LAPORAN TAHUNAN 2017 ANNUAL REPORT

PT BANK ICBC INDONESIA

ICBC

Foundation Laid
for the Next 10 Years

Foundation Laid
for the Next 10 Years

Sepanjang 10 tahun pertama beroperasi, Bank ICBC Indonesia telah membangun landasan kuat dalam menjalankan visi dan misi jangka panjangnya di Indonesia. Dukungan dan komitmen kuat dari pemegang saham mayoritas Bank, ICBC Limited, dibuktikan dengan suntikan modal sebesar IDR3 triliun dalam lima kesempatan berbeda, sehingga memungkinkan Bank untuk memperluas ukuran, bisnis, dan kapabilitasnya. Pada akhir tahun 2017, Bank ICBC Indonesia telah menjadi bank BUKU 3, mencatat *Compound Annual Growth Rate* (CAGR) lebih dari 61% sejak beroperasi, memainkan peranan yang semakin penting dalam mendukung perekonomian Indonesia melalui, misalnya, pembiayaan infrastruktur, dan memperkuat kemampuan Bank baik di garda depan-tengah-belakang. Meskipun masih banyak yang harus dilakukan, dengan dukungan seluruh Pemangku Kepentingan, Bank ICBC Indonesia menatap 10 tahun mendatang dengan keyakinan dan optimisme dalam memenuhi visi dan misinya di Indonesia.

Throughout its first 10 years of operations, Bank ICBC Indonesia has built a strong foundation in executing its long-term vision and mission in Indonesia. The strong support and commitment from the Bank's majority shareholder, ICBC Limited, has been demonstrated through IDR3 trillion capital injection conducted in five different occasions, thus enabling the Bank to increase the size of its business and capabilities. At the end of 2017, Bank ICBC Indonesia became BUKU 3 bank; recorded more than 61% of the Compound Annual Growth Rate (CAGR) since the Bank commenced its operations; played a more important role in supporting Indonesian economy, for instance, financing infrastructure projects; and strengthened the Bank's ability to play its role in the front, middle and back functions. Even though there is still much to do, with the support of all Stakeholders, Bank ICBC Indonesia is looking ahead to the next 10 years with confidence and optimism in fulfilling its vision and mission in Indonesia.

SEKILAS PERJALANAN BANK
OVERVIEW OF BANK'S JOURNEY

1970
Pendirian PT Bankit di Surabaya
Establishment of PT Bankit Surabaya

1974
Perubahan nama menjadi Bank Pasar Sumber Dana
Change of name to Bank Pasar Sumber Dana

1989
Perubahan nama menjadi Bank Halim Indonesia
Change of name to Bank Halim Indonesia

1995
Bank Halim Indonesia memperoleh status Bank Devisa
Bank Halim Indonesia obtained status as Foreign Exchange Bank

2007

Peresmian Bank ICBC Indonesia
Inauguration of Bank ICBC Indonesia

ICBC Ltd menyelesaikan prosedur hukum pemindahan hak kepemilikan saham Bank Halim Indonesia pada bulan September dan mengubah nama menjadi PT Bank ICBC Indonesia.

ICBC Ltd completed the legal procedures of shareholding rights transfer of Bank Halim Indonesia in September and changed its name to PT Bank ICBC Indonesia

2008

Pemindahan Kantor Pusat ke Jakarta
Head Office Relocation to Jakarta

Pada bulan Desember, dilakukan pemindahan kantor pusat Bank dari Surabaya ke Jakarta.

In December, the Bank Head Office was relocated from Jl. Coklat in Surabaya to The City Tower at Jl. M.H. Thamrin, Jakarta.

2009

Peresmian Dasar Kegiatan Tanggung Jawab Sosial Perusahaan
Inaguration of CSR Foundation

Bank meluncurkan Dasar Kegiatan Tanggung Jawab Sosial Perusahaan dengan tujuan utama untuk berkontribusi kepada kesejahteraan dari masyarakat.

The Bank launched its CSR Foundation, with the main aim to contribute to the well-being of the society.

Integrasi Sistem dengan ICBC Limited
System Integration with ICBC Limited

Implementasi sistem FOVA ke sistem operasional Bank sehingga terintegrasi penuh dengan sistem perusahaan induk.

Bank's FOVA system was being put into the operation which signified the Bank and its parent company's system has officially been fully integrated.

2010

Donasi Kepada Korban Bencana Alam Gunung Merapi
Donation to Mount Merapi Disaster's Victims

Bank memberi sumbangan kepada korban alam bencana di Gunung Merapi-Yogyakarta, Mentawai dan Wasior. Dana yang terkumpul disalurkan melalui Palang Merah Indonesia (PMI).

The Bank gave donation to the victims of natural disaster in Mount Merapi-Yogyakarta, Mentawai and Wasior. The collected funds were channeled through Indonesia Red Cross (PMI).

Peluncuran Kredit Kredit ICBC
Launching Of ICBC Credit Cards

Kartu Kredit ICBC diluncurkan pada bulan April dengan dilengkapi *chip* EMV-*compliant* dan PIN enam digit.

ICBC Credit Card was launched in April. The card is equiped with EMV-compliant chips and six-digits PIN.

2011

ICBC Ltd Mendukung Industri Indonesia
ICBC Ltd Supporting Indonesia's Industries

Wakil Presiden Direktur ICBC Ltd, Yi Huiman, mengunjungi Indonesia untuk berpartisipasi dalam dialog bisnis strategis Indonesia-Tiongkok.

ICBC Ltd's Vice President Director, Mr. Yi Huiman, visited Indonesia to participate in the Indonesia-China strategic business dialogue.

Pembukaan Kantor Kas Pasar Atum
Grand Opening of Pasar Atum Cash Office

Peresmian Kantor Kas Pasar Atum yang terletak di Pasar Atum Mall, Lantai 2, Jl. Stasiun Kota No. 22, Surabaya.

Inauguration of Pasar Atum Cash Ofice located at Pasar Atum Mall, 2nd Floor, Jl. Stasiun Kota No. 22, Surabaya.

Pembukaan Cabang Pembantu Mangga Dua
Grand Opening of Mangga Dua Sub-branch

Peresmian Kantor Cabang Pembantu Mangga Dua di Jl Ruko Tekstil (Rutex) Mangga Dua, Blok C-6 Kav. 1, Jakarta.

Inauguration of Mangga Dua Sub-Branch at Ruko Textile (Rutex) Mangga Dua, Block C-6 Kav. 1, Jakarta.

Halte Transjakarta "Tosari" diganti menjadi "Tosari ICBC"
"Tosari" Busway station renamed to "Tosari ICBC"

Pemerintah memberikan izin kepada Bank untuk merawat halte Transjakarta yang terletak di depan Kantor Pusat Bank di Menara ICBC dan mengganti nama halte menjadi Tosari ICBC.

The Government has given the Bank the permission to maintain Transjakarta station located in front of the Bank's Head Office at ICBC Tower and renamed the station to Tosari ICBC.

2012

Pengangkatan Sebagai Obligasi RMB *Counterparty*
Appointment As RMB Bond Counterparty

Bank ICBC Indonesia dan HSBC Indonesia melakukan transaksi penyesuaian RMB pertama senilai RMB 1 juta. Dengan dukungan Bank Indonesia dan ICBC Ltd, transaksi investasi obligasi mencapai RMB 200 juta.

The Bank and HSBC Indonesia conducted the first RMB adjustment transaction amounted to RMB1 million. With the support from Bank Indonesia and ICBC Ltd, the bond investment transactions reached RMB200 million.

Penghijauan Kembali Pohon Bakau di Taman Wisata Alam, Pantai Indah Kapuk
Reforestration of Mangrove Trees at Taman Wisata Alam, Pantai Indah Kapuk

Bank berpartisipasi di acara "*Green Our Planet*" yang kegiatan utamanya adalah penanaman pohon bakau di Taman Wisata Alam, Pantai Indah Kapuk, Jakarta.

The Bank attended "Green Our Planet" event, which main activity was planting mangrove trees at Taman Wisata Alam, Pantai Indah Kapuk, Jakarta.

Pembukaan Kantor Cabang Basuki Rahmat
Basuki Rahmat Branch Opening

Pembukaan Kantor Cabang Basuki Rahmat di Surabaya.

Grand Opening of Basuki Rahmat Branch in Surabaya.

Peresmian Kantor Cabang Batam
Inauguration of Batam Branch

Pembukaan Kantor Cabang Batam sebagai komitmen Bank untuk memperluas jaringan cabang di salah satu pulau dengan perdagangan tersibuk di Indonesia.

Grand Opening of Batam Branch was part of the Bank's commitment to expand its network in one of the busiest commercial island.

Pembukaan Kantor Cabang Pembantu CITO
Grand Opening of CITO Sub-Branch

Pembukaan Kantor Cabang Pembantu City of Tomorrow di Surabaya sebagai relokasi dari Kantor Cabang Pembantu di Sidoarjo.

Grand Opening of CITO Sub-Branch in Surabaya was a relocation of former Sub-Branch office in Sidoarjo.

2013

Peluncuran Perbankan Usaha Kecil Menengah (UKM)
Launching of SME Banking

Acara penandatanganan antara Bank ICBC Indonesia dan Puro Pakualaman & Yayasan Batik Indonesia dalam rangka peluncuran Perbankan UKM.

The Bank held a signing ceremony between the Bank and Puro Pakualaman & Indonesian Batik Foundation to commemorate the launch of SME Banking.

