggal 5 Desember 2016, Bank menerima Surat Ketetapan Kurang Bayar Pajak Penghasilan Badan (SKPKB PPh Badan) tertanggal 29 November 2016 untuk tahun pajak 2012 dengan No. 00005/206/12/091/16 sebesar Rp111.061, SKPKB Pajak Penghasilan (PPh) Pasal 21 dengan No. 0003/201/12/091/16 sebesar Rp385, PPh Pasal 23 dengan No. 00012/203/12/091/16 sebesar Rp375, PPh Pasal 4 ayat (2) dengan No. 00015/240/12/091/16 sebesar Rp7.762, PPh Pasal 26 dengan No. 00001/245/12/091/16 sampai dengan 00012/245/12/091/16 sebesar Rp611, dan SKPKB Pajak Pertambahan Nilai (PPN) dengan No. 00022/207/12/091/16 sampai dengan 00033/207/12/091/16 dan 00069/107/12/091/16 sebesar Rp14.514.

Dari hasil SKPKB tersebut, Bank telah menyetujui sejumlah Rp8.688 dan telah dibukukan dalam laporan laba rugi komprehensif tahun 2016.

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 Letter (SKPKB PPh Badan) No. 00013/206/11/091/16 dated 12 May 2016 fiscal 2011 amounting to Rp74,245 and Value Added Tax (PPN) Underpayment Assessment Letters No. 00122/207/11/091/16 up to 00127/207/11/091/16 amounting to Rp15,911.

Based on the SKPKB, Bank has agreed an amount of Rp5,872 and charged to the 2016 statement of profit or loss and other comprehensive income. Bank has filed an objection on SKPKB amounting to 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.

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20. Perpajakan (lanjutan)

Pada tahun 2017, Bank memutuskan untuk mencabut keberatan atas hasil SKPKB dan membebaskan jumlah yang telah dibayarkan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan dengan mempertimbangkan perkembangan peraturan perpajakan yang berlaku di Indonesia.

Sesuai dengan perkembangan peraturan perpajakan yang berlaku di Indonesia, pemeriksaan pajak tahun 2013 dinyatakan selesai.

Perhitungan pajak penghasilan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 akan menjadi dasar dalam pengisian surat Pemberitahuan Tahunan (SPT) Pajak Penghasilan Badan.

20. Taxation (continued)

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.

Considering the development of tax regulations in Indonesia, tax audit for fiscal year 2013 was declared to be settled.

The income tax calculation for the year ended 31 December 2018 and 2017 will be the basis in filing Annual Income Tax Return.

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 2018, terdiri dari:

21. Liabilities on Securities Sold under Repurchase Agreements

Liabilities on securities sold under repurchase agreements as of 31 December 2018 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	Beban Bunga yang Belum Direalisasi/ Unrealized Interest	Nilai Tercatat/ Carrying Value
United Overseas Bank Ltd., Singapura/United Overseas Bank Ltd., Singapore	RI-23	215.700	20 Dec 2018	3 Jan 2019	209.915	(200)	209.715
United Overseas Bank Ltd., Singapura/United Overseas Bank Ltd., Singapore	RI-23N	143.800	20 Dec 2018	3 Jan 2019	151.608	(144)	151.464
United Overseas Bank Ltd., Singapura/United Overseas Bank Ltd., Singapore	INDOIS19	221.452	6 Jun 2018	6 Mar 2019	219.953	(994)	218.959
Jumlah/ Total		580.952			581.476	(1.338)	580.138

Suku bunga efektif untuk liabilitas atas surat berharga yang dijual dengan janji dibeli kembali adalah 2,45% - 2,60%.

The effective interest rate for liabilities on securities sold under repurchase agreements is 2.45% - 2.60%.

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22. Pinjaman yang Diterima

Pinjaman yang diterima pada tanggal 31 Desember 2018 dan 2017, terdiri dari:

	31 Desember/ 31 December 2018
Pihak ketiga	
Rupiah:	
PT Bank ICBC Indonesia	758.074
Mata uang asing:	
PT Bank Resona Perdanania	352.191
PT Bank ICBC Indonesia	4.875
Pihak berelasi (Catatan 36)	
Mata uang asing:	
United Overseas Bank Ltd., Singapura	2.085.100
Total pinjaman yang diterima	3.200.240

Pada tanggal 31 Desember 2018, tingkat suku bunga untuk pinjaman yang diterima dalam mata uang Rupiah adalah 7,15% dan dalam mata uang asing 0% - 2,87%.

Pada tanggal 31 Desember 2017, tingkat suku bunga untuk pinjaman yang diterima dalam mata uang asing adalah 1,38%.

22. Borrowings

Borrowings as of 31 December 2018 and 2017 consist of:

	31 Desember/ 31 December 2017	
		<i>Third parties</i>
		<i>Rupiah:</i>
		<i>PT Bank ICBC Indonesia</i>
		<i>Foreign currencies:</i>
		<i>PT Bank Resona Perdanania</i>
		<i>PT Bank ICBC Indonesia</i>
		<i>Related parties (Note 36)</i>
		<i>Foreign currencies:</i>
		<i>United Overseas Bank Ltd.,</i>
		<i>Singapore</i>
Total	333.138	Total borrowings

As of 31 December 2018, interest rate for borrowings in Rupiah is 7.15% and in foreign currency is 0% - 2.87%.

As of 31 December 2017, interest rate for borrowings in foreign currency is 1.38%.

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23. Efek Hutang yang Diterbitkan

Efek hutang yang diterbitkan pada tanggal 31 Desember 2018 dan 2017, terdiri dari:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018 Pihak ketiga		
Obligasi Seri A	862.000	-
Obligasi Seri B	83.000	-
Obligasi Seri C	55.000	-
Total nominal Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018	1.000.000	-
Beban emisi obligasi yang belum diamortisasi	(1.317)	-
Total Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018	998.683	-
Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 Pihak ketiga	500.000	500.000
Total nominal Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017	500.000	500.000
Beban emisi obligasi yang belum diamortisasi	(1.263)	(1.595)
Total Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017	498.737	498.405
Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 Pihak Berelasi (Catatan 36) Pihak ketiga	1.000	1.000
Obligasi Seri B	599.000	599.000
Obligasi Seri C	100.000	100.000
Total nominal Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	700.000	700.000
Beban emisi obligasi yang belum diamortisasi	(1.316)	(2.512)
Total Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	698.684	697.488

23. Debt Securities Issued

Debt securities issued as of 31 December 2018 and 2017 consist of:

Bank UOB Indonesia Senior Debt Shelf Offering I Tranche II Year 2018 Third parties
Bonds Series A
Bonds Series B
Bonds Series C
Total nominal Bank UOB Indonesia Senior Debt Shelf Offering I Tranche II Year 2018
Unamortized bonds issuance cost
Total Bank UOB Indonesia Senior Debt Shelf Offering I Tranche II Year 2018
Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 Third Parties
Total nominal Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017
Unamortized bonds issuance cost
Total Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017
Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 Related Parties (Note 36) Third parties
Bonds Series B
Bonds Series C
Total nominal Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016
Unamortized bonds issuance cost
Total Bank UOB Indonesia Senior 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 2018 dan 2017, terdiri dari: (lanjutan)

23. Debt Securities Issued (continued)

Debt securities issued as of 31 December 2018 and 2017 consist of: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
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	(1.586)	(1.905)	Unamortized bonds issuance cost
Total Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016	98.414	98.095	Total nominal Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016
Obligasi I Bank UOB Indonesia Tahun 2015 Pihak Berelasi (Catatan 36)	-	6.000	Bonds I Bank UOB Indonesia Year 2015 Related Parties (Note 36)
Obligasi Seri B	2.000	2.000	Bonds Series B
Obligasi Seri C	-	594.000	Bonds Series C
Pihak ketiga	498.000	498.000	Third parties
Obligasi Seri B	-	594.000	Bonds Series B
Obligasi Seri C	498.000	498.000	Bonds Series C
Total nominal Obligasi I Bank UOB Indonesia Tahun 2015	500.000	1.100.000	Total nominal Senior Debt I Bank UOB Indonesia Year 2015
Beban emisi obligasi yang belum diamortisasi	(850)	(1.907)	Unamortized bonds issuance cost
Total Obligasi I Bank UOB Indonesia Tahun 2015	499.150	1.098.093	Total Bank UOB Indonesia Senior Debt I Year 2015
Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 Pihak Berelasi (Catatan 36)	605.000	605.000	Subordinated Bonds I Bank UOB Indonesia year 2014 Related Parties (Note 36)
Pihak ketiga	395.000	395.000	Third Parties
Total nominal Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	1.000.000	1.000.000	Total nominal Bank UOB Indonesia Subordinated Debt I Year 2014
Beban emisi obligasi yang belum diamortisasi	(2.461)	(3.477)	Unamortized bonds issuance cost
Total Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014	997.539	996.523	Total Bank UOB Indonesia Subordinated Debt I Year 2014
Total efek hutang yang diterbitkan	3.791.207	3.388.604	Total debt securities issued

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23. Efek Hutang yang Diterbitkan (lanjutan)

Pada tahun 2018, Bank telah melakukan Penawaran Umum Obligasi Berkelanjutan II Bank UOB Indonesia dengan target total dana yang dihimpun sebesar Rp3.000.000.000.000 (nilai penuh).

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi Berkelanjutan II Bank UOB Indonesia Tahap I Tahun 2019 dengan jumlah pokok sebesar Rp100.000.000.000 (nilai penuh) yang dikenakan tingkat bunga tetap per tahun masing-masing sebesar 8,20% dibayarkan setiap tiga bulan dan akan jatuh tempo pada tanggal 19 Januari 2020.

Pada tanggal 31 Desember 2018 peringkat Obligasi Berkelanjutan II Bank UOB Indonesia Tahap I Tahun 2019 menurut *Fitch Ratings* adalah idAAA.

Pada tahun 2016, 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:

1. Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp862.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp83.000.000.000 (nilai penuh) dan Obligasi Seri C sebesar Rp55.000.000.000 (nilai penuh) yang dikenakan tingkat bunga tetap per tahun masing-masing sebesar 6,15%, 7,40%, dan 7,65%, yang dibayarkan setiap tiga bulan dan akan jatuh tempo masing-masing pada tanggal 3 Juni 2019, 23 Mei 2021, dan 23 Mei 2023.

Pada tanggal 31 Desember 2018 peringkat Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018 menurut *Fitch Ratings* adalah idAAA.

23. Debt Securities Issued (continued)

In year 2018, Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering II with total fund of Rp3,000,000,000,000 (full amount).

Regarding the public offering, Bank issued Bank UOB Indonesia Senior Debt Shelf Offering II Phase I Year 2019 totalling Rp100,000,000,000 (full amount) with fix interest rate of 8.20% which is repayable every three months and will mature on 19 January 2020.

As of 31 December 2018, the rating of Bank UOB Indonesia Senior Debt Shelf Offering II Phase I Year 2019 based on Fitch Ratings was idAAA.

In 2016, Bank conducted public offering of Bank UOB Indonesia Senior Debt Shelf Offering I and Bank UOB Indonesia Subordinate Debt Shelf Offering I with total fund of Rp2,000,000,000,000 (full amount) and Rp1,000,000,000,000 (full amount), respectively.

Regarding the public offering, Bank issued bonds as follows:

1. *Bank UOB Indonesia Senior Debt Shelf Offering I Phase II Year 2018 totalling Rp1,000,000,000,000 (full amount) consists of Bonds Series A amounting to Rp862,000,000,000 (full amount), Series B amounting to Rp83,000,000,000 (full amount) and Series C amounted to Rp55,000,000,000 (full amount) with fixed interest rate of 6.15%, 7.40%, and 7.65%, respectively, which is repayable every three months and will mature on 3 June 2019, 23 May 2021, and 23 May 2023, respectively.*

As of 31 December 2018, the rating of Bank UOB Indonesia Senior Debt Shelf Offering I Phase II Year 2018 based on Fitch Ratings was idAAA.

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23. Efek Hutang yang Diterbitkan (lanjutan)

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi-Obligasi sebagai berikut: (lanjutan)

2. 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 pada tanggal 18 Oktober 2017.

Bank memperhitungkan Obligasi tersebut sebagai Komponen Modal Pelengkap Level Bawah (*Lower Tier 2*) berdasarkan Surat Persetujuan Otoritas Jasa Keuangan No. S-84/PB.32/2017 pada tanggal 20 Desember 2017.

Pada tanggal 31 Desember 2018 dan 2017, peringkat Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017 menurut *Fitch Ratings* adalah idAA.

3. Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dengan jumlah pokok sebesar Rp100.000.000.000 (nilai penuh) dikenakan suku bunga tetap sebesar 9,40% per tahun yang dibayarkan setiap tiga bulan dan jangka waktu selama tujuh tahun dan akan jatuh tempo pada tanggal 25 November 2023. Obligasi tersebut dicatatkan di Bursa Efek Indonesia pada tanggal 28 November 2016.

Bank memperhitungkan Obligasi tersebut sebagai Komponen Modal Pelengkap Level Bawah (*Lower Tier 2*) berdasarkan Surat Persetujuan Otoritas Jasa Keuangan No. S-18/PB.32/2017 pada tanggal 6 Maret 2017.

Pada tanggal 31 Desember 2018 dan 2017, peringkat Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 menurut *Fitch Ratings* adalah idAA.

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23. Debt Securities Issued (continued)

Regarding the public offering, Bank issued bonds as follows: (continued)

2. Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase II 2017 with total amount of Rp500,000,000,000 (full amount) that 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 at 18 October 2017.

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 2018 and 2017, the rating of Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017 based on *Fitch Ratings* was idAA.

3. Bank UOB Indonesia Subordinate Debt Shelf Offering I Phase I 2016 with total amount of Rp100,000,000,000 (full amount) that was subject to fixed interest rate of 9.40% per annum which was payable every three months with a seven-year term and will mature on 25 November 2023. The Bond was listed on the Indonesia Stock Exchange at 28 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 2018 and 2017, the rating of Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 based on *Fitch Ratings* was idAA.

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23. Efek Hutang yang Diterbitkan (lanjutan)

Dalam rangka penawaran umum tersebut Bank menerbitkan Obligasi-Obligasi sebagai berikut: (lanjutan)

4. Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dengan jumlah pokok sebesar Rp1.000.000.000.000 (nilai penuh) yang terbagi menjadi Obligasi Seri A sebesar Rp300.000.000.000 (nilai penuh), Obligasi Seri B sebesar Rp600.000.000.000 (nilai penuh) dan Obligasi Seri C sebesar Rp100.000.000.000 (nilai penuh) yang dikenakan tingkat bunga tetap per tahun masing-masing sebesar 7,20%, 8,00%, dan 8,25%, yang dibayarkan setiap tiga bulan dan akan jatuh tempo masing-masing pada tanggal 5 Desember 2017, 25 November 2019, dan 25 November 2021.

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.

Pada tanggal 31 Desember 2018 dan 2017, 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 dan Seri B dengan nilai nominal masing-masing Rp400.000.000.000 (nilai penuh) dan Rp600.000.000.000 (nilai penuh) yang jatuh tempo masing-masing pada tanggal 11 April 2016 dan 1 April 2018.

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23. Debt Securities Issued (continued)

Regarding the public offering, Bank issued bonds as follow: (continued)

4. Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 totalling to Rp1,000,000,000,000 (full amount) consists 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) with fix interest rates of 7.20%, 8.00%, and 8.25%, respectively, which was repayable every three months and will mature on 5 December 2017, 25 November 2019, and 25 November 2021, respectively.

The Bank has paid the principal on Bank UOB Indonesia Senior Debt Shelf Offering I Phase I Year 2016 Series A with a nominal value of Rp300,000,000,000 (full amount) matured on 4 December 2017.

As of 31 December 2018 and 2017, 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 Rp1,500,000,000,000 (full amount) that consists 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) with fix interest rates 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 bonds are listed on the Indonesia Stock Exchange and became effective based on OJK Decision Letter dated 24 March 2015.

The Bank has paid the principal on Bonds I Bank UOB Indonesia in 2015 Series A and Series B with a nominal value Rp400,000,000,000 (full amount) and Rp600,000,000,000 (full amount), respectively which matured on 11 April 2016 and 1 April 2018.

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23. Efek Hutang yang Diterbitkan (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, 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 2018 dan 2017, peringkat Obligasi Subordinasi I Bank UOB Indonesia Tahun 2014 menurut *Fitch Ratings* adalah idAA.

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 II Bank UOB Indonesia Tahap I Tahun 2019, Obligasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2018, Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017, Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 dan Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016, dan adalah PT Bank Mandiri (Persero) Tbk.

Tidak terdapat keterkaitan usaha antara wali amanat dengan Bank.

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23. Debt Securities Issued (continued)

As of 31 December 2018 and 2017, 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) that subject to fixed interest rate of 11.35% per annum which was payable every three months; with a seven-year term; and will mature on 28 May 2021. The Bond is 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 2018 and 2017, the rating of Bank UOB Indonesia Subordinated Bonds I Bank UOB Indonesia Year 2014 based on *Fitch Ratings* was idAA.

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 II Tranche I Year 2019, Bank UOB Indonesia Senior Debt Shelf Offering I Tranche II Year 2018, Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche II Year 2017, Bank UOB Indonesia Senior Debt Shelf Offering I Tranche I Year 2016 and Bank UOB Indonesia Subordinated Debt Shelf Offering I Tranche I Year 2016 was PT Bank Mandiri (Persero) Tbk.

There is no business relationship between the trustees and the Bank.

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23. Efek Hutang yang Diterbitkan (lanjutan)

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.

Per 31 Desember 2018 dan 2017, Bank telah mengamortisasi biaya emisi obligasi masing-masing sebesar Rp5.412 dan Rp5.764 yang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain.

Selama 2018 dan 2017, Bank telah memenuhi persyaratan-persyaratan dalam penerbitan efek hutang tersebut.

24. Liabilitas Lain-lain

Akun ini terdiri dari:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Biaya yang masih harus dibayar	270.823	182.097	Accrued expenses
Pendapatan diterima dimuka	98.615	124.798	Unearned income
Setoran jaminan	33.949	48.789	Guarantee deposits
Lain-lain	279.040	140.475	Others
Total	682.427	496.159	Total

Per 31 Desember 2018 dan 2017, termasuk dalam biaya yang masih harus dibayar adalah bonus yang diberikan kepada Direksi yang ditangguhkan masing-masing sebesar Rp5.981 dan Rp2.877, sesuai dengan POJK No. 45/POJK.03/2015 tanggal 23 Desember 2015 tentang Penerapan Tata Kelola dalam Pemberian Remunerasi bagi Bank Umum.

23. Debt Securities Issued (continued)

During the term of above mentioned bonds, without written permission from trustee, the Bank is not allowed to:

- 1) Secure part or all of the income or asset of the Bank that exists 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 impact on 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.

As of 31 December 2018 and 2017, the Bank has amortized the bonds issuance cost amounting to Rp5,412 and Rp5,764, respectively, which is recorded in the statement of profit or loss and other comprehensive income.

During 2018 and 2017, the Bank has complied with covenants of the debt securities issued above.

24. Other Liabilities

This account consists of:

As of 31 December 2018 and 2017, included in the accrued expenses is deferred bonus granted to the Board of Directors amounting to Rp5,981 and Rp2,877, respectively, 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.

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25. Modal Saham

Susunan pemegang saham Bank dan persentase kepemilikannya pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut (Catatan 1):

31 Desember 2018 dan 2017/ 31 December 2018 and 2017				
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").

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 2018 dan 2017.

Kebijakan Bank adalah mempertahankan struktur permodalan yang sehat untuk mengamankan akses terhadap pendanaan pada biaya yang wajar.

25. Share Capital

The Bank's shareholders and percentage of ownership as of 31 December 2018 and 2017, are as follows (Note 1):

Capital Management

The primary objective of the Bank's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

In addition, the Bank is also required by the Corporate Law effective 16 August 2007 to contribute and maintain a non-distributable reserve fund until the said reserve reaches 20% of the issued and fully paid up share capital. This capital requirements are considered by the Bank at the Annual General Shareholders' Meeting ("AGM").

The Bank manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 2018 and 2017.

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

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26. Tambahan Modal Disetor

Akun ini terdiri dari:

	31 December 2018 dan 2017/ 31 December 2018 and 2017
Agio Saham	
Penawaran umum terbatas III tahun 2006	576.625
Dividen saham	238.276
Biaya emisi efek ekuitas	
Penawaran umum terbatas III tahun 2006	(2.306)
Selisih nilai transaksi restrukturisasi entitas sepengendali	1.289.647
Penyesuaian tambahan modal disetor	4.576
Total	2.106.818

26. Additional Paid-in Capital

This account consists of:

Paid-in capital
Limited Public Offering III year 2006
Stock dividend
Issuance cost
Limited Public Offering III year 2006
Difference in the value of
restructuring transactions of
entities under common control
Adjustment on
additional paid-in capital
Total

27. Saldo Laba

Dalam Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 9 Mei 2018 yang berita acaranya diaktakan dengan Akta Ashoya Ratam, S.H. MKn., No. 20 pada tanggal yang sama, para pemegang saham setuju untuk menambah dana cadangan umum sebesar Rp775 guna memenuhi ketentuan Pasal 70 Undang-undang Perseroan Terbatas dan Pasal 20 Anggaran Dasar Bank serta membukukan seluruh laba bersih yang diperoleh tahun 2017 setelah dikurangi cadangan sebagai laba ditahan.

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.

27. Retained Earnings

At the Annual General Shareholders' Meeting held on 9 May 2018, the minutes of which were notarized under Deed No. 20 of Ashoya Ratam, S.H. MKn., on the same date, the shareholders agreed to increase the amount appropriated for general reserve amounting to Rp775 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 2017 after deduction against reserve as 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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28. Pendapatan Bunga

Akun ini diperoleh dari:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Kredit yang diberikan	6.070.242	6.146.299
Investasi keuangan	1.041.100	961.112
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	146.349	120.608
Penempatan pada Bank Indonesia dan bank lain	51.621	29.154
Giro pada Bank Indonesia dan bank lain	9.990	10.854
Total	7.319.302	7.268.027

Provisi dan komisi yang diamortisasi dan diakui sebagai pendapatan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp339.668 dan Rp316.895.

Pendapatan bunga yang diperoleh dari pihak-pihak yang berelasi atas kredit yang diberikan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar 0,34% dan 0,29% dari jumlah pendapatan bunga pada masing-masing tahun yang bersangkutan (Catatan 36).

28. Interest Income

This account is derived from the following:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Kredit yang diberikan	6.070.242	6.146.299
Investasi keuangan	1.041.100	961.112
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	146.349	120.608
Penempatan pada Bank Indonesia dan bank lain	51.621	29.154
Giro pada Bank Indonesia dan bank lain	9.990	10.854
Total	7.319.302	7.268.027

Provision and commission which are amortized and recognized as interest income for the year ended 31 December 2018 and 2017 amounted to Rp339,668 and Rp316,895, respectively.

Interest income earned from related parties from loans for the year ended 31 December 2018 and 2017 are 0.34% and 0.29%, respectively, of the total interest income for each year (Note 36).

29. Beban Bunga

Akun ini merupakan beban bunga yang timbul atas:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Deposito berjangka	2.429.180	2.563.284
Giro	367.283	406.439
Efek utang yang diterbitkan	326.208	305.105
Tabungan	286.642	272.536
Premi penjaminan Pemerintah (Catatan 35)	145.772	154.842
Simpanan dan Pinjaman dari bank lain	135.006	43.215
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	25.229	11.381
Total	3.715.320	3.756.802

Beban bunga atas transaksi dengan pihak-pihak yang berelasi masing-masing sebesar 4,53% dan 2,87% dari jumlah beban bunga untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 (Catatan 36).

29. Interest Expense

This account represents interest expense incurred on the following:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Deposito berjangka	2.429.180	2.563.284
Giro	367.283	406.439
Efek utang yang diterbitkan	326.208	305.105
Tabungan	286.642	272.536
Premi penjaminan Pemerintah (Catatan 35)	145.772	154.842
Simpanan dan Pinjaman dari bank lain	135.006	43.215
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	25.229	11.381
Total	3.715.320	3.756.802

Interest expense on transactions with related parties is 4.53% and 2.87% of the total interest expense for the year ended 31 December 2018 and 2017, respectively (Note 36).

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30. Beban Umum dan Administrasi

Akun ini terdiri dari:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Telekomunikasi, listrik dan air	209.374	200.902
Penyusutan aset tetap (Catatan 13)	200.503	175.012
Pemeliharaan dan perbaikan (Catatan 36)	175.101	157.586
Jasa <i>outsourcing</i> (Catatan 36)	170.254	154.081
Iklan dan promosi	153.974	131.908
Sewa	109.935	103.633
Jasa tenaga ahli	91.427	61.922
Pungutan OJK	43.377	45.693
Barang cetakan dan keperluan kantor	23.453	23.823
Kepemilikan	14.280	17.138
Asuransi	7.183	7.256
Lain-lain	35.161	27.826
Total	1.234.022	1.106.780

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 (Note 36)
Advertising and promotion
Rental
Professional fees
OJK levy
Printed materials and office
supplies
Security
Insurance
Others

31. Beban Gaji dan Kesejahteraan Karyawan

Akun ini terdiri dari:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December	
	2018	2017
Gaji, upah dan tunjangan hari raya	1.131.703	1.059.170
Tunjangan pajak PPh 21	236.948	141.748
Gratifikasi	106.305	84.465
Pendidikan dan pelatihan	87.381	57.200
Makan, transportasi dan tunjangan lainnya	71.671	65.259
Pengobatan	64.299	51.554
Imbalan kerja (Catatan 34)	59.784	71.685
Jaminan Sosial Tenaga Kerja	54.587	50.945
Insentif	34.294	42.996
Lembur	7.350	6.819
Lain-lain	22.420	6.662
Total	1.876.742	1.638.503

31. Salaries and Employee Benefits Expenses

This account consists of:

Salaries, wages and Lebaran bonus
Taxable allowance PPh 21
Gratification
Education and training
Meals, transportation and
other allowance
Medical
Employee benefits (Note 34)
Obligatory employee insurance
(Jamsostek)
Incentive
Overtime
Others

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32. Transaksi Pembelian dan Penjualan Tunai Mata Uang Asing

Rincian nilai nominal atas pembelian dan penjualan tunai mata uang asing (*spot*) per 31 Desember 2018 dan 2017, adalah sebagai berikut:

32. Spot Foreign Currency Bought and Sold

The details of the notional values of spot foreign currencies bought and sold as of 31 December 2018 and 2017, are as follows:

		31 Desember/31 December 2018		
		Mata Uang Asing/ Foreign Currencies	Rupiah	
Pembelian tunai mata uang asing Pihak ketiga	USD	32.000.000	460.160	Spot foreign currency bought Third parties
	SGD	400.000	4.222	
			464.382	
Pembelian tunai mata uang asing Pihak terkait	USD	6.740.536	96.960	Spot foreign currency bought Related parties
	EUR	460.000	7.572	
	GBP	20.000	366	
	AUD	322.000	3.274	
			108.172	
			572.554	
Penjualan tunai mata uang asing Pihak ketiga	USD	20.140.000	289.613	Spot foreign currency sold Third parties
	GBP	25.562	468	
			290.081	
Penjualan tunai mata uang asing Pihak terkait	USD	12.925.375	185.933	Spot foreign currency sold Related parties
	EUR	248.000	4.081	
	AUD	1.170.000	11.876	
	GBP	50.000	915	
			202.805	
			492.886	
		31 Desember/31 December 2017		
		Mata Uang Asing/ Foreign Currencies	Rupiah	
Pembelian tunai mata uang asing Pihak ketiga	USD	40.500.000	549.484	Spot foreign currency bought Third parties
	SGD	300.000	3.046	
			552.530	
Pembelian tunai mata uang asing Pihak terkait	USD	3.348.329	45.464	Spot foreign currency bought Related parties
	EUR	1.126.000	18.266	
	AUD	20.000	212	
			63.942	
			616.472	
Penjualan tunai mata uang asing Pihak ketiga	USD	10.061.870	136.514	Spot foreign currency sold Third parties
			136.514	
Penjualan tunai mata uang asing Pihak terkait	USD	31.618.582	429.039	Spot foreign currency sold Related parties
	EUR	846.356	13.730	
	NZD	200.000	1.928	
	AUD	870.000	9.217	
	SGD	2.101.765	21.342	
			475.256	
			611.770	

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33. Komitmen dan Kontinjensi

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Komitmen		
Tagihan komitmen	82.079	231.726
Liabilitas komitmen		
Fasilitas kredit yang belum digunakan	(37.132.500)	(28.608.598)
Irrevocable letters of credit yang masih berjalan	(2.746.117)	(2.215.104)
Liabilitas komitmen - neto	(39.796.538)	(30.591.976)
Kontinjensi		
Tagihan kontinjensi		
Pendapatan bunga dalam penyelesaian	190.700	124.480
Liabilitas kontinjensi		
Bank garansi	(3.454.407)	(3.907.040)
Standby letters of credit	(1.275.107)	(1.471.915)
Liabilities kontinjensi - neto	(4.538.814)	(5.254.475)
Liabilitas komitmen dan kontinjensi - neto	(44.335.352)	(35.846.451)

33. Commitments and Contingencies

The Bank's commitments and contingencies are as follows:

<i>Commitments</i>
<i>Commitment receivables</i>
<i>Commitment liabilities</i>
<i>Unused loan facilities granted</i>
<i>Outstanding irrevocable letters of credit</i>
<i>Commitment liabilities - net</i>
<i>Contingencies</i>
<i>Contingent receivables</i>
<i>Interest on non-performing loans</i>
<i>Contingent liabilities</i>
<i>Bank guarantees</i>
<i>Standby letters of credit</i>
<i>Contingent liabilities - net</i>
<i>Commitments and contingent liabilities - net</i>

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 (DPLK) Manulife Indonesia (pihak ketiga). Iuran yang dibayarkan kepada DPLK pada tahun yang berakhir pada 31 Desember 2018 dan 2017 masing-masing sebesar Rp95.240 dan Rp87.887.