Peluncuran Layanan ATM ICBC
ICBC ATM Service Launched

Bank mengadakan *soft launching* layanan ATM ICBC di The City Tower.

The Bank held a soft-launching of its ATM service at TCT Tower. The service was designed to provide easy and convenient access for customers.

Pembukaan Kantor Cabang Gajah Mada
Grand Opening of Gajah Mada Branch

Bank meresmikan pembukaan baru Kantor Cabang di Green Central City, Jl. Gajah Mada No. 188, Jakarta

The Bank inaugurated the opening of a new Branch Office at Green Central City, Jl. Gajah Mada No. 188, Jakarta.

Peresmian Kantor Cabang Balikpapan
Inauguration of Balikpapan Branch

Pembukaan Kantor Cabang ke-21 di Balikpapan bertujuan untuk menembus pasar di Kalimantan.

Grand opening of the 21st branch in Balikpapan was aimed to penetrate the market in Kalimantan.

2014

Peluncuran Kartu Kredit Platinum UnionPay ICBC
Launching of the ICBC UnionPay Platinum Credit Card

Bank meluncurkan Kartu Kredit Platinum UnionPay ICBC.

The Bank launched UnionPay Platinum Credit Card.

Peresmian Kantor Cabang Makassar
Inauguration of Makassar Branch

Soft-launching Kantor Cabang Makassar sebagai cabang ke-22. Makassar dianggap sebagai gerbang investasi dan perdagangan di bagian timur Indonesia.

Soft-launching of Makassar Branch Office as the 22nd branch. Makassar is considered as a gate of investment and trade in the eastern part of Indonesia

Kemitraan dengan Bank Panin untuk Pembiayaan Proyek Generator Listrik di Lombok
Partnership with Bank Panin To Finance Electric Generator Project in Lombok

Bank dan PT Bank Panin Tbk. menandatangani perjanjian kredit melalui *club deal* dengan PT Lombok Energy Dynamics untuk membiayai pembangunan generator listrik dengan kapasitas 2x25 MW di Lombok Timur, Nusa Tenggara Barat.

The Bank and PT Bank Panin Tbk. signed a credit agreement through a club deal with PT Lombok Energy Dynamics to finance the construction of electric generator with 2x25 MW capacity on East Lombok, West Nusa Tenggara.

2015

ICBC Limited Dukung BUMN Indonesia Sebesar USD20 Miliar
ICBC Limited supporting Indonesia's State-Owned Enterprises for USD20 billion

MoU antara ICBC Ltd. dan Kementerian Badan Usaha Milik Negara untuk pembiayaan senilai USD20 miliar.

The Bank signed an MoU between ICBC Ltd and The Ministry of State-Owned Enterprises in Indonesia amounted to USD20 billion.

Persetujuan Kerjasama Bisnis Lintas Batas
Cross-border RMB Business Cooperation Agreement

Bank berkolaborasi dengan ICBC Ltd dan ICBC Group untuk menandatangani perjanjian kerja sama atas Bisnis RMB dengan EximBank serta Perjanjian Kerjasama Pembiayaan Lintas Batas RMB dengan beberapa institusi terkemuka dari Indonesia dan Tiongkok.

The Bank collaborated with ICBC Ltd and the ICBC Group signed cooperation agreements comprised of Cross-border RMB Business Cooperation Agreement with EximBank and also Cross-border RMB Financing Cooperation Agreements with a number of leading institutions from Indonesia and China.

Peluncuran *Call Center* 24/7
Launching of 24/7 Call Center

Call Center nasional Bank mulai beroperasi 24 jam dan 7 hari untuk melayani pelanggan dalam tiga bahasa: Bahasa Indonesia, Inggris, dan Mandarin.

The Bank's nationwide Call Center started operating 24 hours and 7 days to serve the customers in three languages: Bahasa Indonesia, English, and Mandarin.

Ekspansi Jaringan ATM
ATM Network Expansion

Bank memperluas jaringan Kartu ATM. Memungkinkan Pemegang Kartu untuk memperoleh kemudahan dan kenyamanan akses di lebih dari 177.000 ATM di jaringan ATM Bersama dan ICBC Ltd. di Tiongkok.

The Bank expanded its ATM card network. This service enables the customers to have easy and convenient access to ATM across Indonesia and Mainland China through over 177,000 ATM Bersama and ICBC Ltd ATM networks.

ICBC Limited Bertemu dengan Menteri BUMN
ICBC Limited MeetIng with Minister of State-Owned Enterprises

Pada bulan Juni, ICBC Ltd., Jiang Jianqing, melakukan pertemuan dengan Menteri Badan Usaha Milik Negara Indonesia, Rini Soemarno, di Beijing.

In June, ICBC Ltd's Chairman, Jiang Jianqing conducted a meeting with the Minister of Indonesia's State-Owned-Enterprises, Rini Soemarno, in Beijing.

Mendukung Proyek Pembangunan Satu Juta Rumah
Supporting One Million Public Housing Project

Bank ICBC Indonesia dan Bank BTN menandatangani MoU senilai IDR10 triliun untuk mendukung proyek pembangunan sejuta rumah yang diprakarsai Pemerintah Indonesia.

The Bank and Bank BTN signed MOU of IDR10 trillion to support the Indonesian Government's one million public housing project.

2016

Program Beasiswa untuk Universitas Indonesia
Scholarship Program for Universitas Indonesia

Bank memfasilitasi mahasiswa Indonesia melalui program "ICBC Care" dengan program beasiswa sebesar IDR100 juta untuk 20 mahasiswa dari Fakultas Sastra Cina, Universitas Indonesia.

The Bank facilitated Indonesian students through its "ICBC Care" that include scholarship programs amounted to IDR100 million for 20 students of Chinese Literature Faculty, Universitas Indonesia.

Mendukung Pembiayaan Ekspor
Supporting Export Financing

Disaksikan oleh Duta Besar Tiongkok untuk Indonesia, H.E Xie Feng, ICBC Asia, EximBank dan Bank ICBC Indonesia menandatangani Perjanjian Kredit Modal Kerja senilai USD 500 juta untuk mempromosikan perdagangan impor dan ekspor serta infrastruktur Indonesia.

Witnessed by Chinese Ambassador to Indonesia H.E Xie Feng, ICBC Asia and EximBank and the Bank successfully signed Working Capital Loan Agreement in the amount of USD 500 million to promote Indonesia's import and export trades and infrastructures.

Forum Perwakilan Pengusaha Tiongkok.
Chinese Enterpreneur Representatives Forum.

Presiden Komisaris ICBC Ltd, Qian Wenhui, General Manager Unit Bisnis Internasional, Gao Ming, menghadiri Forum Pengusaha Tiongkok yang diselenggarakan oleh Bank ICBC Indonesia.

ICBC Ltd's President Commissioner, Qian Wenhui, General Manager of International Business Unit, Gao Ming, attended Enterprises Forum organized by Bank ICBC Indonesia.

Penandatanganan MoU dengan Tiga BUMN Indonesia.
Signing of MoU with Three Indonesian SoE

Bank ICBC Indonesia dan tiga BUMN Indonesia yakni PT Semen Indonesia (Persero) Tbk, PT Antam Indonesia (Persero) Tbk, dan PT Garuda Indonesia (Persero) Tbk menandatangani MoU senilai USD4 miliar.

The Bank and three Indonesia's SoEs namely PT Semen Indonesia (Persero) Tbk, PT Antam Indonesia (Persero) Tbk, and PT Garuda Indonesia (Persero) Tbk signed an MoU worth USD4 billion.

Sumbangan untuk Bencana Alam Aceh
Donation for Aceh Natural Disaster

Bank menjangkau 387 rumah tangga dengan menyediakan sumbangan untuk kebutuhan korban bencana gempa di Aceh.

The Bank reached out to 387 households of Aceh earthquake victims by providing donations to the needed.

2017

Dukungan Pembiayaan Pembangunan Jaringan Telekomunikasi Bawah Laut.
Financing Support for Development of Underwater Telecommunication Network.

Bank ICBC Indonesia ikut serta dalam pembiayaan Palapa Ring senilai IDR1 triliun untuk pembangunan Jaringan Komunikasi bawah laut.

Bank ICBC Indonesia participates in Palapa Ring financing worth IDR1 trillion for the construction of underwater Communications Network.

Perayaan Satu Dekade Bank ICBC Indonesia
Bank ICBC Indonesia's One Decade Celebration

Bank ICBC Indonesia merayakan satu dekade eksistensinya di dalam industri perbankan Indonesia.

Bank ICBC Indonesia celebrates its decade of existence in the Indonesian banking industry.

Mendukung Pembiayaan Kereta Cepat Indonesia-China.
Supports Indonesia-China High Speed Financing.

Bank ICBC Indonesia ikut serta dalam pembiayaan proyek Kereta Cepat Indonesia-China senilai USD4,5 miliar.

Bank ICBC Indonesia participates in the financing of the Indonesia-China Fast Train project valued at USD4.5 billion.

PROYEK PEMBIAYAAN TAHUN 2017
PROJECT FINANCING 2017

Proyek Jalan Tol Pejagan-Pemalang | Pejagan-Pemalang Toll Road Project

Bank memberikan pinjaman sindikasi kepada PT. Pejagan Pemalang Tol Road (PPTR) untuk mendukung Badan Usaha Milik Negara dalam pembangunan proyek jalan tol Pejagan-Pemalang. Tol sepanjang 57,5 km ini menghubungkan Pejagan, Brebes dan Pemalang di Jawa Tengah. Jalan tol ini merupakan kelanjutan dari jalan tol Kanci-Pejagan dan bagian dari jalan tol Trans-Jawa.
The Bank provides syndicated loans to PT. Pejagan Pemalang Tol Road (PPTR) to support State-Owned Enterprises in the construction of the Pejagan-Pemalang toll road project. This 57.5 km toll road connects Pejagan, Brebes and Pemalang in Central Java. The toll road is a continuation of the Kanci-Pejagan toll road and part of the Trans-Java toll road.

Proyek Jalan Tol Bakauheni-Terbanggi Besar
Bakauheni-Terbanggi Besar Toll Road Project

Bank menyalurkan pinjaman sindikasi senilai IDR317 miliar kepada PT Hutama Karya yang ditugaskan oleh Pemerintah dalam mengembangkan jalan tol Trans-Sumatera Bakauheni-Terbanggi Besar. Jalan tol sepanjang 140,94 km ini dimulai dari Aceh Utara hingga Lampung Selatan.
The Bank disbursed IDR317 billion syndicated loan to PT Hutama Karya commissioned by the Government to develop the Trans-Sumatera Bakauheni-Terbanggi Besar toll road. This 140.94 km toll road starts from North Aceh to South Lampung.

Proyek World Capital Tower
World Capital Tower Project

World Capital Tower adalah gedung pencakar langit yang terletak di Mega Kuningan, Jakarta Selatan. Bangunan ini memiliki total luas lantai 75.000 meter persegi untuk ruang ritel dan perkantoran dan merupakan salah satu gedung perkantoran tertinggi di Jakarta.
World Capital Tower is a skyscraper located in Mega Kuningan, South Jakarta. The building has a total floor area of 75,000 square meters for retail and office space and is one of the tallest office buildings in Jakarta.

Proyek Jalan Tol Manado-Bitung
Manado-Bitung Toll Road Project

Jalan tol sepanjang 39 km ini menghubungkan dua kota terbesar di Sulawesi Utara, yaitu Manado dan Bitung sebagai jalan akses utama ke Kawasan Ekonomi Khusus Bitung (KEK) dan Pelabuhan Hub Internasional Bitung. Bank memberikan pinjaman sindikasi sebesar IDR500 miliar.
The 39 km toll road connects two of North Sulawesi's largest cities, Manado and Bitung as major access roads to Bitung Special Economic Zone (KEK) and Bitung International Hub Port. The Bank provides a syndicated loan of IDR500 billion.

Proyek Jalan Tol Pemalang-Batang
Pemalang-Batang Toll Road Project

Pemberian pinjaman proyek ke PT Pemalang Batang Tol Road (PBTR) untuk pembangunan proyek jalan tol Pemalang sepanjang 39,2 km yang menghubungkan daerah Pemalang dengan Batang di Jawa Tengah. Jalan tol ini merupakan bagian dari Trans-Java *Expressway* yang akan menghubungkan Merak ke Banyuwangi.
Project loan to PT Pemalang Batang Tol Road (PBTR) for the construction of a 39.2 km Pemalang toll road project linking Pemalang area with Batang in Central Java. This toll road is part of the Trans-Java Expressway that will connect the Merak to Banyuwangi.

Proyek Pembangkit Listrik Sumsel-1
Sumsel-1 Power Plant Project

Merupakan kesepakatan sindikasi antara Bank ICBC Indonesia, China Construction Bank dan Bank of China untuk membiayai proyek pembangkit listrik Sumsel-1 dengan kapasitas 600MW. Total biaya proyek adalah senilai USD741 juta, dimana group sindikasi bank memberikan fasilitas pinjaman sindikasi sebesar USD520 juta, Bank ICBC Indonesia berpartisipasi sejumlah USD52 juta.

It is a syndication agreement between Bank ICBC Indonesia, China Construction Bank and Bank of China to finance the Sumsel-1 power plant project with a capacity of 600MW. The total project cost is USD741 million, whereby the bank syndicated group provides a loan facility of USD520 million, Bank ICBC Indonesia participates in the amount of USD52 million.

Pengembangan Perkebunan Kelapa Sawit Terpadu
Development of Integrated Palm Oil Plantation

Bank membiayai salah satu sektor penting yakni perkebunan sawit dengan fasilitas pinjaman bilateral kepada PT Megahprima Sejahtera sebesar USD110 juta untuk pengembangan perkebunan minyak sawit terpadu.

The Bank financed one of the important sectors of palm oil plantation with a bilateral loan facility to PT Megahprima Sejahtera for USD110 million for the development of an integrated palm oil plantation.

Pembiayaan Proyek Geothermal
Geothermal Project Financing

Bank berpartisipasi dalam pemberian fasilitas pinjaman sindikasi dengan ICBC Asia untuk Star Energy Geothermal (Wayang Windu) Ltd. senilai USD660 juta yang dipimpin oleh Credit Suisse AG, DBS Bank Ltd, dan Maybank Kim Eng Securites Pte Ltd. Dengan partisipasi total dari ICBC Group senilai USD120 juta dan Bank ICBC Indonesia senilai USD50 juta.

The Bank participates in the granting of a syndicated loan facility with ICBC Asia for Star Energy Geothermal (Wayang Windu) Ltd. worth USD660 million led by Credit Suisse AG, DBS Bank Ltd., and Maybank Kim Eng Securites Pte Ltd. With total participation from ICBC Group worth USD120 million and Bank ICBC Indonesia worth USD50 million.

Proyek Jaringan Telekomunikasi Bawah Laut Palapa Ring
Telecommunication Network Project Under the Sea of Palapa Ring

Bank berpartisipasi dalam pembiayaan sindikasi untuk proyek konstruksi Palapa Ring, jaringan komunikasi bawah laut. Proyek ini dipimpin oleh Bank dengan bekerjasama dengan Bank Negara Indonesia (BNI), salah satu Bank BUMN terbesar di Indonesia dengan total fasilitas sebesar IDR1 Triliun.

The Bank participates in syndicated financing for the Palapa Ring construction project, underwater communications network. The project is headed by the Bank in partnership with Bank Negara Indonesia (BNI), one of the largest State-Owned banks in Indonesia with a total facility of IDR1 trillion.

Proyek Kereta Api Kecepatan Tinggi Jakarta-Bandung
Jakarta-Bandung High Speed Train Project

Bank ICBC Indonesia bertindak sebagai *security agent* untuk pembiayaan pembangunan Kereta Api Kecepatan Tinggi Jakarta-Bandung. Jumlah fasilitas kredit adalah senilai USD4,5 miliar dan tenor 40 tahun.

Bank ICBC Indonesia acts as a security agent for financing the construction of the Jakarta-Bandung High Speed Railway. The total credit facility is worth USD4.5 billion with the tenor of 40 years.

PERISTIWA PENTING 2017
EVENT HIGHLIGHTS 2017

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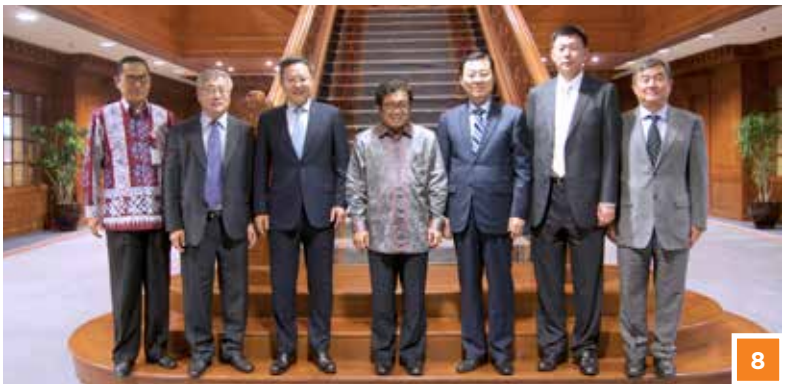
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JANUARI | JANUARY
Bank mengadakan *Gala Dinner* untuk merayakan Tahun Baru dengan mengundang Manajemen, Staf dan Nasabah yang diadakan di Hotel Kempinski, Jakarta dengan tema "*Together as One*".
The Bank throws a Gala Dinner to celebrate New Year inviting its Management, Staff and Valued Customers held at Kempinski Hotel, Jakarta with the theme "Together as One".

1

JANUARI | JANUARY
Dalam rangka merayakan Tahun Baru Imlek, para Direksi turut berpartisipasi dalam pemberian "*Hongbao*" kepada staf.
The Bank celebrates Chinese Lunar New Year, and the Board of Directors also participated in the "Hongbao" distribution to its staff members.

2

FEBRUARI | FEBRUARY
Bank menerima kunjungan kehormatan dari China Construction Bank yang membahas rencana kerjasama dimasa mendatang diantara kedua Bank.
The Bank receives courtesy visit from China Construction Bank discussing on future cooperation amongst the Banks.

3

FEBRUARI | FEBRUARY
PT Wijaya Karya (Persero) menandatangani fasilitas kredit sindikasi senilai IDR5 triliun dengan fasilitas pinjaman modal kerja selama 3 tahun dari Bank dengan MUFG sebagai *Lead Arranger* dan *Bookrunner*.
PT Wijaya Karya (Persero) signed a syndicated credit facility of IDR5 trillion with 3-year working capital loan facility from the Bank with MUFG as Lead Arranger and Bookrunner.

4

MARET | MARCH
ICBC Ltd. dan *China Eximbank* menandatangani perjanjian pinjaman sindikasi dengan PT Tenaga Listrik Bengkulu untuk Proyek Pembangkit Listrik Tenaga Uap Batubara di Bengkulu.
ICBC Ltd. and China Eximbank signed a syndicated loan agreement with PT Tenaga Listrik Bengkulu for Bengkulu Coal Fired Steam Power Plant project.