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 2018 dan 2017 masing-masing berjumlah Rp59.784 dan Rp71.685 (Catatan 31).

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 (DPLK) Manulife Indonesia (a third party). The contribution retirement paid to DPLK for the year ended 31 December 2018 and 2017 amounted to Rp95,240 and Rp87,887, respectively.

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 2018 and 2017 amounted to Rp59,784 and Rp71,685, respectively (Note 31).

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34. Liabilitas atas Imbalan Kerja (lanjutan)

Estimasi liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2018 dan 2017 dicatat berdasarkan penilaian aktuarial yang dilakukan oleh PT Mercer Indonesia dan PT Sienco Aktuarindo Utama, aktuaris independen, berdasarkan laporannya masing-masing bertanggal 4 Januari 2019 dan 3 Januari 2018, dengan menggunakan metode "Projected Unit Credit". Asumsi-asumsi penting yang digunakan dalam penilaian tersebut adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Tingkat bunga diskonto	8,25%	6,70%	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

Employee benefits expenses

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended 31 December		
	2018	2017	
Beban jasa kini	42.464	42.572	Current service cost
Beban bunga	17.320	16.038	Interest cost
Beban jasa lalu	-	13.075	Past service cost
Beban imbalan kerja (Catatan 31)	59.784	71.685	Employee benefits expense (Note 31)

Nilai kini liabilitas imbalan kerja

Present value of benefit obligations

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Nilai kini liabilitas imbalan kerja, awal tahun	328.451	209.164	Present value of benefit obligation, beginning of the year
Beban jasa kini	42.464	42.572	Current service cost
Beban bunga	17.320	16.038	Interest cost
Beban jasa lalu	-	13.075	Past service cost
Pembayaran manfaat	(19.255)	(27.139)	Payments of benefits
Pengukuran kembali aktuarial	(90.918)	74.741	Remeasurement of defined benefit plan
Nilai kini liabilitas imbalan kerja, akhir tahun	278.062	328.451	Present value of benefit obligations, end of year

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34. Liabilitas atas Imbalan Kerja (lanjutan)

Jumlah penyesuaian yang timbul pada liabilitas program untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan posisi empat tahun sebelumnya adalah sebagai berikut:

	31 Desember/31 December				
	2018	2017	2016	2015	2014
Nilai kini liabilitas	278.062	328.451	209.164	186.262	207.743
Penyesuaian liabilitas	22.674	18.838	(4.876)	(97)	39.571

Perubahan liabilitas atas imbalan kerja untuk tahun yang berakhir pada 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Saldo awal tahun	328.451	209.164	Beginning balance
Beban imbalan kerja tahun berjalan	59.784	71.685	Employee benefit expense during the year
Total yang diakui di penghasilan komprehensif lainnya	(90.918)	74.741	Total amount recognized in other comprehensive income
Pembayaran manfaat	(19.255)	(27.139)	Payments of benefits
Saldo akhir tahun	278.062	328.451	Ending balance

Tabel berikut menunjukkan analisa sensitivitas nilai kini liabilitas imbalan kerja diasumsikan terdapat perubahan atas tingkat diskonto dan tingkat kenaikan upah (tidak diaudit):

Tingkat Diskonto

	Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation	
Perubahan Persentase/ Percentage Change	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
+1%	264.474	293.063
-1%	293.068	371.570

Tingkat Kenaikan Upah

	Pengaruh terhadap nilai kini liabilitas/ Impact to present value of employee benefit obligation	
Perubahan Persentase/ Percentage Change	31 Desember / 31 December 2018	31 Desember/ 31 December 2017
+1%	307.137	374.081
-1%	253.378	290.423

34. Liability for Employee Benefits (continued)

The amounts of experience adjustments arising on the plan liabilities for the year ended 31 December 2018 and previous four years are as follows:

The movements of employee benefits liability for year ended 31 December 2018 and 2017, are as follows:

The tables below show the sensitivity analysis of the present value of employee benefit obligation in the assumed changes in the discount rate and salary increment rate (unaudited):

Discount Rate

Salary Increment Rate

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34. Liabilitas atas Imbalan Kerja (lanjutan)

Jatuh tempo dari liabilitas imbalan kerja pada tanggal 31 Desember 2018 dan 2017 (tidak diaudit) adalah sebagai berikut:

	31 Desember/ 31 December 2018
Dalam waktu 12 bulan berikutnya	31.649
Antara 1 dan 2 tahun	40.385
Antara 2 dan 5 tahun	126.645
Antara 5 dan 10 tahun	355.869
Di atas 10 tahun	735.586
Total	1.290.134

Durasi rata-rata liabilitas imbalan kerja pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah masing-masing 6,05 tahun dan 11,25 tahun.

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).

34. Liability for Employee Benefits (continued)

The maturity of the benefits obligation as of 31 December 2018 and 2017 (unaudited) are as follows:

	31 Desember/ 31 December 2017	
	36.292	Within the next 12 months
	23.566	Between 1 and 2 years
	91.343	Between 2 and 5 years
	244.381	Between 5 and 10 years
	430.866	Beyond 10 years
Total	826.448	Total

The average duration of employees' benefits liability as of 31 December 2018 and 2017 are 6.05 years and 11.25 years, respectively.

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).

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36. Sifat dan Transaksi dengan Pihak Berelasi

36. Nature and Transaction Balances with Related Parties

Pihak berelasi/ Related parties	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transaction
Dewan komisaris dan Direksi/ Boards of Commissioners and Directors	Karyawan kunci dan pengurus/Key management and Management	Kredit yang diberikan/Loans, Simpanan/Deposits
United Overseas Bank Ltd, Singapura/ United Overseas Bank Ltd, Singapore	Pemegang saham akhir/Ultimate shareholder	Giro pada bank lain/Current accounts with other banks, Penempatan pada bank lain/Placements with other banks, tagihan dan liabilitas derivative/Derivatives receivable and payable, Aset lain-lain: tagihan spot/Other Assets: spot receivable, Simpanan dari bank lain/Deposits from other Banks, Other Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali/ Liabilities on securities sold under repurchase agreements, Liabilitas lain-lain: Biaya yang masih harus dibayar/Accrued expenses & liabilitas spot/spot payable, Pinjaman yang diterima/Borrowings, Pendapatan bunga/Interest income, Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction, Beban bunga/Interest expense, Biaya outsourcing/Outsourcing cost
United Overseas Bank Ltd, Tokyo/ United Overseas Bank Ltd, Tokyo	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada bank lain/Current accounts with other banks
United Overseas Bank Ltd, Hong Kong/ United Overseas Bank Ltd, Hong Kong	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada bank lain/Current accounts with other banks, Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction
United Overseas Bank Ltd, Sydney/ United Overseas Bank Ltd, Sydney	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada bank lain/Current accounts with other banks, Pendapatan bunga/Interest income
United Overseas Bank Ltd, Malaysia/ United Overseas Bank Ltd, Malaysia	Mempunyai induk yang sama/Owned by the same shareholder	Giro pada bank lain/Current accounts with other banks, Simpanan dari bank lain/Deposits from other banks, Aset lain-lain: tagihan spot/Other Assets: spot receivable, Liabilitas lain-lain: liabilitas spot/spot payable
United Overseas Bank Ltd, Thailand/ United Overseas Bank Ltd, Thailand	Mempunyai induk yang sama/Owned by the same shareholder	Tagihan derivatif/Derivatives receivable, Simpanan dari bank lain/Deposits from other banks, Beban bunga/Interest expense
United Overseas Bank Ltd, Bandar Seri Begawan/ United Overseas Bank Ltd, Bandar Seri Begawan	Mempunyai induk yang sama/Owned by the same shareholder	Simpanan dari bank lain/Deposits from other banks, Beban bunga/Interest expense
UOB Kay Hian Credit Pte Ltd/ UOB Kay Hian Credit Pte Ltd	Mempunyai induk yang sama/Owned by the same shareholder	Efek hutang yang diterbitkan/Debt securities issued, Tagihan dan derivatif/Derivatives receivable and payable, Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction
UOB Kay Hian Securities/ UOB Kay Hian Securities	Mempunyai induk yang sama/Owned by the same shareholder	Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction
Junipa Pte Ltd/ Junipa Pte Ltd	Mempunyai induk yang sama/Owned by the same shareholder	Penjualan kredit yang diberikan/Sale of loans

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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
UOB Property Investment Pte Ltd./ UOB Property Investment Pte Ltd.	Mempunyai induk yang sama/Owned by the same shareholder	Efek hutang yang diterbitkan/Debt securities issued
PT UOB Property	Mempunyai induk yang sama/Owned by the same shareholder	Kredit yang diberikan/Loans, Tagihan dan liabilitas derivatif/Derivatives receivable and payable, Beban pemeliharaan/Maintenance expense, Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction
UOB Kay Hian Pte Ltd/ UOB Kay Hian Pte Ltd	Mempunyai induk yang sama/Owned by the same shareholder	Efek hutang yang diterbitkan/Debt securities issued, Tagihan derivatif/Derivatives receivable, Efek hutang yang diterbitkan/Debt securities issued, Simpanan dari bank lain/Deposits from other banks, Pendapatan dan beban dari transaksi derivatif dan spot/Income and expense from derivative and spot transaction, Beban bunga/Interest expense

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut:

The details of transactions with related parties are as follows:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Aset			Assets
Giro pada bank lain (Catatan 5)			Current accounts with other banks (Note 5)
United Overseas Bank Ltd., Singapore	222.980	423.295	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Tokyo	30.981	43.412	United Overseas Bank Ltd., Tokyo
United Overseas Bank Ltd., Sydney	579	604	United Overseas Bank Ltd., Sydney
United Overseas Bank Hong Kong	480	1.489	United Overseas Bank Ltd., Hong Kong
United Overseas Bank Ltd., Malaysia	67	42	United Overseas Bank Ltd., Malaysia
	<u>255.087</u>	<u>468.842</u>	
Persentase terhadap jumlah aset	<u>0,25%</u>	<u>0,49%</u>	Percentage to total assets
Penempatan pada bank lain (Catatan 6)			Placements with other banks (Note 6)
Call Money :			Call Money:
United Overseas Bank Ltd., Singapore	1.699.094	137.952	United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah aset	<u>1,64%</u>	<u>0,14%</u>	Percentage to total assets
Tagihan derivatif			Derivatives Receivable
United Overseas Bank Ltd., Singapore	230.709	38.101	United Overseas Bank Ltd., Singapore
PT UOB Property	-	1.835	PT UOB Property
	<u>230.709</u>	<u>39.936</u>	
Persentase terhadap jumlah aset	<u>0,22%</u>	<u>0,04%</u>	Percentage to total assets

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36. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Rincian dari transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

36. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Aset (lanjutan)			Assets (continued)
Kredit yang diberikan (Catatan 10)	334.057	336.113	Loans (Note 10)
Persentase terhadap jumlah aset	0,32%	0,35%	Percentage to total assets
Aset lain-lain - neto			Other assets - net
Tagihan spot			Spot receivable
United Overseas Bank Ltd., Singapura	1.370	213	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Malaysia	-	1	United Overseas Bank Ltd., Malaysia
	1.370	214	
Persentase terhadap jumlah aset	0,00%	0,00%	Percentage to total assets
Liabilitas			Liabilities
Simpanan:			Deposits:
Giro (Catatan 16)	25.562	37.033	Demand deposits (Note 16)
Tabungan (Catatan 17)	81.354	61.264	Saving deposits (Note 17)
Deposito berjangka (Catatan 18)	320.746	137.022	Time deposits (Note 18)
	427.662	235.319	
Persentase terhadap jumlah liabilitas	0,46%	0,28%	Percentage to total liabilities
Simpanan dari bank lain:			Deposits from other banks
(Catatan 19)			(Note 19)
Call Money			Call Money
United Overseas Bank Ltd., Singapura	2.444.600	2.229.140	United Overseas Bank Ltd., Singapore
Giro dari bank lain			Demand deposits from other banks
United Overseas Bank Ltd., Malaysia	29.940	2.755	United Overseas Bank Ltd., Malaysia
United Overseas Bank Ltd., Singapura	16.646	18.720	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Thailand	804	5	United Overseas Bank Ltd., Thailand
United Overseas Bank Ltd., Bandar Seri Begawan	126	214	United Overseas Bank Ltd., Bandar Seri Begawan
	2.492.116	2.250.834	
Persentase terhadap jumlah liabilitas	2,70%	2,67%	Percentage to total liabilities
Liabilitas derivatif			Derivatives payable
United Overseas Bank Ltd., Singapura	124.951	32.461	United Overseas Bank Ltd., Singapore
PT UOB Property	189	-	PT UOB Property
	125.140	32.461	
Persentase terhadap jumlah liabilitas	0,14%	0,04%	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)

36. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Liabilitas (lanjutan)			Liabilities (continued)
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali (Catatan 21) United Overseas Bank Ltd., Singapura	580.138	-	Liabilities on securities sold under repurchase agreements (Note 21) United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	0,63%	-	Percentage to total liabilities
Efek hutang yang diterbitkan (Catatan 23) UOB Property Investment Pte Ltd. UOB Kay Hian Pte Ltd.	567.000 41.000	567.000 47.000	Debt securities issued (Note 23) UOB Property Investment Pte Ltd. UOB Kay Hian Pte Ltd.
	608.000	614.000	
Persentase terhadap jumlah liabilitas	0,66%	0,73%	Percentage to total liabilities
Liabilitas lain-lain Biaya yang masih harus dibayar United Overseas Bank Ltd., Singapura	74.462	86.738	Other liabilities Accrued expenses United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	0,08%	0,10%	Percentage to total liabilities
Liabilitas spot UOB Kay Hian Pte Ltd United Overseas Bank Ltd., Singapura United Overseas Bank Ltd., Malaysia	- 2.441 7	202 194 -	Spot payable UOB Kay Hian Pte Ltd United Overseas Bank Ltd., Singapore United Overseas Bank Ltd., Malaysia
	2.448	396	
Persentase terhadap jumlah liabilitas	0,00%	0,00%	Percentage to total liabilities
Pinjaman yang diterima United Overseas Bank Ltd., Singapura	2.085.100	-	Borrowings United Overseas Bank Ltd., Singapore
Persentase terhadap jumlah liabilitas	2,26%	-	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)

36. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Pendapatan			Income
Pendapatan bunga			Interest income
Kredit yang diberikan	24.878	20.759	Loans
Penempatan pada bank lain			Placements with other banks
United Overseas Bank Ltd., Singapura	3.514.	2.262	United Overseas Bank Ltd., Singapore
Giro pada bank lain			Current account with other banks
United Overseas Bank Ltd., Singapura	80	159	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Sydney	-	3	United Overseas Bank Ltd., Sydney
	28.472	23.183	
Persentase terhadap jumlah pendapatan bunga	0,39%	0,32%	Percentage to total interest income
 <i>Security agent fee</i> Junipa Pte Ltd	 360	 360	 <i>Security agent fee</i> Junipa Pte Ltd
Persentase terhadap jumlah komisi dan jasa administrasi - neto	0,14%	0,14%	Percentage to administration fees and commissions - net
 Pendapatan (beban) dari transaksi derivatif dan spot			 Income from derivative and spot transaction
Pendapatan dari transaksi derivatif dan spot			Income from derivative and spot transaction
United Overseas Bank Ltd., Singapura	21.240	9.143	United Overseas Bank Ltd., Singapore,
United Overseas Bank Ltd., Malaysia	220	22	United Overseas Bank Ltd., Malaysia,
United Overseas Bank Ltd., Thailand	12	111	United Overseas Bank Ltd., Thailand,
UOB Kay Hian Credit Pte Ltd	7	7.311	UOB Kay Hian Credit Pte Ltd
PT UOB Property	-	3.645	PT UOB Property
UOB Kay Hian Pte Ltd	-	545	UOB Kay Hian Pte Ltd
UOB Kay Hian Securities	-	182	UOB Kay Hian Securities
 Beban dari transaksi derivatif dan spot			 Expense from derivative and spot transaction
United Overseas Bank Ltd., Singapura	(130.027)	(11.734)	United Overseas Bank Ltd., Singapore,
UOB Kay Hian Pte Ltd	(11.714)	-	UOB Kay Hian Pte Ltd
PT UOB Property	(680)	-	PT UOB Property
UOB Kay Hian Credit Pte Ltd	(381)	-	UOB Kay Hian Credit Pte Ltd
United Overseas Bank Ltd., Hong Kong	(12)	(63)	United Overseas Bank Ltd., Hong Kong,
UOB Kay Hian Securities	(1)	-	UOB Kay Hian Securities
	(121.336)	(9.162)	
Persentase terhadap keuntungan transaksi mata uang asing - neto	45,02%	5,50%	Percentage to total gain from foreign currency 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)

36. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017	
Beban			Expenses
Beban bunga (Catatan 29)			Interest expense (Note 29)
Efek utang yang diterbitkan			Debt securities issued
UOB Property Investment Pte Ltd.	64.354	59.529	UOB Property Investment Pte Ltd.
UOB Kay Hian Pte Ltd	4.728	4.813	UOB Kay Hian Pte Ltd.
United Overseas Bank Ltd., Singapore		-	United Overseas Bank Ltd., Singapore
Simpanan dari bank lain			Deposits from other banks
Call Money			Call Money
United Overseas Bank Ltd., Singapore	64.760	29.253	United Overseas Bank Ltd., Singapore
Pinjaman yang diterima			Borrowings
United Overseas Bank Ltd., Singapore	20.470	-	United Overseas Bank Ltd., Singapore
Giro dari bank lain			Demand deposits from other banks
United Overseas Bank Ltd., Singapore	304	-	United Overseas Bank Ltd., Singapore
United Overseas Bank Ltd., Thailand	4	-	United Overseas Bank Ltd., Thailand
United Overseas Bank Ltd., Bandar Sri Begawan	1	-	United Overseas Bank Ltd., Bandar Sri Begawan
Deposito berjangka	7.198	6.726	Time deposits
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	1.936	4.010	Liabilities on securities sold under repurchase agreements
Tabungan	2.972	3.069	Saving deposits
Giro	1.412	594	Demand deposits
	168.139	107.994	
Persentase terhadap jumlah beban bunga	4,53%	2,87%	Percentage to total interest expense
Biaya outsourcing (Catatan 30)			Outsourcing cost (Note 30)
United Overseas Bank Ltd., Singapore			United Overseas Bank Ltd., Singapore
Dikapitalisasi ke aset tetap			Capitalized to fixed assets
Peralatan kantor	88.567	30.777	Office equipment
Dibebankan atas aplikasi	44.571	42.935	Charged for software
Beban pemeliharaan			Maintenance fee
PT UOB Property	34.912	17.887	PT UOB Property
	168.050	91.599	
Persentase terhadap jumlah beban umum dan administrasi	13,62%	8,28%	Percentage to general and administrative expenses

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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 2018
Beban (lanjutan)	
Gaji dan kesejahteraan karyawan	40.496
Imbalan kerja jangka pendek	7.569
Imbalan kerja jangka panjang	987
Imbalan pasca kerja	
	49.052
Persentase terhadap jumlah gaji dan kesejahteraan karyawan	2,61%

Keterangan:

- Persentase dari giro pada bank lain, penempatan pada bank lain, tagihan derivatif, kredit yang diberikan dan aset lain-lain dihitung terhadap total aset pada masing-masing tanggal laporan posisi keuangan.
- Persentase dari giro, tabungan, deposito berjangka, simpanan dari bank lain, liabilitas derivatif, liabilitas atas surat berharga yang dijual dengan janji dibeli kembali, pinjaman yang diterima, efek hutang yang diterbitkan, biaya yang masih harus dibayar dan liabilitas lain-lain dihitung terhadap total liabilitas pada masing-masing tanggal laporan posisi keuangan.
- 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.
- Persentase dari beban umum dan administrasi lainnya dihitung terhadap total beban umum dan administrasi untuk masing-masing tahun yang bersangkutan.

36. Nature and Transaction Balances with Related Parties (continued)

The details of transactions with related parties are as follows: (continued)

	31 Desember/ 31 December 2017	
		Expenses (continued)
	35.530	Salaries and employees' benefits
	2.919	Short-term employee benefits
	950	Long-term employee benefits
		Post-employment benefits
	39.399	
	2,40%	Percentage to salaries and employees' benefits

Notes:

- The percentages of current accounts with other banks, placements with other banks, derivatives receivable, loans and other assets are computed based on the total assets at statement of financial position dates.
- The percentages of demand deposits, saving deposits, time deposits, deposits from other banks, derivatives payable, liabilities on securities sold under repurchase agreements, borrowings, debt securities issued, accrued expenses and other liabilities are computed based on the total liabilities at statement of financial position dates.
- 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.
- 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 sehubungan dengan kartu kredit, treasuri dan aplikasi sistem umum di Bank.

Sebagai imbalan atas jasa ini, Bank wajib membayar *one time cost* atas beban aktual dan *recurring cost* atas beban pemeliharaan serta biaya peningkatan sistem dan aplikasi teknologi informasi (*enhancement cost*) seperti yang diungkapkan dalam perjanjian tersebut.

Perjanjian ini berlaku untuk satu tahun sejak tanggal efektif perjanjian dan akan secara otomatis 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.
- g. Imbalan kerja jangka pendek yang diterima oleh Dewan Komisaris dan Direksi Bank pada tahun yang berakhir 31 Desember 2018 dan 2017 masing-masing sebesar Rp40.496 dan Rp35.530.

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 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.
- g. Short-term employee benefits received by the Bank's Boards of Commissioners and Directors for the year ended 31 December 2018 and 2017 amounted to Rp40,496 and Rp35,530, respectively.

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36. Sifat dan Transaksi dengan Pihak Berelasi (lanjutan)

Keterangan: (lanjutan)

Imbalan kerja jangka panjang yang diterima oleh Dewan Komisaris dan Direksi untuk tahun yang berakhir 31 Desember 2018 dan 2017 masing-masing sebesar Rp7.569 dan Rp2.919. Biaya yang dikeluarkan oleh Bank terkait program imbalan pasca kerja Dewan Komisaris dan Direksi Bank dengan jumlah masing-masing sebesar Rp987 dan Rp950, untuk tahun yang berakhir 31 Desember 2018 dan 2017 seperti yang diungkapkan pada Catatan 1b.

37. Posisi Devisa Neto

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

36. Nature and Transaction Balances with Related Parties (continued)

Notes: (continued)

Long-term employee benefits received by Bank's Boards of Commissioners and Directors for the year ended 31 December 2018 and 2017 amounted to Rp7,569 and Rp2,919, respectively. Expenses incurred by the Bank relating to post-employment benefits the Bank's Boards of Commissioners and Directors amounted to Rp987 and Rp950 for the year ended 31 December 2018 and 2017, respectively and which were disclosed in Note 1b.

37. Net Open Position

The Net Open Positions (NOP) as of 31 December 2018 and 2017 are as follows:

31 Desember/31 December 2018					
	Mata Uang Asing (dalam jumlah penuh)/ Foreign Currencies (in full amount)		Ekuivalen Rupiah/ Rupiah Equivalent		Posisi Devisa Neto/ Net Open Position
	Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities	
<u>Keseluruhan (laporan posisi keuangan dan rekening administratif)</u>					<u>Aggregate (statement of financial position and administrative accounts)</u>
Dolar Amerika Serikat	4.370.720.204	4.443.998.374	62.850.957	63.904.697	1.053.740
Euro Eropa	25.503.492	25.621.501	419.294	421.235	1.941
Dolar Singapura	530.006.598	530.375.171	5.594.169	5.598.060	3.891
Yen Jepang	50.105.014.019	50.201.210.213	6.544.716	6.557.282	12.566
Dolar Australia	44.791.517	44.903.587	455.187	456.326	1.139
Franc Swiss	1.084.277	1.052.748	15.825	15.365	460
Dolar Selandia Baru	1.677.012	1.671.544	16.198	16.145	53
Pound Sterling Inggris	6.039.146	6.057.630	110.587	110.924	337
Ringgit Malaysia	19.170	-	67	-	67
Dolar Kanada	11.048.347	11.064.708	116.679	116.851	172
Swedish Kroner	19.617.496	19.586.765	31.487	31.437	50
Yuan Cina	5.764.240	5.786.058	12.050	12.096	46
Dolar Hong Kong	613.304	713.520	1.126	1.310	184
Total	55.121.898.822	55.292.041.819	76.168.342	77.241.728	1.074.646
Total Modal Desember 2018					13.213.167
Rasio PDN atas modal Desember 2018 (Keseluruhan)					8,13%
					Percentage of NOP to December 2018 capital (Aggregate)
					Total Capital December 2018

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37. Posisi Devisa Neto (lanjutan)

Posisi Devisa Neto (PDN) pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut: (lanjutan)

37. Net Open Position (continued)

The Net Open Positions (NOP) as of 31 December 2018 and 2017 are as follows: (continued)

31 Desember/31 December 2017						
Mata Uang Asing (dalam jumlah penuh)/ Foreign Currencies (in full amount)		Ekuivalen Rupiah/ Rupiah Equivalent		Posisi Devisa Neto/ Net Open Position		
Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities			
<u>Keseluruhan (laporan posisi keuangan dan rekening administratif)</u>				<u>Aggregate (statement of financial position and administrative accounts)</u>		
Dolar Amerika Serikat	3.927.597.899	3.947.568.331	53.287.685	53.558.633	270.948	United States Dollar
Euro Eropa	410.653.687	411.144.163	6.667.466	6.675.430	7.964	European Euro
Dolar Singapura	388.884.828	389.412.419	3.948.952	3.954.310	5.358	Singapore Dollar
Yen Jepang	1.694.486.715	1.708.510.745	204.211	205.901	1.690	Japanese Yen
Dolar Australia	38.788.745	38.899.789	410.935	412.112	1.177	Australian Dollar
Franc Swiss	3.338.716	3.301.012	46.412	45.888	524	Swiss Franc
Dolar Selandia Baru	3.930.679	3.963.272	37.933	38.248	315	New Zealand Dollar
Pound Sterling Inggris	4.665.635	4.682.124	85.500	85.803	303	Great Britain Pound Sterling
Ringgit Malaysia	12.367	-	41	-	41	Malaysian Ringgit
Dolar Kanada	4.395.941	4.399.695	47.573	47.614	41	Canadian Dollar
Swedish Kroner	605.743	590.945	1.000	975	25	Swedish Kroner
Yuan Cina	680.197	672.550	1.417	1.401	16	Chinese Yuan
Dolar Hong Kong	1.702.237	1.698.049	2.956	2.948	8	Hong Kong Dollar
Total	6.479.743.389	6.514.843.094	64.742.081	65.029.263	288.410	Total
Total Modal Desember 2017				12.972.789	Total Capital December 2017	
Rasio PDN atas modal Desember 2017 (Keseluruhan)				2,22%	Percentage of NOP to December 2017 capital (Aggregate)	

Berdasarkan peraturan BI mengenai PDN sebagaimana telah direvisi melalui Peraturan BI No. 6/20/PBI/2004 pada tanggal 15 Juli 2004, yang terakhir diperbaharui dengan Peraturan BI No. 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 2018 dan 2017 telah memenuhi ketentuan BI.

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on 15 July 2004 and as further amended by BI Regulation No. 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 2018 and 2017 is in compliance with BI regulations.

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38. Informasi Penting

Rasio Kewajiban Penyediaan Modal Minimum

Pada tanggal 31 Desember 2018 dan 2017 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 2018	31 Desember/ 31 December 2017
Modal inti	11.271.718	10.945.777
Modal pelengkap	1.941.449	2.027.012
Total modal	13.213.167	12.972.789
Aset Tertimbang Menurut Resiko Kredit	75.776.674	67.356.742
Aset Tertimbang Menurut Resiko Pasar	2.258.590	1.092.313
Aset Tertimbang Menurut Resiko Operasional	7.956.767	7.501.828
Rasio CET1	13,11%	14,41%
Rasio Tier1	13,11%	14,41%
Rasio Tier2	2,26%	2,67%
Rasio Total	15,37%	17,08%
Rasio KPMM yang diwajibkan sesuai dengan profil risiko	9,00%	9,00%
Capital conservation Buffer	1,875%	1,250%
Countercyclical Buffer	0,000%	0,000%
Capital surcharge untuk Bank Sistemik	0,000%	0,000%
Presentase Buffer yang wajib dipenuhi oleh Bank	1,875%	1,250%
CET untuk Buffer	6,37%	8,08%

38. Significant Information

Capital Adequacy Ratio

As of 31 December 2018 and 2017, 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 with 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:

Core capital
Supplementary capital
Total capital
Credit Risk Weighted Assets
Market Risk Weighted Assets
Operational Risk Weighted Assets
CET1 Ratio
Tier1 Ratio
Tier2 Ratio
Total Ratio
Required Capital Adequacy Ratio in accordance with risk profile
Capital conservation Buffer
Countercyclical Buffer
Capital surcharge for D-SIB
Buffer which must be fulfilled by the Bank
Countercyclical Buffer

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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 profil 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*).

38. Significant Information (continued)

Capital Adequacy Ratio (continued)

Bank is required to provide the minimum capital in accordance with 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 anticipate 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* amounting to 2.5% of RWA to the Bank classified as 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 point five percent) from RWA for the whole Bank.
- Capital Surcharge for D-SIB* in the amount of 1% (one percent) to 2.5% (two point 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. 2/POJK.03/2018 tanggal 26 Maret 2018 tentang Penetapan Bank Sistemik dan *Capital Surcharge*, ditetapkan bahwa Otoritas Jasa Keuangan berkoordinasi dengan Bank Indonesia akan menetapkan Bank Sistemik dan *Capital Surcharge*. Bank yang ditetapkan sebagai Bank Sistemik wajib membentuk *Capital Surcharge*.

Penetapan Bank Sistemik dan *Capital Surcharge* dilakukan secara semesteran setiap tahun pada:

- a. Bulan Maret dengan menggunakan data pada bulan Desember tahun sebelumnya; dan
- b. Bulan September dengan menggunakan data posisi bulan Juni tahun sebelumnya.

Otoritas Jasa Keuangan menetapkan *Capital Surcharge* untuk Bank Sistemik dalam 5 kelompok *bucket*:

- a. 1% dari ATMR bagi Bank Sistemik yang digolongkan dalam kelompok *bucket* 1;
- b. 1,5% dari ATMR bagi Bank Sistemik yang digolongkan dalam kelompok *bucket* 2;
- c. 2% dari ATMR bagi Bank Sistemik yang digolongkan dalam kelompok *bucket* 3;
- d. 2,5% dari ATMR bagi Bank Sistemik yang digolongkan dalam kelompok *bucket* 4;
- e. 3,5% dari ATMR bagi Bank Sistemik 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, it was 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 determines that the magnitude of the CCB does not change then Bank Indonesia will issue an announcement on the website of Bank Indonesia and, if there is any changes, then Bank Indonesia will issue a Circular Letter regarding the change.

According to POJK No. 2/POJK.03/2018 dated 26 March 2018 concerning the Stipulation of Systemic Banks and *Capital Surcharge*, it is established that the Financial Services Authority in coordination with Bank Indonesia will set Systemic Bank and *Capital Surcharge*. Banks defined as Systemic Banks are required to establish *Capital Surcharge* for Systemic Banks.

Determination of Systemic Bank and *Capital Surcharge* for Systemic Banks is conducted every six-month on:

- a. March using data from December of the previous year; and
- b. September using data from June of the previous year.

Financial Services Authority establish *Capital Surcharge* for Systemic Bank in 5 groups of *buckets*:

- a. 1% from RWA for Systemic Bank, which is classified as bucket 1;
- b. 1.5% from RWA for Systemic Bank, which is classified as bucket 2;
- c. 2% from RWA for Systemic Bank, which is classified as bucket 3;
- d. 2.5% from RWA for Systemic Bank, which is classified as bucket 4;
- e. 3.5% from RWA for Systemic Bank, which is classified as bucket 5.

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38. Informasi Penting (lanjutan)

Rasio Kewajiban Penyediaan Modal Minimum (lanjutan)

Pembentukan *Capital Surcharge* dilakukan secara bertahap:

1. Bank Sistemik bagi kelompok (*bucket*) 1 sebesar:
 - a. 0,75% dari ATMR sejak POJK tersebut diatas berlaku;
 - b. 1% dari ATMR sejak tanggal 1 Januari 2019.
2. Bank Sistemik bagi kelompok (*bucket*) 2 sebesar:
 - a. 1,125% dari ATMR sejak POJK tersebut diatas berlaku;
 - b. 1,5% dari ATMR sejak tanggal 1 Januari 2019.
3. Bank Sistemik bagi kelompok (*bucket*) 3 sebesar:
 - a. 1,5% dari ATMR sejak POJK tersebut diatas berlaku;
 - b. 2% dari ATMR sejak tanggal 1 Januari 2019.
4. Bank Sistemik bagi kelompok (*bucket*) 4 sebesar:
 - a. 1,875% dari ATMR sejak POJK tersebut diatas berlaku;
 - b. 2,5% dari ATMR sejak tanggal 1 Januari 2019.

38. Significant Information (continued)

Capital Adequacy Ratio (continued)

Requirement for the Capital Surcharge fulfilled gradually:

1. *Sistemic Bank for bucket 1 amounted to:*
 - a. *0.75% from RWA since the POJK above become effective;*
 - b. *1% from RWA since 1 January 2019.*
2. *Sistemic Bank for bucket 2 amounted to:*
 - a. *1.125% from RWA since the POJK above become effective;*
 - b. *1.5% from RWA since 1 January 2019.*
3. *Sistemic Bank for bucket 3 amounted to:*
 - a. *1.5% from RWA since the POJK above become effective;*
 - b. *2% from RWA since 1 January 2019.*
4. *Sistemic Bank for bucket 4 amounted to:*
 - a. *1.875% from RWA since the POJK above become effective;*
 - b. *2.5% from RWA since 1 January 2019.*

39. Remaining Maturity Periods of Bank's Assets and Liabilities

Aset dan liabilitas Bank pada tanggal 31 Desember 2018 dan 2017 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut:

31 Desember/31 December 2018								
Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years	Lebih dari 5 Tahun/ More than 5 Years	Total	Description
Aset								Assets
Kas	519.377	-	-	-	-	-	519.377	Cash
Giro pada Bank Indonesia	6.035.664	-	-	-	-	-	6.035.664	Current accounts with Bank Indonesia
Giro pada bank lain	679.690	-	-	-	-	-	679.690	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	-	2.204.068	-	-	-	-	2.204.068	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	-	2.462	149	95.096	246.839	344.546	Trading securities
Investasi keuangan - neto	-	2.222.701	3.225.318	5.698.338	3.309.904	1.131.327	15.587.588	Financial investments - net
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	-	602.705	304.311	-	-	-	907.016	Receivables on securities purchased with agreements to resell
Tagihan derivatif	-	127.567	77.160	175.064	287.970	-	667.761	Derivatives receivable
Kredit yang diberikan - neto	-	5.498.368	9.718.420	26.855.818	17.915.185	12.320.331	72.308.122	Loans - net
Tagihan akseptasi - neto	-	591.985	957.430	605.074	20.483	-	2.174.972	Acceptances receivable - net
Aset pajak tangguhan - neto	136.592	-	-	-	-	-	136.592	Deferred tax assets - net
Aset tetap	1.117.712	-	-	-	-	-	1.117.712	Fixed assets
Aset lain-lain - neto	365.403	462.592	-	164.845	-	-	992.840	Other assets - net
Total Aset	8.854.438	11.709.986	14.285.101	33.499.288	21.628.638	13.698.497	103.675.948	Total Assets

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39. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2018 dan 2017 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

31 Desember/31 December 2018

39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

As of 31 December 2018 and 2017, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari			Lebih dari 5 Tahun/ More than 5 Years	Total	Description
			1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years			
Liabilitas segera	-	148.107	-	-	-	-	148.107	Current liabilities
Simpanan	27.397.520	22.853.390	21.566.476	5.368.607	118.355	18.226	77.322.574	Deposits
Simpanan dari bank lain	107.688	1.093.300	1.797.500	143.800	-	-	3.142.288	Deposits from other banks
Bunga yang masih harus dibayar	-	247.607	-	-	-	-	247.607	Interest payable
Uang pajak	-	84.823	-	-	-	-	84.823	Tax payable
Liabilitas derivatif	-	120.865	58.365	169.200	270.155	-	618.585	Derivatives payable
Liabilitas atas	-	-	-	-	-	-	-	-
Imbalan kerja	-	595.885	963.332	31.649	104.909	141.504	278.062	Liabilities for employee benefit
Liabilitas akseptasi	-	-	-	623.335	20.669	-	2.203.221	Acceptance liabilities
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	-	361.179	218.959	-	-	-	-	Liabilities on securities sold under repurchase agreements
Pinjaman yang diterima	-	4.874	-	758.075	2.437.291	-	580.138	Borrowings
Liabilitas lain-lain	199.555	192.023	256.900	33.949	-	-	3.200.240	Other liabilities
Efek hutang yang diterbitkan	-	-	-	1.460.000	1.832.470	498.737	682.427	Debt securities issued
Total Liabilitas	27.704.763	25.702.053	24.861.532	8.588.615	4.783.849	658.467	92.299.279	Total Liabilities
Neto	(18.850.325)	(13.992.067)	(10.576.431)	24.910.673	16.844.789	13.040.030	11.376.669	Net

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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 2018 dan 2017 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

As of 31 December 2018 and 2017, 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	31 Desember/31 December 2017				Total	Description
		Sampai dengan 1 Bulan/ up to 1 Month	Lebih dari 1 Bulan sampai dengan 3 Bulan/ More than 1 Month up to 3 Months	Lebih dari 3 Bulan sampai dengan 12 Bulan/ More than 3 Months up to 12 Months	Lebih dari 1 Tahun sampai dengan 5 Tahun/ More than 1 Year up to 5 Years		
Aset							Assets
Kas	398.298	-	-	-	-	398.298	Cash
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	-	3.116.404	300.000	-	-	3.416.404	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	109.883	967.853	381	3.858	1.118.020	Trading securities
Investasi keuangan - neto	-	1.903.573	3.152.998	6.421.361	2.906.907	14.951.354	Financial investments - net
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	-	-	-	-	-	-	Receivables on securities purchased with agreements to resell
Tagihan derivatif	-	28.890	19.313	11.132	87.064	1.015.168	Derivatives receivable
Kredit yang diberikan - neto	-	3.682.635	9.753.612	21.467.038	16.393.312	61.998.204	Loans - net
Tagihan akseptasi - neto	-	372.864	771.940	666.521	14.725	1.826.050	Acceptances receivable - net
Aset pajak tangguhan - neto	95.212	-	-	-	-	95.212	Deferred tax assets - net
Aset tetap	1.062.874	-	-	-	-	1.062.874	Fixed assets
Aset lain-lain - neto	207.221	361.943	-	122.552	-	691.716	Other assets - net
Total Aset	10.288.019	10.591.360	14.965.716	28.688.985	19.405.866	11.304.167	Total Assets

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39. Jatuh Tempo Aset dan Liabilitas Bank (lanjutan)

Aset dan liabilitas Bank pada tanggal 31 Desember 2018 dan 2017 berdasarkan waktu yang tersisa sampai dengan tanggal jatuh tempo adalah sebagai berikut (lanjutan):

39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)
 As of 31 December 2018 and 2017, the Bank's assets and liabilities based on the remaining period of maturities are as follows (continued):

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						Liabilities
Liabilitas segera	-	149.371	-	-	-	Current liabilities
Simpanan	25.900.819	25.391.620	19.091.216	4.504.542	-	Deposits
Simpanan dari bank lain	80.688	663.451	1.565.689	5.000	16.502	Deposits from other banks
Bunga yang masih harus dibayar	-	225.648	-	-	-	Interest payable
Utang pajak	-	65.202	-	-	-	Tax payable
Liabilitas derivatif	-	17.704	15.497	8.356	-	Derivatives payable
Liabilitas atas						
Imbalan kerja	-	-	-	35.271	87.033	Liabilities for employee benefit
Liabilitas akseptasi	-	374.487	776.721	677.361	14.859	Acceptance liabilities
Pinjaman yang diterima	-	-	-	-	333.138	Borrowings
Liabilitas lain-lain	250.761	24.648	171.961	48.789	-	Other liabilities
Efek hutang yang diterbitkan	-	-	-	599.579	2.290.620	Debt securities issued
Total Liabilitas	26.232.268	26.912.131	21.621.084	5.878.898	2.932.027	Total Liabilities
Neto	(15.944.249)	(16.320.771)	(6.655.368)	22.810.087	10.583.113	Net

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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:

39. Remaining Maturity Periods of Bank's Assets and Liabilities (continued)

The table below shows the remaining contractual maturities of Bank's financial liabilities based on undiscounted cash flow:

Keterangan	Tanpa Jangka Waktu/ No Contractual Maturity	31 Desember/31 December 2018					Total	Description
		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		
Liabilitas segera	-	148.107	-	-	-	-	148.107	Current liabilities
Simpanan	27.397.520	23.042.117	21.691.915	5.428.255	133.054	26.424	77.719.285	Deposits
Simpanan dari bank lain	107.688	1.096.298	1.809.957	145.532	-	-	3.159.475	Deposits from other banks
Bunga yang masih harus dibayar	-	247.607	-	-	-	-	247.607	Interest payable
Liabilitas derivatif	-	120.865	58.365	169.200	270.155	-	618.585	Derivatives payable
Liabilitas akseptasi	-	595.885	963.332	623.335	20.669	-	2.203.221	Acceptance liabilities
Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali	-	361.523	219.953	-	-	-	581.476	Liabilities on securities sold under repurchase agreements
Pinjaman yang diterima	-	4.874	-	815.309	2.646.012	-	3.466.195	Borrowings
Liabilitas lain-lain	199.555	192.023	256.900	33.949	-	-	682.427	Other liabilities
Efek hutang yang diterbitkan	-	28.064	56.127	1.680.103	2.276.280	540.726	4.581.300	Debt securities issued
Total Liabilitas	27.704.763	25.837.363	25.056.549	8.895.683	5.346.170	567.150	93.407.678	Total Liabilities

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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.

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 of which the implementation includes the 4 pillars of risk management, as 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 the Bank, and have a good understanding on the type and level of risks inherent in the Bank's business activities. To support this, committees are formed to assess issues related to risk management, including the improvement plan if necessary, to give approval for a variety of Risk Management Policy, to assess the risk profile report, and to evaluate the implementation of the Bank's risk control system. One of related Committees 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. Kebijakan Manajemen Risiko (lanjutan)

Risiko Kredit (lanjutan)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut:

1. Pemisahan fungsi Penyetuju Kredit dari Pengaju Kredit

Terdapat pemisahan tugas antara fungsi kerja Bisnis, fungsi kerja Administrasi Kredit, fungsi kerja Penyetuju Kredit, dan fungsi kerja *Risk Management* untuk menjaga independensi dan integritas dari berbagai fungsi kredit tersebut.

Bank menetapkan struktur delegasi Batas Wewenang Persetujuan Kredit (CDL), yang meliputi proses eskalasi persetujuan atas penyimpangan, kelebihan, dan perpanjangan kredit di luar pagu yang telah ditetapkan. Selain itu, wewenang persetujuan kredit didelegasikan melalui struktur Batas Wewenang Persetujuan Kredit berdasarkan risiko, dimana persetujuan kredit ditimbang berdasarkan peringkat kredit debitur. Pemberian delegasi Batas Wewenang Persetujuan Kredit dilakukan melalui proses yang ketat dengan mempertimbangkan pengalaman, senioritas, dan rekam jejak dari petugas penyetuju kredit. Divisi *Credit Risk Management* bertindak sebagai pengelola Batas Wewenang Persetujuan Kredit dan juga memastikan bahwa hal ini telah diadministrasikan secara baik.

Divisi *Credit Risk Management* secara independen melakukan pengawasan terhadap Risiko Kredit dan bertanggung jawab untuk melaporkan dan menganalisa semua elemen Risiko Kredit.

2. Kebijakan dan Prosedur Risiko Kredit

Bank telah menerbitkan beberapa kebijakan terkait untuk mengelola risiko kredit antara lain:

- a. Kebijakan Kredit Umum untuk segmen Korporasi, Komersial, *Business Banking*, Bank (termasuk Institusi Finansial Non-Bank) dan *Sovereign* yang mengatur tata cara pemberian kredit dan berbagai prinsip dan standar kredit yang berlaku secara umum, untuk mengelola risiko kredit Bank.

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.

The 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 Institutions) 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.

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. 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.

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 examples 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 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)

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:

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)

The Bank formed a Credit Management Working Group (CMWG), which is a working group with key objective to monitor credit quality of Bank, to determine restructuring strategy, and to monitor portfolio performance and to discuss account strategies for vulnerable accounts. The CMWG meeting is held on a weekly basis.

Credit Concentration Risk Management

Credit risk concentration is defined as any single or group exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) which may threaten the Bank's health or ability to maintain its core operations. As lending is the Bank's primary activity, credit risk concentration is concerned as highly material risk.

Concentration of credit risk by type of debtors:

31 Desember/31 December 2018

	Wholesale	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Bank	Ritel/Retail	Total	
Giro pada Bank Indonesia	-	6.035.664	-	-	6.035.664	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	679.690	-	679.690	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	-	185.000	2.019.068	-	2.204.068	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	-	344.546	-	-	344.546	Trading securities
Investasi keuangan - neto	4.917.313	10.202.287	-	467.988	15.587.588	Financial investments - net
Tagihan derivatif	103.893	-	504.119	59.749	667.761	Derivatives receivable
Kredit yang diberikan - neto	46.648.557	-	1.020.657	24.638.908	72.308.122	Loans - net
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	-	425.768	481.248	-	907.016	Receivables on securities purchased with agreements to resell
Tagihan akseptasi - neto	2.172.153	-	-	2.819	2.174.972	Acceptances receivable - net
Aset lain-lain*)	327.741	-	12.786	134.716	475.243	Other assets*)
Total	54.169.657	17.193.265	4.717.568	25.304.180	101.384.670	Total
Persentase	53,43%	16,96%	4,65%	24,96%	100,00%	Percentage

*) 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)

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 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 receivable - net
Aset lain-lain*)	161.538	-	6.297	158.292	326.127	Other assets*)
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.

*) 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.

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 inline 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 risiko 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*.

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 2018 dan 2017 adalah sebagai berikut:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Industri pengolahan	20.409.844	16.304.959
Perdagangan besar dan eceran	17.606.053	16.441.583
Rumah tangga	9.628.304	8.523.094
Perantara keuangan	6.040.076	3.361.627
Pertanian, perburuan dan kehutanan	4.604.734	4.060.070
Real estate dan jasa usaha	4.409.433	4.073.655
Konstruksi	3.740.448	2.393.871
Penyedia akomodasi	2.339.603	2.613.535
Pertambangan dan penggalian	2.164.042	1.246.460
Transportasi, pergudangan, dan komunikasi	1.924.451	3.205.832
Listrik, air dan gas	441.745	427.772
Jasa kemasyarakatan	193.660	160.100
Jasa pendidikan	53.309	55.110
Perikanan	46.406	48.088
Jasa kesehatan	44.855	85.677
Jasa perorangan	3.668	3.160
Lainnya	30.534	26.259
Total	73.681.165	63.030.852

Eksposur terbesar Bank tahun 2018 adalah sektor industri pengolahan dengan proporsi sebesar 27,70% dari total kredit Bank dan hal tersebut masih sesuai dengan *risk appetite* dan *risk tolerance* yang dimiliki Bank.

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)

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 2018 and 2017, are as follows:

	31 Desember/ 31 December 2018	31 Desember/ 31 December 2017
Industri pengolahan	20.409.844	16.304.959
Perdagangan besar dan eceran	17.606.053	16.441.583
Rumah tangga	9.628.304	8.523.094
Perantara keuangan	6.040.076	3.361.627
Pertanian, perburuan dan kehutanan	4.604.734	4.060.070
Real estate dan jasa usaha	4.409.433	4.073.655
Konstruksi	3.740.448	2.393.871
Penyedia akomodasi	2.339.603	2.613.535
Pertambangan dan penggalian	2.164.042	1.246.460
Transportasi, pergudangan, dan komunikasi	1.924.451	3.205.832
Listrik, air dan gas	441.745	427.772
Jasa kemasyarakatan	193.660	160.100
Jasa pendidikan	53.309	55.110
Perikanan	46.406	48.088
Jasa kesehatan	44.855	85.677
Jasa perorangan	3.668	3.160
Lainnya	30.534	26.259
Total	73.681.165	63.030.852

The biggest Bank's exposure on 2018 is processing industry with proportion around 27.70% 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 2018 adalah sebagai berikut:

	Baki Debet Kredit/ Loan Outstanding
≤ 1 tahun	42.791.975
> 1 tahun ≤ 2 tahun	6.580.798
> 2 tahun ≤ 5 tahun	11.819.590
> 5 tahun	12.488.802
Total	73.681.165

Sebagian besar jangka waktu kredit atau 58,08% jatuh tempo dalam kurun waktu kurang dari 1 (satu) tahun, sedangkan untuk kredit yang lebih berisiko dengan jangka waktu lebih besar dari 5 (lima) tahun memiliki porsi 16,95% 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 2018:

	Eksposur maksimum/ Maximum exposure	Agunan/ Collateral	Eksposur - neto/ Net exposure
2018			
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	907.016	1.021.452	-

Manajemen Kredit Bermasalah

Kredit bermasalah dikelola secara terpusat oleh divisi independen, *Special Asset Management* (SAM). SAM terdiri dari dua unit:

1. Unit Restrukturisasi yang secara proaktif mengelola kredit bermasalah. Tujuan utamanya adalah untuk menangani kredit bermasalah kembali lancar sehingga akun tersebut dapat ditransfer kembali ke fungsi kerja Bisnis; dan
2. Unit *Recovery* yang mengelola kredit bermasalah dengan tujuan utama memaksimalkan pemulihan hutang.

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 2018, are as follows:

	Persentase (%)/ Percentage (%)	
≤ 1 tahun	58,08%	≤ 1 year
> 1 tahun ≤ 2 years	8,93%	> 1 year ≤ 2 years
> 2 years ≤ 5 years	16,04%	> 2 years ≤ 5 years
> 5 years	16,95%	> 5 years
Total	100,00%	Total

Most of the loan tenor or 58.08% is within less than 1 (one) year and for the riskiest loan which lies in the loan tenor more than 5 (five) years is 16.95% 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 purchased with agreement to resell as of December 31, 2018:

	Eksposur - neto/ Net exposure
2018	
Receivable on securities purchased with agreements to resell	-

Managing Non-Performing Loans

Non-performing loans are centrally managed by an independent unit, *Special Asset Management* (SAM). SAM consists of two units:

1. The Restructuring Unit which proactively manages the non-performing loans. Its primary goal is to handle non-performing loans back to performing so that these accounts can be transferred back to the Business Units; and
2. The Recovery Unit which manages non-performing loans with the primary goal to maximize debt recovery.

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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:

- a. Pemerintah
- b. Entitas Sektor Publik Bukan Pemerintah Pusat
- c. Bank Pembangunan *Multilateral*
- d. Bank
- e. Korporasi
- f. Karyawan/Pensiunan
- g. Kredit Beragunan Rumah Tinggal
- h. Kredit Beragunan *Real Estate* Komersial
- i. Klaim yang telah jatuh tempo
- j. Aset Lainnya
- k. Kredit pada Bisnis Mikro, Bisnis Kecil, dan Portofolio Ritel

Saat ini, Bank hanya mengakui peringkat internasional dari *Moody's*, *Standard and Poor's* 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.