5

APRIL | APRIL
Jeff S.V Eman, Direktur, mewakili Bank menghadiri Pertemuan Tahunan Perbina (Asosiasi Bank Internasional Indonesia) yang diadakan di Fairmont Hotel, Jakarta.
Jeff S.V. Eman, Director, represented the Bank attending Perbina (Indonesia Association of International Banks) Annual General Meeting held at Fairmont Hotel, Jakarta.

6

APRIL | APRIL
Bank dengan China Merchant Bank melakukan kunjungan kehormatan ke Otoritas Jasa Keuangan (OJK) Indonesia.
The Bank with China Merchant Bank paid a courtesy visit to Indonesia Financial Services Authority (OJK).

7

APRIL | APRIL
Bank menandatangani pinjaman bilateral dengan PT Graha Sarana Duta (Telkom Property), anak perusahaan Telkom senilai IDR272 miliar.
The Bank signed a bilateral loan with PT Graha Sarana Duta (Telkom Property), sister company of Telkom in the amount of IDR272 billion.

8

MEI | MAY
Fransisca Nelwan Mok, Direktur dan Evi Hiswanto mewakili Bank menghadiri Pertemuan Bisnis Indonesia di Hong Kong.
Fransisca Nelwan Mok, Director, and Evi Hiswanto represented the Bank attending Indonesia – Hong Kong Business Meeting.

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JUNI | JUNE
Bank mengadakan acara buka puasa dengan seluruh Karyawan di seluruh Nusantara untuk mempererat hubungan antara Manajemen dan Karyawan.
The Bank held a breakfasting event with all its Employees across the nation to strengthen relationships amongst its Management and Employees.

10

JULI | JULY
President Direktur, Shen Xiaoqi, dan Direktur, Xin Haiyan, mengunjungi Paul Chan, Sekretaris Keuangan Wilayah Administratif Khusus Hong Kong.
Shen Xiaoqi and Xin Haiyan, President Director and Director, respectively, paid a visit to Paul Chan, Financial Secretary of Hong Kong Special Administrative Region.

11

AGUSTUS | AUGUST
Bank beserta ICBC Malaysia, ICBC Thailand, ICBC Singapore, dengan panduan dari Departemen Internasional dari Kantor Pusat , mengunjungi *joint venture* Kereta Cepat Jakarta-Bandung.
The Bank, ICBC Malaysia, ICBC Thailand, ICBC Singapore, under the guidance of Head Office International Department, visited the joint venture of Jakarta-Bandung Highspeed Railway.

12

AGUSTUS | AUGUST
Bank memperoleh predikat "Sangat Bagus" untuk kinerja tahun 2016 dari Majalah *Infobank*.
The Bank was awarded by Infobank Magazine for its outstanding financial performance in 2016 with "Very Good" predicate.

13

SEPTEMBER | SEPTEMBER
Bank mengadakan seminar kolaborasi dengan tema *"Share Solutions, Share Successes"* dihadiri oleh bank-bank koresponden.
The Bank held a collaboration financial seminar titled "Share Solutions, Share Successes" with attendance from correspondent banks.

14

SEPTEMBER | SEPTEMBER
Untuk kedua kalinya secara berturut-turut, Bank berpartisipasi dalam *Indonesia Business & Development Expo* (IBD Expo) 2017.
For the second time in a row, the Bank participated in Indonesia Business & Development Expo (IBD Expo) 2017.

15

SEPTEMBER | SEPTEMBER
Bank diundang untuk menghadiri *14th China-ASEAN Expo*. Thomas Arifin selaku Direktur berpartisipasi dalam diskusi panel selama acara.
The Bank was invited to attend the 14th China-ASEAN Expo. Representing the Bank, Thomas Arifin, Director, took part in a panel discussion during the expo.

16

10th ANNIVERSARY

18

19

20

21

22

23

OKTOBER | OCTOBER
Bank merayakan tonggak sejarah 10 tahun dalam mendukung dan melayani ekonomi Indonesia dengan menggelar *Gala Dinner*.
The Bank celebrates in reaching its 10th year milestone in supporting and servicing the Indonesian economy by holding a Gala Dinner.

18

OKTOBER | OCTOBER
Bank berkontribusi kepada masyarakat sebagai bagian dari Program Tanggung Jawab Sosial Perusahaan (CSR) melalui pemberian donasi ke panti asuhan.
The Bank also took this opportunity in giving back to the community as part of its Corporate Social Responsibility (CSR) program by making donations to an orphanage during the event.

19

OKTOBER | OCTOBER
Fransisca Nelwan Mok, Direktur, diundang menghadiri acara Otoritas Jasa Keuangan (OJK) membahas Sinergi untuk Meningkatkan Literasi dan Inklusi Keuangan yang diadakan di museum Bank Indonesia.
Fransisca Nelwan Mok, Director, was invited to a Financial Services Authority (OJK) event in regards to Synergy to Increase Literacy and Financial Inclusion held at Bank Indonesia museum.

20

DESEMBER | DECEMBER
Sebagai usaha untuk berkontribusi kepada masyarakat, Bank bekerja sama dengan Palang Merah Indonesia (PMI) mengadakan progam donor darah.
As a way to give back to the community, the Bank in collaboration with Indonesian Red Cross (PMI) held a blood donation program.

21

DESEMBER | DECEMBER
Bank meluncurkan Program inisiatif CSR *Go-Green* untuk mempromosikan perbankan yang ramah lingkungan. Program ini merupakan hasil kerjasama antara Bank dengan Yayasan Tzu Chi Indonesia.
The Bank launched its CSR Go-Green Initiative program for promoting environmentally friendly banking operations. This program is in conjunction with Tzu Chi Foundation Indonesia.

22

DESEMBER | DECEMBER
Bank menandatangani pinjaman sindikasi untuk pembangunan Jalan Tol Trans- Sumatera senilai IDR317,42 miliar.
The Bank signed a credit syndication loan for Trans Sumatera Toll Road in the amount of IDR317.42 billion.

23

SEKILAS PERUSAHAAN
COMPANY OVERVIEW

PEMEGANG SAHAM
SHAREHOLDERS

ICBC Ltd.
98,61%
PT Intidana Wijaya
1,39%

PRODUK & JASA
PRODUCT & SERVICE

Simpanan | Savings
Pinjaman | Loan
Jasa Perbankan Lain
Other Banking Services

ICBC
中国工商银行
(印尼)

SEGMEN USAHA
BUSINESS SEGMENT

Perbankan Korporasi
Corporate Banking
Perbankan Komersial
Commercial Banking
Perbankan Ritel
Retail Banking
Global Market
Financial Institution

JARINGAN
CHANNEL

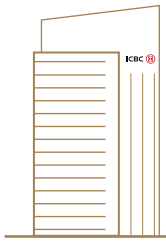
21 Cabang | Branches
Corporate Internet Banking
90k ATM ICBC Ltd.
60k ATM Bersama

IKTHISAR KINERJA 2017
PERFORMANCE OVERVIEW 2017

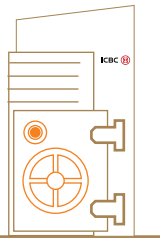
MODAL | CAPITAL

Penambahan alokasi Modal Inti sebesar USD75 juta atau setara IDR1 triliun memberikan ruang bagi Bank untuk melakukan ekspansi bisnis dan meningkatkan Kewajiban Penyediaan Modal Minimum (KPMM) menjadi 17,72%

The addition of Core Capital allocation amounting to USD75 million or equivalent IDR1 trillion provide room for the Bank to expand its business and increase Capital Adequacy Ratio (CAR) to 17.72%



17,72% ▲
15,86%



56,04T ▲
15,28% YoY

ASET | ASSETS

Aset tumbuh pesat konsisten dengan tahun-tahun sebelumnya sebesar 15,28% salah satunya didorong dengan pertumbuhan kredit sebesar 6,61%

Assets grew rapidly, consistent with previous years of 15.28%, one of which was supported by loan growth of 6.61%

DANA PIHAK KETIGA (DPK)
THIRD PARTY FUND (TPF)

DPK meningkat 33,52% dari tahun 2016, tertinggi di tiga tahun terakhir

TPF increased 33.52% from 2016, the highest in the last three years

33,04T ▲
33,52% YoY

35,66T ▲
6,61% YOY

KREDIT | CREDIT
(Sebelum | Before Impairment)

Kredit tumbuh pada 6,61% dengan fokus pada pertumbuhan yang didasari prinsip kehati-hatian

Loans grew at 6.61% with growth focus based on the principle of prudence

1,21T ▲
8,26% YoY

LABA| PROFIT
(Sebelum Beban Pajak & | Before Tax Expense & CKPN)

Laba Sebelum Pajak dan Pencadangan tumbuh stabil di 8,26% mencapai IDR1,21 triliun

Pre-Tax Profits and Reserves grew steady at 8.26% to IDR1.21 trillion

1,75T ▲
5,50% YoY

PENDAPATAN OPERASIONAL
OPERATING INCOME

Pendapatan Operasional meningkat stabil pada level 5,50% atau meningkat menjadi IDR1,75 triliun

Operating Income grew steady at 5.50% or increased to IDR1.75 trillion

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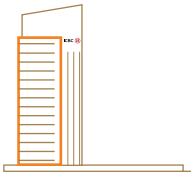