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:

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

Currently, the Bank only recognizes international ratings from *Moody's*, *Standard and Poor's* 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 initial step to prepare for 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)

Informasi kualitas kredit atas aset keuangan pada tanggal 31 Desember 2018 dan 2017:

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)

The information on the credit quality of financial assets as of 31 December 2018 and 2017:

31 Desember/31 December 2018

	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	6.035.664	-	-	6.035.664	Current account with Bank Indonesia
Giro pada bank lain	679.690	-	-	679.690	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	2.204.068	-	-	2.204.068	Placements with Bank Indonesia and other banks
Efek-efek yang diperdagangkan	344.546	-	-	344.546	Trading securities
Investasi keuangan	15.626.345	145	-	15.626.490	Financial investment
Tagihan derivatif	667.761	-	-	667.761	Derivatives receivable
Kredit yang diberikan	71.159.038	1.476.581	1.045.546	73.681.165	Loans
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	907.016	-	-	907.016	Receivables on securities purchased with agreements to resell
Tagihan akseptasi	2.199.304	3.917	-	2.203.221	Acceptances receivable
Aset lain-lain*)	475.243	-	-	475.243	Other assets*)
Total	100.298.675	1.480.643	1.045.546	102.824.864	Total
Cadangan kerugian penurunan nilai	(652.719)	(396.833)	(390.642)	(1.440.194)	Allowance for impairment losses
Neto	99.645.956	1.083.810	654.904	101.384.670	Net

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

*) 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)

Dalam mengelola eksposur risiko kredit, Bank menerapkan beberapa prinsip dasar sebagai berikut: (lanjutan)

3. Pengelolaan dan Pemantauan Portofolio Kredit (lanjutan)

Analisis umur kredit yang diberikan yang jatuh tempo tetapi tidak mengalami penurunan pada tanggal 31 Desember 2018 dan 2017:

31 Desember/31 December 2018					
	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	735.256	64.035	2.010	801.301	Working capital
Konsumen	494.086	10	9	494.105	Consumer
Investasi	180.712	-	-	180.712	Investment
Karyawan	463	-	-	463	Employee
Total	1.410.517	64.045	2.019	1.476.581	Total
Cadangan kerugian penurunan nilai	(343.724)	(50.517)	(196)	(394.437)	Allowance for impairment losses
Neto	1.066.793	13.528	1.823	1.082.144	Net

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

Bank melakukan penilaian terhadap 3 (tiga) pilar dalam menilai aset keuangan yang jatuh tempo atau mengalami penurunan. 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 dan bangunan dan vessel.

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)

The aging analysis of loans that past due but not impaired as of 31 December 2018 and 2017:

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 and buildings and vessels.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Pasar

Risiko pasar adalah risiko 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 15,37% pada tanggal 31 Desember 2018. 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 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 relate 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 15.37% as of 31 December 2018. 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.

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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).

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 2018

	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	849	1,194	86	429	Total VaR

a. Risiko Nilai Tukar

Risiko nilai tukar adalah risiko pada pendapatan dan nilai ekonomis dari aset, kewajiban, dan derivatif keuangan dalam mata uang asing yang disebabkan oleh fluktuasi nilai tukar.

Risiko nilai tukar dikelola melalui kebijakan dan limit risiko yang disetujui oleh ALCO. Limit tersebut meliputi limit *Value-at-Risk*, limit FX NOP, limit PV01, eksposur berdasarkan mata uang, maksimum tenor, dan lainnya. *Market Risk Management & Control Unit* secara harian memantau aktivitas risiko pasar dan/atau eksposur terhadap limit yang telah disetujui oleh ALCO, dan melaporkan kejadian pelampauan limit kepada pejabat terkait untuk mendapatkan persetujuan/pengesahan.

Risiko nilai tukar Bank dinilai relatif rendah dikarenakan posisi devisa neto (PDN) Bank tercatat rendah, dimana pada akhir Desember 2018 NOP (diluar portofolio *Non-Deliverable Forward/DNDF*) hanya tercatat 8,13% dari permodalan Bank (Dan apabila termasuk DNDF hanya sebesar 0,62% dari modal Bank). Dengan demikian setiap pelemahan mata uang Rupiah terhadap USD sebesar 100pips akan menimbulkan potensi kerugian sebesar Rp7,46 miliar (diluar portofolio DNDF) atau Rp564 juta (termasuk portofolio DNDF).

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 the end of December 2018 the NOP (excluding *Non-Deliverable Forward/DNDF* portfolio) has recorded only 8.13% from total capital of the Bank (if including DNDF portfolio, the NOP was recorded at 0.62% of Bank's capital). Therefore, any weakening IDR currency around 100 pips against USD would result potential losses of Rp7.46 billion (excluding DNDF portfolio) or Rp564 million (including DNDF portfolio).

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Risiko Pasar (lanjutan)

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.

Eksposur dinilai secara bulanan menggunakan perangkat analisa statis dan simulasi, 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 ekstrem perubahan suku bunga pada laporan posisi keuangan. Tes tersebut juga dilakukan guna memberikan peringatan dini atas potensi kerugian ekstrem, guna mendukung pengelolaan risiko suku bunga secara proaktif dalam menyesuaikan perubahan pada pasar keuangan yang cepat.

EVE *banking book* per posisi 31 Desember 2018 tercatat sebesar Rp460,99 miliar, sedangkan PV01 AFS *banking book* sebesar Rp1,6 miliar. Hal ini berarti, setiap kenaikan 1 bps pada suku bunga pasar akan memberikan dampak potensial kerugian pada Bank sebesar Rp1,6 miliar.

40. Risk Management Policies (continued)

Market Risk (continued)

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.

Exposure is quantified on a monthly basis using static and simulation 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 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 2018 was recorded at Rp460.99 billion, meanwhile PV01 AFS *banking book* was recorded at Rp1.6 billion. That means any increment of 1 bps on market interest rate is expected to have an impact on the Bank's potential losses amounting to Rp1.6 billion.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas

Risiko likuiditas didefinisikan sebagai risiko yang muncul akibat ketidakmampuan Bank untuk memenuhi kewajiban keuangannya baik terhadap nasabah maupun regulator, tanpa menimbulkan biaya atau kerugian yang signifikan.

Pengukuran utama yang digunakan oleh Bank dalam mengelola risiko likuiditas adalah dengan menggunakan proyeksi arus kas dengan skenario *'business as usual'*, *'bank-specific crisis'* dan *'general market crisis'*, serta 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 2018 Bank telah mencatatkan simpanan nasabah sebesar Rp77.322.574 atau naik 3,03% dibandingkan dengan simpanan nasabah posisi 31 Desember 2017, dimana Giro meningkat sebesar 1,27% menjadi Rp11.401.084, Tabungan meningkat sebesar 9,30% menjadi Rp16.231.062, dan Deposito meningkat sebesar 1,53% menjadi Rp49.690.428. *Loan Deposit Ratio (LDR)*, yaitu rasio kredit yang diberikan terhadap simpanan nasabah Bank tercatat sebesar 93,04%. 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.

40. Risk Management Policies (continued)

Liquidity Risk

Liquidity risk is defined as the risk that arises from its inability to meet its obligations to customer and regulator without incurring significant costs or losses.

The key measures used by the Bank for managing liquidity risk are using cash flow projection under 'business as usual', 'bank-specific crisis' and 'general market crisis' scenarios, also by monitoring the liquidity ratios as early warning indicator i.e. percentage decreased in non-bank deposits, 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 2018 the Bank's has recorded Rp77,322,574 of customer's deposits or went up by 3.03% compared to 31 December 2017 contributed by Demand Deposits which increased by 1.27% to Rp11,401,084, Saving Deposits which increased by 9.30% to Rp16,231,062, and Time Deposits which increased by 1.53% to Rp49,690,428. Loan Deposit Ratio (LDR), which identifies the extent to which the Bank's loans are funded by customer's deposits was recorded at 93.04%. The Bank will continuously 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.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

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*.

Hal ini berfungsi untuk mengidentifikasi dan mengetahui potensi krisis likuiditas, menentukan tanggung jawab dan tindakan manajemen yang terkait pada saat krisis, memperbaiki area yang menjadi perhatian, dan memastikan bahwa arus informasi dapat tepat waktu sehingga dapat memfasilitasi pengambilan keputusan secara cepat dan efektif.

Tingkat kerumitan dan detail dari rencana tersebut disesuaikan dengan kompleksitas, eksposur risiko, aktivitas, produk, dan struktur organisasi Bank untuk menentukan indikator yang paling relevan untuk digunakan dalam mengelola likuiditas dan pendanaan. Selain itu, Bank juga telah menetapkan *Liquidity Crisis Management Team* yang bertanggung jawab untuk mengevaluasi posisi likuiditas dan menentukan tindakan yang akan diambil pada saat terjadi krisis.

Analisa arus kas 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, liabilitas - liabilitas, dan rekening administratif ke dalam jangka waktu berdasarkan sisa jatuh tempo aset, liabilitas, 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.

40. Risk Management Policies (continued)

Liquidity Risk (continued)

The Contingency Funding Plan (CFP) is a critical component of the liquidity management framework and serves as an extension of the Bank's operational or daily liquidity management policy. Although the Bank 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.

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.

In addition, 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 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.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Likuiditas (lanjutan)

Dari analisa arus kas secara *behaviour* ini, diperoleh *gap Net Cumulative Outflow* (NCO) yang diperkirakan akan dihadapi Bank. Selama periode Januari sampai dengan Desember 2018, 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.

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.
- Membangun kesadaran dan budaya risiko operasional.
- Membuat dan mengembangkan perangkat kerja manajemen risiko operasional: *Event Risk Reporting, key risk control self assessment, key operational risk indicators, Management Risk Awareness* dan *Product Programme* untuk mengkaji setiap 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.*

40. Risk Management Policies (continued)

Liquidity Risk (continued)

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 2018, the NCO gap is still within the limit and within the Bank's tolerance.

Maturity table of Bank's asset and liabilities based on contractual can be seen in Note 39.

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.
- Develop the operational risk culture and awareness.
- Develop and enhance the Operational risk management tools consisting of *Event Risk Reporting, key risk and control self assessment, key operational risk indicators, Management Risk Awareness* and *Product Programme* to review new products and activities in the Bank.

Operational Risk thresholds have been established, including but , but 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.

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Risiko Operasional (lanjutan)

Beberapa langkah dan inisiatif berikut ini telah dilakukan untuk meningkatkan kemampuan Bank dalam mengelola risiko operasional:

- 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 Appetite Statement (RAS)* agar selalu disesuaikan dengan perkembangan agar sejalan dengan sasaran dan strategi bisnis bank secara keseluruhan.
- 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 2018.
- 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.

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:

- Develop and review operational risk management framework, policies, and other policies guidelines relating to operational risk management.
- Review current Operational Risk Appetite Statement (RAS) to be aligned continually with the Bank's overall business objectives and strategy.
- 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 on top of 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 meetings which have been held 12 times in 2018.
- 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.

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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)

- Menyelenggarakan forum *Line Risk Control Manager* (LRCM) secara periodik untuk meningkatkan kesadaran dan kemampuan LRCM dalam mengelola risiko operasional.
- 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.

Risiko Kepatuhan

Risiko kepatuhan didefinisikan sebagai risiko yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku.

Fungsi Kerja *Compliance* telah menetapkan langkah-langkah berikut untuk mengurangi dan mengelola risiko kepatuhan terhadap peraturan:

A. Kebijakan dan Prosedur Kepatuhan

Sejalan dengan Peraturan yang berlaku, Kebijakan Kepatuhan telah dirumuskan untuk menentukan cakupan, prinsip-prinsip dan tanggung jawab untuk pengelolaan yang efektif dari fungsi kepatuhan. Pokok-pokok pengaturan kepatuhan beserta tujuan pengaturannya adalah sebagai berikut:

1. Piagam Kepatuhan Bank

Mengatur mengenai Kerangka Kerja Fungsi Kepatuhan Bank (*Compliance Framework*) serta peran dan tanggung jawab seluruh *stakeholders*.

2. Prosedur Pengkajian Kepatuhan

Mengatur mengenai mekanisme identifikasi kekurangan atau kelemahan kontrol pada kebijakan, ketentuan, sistem, dan prosedur internal Bank serta mekanisme pemantauan risiko kepatuhan dengan pendekatan berbasis risiko (*Risk-Based Approach*).

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)

- *Line Risk Control Manager* (LRCM) forum periodically to increase LRCM awareness and capability in managing the operational risk.
- Increase operational risk awareness by sending flash message through email to all business/support units.
- Assist business units in reviewing new products/activities/procedures.

Compliance Risk

Compliance risk is defined as the risk that occurs due to Bank's failure to comply with and/or implement the prevailing laws and regulations.

The Compliance Function has put in place the following measures to mitigate and manage the regulatory compliance risk:

A. Compliance Policies and Procedures

In line with the Regulations, the Compliance Policy is formulated to define the scope, principles and responsibilities for the effective management of the compliance function. The principal regulations as well as its objectives are as follows:

1. Bank's Compliance Charter

Regulating the Bank's Compliance Framework as well as the roles and responsibilities of all stakeholders.

2. Procedures for Compliance Review

Regulating the mechanism to identify control deficiencies or weaknesses in the Bank's internal policies, provisions, systems and procedures as well as the mechanism of risk-based approach in compliance risk monitoring.

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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)

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 2018, 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.

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.

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)

3. Procedure of Financial Benchmark Data Surveillance Mechanism

Regulating 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 2018 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 the Regulator.

5. Procedures in Escalating and Reporting Compliance Risk Events

Regulating the reporting mechanism in a timely manner for each breach or violation of the prevailing laws, regulations and provisions.

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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)

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 2018 Bank juga telah menerbitkan Kebijakan dan Prosedur tentang pelaksanaan fungsi kepatuhan dan pedoman aktivitas lintas negara (*cross border*).

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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)

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)

6. Provisions Related to Compliance Function

Providing 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 2018 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 2018, 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 2018, there have been sanctions imposed by the 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 (LKPBH), 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 the Bank continuously maintains all of its business and operational activities to remain compliant towards the prevailing provisions.

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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.

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 actions to be taken regarding the updating of data, the imposition of sanctions related to fraud, and the follow-up to minimize the error in reporting.
- b) Policies and procedures, by:
 - a. Formulating the *AML-CFT* program within the Bank's internal policy by 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: (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*.
- 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*;

E-Learning, dengan penerapan *module Basic, Intermediate dan Advance*.

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 implementation process in each business unit and supporting unit.
 - 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 the 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 through the black list/sanctions list;
 - d. Application system related to regulatory reporting.
- e) Human resource and training, where the Bank already has:
 - a. Conducted Know Your Employee (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;

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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)

Selain hal di atas, Fungsi Kerja *Compliance* juga berperan penting sebagai penasehat dengan memberikan saran regulasi dan kepatuhan secara berkelanjutan kepada fungsi kerja bisnis dan fungsi kerja lainnya.

Risiko 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.

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.

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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)

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 the business environment.

Strategic Risk Management Policy has been established in order to support the identification, measurement, monitoring and reporting of strategic risk.

Strategic risk management refers to how the Bank makes strategic decisions in response to significant changes in the current and prospective environment (internal and external) and how it deploys capital and resources to achieve its Bank strategic goals.

On an on-going basis, the Bank performs periodic reviews on the achievement of financial targets and realized strategies. All business functions are also responsible for the monitoring of its strategic risks and reporting promptly to 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.

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40. Kebijakan Manajemen Risiko (lanjutan)

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 dapat berdampak negatif pada pendapatan, likuiditas, atau modal Bank yang timbul dari persepsi atau opini negatif *stakeholder* terhadap praktik bisnis, kegiatan, dan kondisi keuangan Bank.

Pengelolaan risiko reputasi dilakukan melalui pencegahan peristiwa yang dapat menyebabkan risiko reputasi terjadi, misalnya dengan melakukan pemantauan, komunikasi secara berkala kepada para pemangku kepentingan, dan kegiatan tanggung jawab sosial perusahaan.

Mitigasi atas risiko reputasi dilakukan melalui pemantauan dan pengelolaan secara intensif atas pemberitaan negatif di media massa dan semua perangkat layanan nasabah oleh Divisi *Strategic Communication and Brand* dan *Customer Advocacy and Service Quality*.

Kualitas layanan dan penanganan keluhan nasabah telah ditingkatkan melalui pemantauan secara berkala dan pengembangan program yang dilakukan oleh Divisi *Customer Advocacy and Service Quality*.

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40. Risk Management Policies (continued)

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 fulfilling 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 conducted monitoring in all operational activities, mainly those involving the third parties, which potentially can 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 management for reputation risk is conducted through prevention of events that could lead to reputation risk, for example by conducting a regular communication to related stakeholders and a series of activities such as corporate social responsibility.

Mitigation of reputation risk was performed through intensive monitoring and management of negative news in mass media and all service tools by Strategic Communications and Brand and Customer Advocacy and Service Quality divisions.

Service quality and handling of customer complaints have been improved through the regular monitoring and development programme by Customer Advocacy and Service Quality division.

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40. Kebijakan Manajemen Risiko (lanjutan)

Risiko Reputasi (lanjutan)

Upaya Bank dalam memitigasi risiko reputasi , melalui:

- Melakukan tinjauan (evaluasi) dan revisi yang diperlukan atas kebijakan serta pedoman dalam penanganan keluhan nasabah.
- Mensosialisasikan seluruh revisi kebijakan tersebut serta alur kerja penanganan keluhan pada seluruh unit.
- Memaksimalkan peran *Contact Centre* dengan meningkatkan mekanisme untuk menangani keluhan serta mendelegasikan beberapa wewenang penyelesaian keluhan nasabah.
- Melakukan pemantauan pemberitaan media massa setiap hari dengan memberikan perhatian khusus kepada berita negatif atau keluhan nasabah yang berpotensi berdampak kepada reputasi.
- Melakukan evaluasi dan koordinasi secara berkala dengan unit-unit terkait untuk membahas keluhan nasabah, mencari solusinya termasuk penyelesaian keluhan sesuai dengan *Service Level Agreement (SLA)* yang ditentukan.
- Melakukan edukasi kepada para nasabah mengenai pencegahan atas tindakan pemalsuan atau penipuan (*fraud*) dengan menempatkan poster di cabang dan ATM, serta melalui iklan pada layar ATM.
- Guna meningkatkan kualitas layanan serta mendorong loyalitas nasabah, maka Bank melakukan rapat *Service Excellence Council* setiap bulan.
- Melakukan *coaching* dan pemantauan *standard* layanan untuk semua *front-liner* oleh penanggung jawab *layanan* wilayah secara periodik.
- Melakukan sosialisasi kepada seluruh bisnis segmen dan divisi terkait dengan alur proses penanganan keluhan agar dapat ditindaklanjuti dengan benar.
- Menanggapi keluhan nasabah secara tertulis dengan segera dan benar baik keluhan yang diterima melalui *Contact Centre*, cabang, media, Bank Indonesia (BI), dan Otoritas Jasa Keuangan (OJK).

40. Risk Management Policies (continued)

Reputation Risk (continued)

The Bank's effort in mitigating reputation risk is through:

- Revising and adjusting policy and guidance for complaint handling.
- Socializing all revised policies and complaint management procedure to all units.
- Maximising 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 impact the Bank's reputation.
- Evaluating and coordinating regularly with related units to discuss customer complaint resolution, find out alternative solution including complaint resolution as per determined by the *Service Level Agreement (SLA)*.
- Educating related customers on the precautionary actions 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 service quality and to encourage the customer loyalty, the Bank conducts monthly *Service Excellence Council* meeting.
- Coaching and monitoring on the standardised services for all frontliners by Service PIC from regional periodically.
- Socialising process flow of complaint handling to to all business segments and divisions so that complaint can be followed up properly when it occurs.
- Responding customers' complaints in writing as soon as possible and properly either for complaints received through *Contact Center*, branches, Media, Bank Indonesia (BI), or Otoritas Jasa Keuangan (OJK).

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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.

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.

	31 Desember/ 31 December 2018		
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value	
Aset Keuangan			Financial Assets
Pinjaman yang diberikan dan piutang			Loans and receivables
Kas	519.377	519.377	Cash
Giro pada Bank Indonesia	6.035.664	6.035.664	Currents accounts with Bank Indonesia
Giro pada bank lain	679.690	679.690	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	2.204.068	2.204.068	Placement with Bank Indonesia and other banks
Kredit yang diberikan - neto	71.291.344	71.291.344	Loans - net
Tagihan akseptasi - neto	2.174.972	2.174.972	Acceptances receivable - net
Aset lain-lain	475.243	475.243	Other assets
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi			Financial assets at fair value through profit or loss
Efek-efek yang diperdagangkan	344.546	344.546	Trading securities
Tagihan derivatif	667.761	667.761	Derivatives receivable
Kredit yang diberikan - neto	1.016.778	1.016.778	Loans - net
Aset keuangan tersedia untuk dijual			Available-for-sale financial assets
Investasi keuangan tersedia untuk dijual	10.202.287	10.202.287	Financial investments available-for-sale
Tagihan atas surat berharga yang dibeli dengan janji dijual kembali	907.016	907.016	Receivables on securities purchased with agreements to resell
Aset keuangan yang dimiliki hingga jatuh tempo			Held-to-maturity financial assets
Dimiliki hingga jatuh tempo - neto	5.385.301	5.385.301	Held-to-maturity - net
Total	101.904.047	101.904.047	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)

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)

31 Desember/ 31 December 2018					
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value			
Liabilitas Keuangan			Financial Liabilities		
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi			Financial liabilities at fair value through profit or loss		
Liabilitas derivatif	618.585	618.585	Derivatives payable		
Pinjaman yang diterima	1.115.140	1.115.140	Borrowings		
Liabilitas Lain-lain			Other Liabilities		
Liabilitas segera	148.107	148.107	Current liabilities		
Simpanan	77.322.574	77.322.574	Deposits		
Simpanan dari bank lain	3.142.288	3.142.288	Deposits from other banks		
Bunga yang masih harus dibayar	247.607	247.607	Interests payable		
Liabilitas akseptasi	2.203.221	2.203.221	Acceptances payable		
Pinjaman yang diterima	2.085.100	2.085.100	Borrowings		
Efek hutang yang diterbitkan - neto	3.791.207	3.806.581	Debt securities issued - net		
Liabilitas lain-lain	311.371	311.371	Other liabilities		
Total	90.985.200	91.000.574	Total		
31 Desember/ 31 December 2017					
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value			
Aset Keuangan			Financial Assets		
Pinjaman yang diberikan dan piutang			Loans and receivables		
Kas	398.298	398.298	Cash		
Giro pada Bank Indonesia	6.071.513	6.071.513	Currents 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	3.416.404	3.416.404	Placement with Bank Indonesia and other banks		
Kredit yang diberikan - neto	61.689.720	61.689.720	Loans - net		
Tagihan akseptasi - neto	1.826.050	1.826.050	Acceptances receivable - 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		
Aset lain-lain	326.127	326.127	Other assets		
Aset keuangan diukur pada nilai wajar melalui laporan laba rugi			Financial assets at fair value through profit or loss		
Efek-efek yang diperdagangkan	1.118.020	1.118.020	Trading securities		
Tagihan derivatif	146.399	146.399	Derivatives receivable		
Kredit yang diberikan - neto	308.484	308.484	Loans - net		
Aset keuangan tersedia untuk dijual			Available-for-sale financial assets		
Investasi keuangan tersedia untuk dijual	10.355.167	10.355.167	Financial investments available-for-sale		
Aset keuangan yang dimiliki hingga jatuh tempo			Held-to-maturity financial assets		
Dimiliki hingga jatuh tempo - neto	4.596.187	4.596.187	Held-to-maturity - net		
Total	93.720.438	93.720.438	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)

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)

	31 Desember/ 31 December 2017		
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value	
Liabilitas Keuangan			Financial Liabilities
Liabilitas keuangan diukur pada nilai wajar melalui laporan laba rugi			Financial liabilities at fair value through profit or loss
Liabilitas derivatif	105.770	105.770	Derivatives payable
Pinjaman yang diterima	333.138	333.138	Borrowings
Liabilitas Lain-lain			Other Liabilities
Liabilitas segera	149.371	149.371	Current liabilities
Simpanan	75.046.863	75.046.863	Deposits
Simpanan dari bank lain	2.314.828	2.314.828	Deposits from other banks
Bunga yang masih harus dibayar	225.648	225.648	Interests payable
Liabilitas akseptasi	1.843.428	1.843.428	Acceptances payable
Efek hutang yang diterbitkan - neto	3.388.604	3.547.334	Debt securities issued - net
Liabilitas lain-lain	231.344	231.344	Other liabilities
Total	83.638.994	83.797.724	Total

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 2ac.

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 2ac.

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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:

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:

31 Desember/ 31 December 2018					
	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total	
Aset yang diukur pada nilai wajar					Assets measured at fair value
Kredit yang diberikan - neto	-	1.016.778	-	1.016.778	Loans - net
Tagihan derivatif	-	667.761	-	667.761	Derivatives receivable
Efek-efek yang diperdagangkan	344.546	-	-	344.546	Trading securities
Investasi keuangan tersedia untuk dijual	10.202.287	-	-	10.202.287	Financial investments available-for-sale
Total aset yang diukur pada nilai wajar	10.546.833	1.684.539	-	12.231.372	Total assets measured at fair value
Aset yang nilai wajarnya diungkapkan					Assets for which fair value are disclosed
Kredit yang diberikan - neto	-	70.516.468	774.876	71.291.344	Loans - net
Investasi keuangan dimiliki hingga jatuh tempo - neto	-	5.385.301	-	5.385.301	Financial investments held-to-maturity - net
Agunan yang diambil alih - neto	-	-	68.971	68.971	Foreclosed assets - net
Properti terbengkalai	-	-	7.424	7.424	Abandoned property
Total aset yang nilai wajarnya diungkapkan	-	75.901.769	851.271	76.753.040	Total assets for which fair value are disclosed
Total	10.546.833	77.586.308	851.271	88.984.412	Total
Liabilitas yang diukur pada nilai wajar					Liabilities measured at fair value
Liabilitas derivatif	-	618.585	-	618.585	Derivatives liabilities
Pinjaman yang diterima	-	1.115.140	-	1.115.140	Borrowings
Total liabilitas yang diukur pada nilai wajar	-	1.733.725	-	1.733.725	Total liabilities measured at fair value
Liabilitas yang nilai wajarnya diungkapkan					Liabilities for which fair value are disclosed
Efek hutang yang diterbitkan - neto	-	3.806.581	-	3.806.581	Debt securities issued - net
Total liabilitas yang nilai wajarnya diungkapkan	-	3.806.581	-	3.806.581	Total liabilities for which fair value are disclosed
Total	-	5.540.306	-	5.540.306	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)

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)

	31 Desember/ 31 December 2017				
	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total	
Aset yang diukur pada nilai wajar					Assets measured at fair value
Kredit yang diberikan - neto	-	308.484	-	308.484	Loans - net
Tagihan derivatif	-	146.399	-	146.399	Derivatives receivable
Efek-efek yang diperdagangkan	1.118.020	-	-	1.118.020	Trading securities
Investasi keuangan tersedia untuk dijual	10.355.167	-	-	10.355.167	Financial investments available-for-sale
Total aset yang diukur pada nilai wajar	11.473.187	454.883	-	11.928.070	Total assets measured at fair value
Aset yang nilai wajarnya diungkapkan					Assets for which fair value are disclosed
Kredit yang diberikan - neto	-	61.104.101	585.619	61.689.720	Loans - net
Investasi keuangan dimiliki hingga jatuh tempo - neto	-	4.596.187	-	4.596.187	Financial investments held-to-maturity - net
Agunan yang diambil alih - neto	-	-	36.757	36.757	Foreclosed assets - net
Properti terbengkalai	-	-	8.560	8.560	Abandoned property
Total aset yang nilai wajarnya diungkapkan	-	65.700.288	630.936	66.331.224	Total assets for which fair value are disclosed
Total	11.473.187	66.155.171	630.936	78.259.294	Total
Liabilitas yang diukur pada nilai wajar					Liabilities measured at fair value
Liabilitas derivatif	-	105.770	-	105.770	Derivatives liabilities
Pinjaman yang diterima	-	333.138	-	333.138	Borrowings
Total liabilitas yang diukur pada nilai wajar	-	438.908	-	438.908	Total liabilities measured at fair value
Liabilitas yang nilai wajarnya diungkapkan					Liabilities for which fair value are disclosed
Efek hutang yang diterbitkan - neto	-	3.547.334	-	3.547.334	Debt securities issued - net
Total liabilitas yang nilai wajarnya diungkapkan	-	3.547.334	-	3.547.334	Total liabilities for which fair value are disclosed
Total	-	3.986.242	-	3.986.242	Total

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42. Informasi Segmen Operasi

Tabel berikut adalah informasi segmen Bank berdasarkan segmen operasi:

42. Operating Segment Information

The tables below show the business segment information of the Bank, which are based on operating segment:

31 Desember/ 31 December 2018					
	Wholesale	Retail	Lainnya/ Others	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					Statement of Profit or Loss and Other Comprehensive Income
Pendapatan	2.226.137	1.926.537	335.782	4.488.456	Income
Beban	(631.647)	(1.789.146)	(689.971)	(3.110.764)	Expenses
Cadangan kerugian penurunan nilai	(432.381)	(231.030)	(4.077)	(667.488)	Allowance for impairment losses
Laba sebelum beban pajak	1.162.109	(93.639)	(358.266)	710.204	Income before tax expense
Beban pajak				(198.843)	Tax expense
Laba tahun berjalan				511.361	Income for the year
Laporan Posisi Keuangan					Statement of financial position
Jumlah aset	73.469.699	25.518.707	4.687.542	103.675.948	Total assets
Jumlah liabilitas	42.154.679	37.983.414	12.161.186	92.299.279	Total liabilities

31 Desember/ 31 December 2017					
	Wholesale	Retail	Lainnya/ Others	Total	
Laporan Laba Rugi dan Penghasilan Komprehensif Lain					Statement of Profit or Loss and Other Comprehensive Income
Pendapatan	1.966.858	1.973.841	368.117	4.308.816	Income
Beban	(576.379)	(1.795.330)	(373.574)	(2.745.283)	Expenses
Cadangan kerugian penurunan nilai	(940.899)	(313.216)	(915)	(1.255.030)	Allowance for impairment losses
Laba sebelum beban pajak	449.580	(134.705)	(6.372)	308.503	Income before tax expense
Beban pajak				(230.982)	Tax expense
Laba tahun berjalan				77.521	Income for the year
Laporan Posisi Keuangan					Statement of financial position
Jumlah aset	67.465.854	23.821.975	3.956.284	95.244.113	Total assets
Jumlah liabilitas	37.147.269	39.432.820	7.717.373	84.297.462	Total liabilities

43. Penitipan Harta

Bank juga memberikan jasa penitipan harta. Total uang jasa yang diterima dari pemberian jasa ini selama tahun 2018 dan 2017 adalah masing-masing sebesar Rp280 dan Rp3.374. 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 2018 and 2017 amounted to Rp280 and Rp3,374, 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 of Approval of Commercial Bank as Custodian on behalf of PT Bank UOB Indonesia.

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44. TAMBAHAN INFORMASI ARUS KAS

Perubahan pada liabilitas yang timbul dari aktivitas pendanaan pada laporan arus kas adalah sebagai berikut:

	1 Januari/ January 1, 2018	Arus Kas/Cash Flows		Perubahan Non Kas/ Non-Cash Changes	Selisih kurs/ Foreign exchange	31 Desember/ December 31, 2018	
		Penerimaan/ Proceeds	Pembayaran/ Payment				
Pinjaman diterima	333.138	2.851.725	-	-	15.377	3.200.240	Borrowings
Efek-efek yang dijual dengan janji dibeli kembali	-	580.138	-	-	-	580.138	Securities sold under agreements to repurchase
Efek hutang yang Diterbitkan - neto	3.388.604	1.000.000	(600.000)	2.603	-	3.791.207	Debt Securities issued - net
Total	3.721.742	4.431.863	(600.000)	2.603	15.377	7.571.585	Total

44. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in liabilities arising from financing activities in the cash flow statement are as follows:

45. 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 No. 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 No. 72: Pendapatan dari Kontrak dengan Pelanggan, yang diadopsi dari IFRS 15, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini adalah standar tunggal untuk pengakuan pendapatan yang merupakan hasil dari *joint project* yang sukses antara Dewan Standar Akuntansi Internasional dan Dewan Standar Akuntansi Keuangan, mengatur model pengakuan pendapatan dari kontrak dengan pelanggan, sehingga entitas diharapkan dapat melakukan analisis sebelum mengakui pendapatan.

45. 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 No. 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 No. 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective 1 January 2020 with earlier application is permitted.

This SFAS is a single standards that a joint project between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), provides revenue recognition from contracts with customers, and the entity is expected to have analyzing before recognizing the revenue.

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45. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif (lanjutan)

Standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan tahun berjalan diungkapkan di bawah ini. Bank berintensi untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif. (lanjutan)

- PSAK No. 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.

- Amendemen PSAK No. 24: Imbalan Kerja tentang Amendemen, Kurtailmen, atau Penyelesaian Program, berlaku efektif 1 Januari 2019.

Amendemen PSAK No. 24 memberikan panduan yang lebih jelas bagi entitas dalam mengakui biaya jasa lalu, keuntungan dan kerugian penyelesaian, biaya jasa kini dan bunga neto setelah adanya amendemen, kurtailmen, atau penyelesaian program karena menggunakan asumsi aktuarial terbaru (sebelumnya menggunakan asumsi aktuarial pada awal periode pelaporan tahunan). Selain itu, Amendemen PSAK 24 juga mengklarifikasi bagaimana persyaratan akuntansi untuk amendemen, kurtailmen, atau penyelesaian program dapat mempengaruhi persyaratan batas atas aset yang terlihat dari pengurangan surplus yang menyebabkan dampak batas atas aset berubah.

- ISAK No. 33 - Transaksi Valuta Asing dan Imbalan Dimuka, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

ISAK No. 33 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.

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45. 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)

- SFAS No. 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.

- Amendments to SFAS No. 24: Employee Benefits regarding Amendments, Curtailments, or Program Settlement, effective 1 January 2019.

Amendments to SFAS No. 24 provide clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after amendments, curtailments, or completion of programs because they use the latest actuarial assumptions (previously using actuarial assumptions at the beginning of the reporting period annual). In addition, the Amendment to SFAS 24 also clarifies how the accounting requirements for amendments, curtailments, or program completion can affect the asset boundary requirements as seen from the reduction in surplus which causes the impact of the asset limit to change.

- IAS No. 33 - Foreign currency Transaction and Advance Consideration, effective 1 January 2019 with earlier application is permitted.

IAS No. 33 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.

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45. 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)

- ISAK No. 34: Ketidakpastian dalam Perlakuan Pajak Penghasilan, berlaku efektif setelah 1 Januari 2019 dengan penerapan dini diperkenankan.

ISAK No. 34 mengklarifikasi dan memberikan panduan dalam merefleksikan ketidakpastian perlakuan pajak penghasilan dalam laporan keuangan.

Bank sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan Bank.

46. Penyelesaian Laporan Keuangan

Manajemen bertanggung jawab atas penyajian laporan keuangan yang telah diselesaikan dan diotorisasi untuk terbit oleh Direksi Bank pada tanggal 25 Januari 2019.

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45. 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)

- IAS No. 34: Uncertainty of Income Tax Treatment, effective after 1 January 2019 with earlier application is permitted.

IAS No. 34 clarifies and provides guidance to reflect the uncertainty of income tax treatments in the financial statements.

The Bank is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

46. Completion of the Financial Statements

The management is responsible for the preparation of financial statements which were completed and authorized for issuance by the Bank's Board of Directors on 25 January 2019.

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Profiles of the Board of Commissioners

As of 31 December 2018.



Wee Cho Yaw

President Commissioner

Dr. Wee Cho Yaw, aged 90, is a Singapore citizen domiciled in Singapore. Dr. Wee was first appointed as President Commissioner of UOB Indonesia at the Annual General Meeting of Shareholders (AGM) held on 14 October 2005 and was reappointed at the AGM held on 26 April 2017.

A banker with more than 60 years experience, Dr. Wee is a veteran in the banking, insurance, real estate and hospitality industries. He is the former Chairman and CEO of United Overseas Bank Limited Singapore and is currently Chairman Emeritus and Honorary Adviser. He is also the Chairman Emeritus and Adviser of United Overseas Bank Malaysia, Chairman of United Overseas Bank (Thai) Public Company, President Commissioner of UOB Indonesia and 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 and Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

Dr. Wee received Chinese high school education. He was conferred Honorary Degrees of Doctor of Letters by the National University of Singapore (2008) and Nanyang Technology University (2014). Since 2004, he has been the Pro-Chancellor of the Nanyang Technological University.

He has received many accolades for his business achievements and support of education, community welfare and the business community. Among the awards conferred on him are the Distinguished Service Order, Singapore National Day Award (2011), ASEAN Business Advisory Council Legacy Award for Singapore (2017), Asian Banker Lifetime Achievement Award (2009), Credit Suisse-Ernst and Young Lifetime Achievement Award (2006), and Businessman of the Year, Singapore Business Awards (2001 and 1990).

Dr. Wee Cho Yaw is the father of Mr Wee Ee Cheong who is Deputy President Commissioner of UOB Indonesia.



Wee Ee Cheong

Deputy President Commissioner

Mr Wee Ee Cheong, aged 66, is a Singapore citizen domiciled in Singapore. Mr Wee was appointed as Commissioner pursuant to the Annual General Meeting of Shareholders (AGM) held on 22 June 2007 and most recently reappointed as Deputy President Commissioner at the AGM held on 26 April 2017.

A career banker with 40 years 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 UOB Indonesia.

Training programs attended by Mr Wee in 2018 are as follows:

- ASEAN Central Bank Governors & Financial Institutions CEOs Luncheon Dialogue (Cybersecurity & Resiliency) by Gregory Sim, Regional Head of Info Security, Standard Chartered Bank
- ASEAN Central Bank Governors & Financial Institutions CEOs Luncheon Dialogue (ASEAN Financial Innovation Network) by Ivan Daniel Mortimer Schutts, Senior Financial Sector Specialist, IFC/World Bank
- ASEAN Conference by SBF, UOB RSM and Rajah & Tann
- Cyber Security by Benjamin Harris and Gregory Lingris from MWR Infosecurity. Tobias Gondrom, UOB
- Exercise Raffles: CEO Workshop by The Association of Banks in Singapore
- SFRS(I) 9 Financial Instruments by Eric Lim, UOB
- Interest Rate Risks in Banking Books by Heng Li Koon, UOB
- Singapore Summit by Ong Ye Kung, Minister for Education
- Sustainability Reporting by Eric Lim, UOB
- Technology Forum – Open Banking – the Next Disruption by Mr John Ott and Mr Glen Williams, Bain & Company
- Technology Risk Management and its evolving practices by Vadim Kosin, Oliver Wyman



Profiles of the Board of Commissioners



- Cyber Security Awareness by Dr. Chaichana Mitrpant, Deputy Executive Director of the Electronic Transactions Development Agency (ETDA), Ministry of Information and Communication Technology
- AMLA Refresher by Jagdeep Singh
- Digital Development in Malaysia & Cyber Security by PWC
- MFRS 9 Impact to UOBM by Ernst & Young
- China Geo Political update by Michael Hirson, Eurasia Group
- Fintech sharing on “Fintech – Birth, present and (AI-Enabled) Future” by Xiong Xiong, Ant Financial Group
- Greater Bay Area by Prof. Edward Chen
- Insights on changing dynamics within China and how a Singapore Bank can position to win by Qin Shuo, YICAI Media Group

Mr Wee Ee Cheong holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, DC.



Lee Chin Yong Francis
Commissioner

Mr Lee is a Malaysian citizen, domiciled in Singapore and aged 64 years. Mr Lee was first appointed as Commissioner of UOB Indonesia in December 2005 and was most recently appointed at the Annual General Meeting of Shareholders (AGM) held on 26 April 2017, serving also as Member of the Remuneration and Nomination Committee.

Mr Lee, joined United Overseas Bank Malaysia (UOBM) in 1980 and 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 UOB Indonesia.

Training programmes attended by Mr Lee in 2018 were as follows:

- Sustainability Reporting by Eric Lim, UOB
- Interest Rate Risks in Banking Books by Heng Li Koon, UOB
- Implications of IFRS 9 by Eric Lim, UOB
- Technology Risk Management and its evolving practices by Vadim Kosin from Oliver Wyman
- CyberSecurity by Benjamin Harris and Gregory Lingris from MWR Infosecurity, Tobias Gondrom, UOB

Mr Lee holds a Malaysian Certificate of Education and has more than 30 years of experience in the financial industry.

Profiles of the Board of Commissioners



Aswin Wirjadi
Independent Commissioner

Mr Aswin Wirjadi is an Indonesian citizen, domiciled in Jakarta and aged 71 years. Mr Aswin was first appointed as an Independent Commissioner of UOB Indonesia in June 2009 and was last reappointed at the Annual General Meeting of Shareholders on 26 April 2017. Mr Aswin also serves as Chairman of the Risk Monitoring Committee.

He began his career at PT IBM Indonesia in 1972. He joined Chase Manhattan Bank NA from 1977 to 1989 with his last position as Country Consumer and Private Banking Head, Jakarta Branch. He was appointed as Director at PT Indomobil Niaga International in 1989. Later he joined PT Bank Central Asia in 1990 with his last position as Deputy President Director in 2008. He was the Chairman of Financial Wealth Pte Ltd from 2008 to 2016 and Commissioner of PT Limawira Wisesa from 2005 to 2009.

Training that Mr Aswin participated throughout 2018 was the Challenge of the Implementation of Good Corporate Governance in the Revolutionary Era 4.0.

He has a Bachelor of Engineering degree from Atmajaya Catholic University, Jakarta and has more than 41 years of experience in the banking industry.

Mr Aswin has no affiliation with fellow members of the Board of Commissioners, members of the Board of Directors, or with the Bank's controlling shareholders.



Wayan Alit Antara
Independent Commissioner

Mr Wayan Alit Antara is an Indonesian citizen, domiciled in Jakarta and aged 71 years. Mr Wayan was first appointed as an Independent Commissioner of UOB Indonesia in January 2009 and was last reappointed at the Annual General Meeting of Shareholders on 26 April 2017. Mr Wayan also served as Chairman of the Audit Committee.

He began his career in banking at PT Bank Rakyat Indonesia in 1976 with his last position as Deputy Managing Director and retired in 2006. During his 30 years of career at PT Bank Rakyat Indonesia, he served in several important positions namely as Director of Finance and Treasury, and Director of Micro, Retail and Sharia Loans. He has served as an Independent Commissioner of PT Bhakti Securities from 2007 to 2008 and as a Commissioner of PT Sumber Abadi Tirtasentosa from 2008 to 2016.

Training attended by Mr Wayan throughout 2018 were the Challenge of the Implementation of Good Corporate Governance in the Revolutionary Era 4.0 and the Bank's Business Seminar in the "Risk and Mitigation" Digital era.

He holds a Bachelor's degree in Agricultural Economics from the Faculty of Agriculture at Gadjah Mada University, Yogyakarta and has more than 42 years of experience in the banking industry.

Mr Wayan has no affiliation with fellow members of the Board of Commissioners, members of the Board of Directors, or with the Bank's controlling shareholders.



VJH Boentaran Lesmana

Independent Commissioner

Mr VJH Boentaran Lesmana is an Indonesian citizen, domiciled in Jakarta and aged 71 years. He was appointed as Independent Commissioner of the Bank at the Annual General Meeting of Shareholders on 9 May 2018. Mr Boentaran also served as Chairman of the Remuneration and Nomination Committee.

He began his career at the Public Accountant Firm (KAP) Tanudiredja, Wibisana, Rintis and Rekan (formerly KAP Drs Hadi Sutanto and Partners) PricewaterhouseCoopers Indonesia in 1972 and was promoted as a Partner from 1 July 1990 until his retirement on 1 January 2010.

Training attended by Mr Boentaran throughout 2018 were Oversight Effectiveness of the Board of Commissioners and Audit Committee, and The Next Generation of Banking in The Fourth Industrial Transformation.

He holds a Bachelor of Economics degree from the Faculty of Economics, University of Indonesia and has more than 38 years of experience as an auditor with expertise in the financial services sector comprising banking, multi finance, pension funds and insurance.

Mr Boentaran has no affiliation with fellow members of the Board of Commissioners, members of the Board of Directors, or with the Bank's controlling shareholders.

Profiles of the Board of Directors

As of 31 December 2018.



Lam Sai Yoke
President Director

Mr Lam Sai Yoke (Kevin Lam), aged 50, is a Singapore citizen domiciled in Jakarta. He was first appointed as President Director of UOB Indonesia pursuant to the Extraordinary General Meeting of Shareholders dated 2 November 2015 and was recently reappointed at the Annual General Meeting of Shareholders held 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, he served as Deputy Chief Executive Officer in UOB Malaysia from 2013 to 2015. Educational and training courses attended by Mr Lam Sai Yoke in 2018 were Anti-Money Laundering and Countering the Financing of Terrorism, The Next Frontier of Asia's Financial Service Riding The Wave of Global Disruptions in the Banking Industry IMF – World Bank Annual Meeting 2018.

Mr Lam Sai Yoke holds a Business Administration degree from National University of Singapore.

Mr Lam Sai Yoke does not have any affiliation relationship with fellow members of the Board of Directors, members of the Board of Commissioners, or with the controlling shareholders of the Bank.



Iwan Satawidinata
Deputy President Director

Mr Iwan Satawidinata, aged 50, is an Indonesian citizen domiciled in Jakarta. He was first appointed as Deputy President Director of UOB Indonesia pursuant to Extraordinary General Meeting of Shareholders dated 15 April 2010, and was most recently reappointed at the Annual General Meeting of Shareholders of 26 April 2017.

Prior to joining UOB Indonesia, Mr Iwan 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 Iwan in 2018 were Anti-Money Laundering and Countering the Financing of Terrorism and Media Training UOB Indonesia Spokespersons.

He earned a Bachelor of Science in Business Administration degree from University of Southern California, USA and has more than 28 years of experience in the banking industry.

Mr Iwan does not have any affiliation relationship with fellow members of the Board of Directors, member of the Board of Commissioners, or with the controlling shareholders of the Bank.



Muljono Tjandra

Finance and Corporate Services Director

Mr Muljono Tjandra, aged 53, is an Indonesian citizen domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the Annual General Meeting of Shareholders of 28 April 2015 and was recently reappointed at the Annual General Meeting (AGM) of 26 April 2017.

Mr Muljono, joined UOB Indonesia in 2015 as Finance and Corporate Services Director. Prior to his assignment in UOB Indonesia, Mr Muljono started his career as auditor in KPMG Hanadi, Sudjendro, & Partners and KPMG Australia public accounting firm. Afterwards, he served as Senior Manager at PricewaterhouseCoopers Indonesia specialisation in finance services industry. His career in banking started when he joined PT Danamon Indonesia Tbk with his latest position as Division Head in several areas. In 2012, he served as Finance Director in PT Asuransi Adira Dinamika until February 2015.

Educational and training courses attended by Mr Muljono in 2018 were Anti-Money Laundering and Countering the Financing of Terrorism, Asean Global Leadership Programme 2018 in Cambridge, United Kingdom, and Media Training UOB Indonesia Spokespersons.

He holds a Bachelor of Finance Accounting from Trisakti University and has over 28 years of experience in Banking Industry. He is also a registered public accountant in Indonesia.

Mr Muljono does not have any affiliation relationship with fellow members of the Board of Directors, members of the Board of Commissioners or with the controlling shareholders of the Bank.

Henky Sulisty

Risk Management Director

Mr Henky Sulisty, aged 44, is an Indonesian citizen domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the Extraordinary General Meeting of Shareholders of 7 February 2017 and was recently reappointed at the Annual General Meeting of Shareholders of 26 April 2017.

Prior to joining UOB Indonesia, he started his career at the American Express Bank Jakarta as Treasury Middle Officer. He was transferred to American Express Bank Singapore until 2008 with his last position as Director, Regional Risk Manager for Asia Pacific. Afterwards, he joined DBS Bank as Head of Risk Management Unit for DBS Indonesia, with latest position as 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 Henky in 2018 were Operational Risk Management 2018, Anti-Money Laundering and Countering the Financing of Terrorism and Media Training UOB Indonesia Spokespersons.

Mr Henky has more than 20 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) from GARP. Mr Henky does not have any affiliation relationship with fellow members of the Board of Directors, members of the Board of Commissioners, or with the controlling shareholders of the Bank.

Profiles of the Board of Directors



Soehadie Tansol
Compliance Director

Mr Soehadie Tansol, aged 59, is an Indonesian citizen domiciled in Jakarta. He was first appointed as Compliance Director pursuant to the General Meeting of Shareholders dated 25 November 2002 and was most recently reappointed at the Annual General Meeting of Shareholders of 26 April 2017.

Mr Soehadie served various positions in PT Bank Buana Indonesia Tbk from Current Account Department Head, Bookkeeping Department Head, Special Authorization Official, Sub-branch Manager in Pontianak, Branch Manager in Batam, Pontianak and Palembang, Procedure, Research and Development Division Head, and as Associate Director of PT Bank Buana Indonesia Tbk prior to his appointment as Compliance Director.

Educational and training courses attended by Mr Soehadie in 2018 were Blockchain and Risks and Anti-Money Laundering and Countering the Financing of Terrorism.

He participated in overseas banker programme at the Pacific Bankers Management Institute at the University of Washington, USA and has more than 38 years of experience in the banking industry.

Mr Soehadie 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.



Paul Rafiuly
Technology and Operations Director

Mr Paul Rafiuly, aged 42, is an Indonesian citizen and domiciled in Jakarta. He was appointed as Director of UOB Indonesia at the Extraordinary General Meeting of Shareholders held on 11 October 2018.

Mr Paul has more than 19 years of working experience in the area of Financial Technology and Operations and Digital Business Development. He began his career as a Treasury and Risk Management Application Project Leader at Oracle Corporation - Redwood Shores, United States. He also served as Product Manager at Dell Inc, Texas, United States and Engagement Manager at McKinsey & Company, Singapore. Afterwards, he joined OCBC Bank Singapore with his last position as the Head of (Enterprise) Technology Architecture, and then joined Trimegah Securities, Indonesia as the Chief Operating Officer.

Educational and training courses attended by Mr Paul in 2018 were Anti-Money Laundering and Countering the Financing of Terrorism, Risk Management Certification Level 5, Impact of Basel and Bank Soundness at Technology and Operation, and Focus Group Discussion and Indonesia Banking Expo 2018 Seminar.

He has several degrees namely Bachelor of Architecture and Diploma in Business Administration from University of Texas in Austin, United States, Master of Science in Electrical Engineering and Computer Science, and the Master of Science in Building Technology from the Massachusetts Institute of Technology in Cambridge, United States. He has few certifications comprising Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), and Information System Security Professional (CISSP).

Mr Paul 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



VJH Boentaran Lesmana

Independent Commissioner/Chairman of the Remuneration and Nomination Committee

Mr VJH Boentaran Lesmana was appointed as the Chairman of Remuneration and Nomination Committee based on Board of Directors' Decision No.18/SKDIR/0030 dated 22 May 2018 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr VJH Boentaran Lesmana can be found on page 365.

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.18/SKDIR/0030 dated 22 May 2018 on the Appointment of Members of the Remuneration and Nomination Committee.

The profile of Mr Lee Chin Yong Francis can be found on page 363.

Herman Cahyadi

Member/Executive Officer responsible for HR

Mr Herman Cahyadi aged 38, is an Indonesian citizen and domiciled in Jakarta. He serves as member of Remuneration and Nomination Committee based on Board of Directors' Decision No.18/SKDIR/0030 dated 22 May 2018 on the Appointment of Members of the Remuneration and Nomination Committee.

Mr Herman joined UOB Indonesia as Human Resources Shared Service Head in February 2017. Prior to joining UOB Indonesia, Mr Herman served various positions in PT Bank CIMB Niaga, Tbk (previously PT Bank Lippo Tbk) from 2005 – 2012 as Account Officer, Rewards Management Head, and Human Resources Medical and Helpdesk Operation Head. Subsequently, he joined Maybank Indonesia as Performance and Rewards Management Head until June 2016 with his last position as Organisation Development, Rewards Management, and Strategy Head. He also has experience in non-banking industry with Asia Pulp & Paper, SinarMas as Head, Compensation and Benefit until January 2017.

He holds a Bachelor of Marketing Management and Magister of Psychology from University of Tarumanagara, Indonesia and has more than 15 years of experience in human resources.

Audit Committee



Wayan Alit Antara

Independent Commissioner/Chairman of Audit Committee

Mr Wayan Alit Antara was appointed as the Chairman of Audit Committee based on Board of Directors' Decision No.18/SKDIR/0061 dated 15 October 2018 on the Appointment of Members of the Audit Committee

The profile of Mr Wayan Alit Antara can be found on page 364.

Setiawan Kriswanto

Member (Independent Party)

Mr Setiawan Kriswanto, aged 57, is an Indonesian citizen, domiciled in Jakarta. He was first appointed as a member Audit Committee based on the Board of Directors' Decision No.18/SKDIR/0061 dated 15 October 2018 on the Appointment of Members of the Audit Committee.

Mr Setiawan Kristanto started his career at the Ministry of Finance of the Republic of Indonesia from 1982 to 1983. Then, he dedicated most of his professional journey in financial and banking industry sector. Previously, he held a position of member of Audit Committee at Indonesian Export Financing Body / Lembaga Pembiayaan Ekspor Indonesia (LPEI) - Indonesia Eximbank (IEB) from 2013 to 2018, PT Bank BRI AGRO Tbk from 2010 to 2017, PT Humpuss Intermoda Transportasi from 2008 to 2013, PT Bank Internasional Indonesia Tbk from 2008 to 2012. At PT Bank Danamon Indonesia Tbk, from 2002 to 2008, he became a member of Audit Committee and Risk Monitoring Committee. He also served as the Head of Temporary Bank Management Team at Indonesian Bank Restructuring Agency ("BPPN") from 1999 to 2002, the Division Head of Accountancy and Operations at PT Bank Dagang & Industri from 1991 to 1996, and an auditor at the Indonesian National Government Internal Auditor (BPKP) from 1983 to 1991. Among other positions, he currently serves as the member of Audit Committee at PT ABM Investama Tbk, PT CSUL Finance and PT WOM Finance Tbk.