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FINANCIAL REPORT

IKHTISAR DATA KEUANGAN
FINANCIAL HIGHLIGHTS

Laporan Posisi Keuangan per 31 Desember 2017
Statement of Financial Position as of 31 December 2017

IDR miliar | IDR billion

Neraca Keuangan | Balance sheet	%-CAGR 2013-2016	%-YoY 2016-2017	2017	2016	2015	2014	2013
Total Aset Total Assets	11,7%	15,3%	56.039,2	48.621,1	45.712,0	39.047,8	32.241,8
Total Kredit (sebelum dikurangi CKPN) Total Loans (before deducting CKPN)	10,7%	6,6%	35.664,3	33.452,6	30.169,5	23.881,3	21.427,6
Surat Berharga Securities Issued	35,7%	-0,6%	6.248,8	6.286,2	4.058,9	4.834,0	1.356,6
Total Dana Pihak Ketiga (DPK) Total Third Party Funds (TPF)	6,7%	33,5%	33.044,5	24.748,7	21.880,7	26.894,0	23.903,3
Total Kewajiban Total Liabilities	11,6%	13,8%	50.284,7	44.194,8	41.877,5	35.578,1	29.066,6
Ekuitas Equity	12,6%	30,0%	5.754,4	4.426,3	3.834,5	3.469,7	3.175,1
Laporan Laba-Rugi | Income Statement							
Pendapatan Bunga Bersih Net Interest Income	16,2%	6,7%	1.294,8	1.213,9	1.010,6	730,7	612,1
Pendapatan Operasional Lainnya Other Operating Income	28,2%	2,3%	453,1	442,9	312,8	149,8	130,7
Beban Cadangan Kerugian Penurunan Nilai (CKPN) Reserve Cost of Impairment Losses	92,4%	106,1%	(783,4)	(380,1)	(250,4)	(36,7)	(29,7)
Beban Operasional Operating Expenses	25,8%	43,8%	(1.319,4)	(917,4)	(538,3)	(500,0)	(419,2)
Laba Sebelum Pajak Profit Before Tax	5,8%	-42,0%	428,5	739,3	534,6	380,5	323,6
Beban Pajak Tax Expense	5,5%	-39,1%	(117,2)	(192,4)	(145,9)	(106,0)	(89,8)
Laba Bersih Setelah Pajak Net Profit After Tax	5,9%	-43,1%	311,3	546,9	388,8	274,5	233,7
Lain-lain | Others							
Cadangan Kerugian Penurunan Nilai (CKPN) Allowance for Impairment Losses	56,4%	41,5%	595.7	420,9	327,6	91,9	63,7
Laba Sebelum Beban Pajak dan CKPN Profit Before Tax Expense & CKPN	36,1%	8,3%	1.212,0	1.119,5	785,0	417,2	353,3

IKHTISAR SAHAM
Sampai dengan akhir 2017, Bank ICBC Indonesia belum terdaftar di Bursa Saham manapun termasuk Bursa Efek Indonesia.

IKHTISAR OBLIGASI
Di tahun 2017, Bank ICBC Indonesia tidak menerbitkan obligasi, Sukuk, maupun obligasi konversi. Namun pada perjalanannya, Bank ICBC Indonesia pernah menerbitkan Obligasi Global pertama secara *Private Placement* dengan denominasi USD pada 28 Januari 2015 serta MTN *(Medium Term Note)* I yang didistribusikan secara elektronik pada 22 Mei 2014.

STOCK HIGHLIGHTS
As of the end of 2017, the Bank has not been listed on any Stock Exchange, including Indonesia Stock Exchange.

BOND HIGHLIGHTS
In 2017, the Bank did not issue bonds, Sukuk, or convertible bonds. Nevertheless, throughout its journey, The Bank has issued the first Global Bonds in Private Placement with the USD denomination on 28 January 2015, as well as Medium Term Note (MTN) I, distributed electronically on 22 May 2014.

Rasio Keuangan
Financial Ratio

Uraian | Description	%-YoY 2016-2017	2017	2016	2015	2014	2013
Permodalan | Capital						
Rasio Kecukupan Pemenuhan Modal Minimum[1] Capital Adequancy Ratio	1,9	17,7	15,9	14,4	16,7	20,1
Aktiva Tetap Terhadap Modal | Fixed Assets to Equity						
Non Performing Loan (NPL) - Gross	(0,2)	2,8	3,1	5,2	0,3	0,3
Non Performing Loan (NPL) - Nett	(0,0)	2,0	2,1	4,2	0,1	0,2
Rasio Aset Produktif Bermasalah Classified Earning Asset to Earning Asset Ratio	(0,4)	2,0	2,4	3,9	0,2	0,2
Rentabilitas | Profitability						
Loan to Deposit Ratio (LDR)	(29,3)	105,9	135,2	137,9	89,1	89,9
Return on Asset (ROA)	(0,8)	0,8	1,6	1,2	1,1	1,1
Return on Equity (ROE)	(9,9)	6,2	16,1	12,4	9,2	11,2
Net Interest Margin (NIM)	(0,2)	3,0	3,2	2,9	2,7	2,9
BOPO Operational Expense to Operational Income	8,4	89,4	81,0	83,1	83,7	83,4
Compliance						
Giro Wajib Minimum - IDR Statutory Reserves - IDR	0,1	6,9	6,8	7,9	8,1	8,1
Giro Wajib Minimum - Valas Statutory Reserves - Forex	0,3	8,7	8,4	9,0	8,5	8,5
Posisi Devisa Netto Net Open Position	0,1	0,6	0,5	2,9	1,8	1,9

1) Dengan memperhitungkan risiko kredit, risiko operasional dan risiko pasar | Taking into account credit risk, operational risk and market risk

Ikhtisar Bisnis dan Operasional
Business and Operational HIghlights

Komponen | Component	2017	2016	2015	2014	2013
Jumlah Kantor Cabang Number of Branch Office	20	21	22	23	22
Jumlah ATM Number of ATM	30	31	31	30	15
Jumlah Nasabah Number of Customer	34.047	31.109	27.421	22.588	19.115
Jumlah Karyawan Number of Employee	649	701	763	772	741
Tingkat Kesehatan Bank[1] Bank Soundness Level	2	2	2	2	2
Hasil *Self-Assessment* GCG GCG Self-Assessment Result	2	2	2	2	2

1) Berdasarkan posisi periode Semester 2 2017 | Based on Semester 2 2017 position

IKHTISAR DIVIDEN

Demi menunjang ekspansi bisnis Bank ICBC Indonesia kedepannya, Pemegang Saham sepakat untuk tidak melakukan pembayaran dividen dan mengalokasikan Laba Bersih ke dalam Laba Ditahan untuk memperkuat permodalan Bank pada tahun buku yang berakhir 31 Desember 2017.

DIVIDEND HIGHLIGHTS

To support the future business expansion of The Bank, Shareholders have agreed for not conducting dividend payment and instead allocating its Net Income to Retained Earning, so as to strengthen the Bank's capital for the financial year ended 31 December 2017.

WANG KUN
Presiden Komisaris
President Commissioner

LAPORAN DEWAN KOMISARIS
BOARD OF COMMISSIONERS' REPORT

"Pondasi yang telah dibangun selama 10 (sepuluh) tahun terakhir akan menjadi sangat berharga bagi Bank dan ekonomi Indonesia dalam dekade mendatang dan seterusnya."

"Foundation which has been built in the past 10 (ten) years will be very valuable to Bank and Indonesia's economy for the next decade and further."

Para Pemegang Saham dan Pemangku Kepentingan yang Terhormat,

Atas nama Dewan Komisaris, perkenankan kami menyampaikan laporan pelaksanaan tugas pengawasan atas pengelolaan Bank ICBC Indonesia untuk tahun buku 2017.

PANDANGAN ATAS PROSPEK USAHA

Situasi ekonomi yang lebih kondusif pada tahun 2017 dibanding 2016 terrefleksikan pada angka pertumbuhan ekonomi yang umumnya lebih baik di berbagai belahan dunia. Indonesia sebagai salah satu ekonomi terbesar di Asia berhasil membukukan kenaikan Produk Domestik Bruto (PDB) sebesar 5,1% pada 2017, suatu pencapaian terbaik selama 4 (empat) tahun terakhir. Optimisme di tahun 2018 menghasilkan prediksi pertumbuhan ekonomi sebesar 5,4%, dengan harapan Pemerintah akan terus melaksanakan ekspansi fiskal, pertumbuhan ekonomi global yang berlanjut, arus investasi dan perdagangan yang positif, and stabilitas atau membaiknya harga komoditas. Meskipun masih dibawah ekspektasi otoritas, industri perbankan Indonesia tetap menunjukkan kemajuan di tahun 2017, antara lain melalui pertumbuhan kredit dan dana, struktur modal yang kuat, dan rentabilitas yang sehat.

Dear Esteemed Shareholders and Stakeholder,

Please allow us, the Board of Commissioner to deliver the report on the implementation of supervisory duties for the management of Bank ICBC Indonesia for the 2017 fiscal year.

VIEW ON BUSINESS PROPECTS

More conducive economic conditions in 2017 versus 2016 are reflected in generally higher growth rates across the globe. Indonesia, one of East Asia's major economies, recorded 5.1% Gross Domestic Product (GDP) growth in 2017, the fastest in the last 4 (four) years. The prediction for 2018 is a more optimistic 5.4%, on expectation that the Government will keep its expansionary fiscal policy, continued global economic growth, positive trends in investments and trade flows, and stable or increasing commodity prices. While somewhat below authorities' expections, Indonesian banking industry steadily advanced in 2017 in terms of loans and funds growth, exhibited strong capital base, and yielded healthy returns.