He graduated from Sekolah Tinggi Akuntansi Negara (STAN), Jakarta, and obtained a bachelor degree from Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA), Surabaya, as well as a master degree from Krisnadipayana University, Jakarta.



Nina Diyanti Anwar
Member (Independent Party)

Ms Nina Diyanti Anwar, aged 58, is an Indonesian citizen, domiciled in Jakarta. She was appointed as a member Audit Committee based on the Board of Directors' Decision No.18/SKDIR/0061 dated 15 October 2018 on the Appointment of Members of the Audit Committee.

Ms Nina Diyanti Anwar started her career as Auditor at the public accounting firm PricewaterhouseCoopers from 1985 to 1988. She joined as a financial analyst in USAID, Jakarta from 1988 to 1989. Then, she worked in the banking industry and held various position including Account Manager in Bank Indovest from 1989 to 1994; Senior Credit Analyst from 1994 to 1995 and Account Manager/Assistant Vice President (AVP) from 1995 to 1999 in Rabobank; Account Officer/AVP in ABN Amro Bank from 1999 to 2000; as a Group Head/Vice President Investor Relations Division/Treasury Group/Assets Management Division in Indonesian Bank Restructuring Agency (IBRA) from 2000 to 2004. Furthermore, she also was a member of Audit Committee at PT Semen Gresik Tbk, from 2004 to 2011, PT GMF Aersosia from 2006 to 2015 and PT Maybank Indonesia Tbk, from 2012 to April 2018.

She holds a Bachelor of Accounting from Faculty of Economics, University of Indonesia, Jakarta.



Risk Monitoring Committee



Aswin Wirjadi

Independent Commissioner/Chairman of the Risk Monitoring Committee

Mr Aswin Wirjadi was appointed as the Chairman of Risk Monitoring Committee based on Board of Directors' Decision No.18/SKDIR/0043 dated 1 August 2018 on the Appointment of Members of the Risk Monitoring Committee.

The profile of Mr Aswin Wirjadi can be found on page 364.



Thomas Abdon

Member (Independent Party)

Mr Thomas Abdon aged 76, is an Indonesian citizen domiciled in Jakarta. He is appointed as a member of Risk Monitoring Committee based on Board of Directors' Decision No.18/SKDIR/0043 dated August 1, 2018 on the Appointment of Members of the Risk Monitoring Committee.

He started his career as Auditor at Public Accounting Firm of Drs. B Soenasto from 1965 to 1969. He 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, Jakarta and has more than 50 years of experience in finance and accounting as well as banking industry.



Hendry Patria Rosa
Member (Independent Party)

Mr Hendry Patria Rosa is Indonesian citizen, domiciled in Jakarta and is 52 years old. He was appointed as the Member of Risk Monitoring Committee based on Board of Directors' Decision No.18/SKDIR/0043 dated 1 August 2018 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. 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 Programme.

He holds a Bachelor of Geodetic Engineering from Gadjah Mada University in Yogyakarta and has more than 26 years of experience in banking industry and risk management.

Senior Executive Officers



Ani Pangestu

Head of Human Resources

Mrs Ani Pangestu joined UOB Indonesia in 2015 and currently serves as Head of Human Resources. Her areas of expertise include human resources development, change management, integration strategic merger and acquisition. She has more than 26 years of human resources experience in various industries, with her last position as Human Capital Director at Maybank Indonesia. She holds a Master of Science in Management and Organization Development from Kennedy Western University in Wyoming, USA.

FX Yanto Edy Umar

Head of Commercial Credit 2

Mr FX Yanto Edy Umar joined UOB Indonesia in 2017 as Head of Commercial Credit 2. Prior to joining UOB he has acquired more than 19 years of credit experiences in financial industry with his last position as Head Corporate Banking 2 PT Bank Permata, Tbk. He graduated with bachelor degrees in Mechanical Engineering in 1996 from Institute of Technology Bandung.

Geoffry Nugraha

Head of Corporate Banking

Mr Geoffry Nugraha joined UOB Indonesia in 2014 and currently serves as the Head of Corporate Banking. He has over 23 years of banking experience especially in the area of Corporate and Commercial Banking coverage, Credit and Transaction Banking, with his last position as Head of Corporate and Institutional Banking at Bank ANZ Indonesia. He obtained a Bachelor of Science in Business Administration and a Master of Business Administration from Hawaii Pacific University, USA.



Harapman Kasan

Head of Wholesale Banking

Mr Harapman Kasan joined UOB Indonesia in 2018 as the Head of Wholesale Banking. He has more than 28 years of banking experience, with his last position as Managing Director, Head of Citi Commercial Bank Indonesia. He completed his course at University of HKBP Nommensen, in Medan majoring in accounting followed by a Master Degree of Business Administration from Kennedy Western - Lembaga Manajemen Internasional Indonesia (LMII), Medan.

Jenny Lesmana

Head of Financial Institution

Mrs Jenny Lesmana joined UOB Indonesia in 2018 as the Head of Financial Institutions. She brings more than 18 years of banking experience. Prior to joining UOB Indonesia, she spent over 15 years in Citibank with her last position as Head of Financial Institutions. She received her Bachelor Degree of Industrial Engineering from Trisakti University, followed by a Master Degree of Management in Finance at Prasetya Mulya Business Graduate School.

Kan Ngee Fei

Head of Business Banking

Mr Kan Ngee Fei (Paul Kan) joined UOB Indonesia in 2018 as Head of Business Banking. He has more than 20 years of working experience, with 13 years spent in SME Banking area, with his last position as Executive Director, Group Sales Management, Group Business Banking, UOB Singapore. He received his Bachelor Degree of Engineering at National University of Singapore, followed by a Master Degree of Business Administration (Finance) in Manchester Business School, The University of Manchester.



Senior Executive Officers



Khoo Chock Seang

Head of Personal Financial Services and Digital Bank

Mr Khoo Chock Seang joined UOB Indonesia in 2018 as Head of Personal Financial Services. He has 40 years of working experience in banking industry, with 17 years spent in Consumer Banking UOB Malaysia, with his last position as Head, Sales and Distribution (PFS). He received his Bachelor Degree of Economics at University of Malaya.

Ratnasari Kartawiria

Head of Corporate Credit

Ms Ratnasari Kartawiria joined UOB Indonesia in 2011 and currently serves as Head of Corporate Credit. She has around 27 years of banking experience in credit risk, risk management, credit portfolio management, relationship management, and trade finance. Prior to joining UOB Indonesia, she worked at the Royal Bank of Scotland and ABN AMRO Bank N.V. with her last position as Head of Transaction and Portfolio Management and Head of Credit Risk Assessment. She graduated with a Bachelor of Science in Business Administration from California State University, Long Beach, U.S.A.

Rudy Widjaja

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 22 years of experience in banking industry.



Siswo Soebianto Iksan
Head of Commercial Credit 1

Mr Siswo Soebianto Iksan joined UOB Indonesia in 2017 as Head of Commercial Credit 1. Prior to joining UOB, he worked with PT Bank Danamon Indonesia Tbk. with his last position as EVP - Senior Credit Officer. He received his bachelor degree from Satya Wacana Christian University Salatiga and has more than 28 years of experience both in credit, remedial and treasury.

Sonny Samuel
Head of Global Market

Mr Sonny Samuel joined UOB Indonesia in 2018 as Head of Global Markets. He has 28 years of working experience in banking Industry and did various Treasury management roles in several Banks. Prior to joining UOB Indonesia, he was Head of Global Market at ANZ Indonesia. He received his Master degree in Strategic Management at BINUS Business School, Jakarta.

Suryati Budiyan to
Regional Head - Jakarta 2

Ms Suryati Budiyan to joined UOB Indonesia in 2010 and currently serves as the Regional Head, Jakarta 2. Prior to her appointment, she joined with ex. UOB Indonesia (previously United Overseas Bank Bali). She received a Bachelor Degree from California State University, USA and a Masters Degree from National University. She has more than 22 years of experience in the banking industry.



Senior Executive Officers



Tonny Timor Basry

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, with his last position as Commercial Banking - Industry Group Head 1 following tenures at Standard Chartered Bank in China and Indonesia.

He graduated with Summa Cum Laude in Finance from Indiana University at Bloomington. In 2014, Tonny was also named one of the winners for The Asian Banker Promising Young Banker Awards.



W Kartyono

Head of Transaction Banking

Mr Wong Kartyono joined UOB Indonesia in 2010 and currently serves as the Head of Transaction Banking. He has over 19 years of experience in the banking industry, with his last position as Head of Trade and Supply Chain Sales at ANZ Panin Bank following tenures at Bank Central Asia and Bank DBS Indonesia. He holds a bachelor of Engineering from the Tarumanagara University, Jakarta.

Internal Audit



Dawny Rachella Tahar

Internal Audit Head

Mrs Dawny Tahar joined UOB Indonesia in 2018 and was appointed as Internal Audit Head under Directors' Decree No.18/SKDIR/0003 dated 8 January 2018. Prior to joining UOB Indonesia, she spent 25 years in Standard Chartered Bank Indonesia serving various roles in Operational Risk Management, Market Risk, Global Markets Operations, with her last position as Country Head of Audit for the past 7 years. She received her Bachelor Degree of Agribusiness at IPB Bogor, followed by a Post Graduate Diploma of Management Studies at Nottingham Trent University, UK.

Corporate Secretary



Susilowati

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 at PT Bank Victoria International Tbk until her latest position as Corporate Secretary. She obtained a Bachelor Degree in Management from Tarumanagara University, Jakarta and followed by a Master Degree in Accounting from Trisakti University, Jakarta.

Executive Officers

Head Office

Adrianus Hermawan

Sales Performance Management Head

Joined UOB Indonesia on 3 July 2017 and has over 11 years of experience in the banking industry.

Aina Widjaja

Customer Experience and People Development Head

Joined UOB Indonesia on 16 May 2011 and has over 22 years of experience in the banking industry.

Alex

Regional CMB Head – Kalimantan

Joined UOB Indonesia on 1 November 2013 and has over 14 years of experience in the banking industry.

Amelia

Customer Advocacy and Service Quality Head

Joined UOB Indonesia on 21 September 2016 and has over 24 years of experience in the banking industry.

Andreadi Chandra

IG Head Resources and Property

Joined UOB Indonesia on 12 July 2017 and has over 13 years of experience in the banking industry.

Andreas Eduardo Lazuardi

Wholesale Portfolio Management Head

Joined UOB Indonesia on 1 March 2013 and has over 7 years of experience in the banking industry.

Andreas Novio Tjendro

Transformation Office Head

Joined UOB Indonesia on 22 November 2018 and has over 16 years of experience in the banking industry.

Andrianto Guntoro

Global Markets Structuring Head

Joined UOB Indonesia on 1 April 2015 and has over 7 years of experience in the banking industry.

Ani Pangestu

Head of Human Resources

Her profile can be seen on page 374.

Arief Tjakraamidjaja

Marketing Head

Joined UOB Indonesia on 28 June 2018 and has over 14 years of experience in the banking and other industries, mainly in Consumer Goods.

Bambang Eko Karjono Joewono

PLM/Market Making Head/ Deputy Treasurer

Joined UOB Indonesia on 24 January 2007 and has over 28 years of experience in the banking industry, particularly in treasury.

Bambang Harjono

Credit Analyst Head

Joined UOB Indonesia on 5 January 2015 and has over 19 years of experience in the banking industry.

Budi Sanjaya

Trade Product Management, Marketing and Client Services Head

Joined UOB Indonesia on 17 January 2011 and has over 26 years of experience in the financial industry.

Candra Putra

Compliance Head

Joined UOB Indonesia on 5 September 2011 and has over 12 years of experience in banking risk management.

Carrie

Business Account Management Head

Joined UOB Indonesia on 30 December 2015 and has over 11 years of experience in the banking industry.

Chen, Hongxun

Dedicated FDI Unit

Joined UOB Indonesia on 7 May 2018 and has over 8 years of experience in various industries.

Christian Yongardi Tandoro Tjhin

Finance Head

Joined UOB Indonesia on 4 January 2016 and has over 21 years of experience in the banking industry.

Dani Hasdani Yambo

National Sales Head – Funding

Joined UOB Indonesia on 12 November 2012 and has over 23 years of experience in the various industry.

Daniel Prabawa

Trade Sales Head

Joined UOB Indonesia on 29 November 2010 and has over 24 years of experience in the banking and various industries.

Darjong Tungadi

Industrial COE Head

Joined UOB Indonesia on 4 December 2017 and has over 24 years of experience in the banking and various industries.

Dawny Rachella Tahar

Internal Audit Head

Her profile can be seen on page 379.

Defi

Cash Management Sales Head 2

Joined UOB Indonesia on 21 February 2018 and has over 19 years of experience in the banking industry.

Denny Susanto

Regional CMB Head – Central Java

Joined UOB Indonesia on 1 June 2016 and has over 22 years of experience in the banking industry.

Dessy Fitriani

Business T&O Head - Group 2

Joined UOB Indonesia on 1 February 2017 and has over 15 years of experience in the financial and banking industries.

Dessy Safitri Masri

Cards and Payment Head

Joined UOB Indonesia on 1 August 2016 and has over 23 years of experience in various industries.

Dien Moonly

Business Performance and Monitoring Head

Joined UOB Indonesia on 27 February 2012 and has over 20 years of experience in the financial industry.

Djohan Kumala

GM Corporate and Institutional Sales Head

Joined UOB Indonesia on 15 November 2017 and has over 21 years of experience in the banking industry.

Edi Wijaya

Financial Institution Credit Head

Joined UOB Indonesia on 4 June 2018 and has over 15 years of experience in the banking industry.

Edwin Kadir

IG Head Diversified and SOE

Joined UOB Indonesia on 16 November 2015 and has over 19 years of experience in the banking industry.

Efriel Lydia

Retail Credit Policy and Port. Management Head

Joined UOB Indonesia on 2 September 2013 and has over 16 years of experience in the financial industry, particularly credit risk cycle.

Eka Kurniawan

Business Banking Credit Center Head

Joined UOB Indonesia on 31 August 2017 and has over 17 years of experience in the financial industry, particularly credit risk cycle.

Eko Sigit Cahyanto

Portfolio Management Head

Joined UOB Indonesia on 17 October 2011 and has over 17 years of experience in the banking industry.

Elly Sandora

Governance and MDO Head

Joined UOB Indonesia on 13 December 2016 and has over 13 years of experience in the banking industry.

Endang Santi Santi

Digital Bank Head

Joined UOB Indonesia on 31 May 2010 and has over 16 years of experience in the banking industry, particularly treasury support.

Endang Santi Santi

CEO Office Head

Joined UOB Indonesia on 31 May 2010 and has over 16 years of experience in the banking industry, particularly treasury support.

Enrico Tanuwidjaja

Economic Research Head

Joined UOB Indonesia on 2 October 2017 and has over 11 years of experience in the banking industry and educational institutions.

Erry Erawan Priolaksono

T&O Business Finance and Procurement Head

Joined UOB Indonesia on 1 July 2011 and has over 17 years of experience in the financial industry.

Evelyn Yuvania

Enterprise Banking Head Jakarta

Joined UOB Indonesia on 7 September 2016 and has over 31 years of experience in the banking industry.

Febian Satria Nugraha

Compliance Advisory and Monitoring Head

Joined UOB Indonesia on 9 February 2000 and has over 18 years of experience in the banking industry.

Ferdy Djojo

Non Bank FI Head

Joined UOB Indonesia on 29 May 2017 and has over 13 years of experience in banking industry.

Fonita Tatang

Wholesale Business Finance Head

Joined UOB Indonesia on 15 September 2017 and has over 16 years of experience in the banking and financial industries.

Fredy Soekendro

Mortgage and Secured Loan Head

Joined UOB Indonesia on 3 December 2014 and has over 17 years of experience in the banking industry.

FX Yanto Edy Umar

Commercial Credit 2 Head

His profile can be seen on page 374.

Geoffry Nugraha

Head of Corporate Banking

His profile can be seen on page 374.

Grace Manuela

Cash Management Sales Head 1

Joined UOB Indonesia on 16 April 2015 and has over 18 years of experience in the banking industry.

Gusnawan

PFS Performance Management Head

Joined UOB Indonesia on 22 May 2017 and has over 24 years of experience in the banking and other industries.

Handi Mulia

Information Security T&O Assurance Head

Joined UOB Indonesia on 9 October 2017 and has over 24 years of experience in various industries, mainly in audit and technology.

Harapman Kasan

Head of Wholesale Banking

His profile can be seen on page 375.

Hendrik Komandangi

National Sales Head – Lending

Joined UOB Indonesia on 10 November 2014 and has over 15 years of experience in the banking industry.

Hendrik Lambertus

Business Compliance Head

Joined UOB Indonesia on 10 December 2010 and has over 22 years of experience in the banking and financial industries.

Herman Cahyadi

HR Shared Service Head

His profile can be seen on page 369.

Indahdiati

PFS Unsecured Credit Head

Joined UOB Indonesia on 3 September 2015 and has over 19 years of experience in the banking industry.

Inge Kartikasari Wonoadi

Mortgage Sales Head

Joined UOB Indonesia on 15 May 2017 and has over 15 years of experience in the banking industry.

Irene Wiryawan

Rewards and Budgeting Head

Joined UOB Indonesia on 18 January 2018 and has over 15 years of experience in various industries.

Irvan Gunardwi

Legal Head

Joined UOB Indonesia on 10 November 2014 and has over 24 years of experience in the financial industry.

Ivan Pidyandana

Market and Balance Sheet Risk Management Head

Joined UOB Indonesia on 13 July 2017 and has over 20 years of experience in the banking and financial industries.

Jane Marlene Lesmana

Risk and Decision Management Head

Joined UOB Indonesia on 16 July 2018 and has over 15 years of experience in the banking and other industries.

Jemy Kristian Soegiarto

Operational and Enterprise Risk Management Head

Joined UOB Indonesia on 3 April 2017 and has over 17 years of experience in the banking industry, mainly in audit.

Jemy Kristian Soegiarto

Integrated Fraud Management Head

Joined UOB Indonesia on 3 April 2017 and has over 17 years of experience in the banking industry, mainly in audit.

Jenny Hadikusuma

Retail Liabilities Product Head

Joined UOB Indonesia on 25 August 2008 and has over 26 years of experience in various industries.

Jenny Lesmana

Head of Financial Institution

Her profile can be seen on page 375.

Jenny Lukito

Special Asset Management Head

Joined UOB Indonesia on 12 October 2015 and has over 24 years of experience in the banking industry.

Jieni

Business Technology Services Head

Joined UOB Indonesia on 5 May 1999 and has over 27 years of experience in the banking industry.

Joseph Dermawan

Industry Group Head Jakarta

Joined UOB Indonesia on 2 May 2017 and has over 4 years of experience in the banking industry.

Juliana Surijanto

National Special Investigation Head

Joined UOB Indonesia on 4 January 2017 and has over 23 years of experience in the banking and financial industries.

Juliando Menachem

Retail Operations Head

Joined UOB Indonesia on 9 January 2018 and has over 15 years of experience in the banking industry.

Kan Ngee Fei

Head of Business Banking

His profile can be seen on page 375.

Katarina Chitra

Global Business Development Head

Joined UOB Indonesia on 1 September 2001 and has over 24 years of experience in the financial industry, mainly in loan and marketing.

Khoo Chock Seang

Head of PFS and Digital Bank

His profile can be seen on page 376.

Laurentius Eko Purwatomoko

AML/CFT and Sanctions Head

Joined UOB Indonesia on 23 July 2001 and has over 17 years of experience in the banking industry.

Lucy Bramastya

Commercial Banking Sector Solutions Head

Joined UOB Indonesia on 16 January 2018 and has over 24 years of experience in the banking industry.

Marwato

Regional CMB Head – Sumatera

Joined UOB Indonesia on 30 January 2017 and has over 22 years of experience in the banking industry.

Maya Rizano

Strategic Communications and Customer Advocacy Head

Joined UOB Indonesia on 21 September 2015 and has over 29 years of experience in the banking industry and various industries.

Mei Sumiati

Commercial Banking Head East Java and Bali

Joined UOB Indonesia on 10 October 2016 and has over 22 years in the banking industry.

Nancy Lidya

Global Markets Business Management Head

Joined UOB Indonesia on 6 August 2018 and has over 23 years of experience in banking and other industry.

Putu Pardiada

PFS Secured Credit and RETSO Head

Joined UOB Indonesia on 6 August 2018 and has over 16 years of experience in the banking industry.

R Andiona Boedisoejoto

Cash Product Management Head

Joined UOB Indonesia on 16 December 2010 and has over 30 years of experience in the banking industry.

Ratnasari Kartawiria

Head of Corporate Credit

Her profile can be seen on page 376.

Ria

Product and Marketing Head

Joined UOB Indonesia on 19 March 2012 and has over 15 years of experience in the banking industry.

Ritaria Tjokromulio

Client Fulfillment and Service Head

Joined UOB Indonesia on 1 September 2005 and has over 27 years of experience in the banking industry.

Ronald

Wealth Management Product Head

Joined UOB Indonesia on 10 March 2014 and has over 13 years of experience in the banking industry.

Rudy Widjaja

Head of Retail Credit

His profile can be seen on page 376.

Rya Rusvandy

Retail Credit Management Head

Joined UOB Indonesia on 1 September 2016 and has over 24 years of experience in the financial industry.

Salvy Gunawan

Business Compliance Head

Joined UOB Indonesia on 1 February 2012 and has over 16 years in the banking industry.

Samuel Houten

Foreign Direct Investment Head

Joined UOB Indonesia on 3 March 2014 and has over 16 years of experience in various industries.

Shirley

Commercial Wealth Management Head

Joined UOB Indonesia on 20 March 2009 and has over 21 years of experience in the banking industry.

Siswo Soebianto Iksan

Commercial Credit 1 Head

His profile can be seen on page 377.

Sonny Samuel

Head of Global Markets

His profile can be seen on page 377.

Stanly Gunawan

Central Treasury Unit Head

Joined UOB Indonesia on 23 April 2018 and has over 12 years of experience in the banking industry.

Stefanus Albert Iman S

Innovation and Fintech Head

Joined UOB Indonesia on 1 March 2018 and has over 14 years of experience in the banking industry.

Stella Damayanti

Corporate Real Estate Services Head

Joined UOB Indonesia on 1 August 2018 and has over 17 years of experience in the banking and other industries.

Susan Kwanto

Branch Ops Control and Development Head

Joined UOB Indonesia since 17 December 1992 and has over 26 years of experience in the banking industry.

Susanto Lukman

Consumer Goods COE Head

Joined UOB Indonesia on 2 July 2018 and has over 19 years of experience in various industries with mainly in banking industry.

Susilowati

Corporate Services Head

Her profile can be seen on page 379.

Thay Fong

ICRU Head

Joined UOB Indonesia on 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 378.

Tri Mulyadi

Portfolio Management and MIS Head

Joined UOB Indonesia on 1 March 2012 and has over 16 years of experience in the banking industry.

Triagung Wibawa

OD and Talent Management Head

Joined UOB Indonesia on 27 April 2011 and has over 11 years in the financial industry.

Vera Hasan

GM Commercial and Retail Sales Head

Joined UOB Indonesia on 22 August 2014 and has over 21 years of experience in the banking industry, mainly in money market.

Victor Teja

DII Sales and Distribution Head

Joined UOB Indonesia on 3 March 2014 and has over 15 years of experience in banking and others industries.

W Kartyono

Head of Transaction Banking

His profile can be seen on page 378.

Wienda Trifena Wijaya

Wholesale and GM Operations Head

Joined UOB Indonesia on 1 March 2017 and has over 24 years of experience in the banking and financial industries.

Wiradian

Demand Management Head

Joined UOB Indonesia on 14 October 2010 and has over 24 years of experience in various industries, mainly in banking.

Yanuar Maulana Yusuf

Credit Portfolio Management Head

Joined UOB Indonesia on 2 May 2018 and has over 14 years of experience in the banking industry.

Yusar

Shared Infrastructure Services Head

Joined UOB Indonesia on 31 August 2017 and has over 10 years of experience in the banking and other industries, mainly in technology infrastructure.

Yutrizal Jacoub

Network, Planning and Finance Head

Joined UOB Indonesia on 12 September 2011 and has over 23 years of experience in the financial industry.

Regional Head**Alexis Marzo Tan**

Regional Head - Sumatera

Joined UOB Indonesia on 4 January 2010 and has over 31 years of experience in the banking industry.

Amir Abidin

Regional Head - Kalimantan and Sulawesi

Joined UOB Indonesia on 25 April 1981 and has over 37 years of experience in the banking industry

Bontor Sitio

Regional Head - Jakarta 1

Joined UOB Indonesia on 1 December 2010 and has over 21 years of experience in the banking industry, mainly in regional human resources management.

Edhy Susanto

Regional Head - Central Java

Joined UOB Indonesia on 17 March 1988 and has over 33 years of experience in the banking industry.

Fenny Natalya Wiratama

Regional Head - East Java and Bali

Joined UOB Indonesia on 5 July 2017 and has over 18 years of experience in the banking industry

Rony Teja Sukmana

Regional Head - West Java

Joined UOB Indonesia on 25 June 2018 and has over 29 years of experience in the banking industry.

Suryati Budiyo

Regional Head - Jakarta 2

Her profile can be seen on page 377.

Area Manager**Agnes Kristina**

Area Manager - Sbaya.Bk.Darmo

Joined UOB Indonesia on 15 September 2008 and has over 22 years in the banking industry.

Anie Kusumaningsih

Area Manager - Malang

Joined UOB Indonesia on 25 July 2013 and has over 22 years of experience in the banking industry.

Bambang Siyono

Area Manager - Banyuwangi

Joined UOB Indonesia on 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 on 13 May 2014 and has over 22 years of experience in the banking industry.

Ciayadi Senjaya

Area Manager - Gajah Mada

Joined UOB Indonesia on 6 January 2014 and has over 10 years of experience in the banking and other industries.

Deisy

Area Manager - UOB Plaza

Joined UOB Indonesia on 9 July 2018 and has over 21 years of experience in banking industry.

Didi Hermawan

Area Manager - Bandung

Joined UOB Indonesia on 4 January 2010 and has over 28 years of experience in the banking industry, mainly in retail banking and other industries.

Dion Emanuell

Area Manager - Cirebon

Joined UOB Indonesia on 1 October 2013 and has over 11 years of experience in the banking industry.

Ellen

Area Manager - Tasikmalaya

Joined UOB Indonesia on 1 July 2015 and has over 19 years of experience in the banking industry.

Erika Hakim

Area Manager - Palembang

Joined UOB Indonesia on 28 January 2013 and has over 14 years of experience in banking and other industries.

Eva Lie Hwa

Area Manager - Tegal

Joined UOB Indonesia on 2 January 2013 and has over 17 years of experience in banking industry.

Hasung

Area Manager - Jambi

Joined UOB Indonesia on 2 November 2015 and has over 15 years of experience in banking industry.

Hendry Desiyanto

Area Manager - Batam

Joined UOB Indonesia on 1 March 2018 and has over 13 years of experience in the banking and other industries.

Heriyanto

Area Manager - Medan

Joined UOB Indonesia on 8 May 2018 and has over 12 years of experience in the banking industry.

I Gusti Ayu Suarnigrat

Area Manager - Radio Dalam

Joined UOB Indonesia on 1 August 2012 and has over 27 years of experience in the banking industry.

Indrianto

Area Manager - Solo

Joined UOB Indonesia on 4 January 2010 and has over 26 years of experience in the banking industry, mainly in retail banking.

Ira Christie Wisandha

Area Manager - Green Garden

Joined UOB Indonesia on 2 January 2013 and has over 14 years of experience in the banking industry.

Irfan Iskandar

Area Manager - Makassar

Joined UOB Indonesia on 11 March 2013 and has over 29 years of experience in the banking and other industries.

Janty Wijaya

Area Manager - Bengkulu

Joined UOB Indonesia on 27 March 2014 and has over years of experience in the banking industry, as Branch Manager.

July Liman Hermanto

Area Manager - Serang

Joined UOB Indonesia on 15 November 1993 and has over 31 years of experience in the banking industry, mainly in retail banking and other industries.

Junardi

Area Manager - Tomang Elok

Joined UOB Indonesia on 1 June 1992 and has over 26 years of experience in the banking industry, mainly in retail banking.

Kadi Soetanto Wijaya

Area Manager - S.b.M.Kertoarjo

Joined UOB Indonesia on 1 April 2011 and has over 17 years of experience in the banking industry.

Ketut Suartini

Area Manager - Sbaya.Bk.Darmo

Joined UOB Indonesia on 15 September 2008 and has over 22 years of experience in the banking industry.

Latip Tanudjaja

Area Manager - Yogyakarta

Joined UOB Indonesia on 4 May 2015 and has over 11 years of experience in the banking industry.

Lie Liu Tjin

Area Manager - Pontianak

Joined UOB Indonesia on 27 January 1986 and has over 36 years of experience in the banking industry, mainly in retail banking.

Lilik Soesana

Area Manager - Surabaya

Joined UOB Indonesia on 15 March 2010 and has over 28 years of experience in the banking industry, mainly in retail banking.

Lindawati Halim

Area Manager - Bandung Rivai

Joined UOB Indonesia on 1 October 1992 and has over 28 years of experience in the banking industry, mainly in banking operations and other industries.

Manhudi Wijaya

Area Manager - Juanda

Joined UOB Indonesia on 9 March 1998 and has over 19 years of experience in the banking industry.

Ritawaty Mandata

Area Manager - Samarinda

Joined UOB Indonesia on 12 February 1990 and has over 28 years of experience in the banking industry, mainly in retail banking.

Sidik Permono Soenarko

Area Manager - Purwokerto

Joined UOB Indonesia on 3 August 2015 and has over 23 years of experience in the banking industry.

Sonny Johanes Angwijaya Irot

Area Manager - Jombang

Joined UOB Indonesia on December 2012 and has over 17 years of experience in the banking industry.

Tamtomo Bimo Karno

Area Manager - Magelang

Joined UOB Indonesia on 4 May 1987 and has over 30 years of experience in the banking industry.

Teguh Herri Waskito

Area Manager - Banjarmasin

Joined UOB Indonesia on 3 September 2012 and has over 21 years of experience in the banking industry.

Theresia Sherry Tjoa

Area Manager - Batam Centre

Joined UOB Indonesia on 24 January 2005 and has over 25 years of experience in the banking industry, mainly in banking operations.

Teddy Polandra

Area Manager - Denp.Bali Renon

Joined UOB Indonesia on 4 January 2010 and has over 22 years of experience in the banking industry, mainly in retail banking.

Tio Lie Meng

Area Manager - Pekanbaru

Joined UOB Indonesia on 3 July 2017 and has over 28 years of experience in the banking industry.

Win Emiliana

Area Manager - Kelapa Gading

Joined UOB Indonesia on 11 October 2018 and has over 16 years of experience in the banking industry.

Yemmy Priantoro

Area Manager - Semarang

Joined UOB Indonesia on 2 May 2008 and has over 24 years of experience in the banking industry.

Yugho Subekti

Area Manager - Bogor

Joined UOB Indonesia on 1 March 2013 and has over 13 years of experience in the banking industry.

Yusda Elfani

Area Manager - Balikpapan

Joined UOB Indonesia on 6 August 2012 and has over 23 years of experience in the banking industry, mainly in funding.

Employee Composition

At the end of 2018, UOB Indonesia had a total of 4,038 employees, comprising of 1,861 male and 2,177 female employees, slightly higher than 4,028 employees the previous year. The increase was in line with our strategy to maintain the size of our human resources at the optimum level to provide our business scale and operations.

In terms of educational level, about 7 per cent of our employees had master and doctorate degrees, while employees with bachelor degrees made up the biggest portion (73 per cent) to the total workforce. Over the years, we have managed our human resources' educational level as part of our efforts

to maintain capabilities and competitiveness of the Bank in developing and delivering the best financial products and service excellence to our customers.

Furthermore, of total employees in 2018, the Bank had 37 per cent and 42 per cent employees aged 25 to 34 and 35 to 45. Only 18 per cent of total employees were at age 46 and above, while young employees aged 25 and younger contributed 3 per cent to total number of employees. That indicates the sustainability of our personnel in the long run and is aligned with our approach to maintain the biggest proportion of our employees within the productive ages.

**UOB Indonesia's Number of Employees
by Education Level,
as of 31 December 2018**

No.	Education Level	2018	2017
1.	Magister and Doctoral Degree	274	258
2.	Bachelor	2,939	2,853
3.	Diploma	395	449
4.	Other	430	468
	Total	4,038	4,028

**UOB Indonesia's Percentage of Employees
by Age,
as of 31 December 2018**

No.	Age Group	2018	2017
1.	< 25 tahun	131	153
2.	25 – 29	616	665
3.	30 – 34	866	886
4.	35 – 39	942	944
5.	40 – 45	745	711
6.	> 45	738	669
	Total	4,038	4,028



Operations Network

Head Office

Jl. 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,
Jl. 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

Jl. 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,
Jl. Pandanaran No. 30, Kel. Pekunden,
Kec. Semarang Tengah, Semarang
Jawa Tengah, 50137
Tel. +62 24 86448000
Faks. +62 24 86446066

Regional Office 4

Surabaya

Jl. 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 and A7,
Lantai 3, RT 28
Jl. 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,
Jl. Dr. Sahardjo No. 111, RT. 001, RW. 01,
Persil No.12 and No.13,
Kel. Tebet Barat, Kec. Tebet,
Jakarta, 12810
Tel. +62 21 83798666, 83788700
Faks. +62 21 83798555

Regional Office 7

Bandung

Jl. Jend. Sudirman No. 55 A,
Bandung, 40241
Tel. +62 22 4204491
Faks. +62 22 4238906

Branch Offices

Juanda

Jl. Ir. H. Juanda No.15, Kel. Kebon Kelapa,
Kec. Gambir, DKI Jakarta, 10120
Tel. +62 21 22035055
Faks. +62 21 22035056-58

UOB Plaza

Jl. M.H. Thamrin No. 10,
Kel. Kebon Melati, Kec. Tanah Abang
DKI Jakarta, 10230
Tel. +62 21 23506000
Faks. +62 21 29936680-82

Kelapa Gading

Jl. 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

Gajah Mada

Jl. 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

Jl. Radio Dalam No. 9 A,
Kel. Gandaria Utara, Kec. Kebayoran Baru,
DKI Jakarta, 12140
Tel. +62 21 7252647
Faks. +62 21 7252648

Serang

Jl. M. Hasanuddin,
Serang Plaza Blok II No. 3-7, Serang,
Banten, 42112
Tel. +62 254 200153, 201566
Faks. +62 254 200692

Bandar Lampung

Jl. Ikan Tenggiri No. 17/A, Teluk Betung,
Bandar Lampung, 35223
Tel. +62 721 482982
Faks. +62 721 482951

Bogor

Jl. Suryakencana No. 260 F, Kel. Gudang,
Kec. Bogor Tengah, Kota Bogor
Jawa Barat, 16151
Tel. +62 251 8325256
Faks. +62 251 8325307

Medan

Jl. Palang Merah No. 30,
Kel. Kesawan, Kec. Medan Barat, Medan
Sumatera Utara, 20231
Tel. +62 61 4156574
Faks. +62 61 4148556, 4154793, 4560116

Tomang Elok

Jl. Jend. Gatot Subroto, Kompleks Tomang
Elok Blok A No. 55, Sei Sikambing,
Medan Sumatera Utara, 11520
Tel. +62 61 8455405, 8455785, 8455635
Faks. +62 61 8455656

Palembang

Jl. Mesjid Lama No. 48-50, Palembang,
Sumatera Selatan, 30125
Tel. +62 711 310965
Faks. +62 711 313216, 316663, 361150,
357816

Bengkulu

Jl. Let. Jend. Suprpto No. 169-171
Bengkulu, 38221
Tel. +62 736 21705
Faks. +62 736 21110

Pekanbaru

Jl. Jend. Sudirman No. 442, Pekanbaru,
Riau, 28116
Tel. +62 761 21168, 21116, 20879, 848053
Faks. +62 761 848052

Jambi

Jl. 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,
Jl. Imam Bonjol, Kota Batam,
Kepulauan Riau, 29444
Tel. +62 778 459691
Faks. +62 778 458601

Batam Centre

Komplek Mahkota Raya Blok D
No. 7 and No. 8,
Jl. Engku Putri, Kel. Teluk Tering, Kec.
Batam Kota,
Kota Batam, Kepulauan Riau, 29461
Tel. +62 778 7486000
Faks. +62 778 7486025

Solo

Jl. Jend. Urip Sumoharjo No. 13-17, Solo
Jawa Tengah, 57129
Tel. +62 271 646348
Faks. +62 271 668758, 630620, 646947

Bandung

Jl. Jend. Sudirman No. 55 A, Bandung
Jawa Barat, 40241
Tel. +62 22 4204491
Faks. +62 22 4238906

Bandung Rivai

Jl. Abdul Rivai No. 2 A, Tamansari,
Bandung Wetan, Bandung
Jawa Barat, 40116
Tel. +62 22 4209980
Faks. +62 22 4209970

Semarang

Menara Suara Merdeka
(Ground Floor, Mezzanine Floor, 2nd
Floor)
Jl. Pandanaran No. 30,
Kel. Pekunden, Kec. Semarang Tengah,
Semarang, Jawa Tengah, 50137
Tel. +62 24 8644 8000
Faks. +62 24 8644 6066

Cirebon

Jl. Yos Sudarso No. 29, Lemahwungkuk,
Cirebon, Jawa Barat, 45111
Tel. +62 231 205040, 206959, 206396,
221541
Faks. +62 231 201989, 248340

Tasikmalaya

Jl. Empang No. 50, Empangsari, Tawang,
Tasikmalaya, Jawa Barat, 46113
Tel. +62 265 310300
Faks. +62 265 332007

Purwokerto

Jl. Jend. Sudirman No. 330, Purwokerto,
Jawa Tengah, 23116
Tel. +62 281 631464, 623466, 635996,
630942, 630259, 635950
Faks. +62 281 636747, 640945

Magelang

Jl. Tidar No. 17, Magelang,
Jawa Tengah, 56126
Tel. +62 293 362181, 364344, 365261,
364405-06
Faks. +62 293 364271

Yogyakarta

Jl. Jend. Sudirman No. 62, Terban,
Gondokusuman, D.I. Yogyakarta, 55224
Tel. +62 274 562000, 517410
Faks. +62 274 563433

Tegal

Jl. Kolonel Sugiono No. 56, RT. 003 /
RW. 05, Kel. Pekauman, Kec. Tegal Barat,
Tegal, Jawa Tengah, 52113
Tel. +62 283 325001, 325005
Faks. +62 283 325008

Surabaya

Jl. Panglima Sudirman No. 53,
Kel. Embong Kaliasin, Kec. Genteng
Surabaya Jawa Timur, 60271
Tel. +62 31 5471772, 5481888
Faks. +62 31 5345026, 5345136, 5345146

Surabaya Bukit Darmo

Jl. 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 Manyar Kertoarjo

Jl. Manyar Kertoarjo No. 50,
Kel. Manyar Sabrangan, Kec. Sukolilo
Surabaya, Jawa Timur, 60116
Tel. +62 31 5991168, 5991428
Faks. +62 31 5991411, 5991412

Jember

Jl. Gajah Mada No. 68, Kel. Jember Kidul,
Kec. Kaliwates, Kabupaten Jember
Jawa Timur, 68131
Tel. +62 331) 484545, 424759, 424859
Faks. +62 331) 484980

Denpasar

Jl. Dr. Wahidin No. 39, Kel. Pemecutan,
Kec. Denpasar Barat, Kota Denpasar, Bali
Tel. +62 361 433014
Faks. +62 361 424245

Denpasar Bali Renon

Jl. Raya Puputan Komplek Pertokoan
Niti Mandala Raya No. 17, Renon, Dangin
Puri Klod, Denpasar Timur,
Denpasar, Bali, 80235
Tel. +62 361 241888
Faks. +62 361 245978

Jombang

Jl. Merdeka No. 133, Candi Mulyo,
Kec. Jombang, Kabupaten Jombang,
Jawa Timur, 61413
Tel. +62 321 862500-01, 862337, 874857-58
Faks. +62 321 862171

Malang

Jl. Basuki Rahmat No. 63, Kauman,
Klojen, Kota Malang, Jawa Timur, 60261
Tel. +62 341 342333
Faks. +62 341 342572

Makassar

Jl. Sulawesi No. 83, Pattunuang, Wajo,
Makassar, Sulawesi Selatan, 90174
Tel. +62 411 321421
Faks. +62 411 315702, (0411) 319457

Pontianak

Jl. HOS Cokroaminoto No. 266/A,
Darat Sekip, Kota Pontianak,
Kalimantan Barat, 78117
Tel. +62 561 732600, 734656
Faks. +62 561 736282

Operations Network

Balikpapan

Kavling 8 Square Blok A6 and A7, RT 28
Jl. M.T. Haryono,
Kel. Damai, Kec. Balikpapan Selatan,
Kalimantan Timur, 76114
Tel. +62 542 7208888, 7209999
Faks. +62 542 765477

Samarinda

Jl. Pangeran Diponegoro No. 68-70,
Pelabuhan, Samarinda Kota,
Kota Samarinda, Kalimantan Timur, 75112
Tel. +62 541 732492-95-97, 749516-17-18
Faks. +62 541 732490

Banjarmasin

Jl. Lambung Mangkurat No. 17,
Banjarmasin, Kertak Baru Ulu, Banjarmasin
Tengah, Kota Banjarmasin, Kalimantan
Selatan, 70111
Tel. +62 511 3357172, 3353754, 3365312
Faks. +62 511 3353305

Sub Branch Offices

Glodok Plaza

Komp. Glodok Plaza Blok F No. 1-2,
Jl. Pinangsia Raya, Kota Tua, Pinangsia,
Tamansari, Kota Jakarta Barat,
DKI Jakarta, 11110
Tel. +62 21 6595026, 6596745, 6280943-44
Faks. +62 21 6280944

Pluit

Jl. Pluit Kencana Raya No. 76, Pluit,
Penjaringan, Kota Jakarta Utara
DKI Jakarta, 14450
Tel. +62 21 6611770-71
Faks. +62 21 6691163

Petak Baru

Jl. Petak Baru No. 25-26, Roa Malaka,
Tambora, Kota Jakarta Barat
DKI Jakarta, 11230
Tel. +62 21 6922115, 6922432, 6912224,
6924069, 6901756-57, 6917410-11
Faks. +62 21 6928086

Mangga Dua

Pusat Grosir Pasar Pagi Mangga Dua Lt. III,
Blok BC 011, 012, 012 A and 014,
Jl. 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,
Jl. Mangga Dua Raya,
DKI Jakarta, 11110
Tel. +62 21 6120086, 6120912, 6129128,
6129129
Faks. +62 21 6129130

Jembatan Dua

Jl. Jembatan Dua No. 139 A, Pejagalan,
Penjaringan, Kota Jakarta Utara
DKI Jakarta, 14450
Tel. +62 21 6631760, +62 21 6631761-62
Faks. +62 21 6610615

Muara Karang

Jl. Muara Karang No. 1, RT. 019/RW. 02,
Kav. Blok Y3 Barat No. 10, Pluit,
Penjaringan, Kota Jakarta Utara,
DKI Jakarta, 14450
Tel. +62 21 6625967-69, 6601048
Faks. +62 21 6606171

Pluit Village

Pluit Village MG 8-9, Taman Tirta Loka,
Jl. Pluit Permai Raya, Pluit, Penjaringan,
Kota Jakarta Utara, DKI Jakarta, 14450
Tel. +62 21 6683682
Faks. +62 21 6683692

Pantai Indah Kapuk

Rukan Exclusive Blok A No. 27,
Jl. Marina Raya, Kel. Kamal Muara,
Kec. Penjaringan,
DKI Jakarta, 14470
Tel. +62 21 56946227
Faks. +62 21 56946227

Petojo

Jl. A.M Sangaji No. 25 E, Petojo Utara,
Gambir, Kota Jakarta Pusat
DKI Jakarta, 10130
Tel. +62 21 6324562-63
Faks. +62 21 6324562, 63855187

Roxy Mas

Jl. Kyai Haji Hasyim Ashari Blok D 4
No. 18, Petojo Utara, Gambir, Kota Jakarta
Pusat DKI Jakarta, 10150
Tel. +62 21 63858204-07
Faks. +62 21 63858207

K.H.M. Mansyur

Jl. KHM Mansyur No. 202 B, Tanah
Sereal, Tambora, Kota Jakarta Barat
DKI Jakarta, 11270
Tel. +62 21 6332755, 6332756
Faks. +62 21 6332759

Sawah Besar

Jl. Sukarjo Wiryopranoto No. 26,
Kebon Kelapa, Gambir, Jakarta Utara
DKI Jakarta, 10120
Tel. +62 21 3853677, 231368, 2313479,
3453336, 3453337
Faks. +62 21 3860602

Pasar Baru

Jl. K. H. Samanhudi 40 A, RT. 006/
RW.02, Pasar Baru, Sawah Besar,
DKI Jakarta, 10710
Tel. +62 21 3500523, 3850468, 3866520,
3510587, 3510588
Faks. +62 21 3510589

Central Park

Central Park Mall, 3rd Floor, Shop Unit
No. L3 – 203 A, Jl. Let. Jend. S. Parman
Kav. 28, Kel. Tanjung Duren, Kec. Grogol
Petamburan, Jakarta Barat,
DKI Jakarta, 11470
Tel. +62 21 2920 1015 (Hunting), 2920 1013,
2920 1014, 2920 1016
Faks. +62 21 2920 1017

Mangga Besar

Jl. Mangga Besar No. 68-68 A,
DKI Jakarta, 10730
Tel. +62 21 6594677, 6292150, 6292349
Faks. +62 21 6293113

Pangeran Jayakarta

Jl. Pangeran Jayakarta No. 126-129
Blok A/5, Kel. Mangga Dua Selatan,
Kec. Sawah Besar, DKI Jakarta, 10730
Tel. +62 21 62201905, 62201906, 62201907,
6016574
Faks. +62 21 62201904

Palmerah

Jl. Palmerah Barat No. 39 B, Palmerah,
Tanah Abang, Jakarta Pusat,
DKI Jakarta, 10270
Tel. +62 21 5325479, 5308785
Faks. +62 21 5329249

Tanah Abang

Pusat Perdagangan Tanah Abang Bukit
Blok F No. 6-8, Jl. K.H. Fahrudin,
Jakarta Pusat, DKI Jakarta, 10250
Tel. +62 21 3803320, 3846171
Faks. +62 21 3151787, 38903406

Senen

Pusat Grosir Senen Jaya, Lantai Dasar
No. C8-1, Jl. Senen Raya, Kel. Senen,
Kec. Senen, DKI Jakarta
Tel. +62 21 29939511, 29939513, 29939514,
29939515, 29939516
Faks. +62 21 29939512

Asemka (d/h : Bungur)

Wisma Indramas, Jl. Pintu Besar Selatan
No.59-65, Pinangsia, Tamansari,
Kota Jakarta Barat, DKI Jakarta, 11110
Tel. +62 21 22631188
Faks. +62 21 22632118

Wahid Hasyim

Jl. K.H. Wahid Hasyim No. 89,
Gondangdia, Menteng,
Jakarta Pusat, 10350
Tel. +62 21 29276200
Faks. +62 21 29276400

Metro Tanah Abang

Pusat Grosir Metro Tanah Abang,
Banking Center Lantai 7 Unit No. 1,
Jl. K.H. Wahid Hasyim No. 187-189, Tanah
Abang, Jakarta Pusat, 10250
Tel. +62 21 30036023, 30036024,
30036025
Faks. +62 21 30036026

Rasuna Said

Wisma Tugu II,
Jl. H.R. Rasuna Said Kav. C7 No. 9,
Kel. Karet, Kec. Setiabudi, Kuningan,
DKI Jakarta, 12950
Tel. +62 21 5221107
Faks. +62 21 5221108

PIK Boulevard

Graha Indochem, Lt. Basement and 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

Jl. 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

Jl. Enggano Blok C No. 11-G,
Kel. Tanjung Priok, Kec. Tanjung Priok,
Jakarta Utara
Tel. +62 21 4351460
Faks. +62 21 4366562

Sunter Agung

Jl. 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

Kramat Jati

Jl. 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

Jl. Pintu Pasar Utara No. 10-12,
Kel. Balimester, Kec. Jatinegara,
Jakarta Timur, 13310
Tel. +62 21 8191918, 8193110, 8197726,
2800178
Faks. +62 21 8508919

Bekasi Selatan

Jl. 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,
Jl. Raya Cikarang Cibarusah Km.40 No.1,
Kel. Pasir Sari, Kec. Cikarang Selatan,
Bekasi, Jawa Barat, 17550
Tel. +62 21 89835725, 89835726, 89835727
Faks. +62 21 89835724

Cempaka Mas

Ruko Mega Grosir Cempaka Mas,
Blok D1 No. 3, Jl. Letjen Suprpto,
Kel. Sumur Batu, Kec. Kemayoran,
Jakarta Pusat, 10640
Tel. +62 21 42906693, 42906694, 42889441
Faks. +62 21 42889440

Kelapa Gading Boulevard Raya

Jl. Boulevard Raya Blok DG No. 2,
Kel. Kelapa Gading Timur, Kelapa Gading,
DKI Jakarta, 14240
Tel. +62 21 4527582
Faks. +62 21 4527583

Tebet

Kompleks Rukan Gajah,
Jl. Dr. Sahardjo No.111, RT. 001, RW. 01,
Persil No.12 and No.13, Kel. Tebet Barat,
Kec. Tebet DKI Jakarta, 12810
Tel. +62 21 83798666, 83788700
Faks. +62 21 83798555

Cimone

Jl. Merdeka No. 320,
Kel. Cimone Jaya, Kec. Karawaci,
Tangerang, Banten, 15113
Tel. +62 21 5522004
Faks. +62 21 5525017

Green Ville

Komplek Pertokoan Green Ville Blok BG
No. 14-15, Kel. Duri Kepa,
Kec. Kebon Jeruk, Jakarta Barat, 11510
Tel. +62 21 56957883-84, 56957895,
56957897
Faks. +62 21 56957902

Cengkareng

Komplek Taman Palem Lestari
Blok D 10 No.1, Cengkareng Barat,
Jakarta Barat, 11730
Tel. +62 21 55957447, 55957448, 55957449
Faks. +62 21 55957446

Tangerang

Jl. Ki Asnawi No. 64 C-D,
Tangerang, Banten, 15111
Tel. +62 21 5523081-83-84, 55799082-83
Faks. +62 21 5523082

Duta Mas

Komplek Perumahan Taman Duta Mas
Blok D8 No. 1, Grogol Petamburan,
Jakarta Barat, 11460
Tel. +62 21 5648262, 5649550
Faks. +62 21 5649464

Teluk Gong

Kompleks Duta Harapan Indah Blok
G No. 10, Jl. Kapuk Muara, Kel. Kapuk
Muara, Kec. Penjaringan,
Jakarta Utara, 14460
Tel. +62 21 6617577-78, 6622957
Faks. +62 21 6612279

Operations Network

BSD Golden

Ruko BSD Golden Boulevard Blok C
No. 6, Jl. Pahlawan Seribu,
Kel. Buaran Lengkong Karya, Kec. Serpong,
Tangerang, Banten 15322
Tel. +62 21 53160680, 53160681, 53153168,
53153169
Faks. +62 21 53153087

Tanjung Duren

Jl. 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

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

Citra Garden 2

Komplek Rukan Citra Niaga, Blok A No. 3,
Jl. Utan Jati, Kel. Pegadungan, Kec.
Kalideres, Jakarta Barat, 10750
Tel. +62 21 54377025-31
Faks. +62 21 54374621

Kebon Jeruk

Gedung Graha Kencana, 1st floor,
Jl. Raya Perjuangan No.88, Kebon Jeruk,
DKI Jakarta, 11530
Tel. +62 21 5350638
Faks. +62 21 5350639

Gading Serpong

Ruko Graha Boulevard Blok GBVC/002
Jl. 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

Pasar Minggu

Jl. Raya Ragunan No. 11, Pasar Minggu,
Jakarta Selatan, 12520
Tel. +62 21 7804680, 78831562, 7890439
Faks. +62 21 7890438

Permata Hijau

Grand ITC Permata Hijau - Emerald
No. 10, Jl. Letjen Soepeno (Arteri
Permata Hijau), Kel. Grogol Utara, Kec.
Kebayoran Lama, Jakarta Selatan, 12210
Tel. +62 21 53663111, 53664376
Faks. +62 21 53663222

Pondok Indah

Jl. Metro Pondok Indah Sektor II
Blok UA Kav. 46-47,
Jakarta Selatan, 12310
Tel. +62 21 75906165, 75900178
Faks. +62 21 75900185

Fatmawati

Jl. Fatmawati Raya No. 1, RT. 001 /
RW. 04, Kel. Gandaria Selatan,
Kec. Cilandak, Jakarta Selatan, 12410
Tel. +62 21 7504770, 7664823, 7661367
Faks. +62 21 7661333

Depok

Pertokoan ITC Depok No. 48,
Jl. Margonda Raya No.56,
Kel. Depok, Kec. Pancoran Mas,
Kota Depok, Jawa Barat, 16431
Tel. +62 21 7765236, 77202916-18
Faks. +62 21 7765237

Panglima Polim

Jl. Panglima Polim Raya No. 18A, B, C,
Kel. Pulo, Kec. Kebayoran Baru,
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

Bintaro Sektor 3A

Rukan Bintaro Blok A.6 (Rukan depan
Bintaro Plaza), Sektor 3A,
Kel. Pondok Karya, Kec. Pondok Aren,
Kota Tangerang Selatan, Banten, 15225
Tel. +62 21 7362898
Faks. +62 21 7362897

Kemang

Jl. Kemang Raya No. 24 A,
Kel. Bangka, Kec. Mampang Prapatan
Jakarta Selatan, 12730
Tel. +62 21 71794084, 71794085, 71794086
Faks. +62 21 71794083

Cilegon

Jl. Jend. Ahmad Yani No. 6, Sukmajaya,
Kec. Jombang, Cilegon, Banten, 42411
Tel. +62 254 391033, 391034, 392057
Faks. +62 254 391151