Berlatar belakang ulasan singkat di atas, menurut hemat kami, di tahun 2017 Bank ICBC Indonesia telah berhasil memanfaatkan kesempatan-kesempatan yang tersedia untuk tumbuh, dan pada saat yang sama melanjutkan usaha perbaikan kualitas aset, pengendalian internal, manajemen risiko dan kapabilitas sumber daya manusia. Suntikan modal dari Pemegang Saham tentunya akan meningkatkan kemampuan Bank untuk berbuat lebih di tahun-tahun mendatang. Selain tetap konsisten dalam pilihan target Nasabah dengan profil risiko yang lebih baik, Bank juga secara berkala mengkinikan ketentuan dan prosedur untuk mengendalikan dan memantau risiko. Penting untuk digarisbawahi bahwa Manajemen telah melakukan langkah-langkah tepat dalam menyikapi masalah yang berkaitan dengan kredit. Singkatnya, langkah-langkah yang telah dilakukan di tahun 2017 merupakan landasan yang kuat bagi Bank ICBC Indonesia untuk berprestasi di 2018, suatu tahun di mana pertumbuhan ekonomi dan industri perbankan diharapkan dapat berkinerja lebih baik dari 2017.

Against such a backdrop, in our opinion, Bank ICBC Indonesia has in 2017 successfully captured opportunities for growth, while at the same time continued to improve its asset quality, internal control, risk management and human resource capabilities. Injection of additional capital by the Shareholders increased Bank's ability to do more in the years ahead. Not only has Bank consistently targeted lower-risk customer segments, it has also regularly updated risk control and monitoring policies and procedures. Importantly, credit-related concerns have been properly addressed by the Management. Measures taken in 2017, in summary, should form a solid springboard on which Bank ICBC Indonesia could capitalize in 2018, a year in which both economy and banking industry are expected to perform better than in 2017.

PENILAIAN ATAS KINERJA DIREKSI

Sepanjang tahun 2017, Dewan Komisaris telah melakukan pengawasan atas kinerja Direksi serta memberikan masukan-masukan berikut ini:

Pengawasan Kinerja Direksi

Berdasarkan hasil supervisi Dewan Komisaris terhadap Direksi selama 2017, Dewan Komisaris menyimpulkan bahwa langkah-langkah strategis yang diambil oleh Direksi telah konsisten dengan ekspektasi dari Dewan Komisaris. Direksi secara aktif berkomunikasi dengan Dewan Komisaris terkait dengan langkah strategis yang diambil.

Dewan Komisaris menilai keputusan Direksi untuk fokus dalam menurunkan rasio NPL, meningkatkan kualitas aset, memperkuat pendanaan murah serta menjaga likuiditas merupakan langkah yang tepat. Dalam hal penguatan kualitas aset, Dewan Komisaris mengarahkan Direksi agar terus melakukan pemantauan terhadap upaya memperbaiki Nasabah dengan kolektabilitas kategori "dalam perhatian khusus", "diragukan" dan "macet". Selain itu, Dewan Komisaris meminta Direksi untuk memprioritaskan pertumbuhan kredit melalui pemilihan Nasabah dengan profil risiko rendah, sebagai contoh BUMN dan perusahaan *blue-chip*.

ASSESMENT OF BOARD OF DIRECTORS' PERFORMANCE

Throughout 2017, Board of Commissioners has performed supervision on Board of Directors' performance and provide advises as follows:

Supervision on Board of Directors's Performance

Based on the supervisory result of Board of Commissioners towards Board of Directors during 2017, the Board of Commissioners concludes that the strategic steps taken by the Board of Directors have been consistent with the expectations of the Board of Commissioners. The Board of Directors actively communicates with the Board of Commissioners in relation to the strategic steps taken.

The Board of Commissioners considers the Board of Directors' decision to focus on reducing the NPL ratio, improving asset quality, strengthening low-cost funding and maintaining liquidity as appropriate. In the case of asset quality improvement, the Board of Commissioners gives direction to the Board of Directors to continue monitor the corrective steps applied to Customers who fall in the categories of "special attention," "uncertain" and "non-performing." In addition, the Board of Commissioners requested the Board of Directors to prioritize credit growth through the selection of Customers with low risk profile, for example SOE and blue-chip companies.

Dewan Komisaris menilai Bank telah mengambil langkah yang tepat sesuai dengan arahan yang diberikan untuk meningkatkan kualitas aset. Untuk itu, Dewan Komisaris mengapresiasi keberhasilan Bank dalam menurunkan rasio *Non-Performing Loan* (NPL) dari 3,08% di tahun 2016 menjadi 2,90% di tahun 2017.

Selain itu, Dewan Komisaris memberikan apresiasi atas sejumlah indikator bisnis yang mampu tumbuh dengan baik; total aset yang meningkat 15,3% menjadi IDR56,0 triliun, Kredit tumbuh 4,8% menjadi IDR35,0 triliun, jumlah Dana Pihak Ketiga (DPK) naik 33,5% menjadi IDR33,0 triliun. Sementara dari sisi laba-rugi, Pendapatan Sebelum Pajak dan sebelum CKPN yang berhasil melampaui 10,3% rencana bisnis bank. Dewan Komisaris juga mencatat keberhasilan ini ditopang oleh Pendapatan Bunga Bersih dan Pendapatan Operasional Selain Bunga yang masing-masing meningkat 6,7% dan 2,3%.

Adanya kenaikan beban yang cukup signifikan memberikan dampak yang besar terhadap laba Bank. Dewan Komisaris memahami keputusan yang dibuat oleh Direksi untuk menambah alokasi CKPN sebagai bagian dari penerapan prinsip kehati-hatian oleh Bank. Kenaikan CKPN tersebut mengakibatkan penurunan 43,1% dari Laba Bersih Setelah Pajak. Namun demikian, Dewan Komisaris menghargai keputusan Direksi dimana Perusahaan dapat membukukan Laba Bersih Sebelum Pajak dan CKPN sebesar IDR1,2 triliun atau naik 8,3% dibandingkan tahun sebelumnya.

Rekomendasi

Selain mengawasi kinerja keuangan Bank, Dewan Komisaris juga telah memberikan arahan dan rekomendasi kepada Direksi terkait peningkatan kualitas aset, penguatan *Good Corporate Governance* (GCG), pengembangan Sumber Daya Manusia (SDM), penguatan sistem *internal control*, pengelolaan manajemen risiko, efisiensi semua unit kerja, percepatan transfer teknologi dari perusahaan induk serta penyempurnaan sistem pengelolaan aset, khusus pada *internal control* dan pengelolaan manajemen risiko. Dewan Komisaris juga sepakat dengan langkah Direksi dalam upaya meningkatkan kualitas serta kuantitas SDM melalui sistem rekrutmen yang selektif, pelatihan dan membentuk kondisi lingkungan kerja yang memacu produktivitas.

The Board of Commissioners believes that the Bank has taken appropriate steps in accordance with the directions given to improve asset quality. To that end, the Board of Commissioners appreciated the Bank's success in reducing its Non-Performing Loan (NPL) ratio from 3.08% in 2016 to 2.90% in 2017.

In addition, the Board of Commissioners appreciates a number of well-developed business indicators; total assets increased by 15.3% to IDR56.0 trillion, Credit grew by 4.8% to IDR35.0 trillion, Third Party Funds (TPF) increased by 33.5% to IDR33.0 trillion. Meanwhile, in terms of profit and loss, Profit before Tax and before Impairement managed to exceed 10.3% of bank's business plan. The Board of Commissioners also notes that this success is supported by Net Interest Income and Operating Income Besides Interests which increased by 6.7% and 2.3%, respectively.

The existence of a significant increase in expense has a major impact on the Bank's profit. The Board of Commissioners understands the decisions made by Board of Directors to increase Impairement's allocation as part of the implementation of Bank's prudential principles. The increase in Impairement resulted in a 43.1% decline in Net Profit After Tax. However, the Board of Commissioners respects the Board of Directors' decisions in which the Company was able to record the Profit Before Tax and Impairement for IDR1.2 trillion, up by 8.3% from the previous year.

Recommendation

Besides overseeing the financial performance, the Board of Commissioners provided direction and recommendation to the Board of Directors in matters related to improvement of asset quality, strengthening Good Corporate Governance (GCG), developing Human Resources, strengthening of *internal control*, the management of risks, efficiency in all work units, speeding up the transfer of technology from parent company as well as improvement on asset management system, especially for internal control and risk management. The Board of Commissioners also agreed with the Board of Directors' steps in improving the quality and quantity of human resources through selective recruitment systems, training and developing a work environment conditions that encourages productivity.

PENERAPAN TATA KELOLA PERUSAHAAN YANG BAIK

Di sepanjang tahun 2017, Dewan Komisaris telah memberikan pengarahan serta melaksanaan tugas pengawasan terhadap Direksi untuk dapat meningkatkan GCG di lingkup Bank. Dewan Komisaris mengapresiasi apa yang telah diupayakan Direksi untuk senantiasa meningkatkan penerapan prinsip-prinsip GCG.

Salah satu keberhasilan penerapan GCG dapat dilihat melalui *self-assessment* GCG yang merupakan pengukuran atas tingkat pencapaian GCG. Bank melakukan *self-assessment* terhadap pelaksanaan GCG sesuai periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan GCG Bagi Bank Umum. Bank ICBC Indonesia melakukan *self-assessment* secara berkala terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG. Dewan Komisaris memandang, Direksi telah memperhatikan signifikansi atau materialitas sebuah permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik dan kompleksitas usaha Bank. Untuk itu, Dewan Komisaris mengapresiasi usaha Direksi untuk senantiasa memperbaiki kinerja GCG.

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

Throughout 2017, the Board of Commissioners directed and performed supervisory duties on Board of Directors to improve GCG in the Bank's scope. Board of Commissioners appreciate the Board of Directors' efforts to improve the implementation of GCG.

One of the successes in the implementation of GCG principles was presented in the GCG *self-assessment*, which is the assessment of the achievement of GCG principle. The Bank conducted *self-assessment* of the implementation of GCG based on the *Risk-Based Bank Rating* (RBBR) assessment period, conducted every semester, as required by the regulator based on the OJK Circular Letter No.13/SEOJK.03/2017 on the Implementation of GCG for Commercial Banks. Bank ICBC Indonesia conducted a periodic *self-assessment* on 11 (eleven) factors of the implementation of GCG. The Board of Commissioners came to the conclusion that the Board of Directors has paid enough focus on the significance and materiality of the issues regarding the implementation of GCG bank wide, based on the scale, characteristics, and complexity of the Bank's business. Therefore, Board of Commissioners appreciate the Board of Directors' effort to improve the GCG performance.

PANDANGAN ATAS KINERJA KOMITE DIBAWAH DEWAN KOMISARIS

Dalam menjalankan fungsi pengawasannya, Dewan Komisaris dibantu oleh komite-komite yaitu Komite Audit, Komite Remunerasi dan Nominasi, dan Komite Pemantau Risiko.

Sepanjang tahun 2017, Komite Audit membantu Dewan Komisaris dalam hal-hal yang berkaitan dengan kontrol keuangan, audit keuangan, serta temuan-temuan yang berkaitan dengan kegiatan bisnis Bank. Sementara itu, Komite Remunerasi dan Nominasi bertugas untuk memberikan masukan tentang struktur remunerasi, untuk kemudian disampaikan kepada Pemegang Saham.

OPINION ON THE PERFORMANCE OF COMMITTEES UNDER BOARD OF COMMISSIONERS

In performing its supervisory function, the Board of Commissioners is assisted by committees namely the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee.

Throughout 2017, the Audit Committee assisted the Board of Commissioners in matters relating to financial control, financial audits, and findings related to the Bank's business activities. Meanwhile, the Remuneration and Nomination Committee was responsible for providing feedback on the structure of remuneration, to be submitted to Shareholders.

Untuk memanfaatkan praktik perbankan yang hati-hati (*prudent*) dan sehat (*sound*), Bank ICBC Indonesia mengandalkan Komite Pemantau Risiko untuk mengawasi semua risiko yang terkait dengan operasi Bank. Komite ini bersinergi dengan Dewan Komisaris dalam memberikan rekomendasi penting kepada manajemen Bank.

Laporan-laporan berkala maupun saran-saran yang disampaikan oleh Komite kepada Dewan Komisaris telah diterima dengan baik dan oleh karena itu Dewan Komisaris berpendapat bahwa Komite-komite telah menjalankan tugas dan fungsi dengan baik.

To utilize prudent and sound banking practices, Bank ICBC Indonesia relied on the Risk Monitoring Committee to monitor all risks associated with the Bank's operations. The Committee is in synergy with the Board of Commissioners in providing important recommendations to the Bank's management.

Periodic reports and inputs which presented by the Committess to Board of Commissioners have been well accepted and therefore Board of Commissioners' believe that the Committees have performed its duties and roles accordingly.

PERUBAHAN SUSUNAN DEWAN KOMISARIS

Di sepanjang tahun 2017, terdapat perubahan susunan Dewan Komisaris yang telah melalui mekanisme pemberhentian dan pengangkatan oleh Pemegang Saham. Presiden Komisaris, Ma Xiangjun, mengundurkan diri untuk kemudian digantikan oleh Wang Kun pada 13 Desember 2017. Sementara Komisaris Independen tetap dijabat oleh 2 (dua) orang, yaitu Hendra Widjojo dan Christina Harapan.

Berikut disampaikan kronologi perubahan di sepanjang tahun 2017 dan susunan Dewan Komisaris Bank ICBC Indonesia per 31 Desember 2017.

CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

Throughout 2017, there were some changes to the composition of the Board of Commissioners. The changes followed the dismissal and appointment mechanism with the approval from the shareholders. President Commissioner, Ma Xiangjun resigned and was replaced by Wang Kun on December 13, 2017. And, the Board still has two (2) Independent Commissioners, Hendra Widjojo and Christina Harapan.

The following is the chronology of the composition changes in 2017 and the composition of the Board of Commissioners of Bank ICBC Indonesia as of December 31, 2017.

Kronologi Susunan Dewan Komisaris Sepanjang Tahun 2017
Chronology of the Composition of the Board of Commissioners

1 January - 12 December 2017	13 December - 31 December 2017	Keterangan Description
Ma Xiangjun Presiden Komisaris President Commissioner		Ma Xiangjun, mengundurkan diri sebagai Presiden Komisaris pada 12 Desember 2017 Ma Xiangjun resigned as President Commissioner on 12 December 2017
	Wang Kun Presiden Komisaris President Commissioner	Wang Kun diangkat sebagai Presiden Komisaris pada 13 Desember 2017 Wang Kun was appointed as President Commissioner on 13 December 2017
Hendra Widjojo Komisaris Independen Independent Commissioner	**Hendra Widjojo** Komisaris Independen Independent Commissioner	-
Christina Harapan Komisaris Independen Independent Commissioner	**Christina Harapan** Komisaris Independen Independent Commissioner	-

SASARAN KEDEPAN

Dewan Komisaris telah menyetujui sasaran yang ditetapkan oleh Direksi untuk Bank ICBC Indonesia yang tertuang dalam Rencana Bisnis Bank 2018. Proposal yang diajukan Direksi kepada Dewan Komisaris menyampaikan empat langkah strategis untuk mencapai target, yaitu mengatur pertumbuhan bisnis dengan prinsip kehati-hatian, mengembangkan perbankan ritel, memperkuat proses internal Bank, dan memanfaatkan potensi utama dari sektor teknologi informasi.

FUTURE TARGET

The Board of Commissioners has approved the target set by the Board of Directors for Bank ICBC Indonesia as stated in the 2018 Bank Business Plan. Proposal submitted by Board of Directors to the Board of Commissioners present four strategic steps to achieve the target, which is to regulate business growth with prudential principles, developing retail banking, strengthen Bank's internal process, and leverage the key potentials of the information technology sector.

APRESIASI

Mewakili Dewan Komisaris, perkenankan saya mengucapkan terima kasih kepada Pemegang Saham atas kepercayaan yang telah diberikan dan kepada seluruh Pemangku Kepentingan atas kerjasama yang telah terjalin di sepanjang tahun 2017. Dewan Komisaris juga menyampaikan apresiasi atas kinerja Direksi dan kepada seluruh Karyawan Bank ICBC Indonesia atas kerja keras dan kerja cerdas yang telah ditunjukkan. Pada kesempatan ini, Dewan Komisaris juga menyampaikan selamat kepada Direksi dan segenap Karyawan Bank ICBC Indonesia dalam membangun, mencapai, melanjutkan dan memperbaiki banyak aspek Bank selama kurun waktu 10 tahun sejak berdirinya Bank. Tentunya pondasi yang telah dibangun hingga saat ini menjadi sangat berharga bagi Bank dan ekonomi Indonesia dalam dekade mendatang dan seterusnya.

APPRECIATION

On behalf of the Board of Commissioners, please allow me to thank the Shareholders for the trust given and to all Stakeholders for the partnership that has been established throughout 2017. The Board of Commissioners also expresses appreciation for the performance of Board of Directors and to all Employees of Bank ICBC Indonesia for their hard and efficient work. Taking this opportunity, the Board of Commissioners would like to extend a warm congratulation to Bank ICBC Indonesia's Board of Directors and Employees for building, achieving, continuing and improving many aspects of the Bank in the first 10 years of its existence. Indeed, foundation laid to date will be of great value for the Bank and the Indonesian economy in the decade and beyond.

Jakarta, 20 April 2018

WANG KUN
Presiden Komisaris
President Commissioner

YU GUANGZHU
Direktur & Plt. Direktur Utama
Director & Acting President Director

LAPORAN DIREKSI
BOARD OF DIRECTORS' REPORT

"Pencapaian Bank ICBC Indonesia tidak terlepas dari penerapan prinsip kehati-hatian, serta kemampuannya dalam mengembangkan bisnis di sektor-sektor industri yang tepat."

"Bank ICBC Indonesia's achievement is inseparable from the application of prudential principles, as well as its ability in developing business in the appropriate industrial sectors."

Para Pemegang Saham dan Pemangku Kepentingan yang Terhormat,

Izinkan kami dari jajaran Direksi Bank ICBC Indonesia menyampaikan laporan tahunan tentang pengelolaan Bank di sepanjang tahun buku 2017 berikut pencapaian-pencapaian kuncinya.