Rangkasbitung

Jl. Sunan Kalijaga No. 62,
Kel. Muara Ciujung Bar., Kec.
Rangkasbitung, Kabupaten Lebak,
Banten, 42311
Tel. +62 252 201595, 201596
Faks. +62 252 201703

Tanjung Karang

Jl. Padang Blok B III No. 2,
Tanjung Karang, Gunung Sari, Engal,
Bandar Lampung, 35111
Tel. +62 721 261155
Faks. +62 721 241106

Dewi Sartika

Jl. Dewi Sartika No. 54, RT. 03 / RW. 02,
Kel. Pabaton, Kec. Bogor Tengah,
Bogor, Jawa Barat, 16121
Tel. +62 251 8311836, 8314257
Faks. +62 251 8314933

Cibubur

Ruko Cibubur Times Square Blok B-1
No.11 and 12, Jl. Alternatif Cibubur KM 3,
Kel. Jatikarya, Kec. Jatisampurna, Kota
Bekasi, Jawa Barat, 17435
Tel. +62 21 84592489, 84302667
Faks. +62 21 84597922

Tajur

Jl. Raya Tajur No. 65 D,
Kel. Tajur, Kec. Bogor Timur, Kota Bogor,
Jawa Barat, 16141
Tel. +62 251 8392485
Faks. +62 251 8392486

Central Pasar

Jl. Letjen Haryono MT, Central Pasar
Medan Lt. 1, Blok I No. 1 – 2 – 17 – 18,
Medan, Sumatera Utara, 20231
Tel. +62 61 4531929, 4531611
Faks. +62 61 4531737

Asia

Jl. Asia No. 132/172, Kel. Sei Rengas I,
Kec. Medan Kota, Medan, Sumatera
Utara, 20214
Tel. +62 61 7368623, 7368653
Faks. +62 61 7368932

Medan Business Centre

Komplek Medan Business Centre (MBC),
Jl. Let. Jend. S. Parman, Blok A No. 16,
Kel. Petisah Tengah, Kec. Medan Petisah,
Medan, Sumatera Utara, 20112
Tel. +62 61 4148167, 4148724, 4148743
Faks. +62 61 4148295

Pulo Brayan

Jl. K.L. Yos Sudarso No. 18 A,
Kel. Pulo Brayan Kota, Kec. Medan Barat,
Medan, Sumatera Utara, 20116
Tel. +62 61 6611688, 6611911
Faks. +62 61 6636922

Petisah

Jl. Nibung Utama No. 10,
Kel. PetisahTengah, Kec. Medan Petisah,
Medan, Sumatera Utara, 20112
Tel. +62 61 4554322, 4143383
Faks. +62 61 4530251

Krakatau

Jl. 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

Medan Djuanda

Jl. Ir. H. Djuanda No. 20i,
Kel. Sukadama, Kec. Medan Polonia,
Medan, 20157
Tel. +62 61 88815959
Faks. +62 61 42003822

Jend. Sudirman

Jl. Jend. Sudirman No. 1031 D-E,
Palembang, Sumatera Selatan, 30126
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358572,364952
Faks. +62 711 354891

R. Sukamto

Jl. 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

Nangka

Jl. Nangka/Tuanku Tambusai No. 181,
Labuh Baru Tim., Payung Sekaki, Kota
Pekanbaru, Riau, 28125
Tel. +62 761 31308-9, 20440
Faks. +62 761 37317

Tanjung Uncang

Komplek Pertokoan Fanindo Blok A
No. 9-10, Kel. Tanjung Uncang,
Kec. Batu Aji, Kepulauan Riau, 29461
Tel. +62 778 7432468
Faks. +62 778 7432469

Penuin

Komplek Pertokoan Citra Mas, Blok A
No. 8, Penuin, Kec. Lubuk Baja, Batam,
Kepulauan Riau, 29432
Tel. +62 778 428700
Faks. +62 778 452772

Bintan

Jl. Merdeka No. 6C,
Kel. Tanjungpinang Kota,
Kec. Tanjungpinang Kota,
Kepulauan Riau, 29111
Tel. +62 771 314909-10
Faks. +62 771 314916

Achmad Yani

Jl. Jend. Achmad Yani No. 235,
Bandung, Jawa Barat, 40271
Tel. +62 22 7204952
Faks. +62 22 7205551

Kopo

Jl. Kopo No. 91, Situsaeur, Bojongloa
Kidul, Bandung, Jawa Barat, 40234
Tel. +62 22 5230030, 5204784
Faks. +62 22 5204784, 5227177

Buah Batu

Ruko Buah Batu No.146 A,
Jl. Buah Batu No.1, Kel. Cijagra, Kec.
Lengkong Bandung, Jawa Barat, 40274
Tel. +62 22 7315139
Faks. +62 22 7315193

Cimahi

Jl. Raya No. 545, Karangmekar, Cimahi
Tengah, Jawa Barat, 40523
Tel. +62 22 6649530
Faks. +62 22 6657013

Sukajadi

Jl. Sukajadi No. 5, Sukabungah, Sukajadi,
Bandung, Jawa Barat, 40162
Tel. +62 22 2037498, 2039266
Faks. +62 22 2039266

Setiabudi

Jl. Dr. Setiabudi No. 146 B,
Lingkungan Hegarmanah, Kec. Cidadak,
Bandung, Jawa Barat, 40141
Tel. +62 22 82066033
Faks. +62 22 82066481

Andir

Jl. Jamika No. 19, Bandung,
Jawa Barat, 40231
Tel. +62 22 6023509
Faks. +62 22 6079274

Kopo Bihbul

Jl. Raya Kopo Bihbul No. 69, Bandung,
Jawa Barat, 40228
Tel. +62 22 5401131, 5420269
Faks. +62 22 5420466

Pasir Kaliki

Jl. Pasir Kaliki No. 161, Bandung,
Jawa Barat, 40173
Tel. +62 22 6017027
Faks. +62 22 3044520

Dago

Jl. Ir. H. Juanda No.43 (Dago), Bandung,
Jawa Barat, 40116
Tel. +62 22 4261175, 4261191
Faks. +62 22 4267885

Siliwangi

Jl. Jend. Sudirman No. 131, Semarang,
Jawa Tengah, 50141
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Faks. +62 24 7608623

Majapahit

Jl. Brigjend. Sudirato 106, Semarang,
Jawa Tengah, 50167
Tel. (024) 6723762
Faks. (024) 6723761

Salatiga

Jl. Jend. Sudirman No.188, Salatiga,
Jawa Tengah, 50711
Tel. (0298) 322027
Faks. (0298) 326032

Operations Network

Gang Tengah

Jl. Gang Tengah No. 16, Semarang,
Jawa Tengah, 50111
Tel. +62 24 3561800
Faks. +62 24 3561700

Mataram

Ruko Plaza Blok A No. 8 A,
Jl. MT Haryono, Semarang,
Jawa Tengah, 50136
Tel. +62 24 3560033, 3560461
Faks. +62 24 3560462

Agus Salim

Kompleks Ruko THD Blok B-21,
Jl. K.H. Agus Salim, Semarang,
Jawa Tengah, 50137
Tel. +62 24 3584035, 3584007
Faks. +62 24 3584036

Pasar Klewer

Kios Pasar Klewer Blok EE No. 9 – 12,
Jl. Secoyudan, Kauman, Ps. Kliwon, Kota
Surakarta/Solo
Tel. +62 271 293 3790
Faks. +62 271 293 5150

Kratonan

Jl. Yos. Sudarso No. 246,
Jawa Tengah, 57153
Tel. +62 271 652626, 654343
Faks. +62 271 655622

Pasar Legi

Jl. Letjen. S. Parman No.83,
Kel.Kestalan, Kec. Banjarsari,
Kotamadya Surakarta,
Jawa Tengah, 57133
Tel. +62 271 666536
Faks. +62 271 641177

Sragen

Jl. Raya Sukowati No. 194,
Kel. Sragen Kulon, Kec. Sragen,
Kab. Sragen, Jawa Tengah, 57212
Tel. +62 271 891276, 891250
Faks. +62 271 891276

Palur

Jl. Raya Palur No. 59,
Palur, Karanganyar,
Solo, Jawa Tengah, 57771
Tel. +62 271 827474, 821733
Faks. +62 271 821166

Kuningan

Jl. Jend. Sudirman No. 51/55, Kuningan,
Jawa Barat, 45511
Tel. +62 232 871738, 871810
Faks. +62 232 876641

Pasar Balong Pekiringan

Jl. Pekiringan No. 113, Cirebon,
Jawa Barat, 45117
Tel. +62 231 205625
Faks. +62 231 211423

Temanggung

Jl. KS. Tubun No. 1,
Kel. Temanggung I, Kec. Temanggung
Jawa Tengah,
Tel. +62 293 491555
Faks. +62 293 491155

Muntilan

Komp. Ruko PJKA A. II No. 3,
Muntilan, Magelang, Jawa Tengah, 56411
Tel. +62 293 586508, 587323
Faks. +62 293 587415

Brigjend Katamso

Jl. Brigjend. Katamso No. 278
(lama 280), D.I. Yogyakarta, 55152
Tel. +62 274 384193, 415732
Faks. +62 274 378569

Pasar Beringharjo

Jl. Sriwedani, Ruko No. 11,
Kel. Ngupasan, Kec. Gondomanan,
D.I. Yogyakarta, 55213
Tel. +62 274 546350
Faks. +62 274 555911

Kricak

Jl. Magelang No. 81,
D.I. Yogyakarta, 55242
Tel. +62 274 553385
Faks. +62 274 563672

Pasar Wage

Ruko Gede - Kawasan Pasar Wage Blok A
No. 1, Jl. Jend. Sudirman,
Kel. Purwokerto Lor,
Kec. Purwokerto Timur,
Kab. Banyumas, Purwokerto,
Jawa Tengah, 53114
Tel. +62 281 625508
Faks. +62 281 625745

Coklat

Jl. Coklat No. 12 – 14, Surabaya,
Jawa Timur, 60161
Tel. +62 31 3526784, 3530966
Faks. +62 31 3523332

Perak Timur

Ruko Tanjung Perak, Jl. Perak Timur
No. 42, Kel. Perak Timur, Kec. Pabean,
Cantian, Surabaya, Jawa Timur, 60164
Tel. +62 31 3550318
Faks. +62 31 3550314

Kedungdoro

Jl. Kedungdoro 155 D, Surabaya,
Jawa Timur, 60261
Tel. +62 31 5321365, 5322451
Faks. +62 31 5471442

Kertajaya

Jl. Kertajaya No. 172, Surabaya,
Jawa Timur, 60286
Tel. +62 31 5019391, 5054047, 5031657
Faks. +62 31 5017300

Kapas Krampung

Jl. Kapas Krampung 55 B, Surabaya,
Jawa Timur, 60135
Tel. +62 31 3727910, 3718281, 3769292
Faks. +62 31 3715633

Rungkut

Jl. 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,
Jl. Bunguran 45, Kel. Bongkaran, Kec.
Pabean Cantikan,
Surabaya, Jawa Timur, 60161
Tel. +62 31 3523545, 3558115
Faks. +62 31 3530793

Raden Saleh

Jl. Raden Saleh No. 8-A,
Kel. Bubutan, Kec. Bubutan
Surabaya, Jawa Timur,
Tel. +62 31 5359970, 5359971, 5359974,
5359963
Faks. +62 31 5355964

MERR

Jl. Dr. Ir. H. Soekarno Kav.R-3, Komp. Ruko
Icon 21, MERR, Kel. Klampisngasem, Kec.
Sukolilo, Surabaya
Tel. +62 31 5925585
Faks. +62 31 5929072

Baliwerti

Jl. Gemblongan No. 65 L,
Kel. Aloonaloon Contong, Kec. Bubutan,
Surabaya, Jawa Timur, 60174
Tel. +62 31 5322886, 5327030
Faks. +62 31 5353720

Klampis

Jl. Klampis Jaya No. 27 C,
Kel. Klampisngasem, Kec. Sukolilo,
Surabaya
Jawa Timur, 60117
Tel. +62 31 5927672, 5927673
Faks. +62 31 5927262

Ambulu

Jl. Suyitman No. 46, Ambulu, Jember
Jawa Timur, 68172
Tel. +62 336 881902
Faks. +62 336 881902

Tabanan

Jl. Gajah Mada No. 80, Tabanan
Bali, 82113
Tel. +62 361 811588, 811277
Faks. +62 361 812569

Kuta

Kompleks Ruko Istana Kuta Galeria, Blok
Valet No.12 and 12 A, Jl. Patih Jelantik,
Kuta, Badung,
Bali, 80361
Tel. +62 361 769100
Faks. +62 361 769256

Gatot Subroto

Jl. Gatot Subroto No. 100 X, Kav. 10,
Denpasar, Bali, 80111
Tel. +62 361 7450714, 7450175, 7427697
Faks. +62 361 248826

Diponegoro

Jl. Diponegoro No. 150 Blok A 1 No. 2,
Denpasar, Bali, 80114
Tel. +62 361 262773, 263719, 263720
Faks. +62 361 247246

Mojokerto

Jl. Mojopahit 55-57, Mojokerto,
Jawa Timur, 61312
Tel. +62 321 322291, 322816
Faks. +62 321 322719

Sutan Syahrir

Jl. Sutan Syahrir No. 51,
Kel. Sukoharjo, Kec. Klojen,
Jawa Timur,
Tel. +62 341 343230, 365096, 365119
Faks. +62 341 365118

Blimbing

Kompleks Pertokoan (Ruko) Letjend
S.Parmen 56, Blok A-6
Kel. Purwantoro, Kec. Blimbing, Malang,
Jawa Timur, 65111
Tel. +62 341 405100
Faks. +62 341 418441

Sidoarjo

Jl. Jend. Achmad Yani 40 J, Sidoarjo,
Jawa Timur, 61212
Tel. +62 31 8941836, 8941046
Faks. +62 31 8941047

Mayjend. Sungkono

Jl. Mayjend. Sungkono No.142-143, Blok
A16, Kel. Gunungsari, Kec. Dukuh Pakis,
Surabaya
Tel. +62 31 99531299
Faks. +62 31 99535250

Gresik

Jl. Usman Sadar No. 84, Gresik,
Jawa Timur, 61118
Tel. +62 31 3990053, 3972145
Faks. +62 31 3990054

Bandang

Jl. Bandang No. 50 B, Makassar,
Sulawesi Selatan, 90156
Tel. +62 411 326694
Faks. +62 411 317445

Panakkukang

Jl. Pengayoman No. 48, Makassar,
Sulawesi Selatan, 90231
Tel. +62 411 421921, 433017
Faks. +62 411 458260

Sultan Muhammad

Jl. Sultan Muhammad No. 175,
Kel. Benua Melayu Laut, Kec. Pontianak
Selatan, Pontianak,
Kalimantan Barat, 78123
Tel. +62 561 731583
Faks. +62 561 731582

Plaza Kebun Sayur

Ruko Plaza Kebun Sayur No. T.36,
Jl. Jend. Suprpto, Kel. Baru Ilir, Kec.
Balikpapan Barat,
Balikpapan, Kalimantan Timur, 76131
Tel. +62 542 748073
Faks. +62 542 748074

Gunung Sari

Jl. Jend. A. Yani No. 267, Balikpapan,
Kalimantan Timur, 76121
Tel. +62 542 732531
Faks. +62 542 732534

Balikpapan Permai

Komplek Balikpapan Permai,
Jl. Jend. Sudirman Blok C/II No. 88,
Balikpapan, Kalimantan Timur, 76114
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Ruko Permata Kaltim

Jl. Pahlawan (Ruko Permata Kaltim
No.3B), Samarinda,
Kalimantan Timur, 75123
Tel. +62 541 200138, 746807, 745082
Faks. +62 541 201961

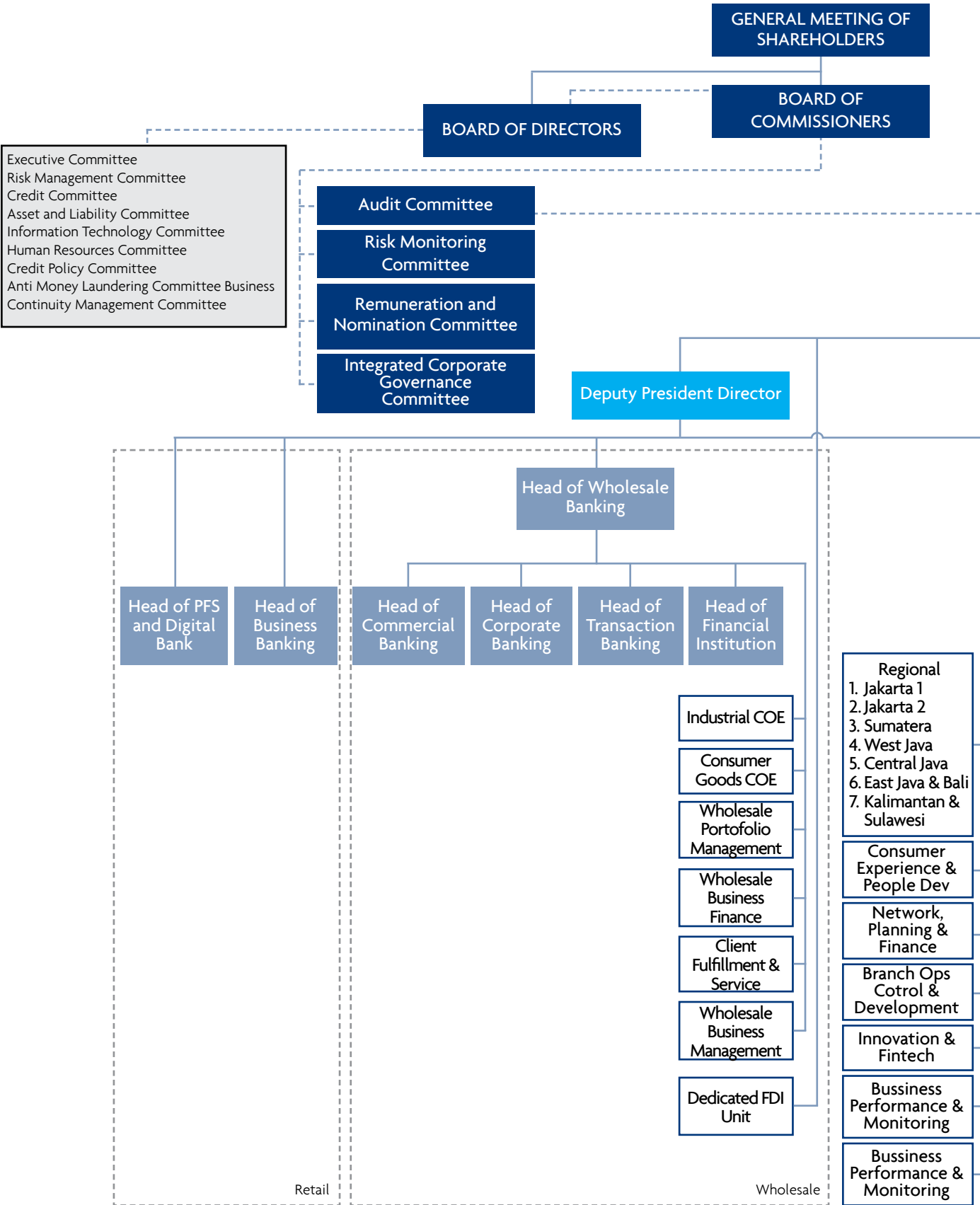
Yos Sudarso

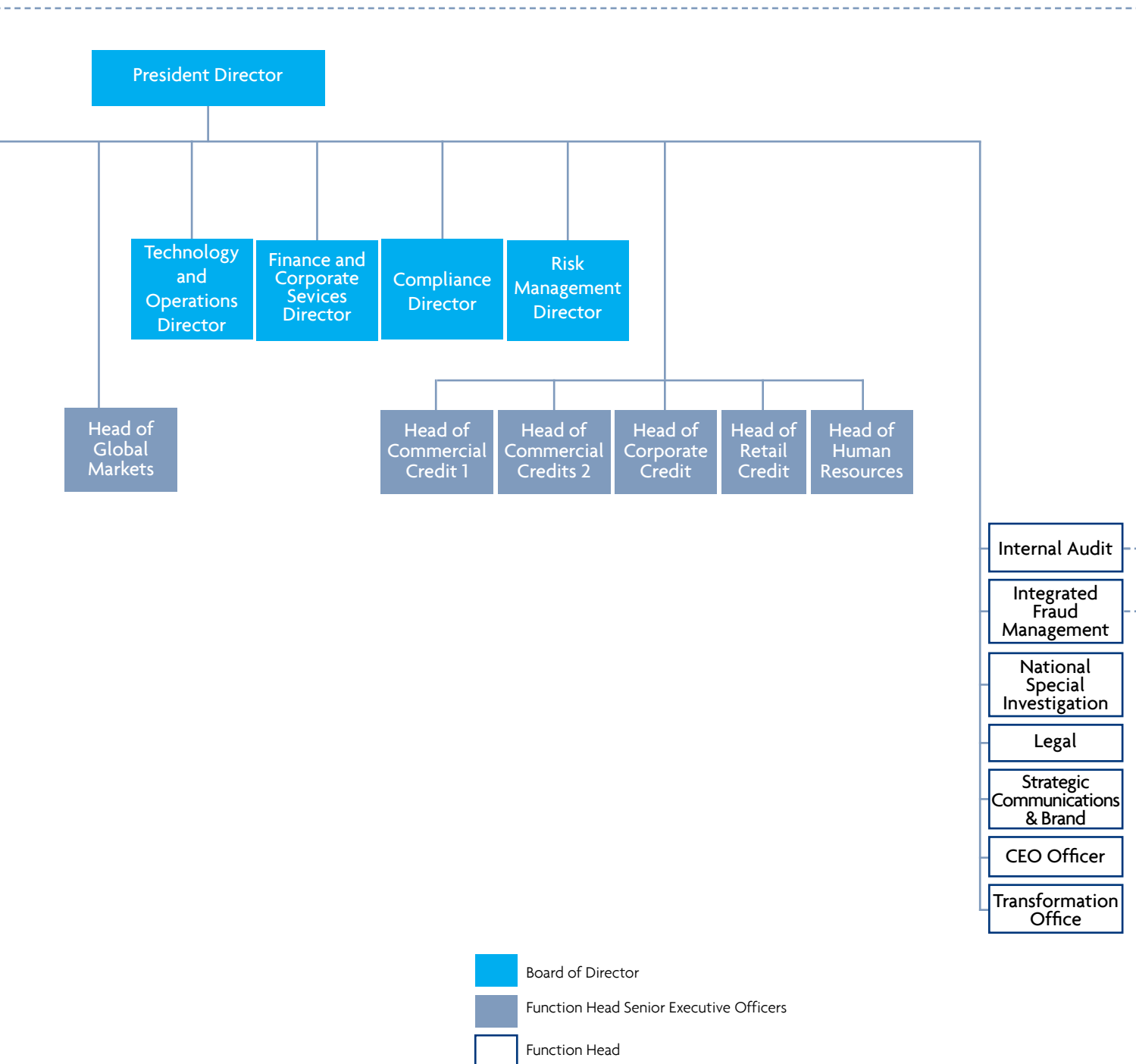
Jl. Yos Sudarso No. 36, Samarinda,
Kalimantan Timur, 75112
Tel. +62 541 731558, 741586
Faks. +62 541 742274

A. Yani

Jl. Jend. A. Yani KM 2, No. 12 RT 17,
Banjarmasin, Kalimantan Selatan, 70249
Tel. +62 511 3269525, 3262991
Faks. +62 511 3269525

Organisational Structure





Short Profile and Office Network

Company 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 DKI Jakarta 10230 Indonesia
Phone Number	+62 21 2350 6000 (hunting)
Fax Number	+62 21 29936632
Call Centre	14008
E-mail	uobcare@uob.co.id
Website	www.uob.co.id
Operating 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.1234/1956
Authorised Capital	IDR9,000,000,000,000 Consisting of 36,000,000,000 shares with nominal value 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	Governor of Bank Indonesia Decree No. 13/34/KEP GBI/2011 dated 19 May 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 di Indonesia
Total Employees	4,038 Employees per 31 December 2018
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 • Others 1.001 per cent

Business Activities and Segments

UOB Indonesia runs its business activities as a foreign bank based on the Governor of Bank Indonesia's (BI) Decree No. 9/39/KEP/DIR/UD dated 22 July 1976. Referring to the Article 3 of the Banks's Articles of Association, the Banks's detailed business activities are:

- a. Collecting funds from the public in the form of current accounts, 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.

Globally, UOB has three core business segments, the Group Retail, the Group Wholesale Banking, and the Global Market. In Indonesia, UOB banking activities are segmented into commercial banking, corporate banking, personal financial services, and financial institution.



Products and Services

As of 31 December 2018, UOB Indonesia products and services include the following.

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
- Rekenin 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 (BIB 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 payments

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

Name and Address of Stock Exchange Supporting Institutions

UOB Indonesia appointed Purwanto, Sungkoro & Surja Public Accounting Firm to perform an independent audit on our Financial Statements for 2016, 2017 and 2018.

Public Accounting Firm

Purwantono, Sungkoro & Surja (Ernst & Young Indonesia)
Gedung Bursa Efek Indonesia

Tower 2, Lantai 7,
Jl. Jend. Sudirman, Kav. 52-53
Jakarta 12910, Indonesia
Tel : (021) 5289 5000
Fax : (021) 5289 4100

Rating Agency

PT Fitch ratings Indonesia

DBS Bank Tower Lt.24 Suite 2403
Jl. Prof Dr. Satrio Kav 3-5
Jakarta Selatan, DKI Jakarta, 12940
Indonesia
Tel : (021)29886800
Fax : (021) 29886822

Share Registrar

PT Sirca Datapro Perdana

Wisma Sirca
Jl. Johar, No. 18, Menteng
Jakarta Pusat, DKI Jakarta 10340 Indonesia
Tel : (021) 3140032
Fax : (021) 3900652

Trustee

PT Bank Permata Tbk.

Permata Bank Tower 3 Lantai 14
Jl. M.H Thamrin Blok B 1 No.1
Pusat Kawasan Niaga Bintaro Jaya Sektor VII
Tangerang, Banten, 15244
Indonesia
Tel : (021) 7455888
Fax : (021) 7459888

PT Bank Mandiri (Persero) Tbk

Plaza Mandiri, Lantai 22
Jl. Jenderal Gatot Subroto Kav. 36-38
Jakarta Selatan, DKI Jakarta, 12190
Indonesia
Phone. (021) 5245161, 5268216
Fax. (021) 5268201

Legal Counsellor

Hiswara Bunjamin & Tandjung

Gedung BRI II 23rd Floor
Jl. Jenderal Sudirman Kav. 44-46 Jakarta Selatan, DKI Jakarta,
10210
Indonesia
Tel : (021) 574 4010
Fax : (021) 5744670

Public Notary

Notary Aulia Taufani S.H,

Menara Sudirman Lantai 17D
Jl. Jenderal Sudirman Kav 60 Jakarta Selatan 12190
Tel : (021) 52892365
Fax : (021) 5204780



PT Bank UOB Indonesia

Head Office

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Jakarta 10230

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Fax (62) 21 2993 6632

www.uob.co.id