Dear Esteemed Shareholders and Stakeholders,

Allow us, members of the Board of Directors to present to you our report on the management of the Bank throughout 2017 fiscal year and its key performances

KONDISI MAKROEKONOMI DAN INDUSTRI PERBANKAN

Pemulihan aktivitas ekonomi global yang dimulai pada 2016 memberikan momentum lanjutan di 2017, tercermin dari lebih tingginya pertumbuhan ekonomi di berbagai belahan bumi dibanding tahun sebelumnya: kenaikan 3,6% ekonomi global, 2,2% pada ekonomi negara-negara maju, dan 4,6% pada ekonomi berkembang. Prospek untuk 2018 pada umum-nya lebih optimistis apabila dibandingkan dengan 2017, dengan ekonomi dunia dan ekonomi di negara berkembang diprediksikan masing-masing akan meningkat 3,7% dan 4,9%. Risiko-risiko utama yang bisa berdampak negatif terhadap proyeksi ini termasuk ekonomi Tiongkok yang sedang dalam tahap *re-balancing*, isu geopolitik dan keamanan khusus-nya di Asia utara dan Timur Tengah, serta normalisasi moneter di Amerika Serikat dan kecenderungan proteksionisme.

CONDITIONS OF MACROECONOMY AND BANKING INDUSTRY

Continued recovery in global economic activity that started in 2016 gathered further momentum in 2017, reflected by higher growth rates across the globe compare to those of 2016: 3.6% in world economy, 2.2% among advanced economies, and 4.6% among emerging economies. The outlook for 2018 is generally more optimistic than that of 2017 with world economy and emerging economies are expected to advance by 3.7% and 4.9% respectively. Major risks that could adversely impact the projection include China's economic rebalancing activities, geopolitics and security issues especially in North Asia and Middle East, monetary normalization in the U.S., and protectionism prospects

Dengan angka 5,1% di 2017, suatu pencapaian tertinggi dalam 4 (empat) tahun terakhir, laju pertumbuhan ekonomi Indonesia lebih tinggi dari kebanyakan negara-negara ekonomi besar, berkat "investasi dan ekspor yang lebih besar, bersamaan dengan harga komoditas yang membaik, pertumbuhan global dan arus dagang antar-negara yang lebih kuat, dan kondisi pendanaan global yang relatif kondusif," demikian menurut Bank Dunia. Perkiraan pertumbuhan ekonomi Indonesia tahun 2018 akan lebih optimistis lagi, berkat dukungan kebijakan fiskal yang ekspansif pada sektor infrastruktur, pelistrikan dan proyek-proyek perumahan terjangkau. Meningkatnya peringkat negara dalam beberapa indikator survei seperti investment grade BBB- (Sumber: S&P), Global Competitive Index (dari 41 ke 36), indeks kemudahan melakukan bisnis (naik 19 peringkat ke urutan 72), dan tingkat kepercayaan terhadap Pemerintah (*Gallup World Poll*), diharapkan dapat memberikan dukungan tambahan untuk ekonomi yang lebih baik di tahun 2018. Pada satu sisi pemilihan umum Presiden di tahun 2019 akan memberikan stimulus tambahan pada perekonomian, namun di sisi yang lain stabilitas politik dan keamanan tetap menjadi kekhawatiran yang dapat berdampak pada pertukaran mata uang, investasi dan arus modal. Selain itu, risiko lain adalah kejutan dari eksternal, kemampuan Pemerintah untuk melanjutkan stimulasi ekonomi dan penurunan harga komoditas.

At growth rate of 5.1% in 2017, the fastest recorded growth in the last 4 (four) years, Indonesia's economy outpaced most majors countries, thanks to "stronger investment and net exports, in line with the continued recovery in commodity prices, strong global growth and trade flows, and still relatively supportive global financing conditions," according to World Bank. The expectation for 2018 is a more optimistic, which have been and will continue to be supported by expansionary fiscal policy in infrastructure, electrification and low-cost public housing projects. Improved country rating (investment grade BBB-, S&P), Global Competitive Index (from 41 to 36), Ease of Doing Business Index (jumped 19 places to 72), and high Levels of Confidence in Government (Gallup World Poll), could provide further backing for a more robust economic outlook in 2018. However, while on one hand the lead up to 2019 Presidential Election will provide an extra stimulus to the economy, the other hand political stability and security remain a concern that could impact on the exchange rate, investment and capital flows. Other risks include external shocks, government's ability to further stimulate the economy, and drop in commodity prices.

Bank Indonesia mampu menjaga tingkat inflasi di angka 3,5% (YoY), yang berada dalam kisaran sasaran inflasi 4±1%. Terkendalinya inflasi terutama didukung oleh rendahnya inflasi *volatile food* yang ditopang oleh pasokan yang memadai, kebijakan stabilisasi harga pangan oleh Pemerintah dan harga pangan global yang rendah. Sementara nilai tukar mata uang IDR terhadap Dolar AS cenderung stabil pada 2017 meski sempat mengalami tekanan yang bersumber dari eksternal pada awal triwulan IV 2017.

Bank Indonesia was able to sustain the inflation rate at the level of 3.5% (YoY), well within the targeted level of 4±1%. The inflation was under control due to the low level of inflation of the volatile food supported by available supplies, the government's policy on the stability of the prices of food, and relatively low prices of food in the global level. The exchange rate of Indonesian IDR to US Dollar was relatively stable in 2017 even though the currency underwent some pressure due to external factors at the beginning of the fourth quarter of 2017.

Industri perbankan Indonesia juga menunjukkan kinerja yang stabil. Otoritas Jasa Keuangan (OJK) mencatat, rasio kecukupan modal (*Capital Adequacy Ratio*/CAR) perbankan berada di level yang cukup tinggi, mencapai 23,2% dan rasio likuiditas (AL/DPK) pada level 22,7% di Oktober 2017. Sementara itu, Kredit Bermasalah (*Non Performing Loan*/NPL) berada pada level 2,96% (*gross*) atau 1,25% (net). Di lain pihak, pertumbuhan kredit masih cukup rendah, walaupun Bank Indonesia telah memperlonggar kebijakan moneter melalui penurunan suku bunga.

The national banking industry also showed a stable performance. The Financial Services Authority (OJK) reported that the banking industry's Capital Adequacy Ratio (CAR) stood at a level of 23.2%, which is deemed quite high, and the liquidity ratio (AL/DPK) stood at the level of 22.7% per October 2017. The level of Non-Performing Loan (NPL) was at the level of 2.96% (gross) or 1.25% (net). Credit growth remained relatively low even though Bank Indonesia has eased the monetary policy by lowering the interest rate.

Investasi di pasar modal dan Dana Pihak Ketiga (DPK) juga mencatat pertumbuhan yang meyakinkan. Pertumbuhan DPK pada Oktober 2017 tercatat 11,0% (YoY), dengan perkiraan di sepanjang tahun 2017 tumbuh sekitar 9,0%. Sementara investasi pada pasar modal seperti penerbitan saham, obligasi, dan *Medium Term Notes* (MTN) terus tumbuh tinggi hingga mencapai 45,5% (YoY) hingga Oktober 2017. Hal ini menunjukkan kecenderungan iklim investasi yang membaik sejalan dengan komitmen Pemerintah untuk memperkuat basis fundamentalnya seperti penguatan kebijakan anti korupsi dan *Anti Money Laundering*. Selain itu, fokus Pemerintah untuk menyalurkan investasi ke dalam proyek infrastruktur menjadi alasan yang kuat bagi dunia investasi untuk dapat menyerap sejumlah instrumen keuangan Pemerintah seperti obligasi yang dilepas ke pasar modal.

Investment in the capital market and Third Party Fund (TPF) also showed convincing growth. As of October 2017, TPF grew 11.0% (YoY), with estimated growth throughout 2017 was set at around 9.0%. Investment at the capital market, such as the issuance of stocks, bonds and Medium Term Notes (MTN), continued to grow and reached the level of 45.5% (YoY) per October 2017. This shows that investment climate is improving and is in line with the government's commitment to strengthen the fundamental such as strengthening the anti-corruption and anti-money laundring policies. Moreover, the government's focus on investing in infrastructure projects became a strong reason for the investment sector to absorb a series of the government's financial instruments, such as bonds, in the capital market.

ANALISIS ATAS KINERJA PERUSAHAAN

Kebijakan Strategis

Di tahun 2017, Bank ICBC Indonesia genap 10 tahun berkiprah di industri perbankan Indonesia. Sejak didirikan, Bank terus fokus memaksimalkan misinya menjadi jembatan ekonomi, finansial dan keuangan antara Indonesia dan Tiongkok dengan menawarkan berbagai produk dan layanan kepada Nasabah-Nasabah-nya dari segmen Korporasi hingga segmen kelompok usaha Kecil dan Menengah.

Di tahun ke 10 (sepuluh) beroperasinya Bank ICBC Indonesia juga ditandai dengan suntikan modal sebesar USD75 juta atau setara IDR1 triliun dari Pemegang Saham. Tambahan modal ini mencerminkan komitmen Pemegang Saham Mayoritas, ICBC Ltd, terhadap investasi jangka panjang di Indonesia dan sekaligus harapan besar terhadap Bank ICBC Indonesia yang kini berstatus bank BUKU 3 untuk berperan lebih besar lagi dalam mewujudkan visi dan misinya.

COMPANY PERFORMANCE ANALYSIS

Strategic Policy

In 2017, Bank ICBC Indonesia celebrated its 10th year presence in the Indonesian banking industry. Since its establishment, the Bank has continued to focus on maximizing its mission of becoming an economic and financial bridge between Indonesia and China, by offering its products and services to its Customers ranging from Corporation to the Small and Medium Business segment.

Bank ICBC Indonesia's 10-years of operation is also marked with capital injection valued USD75 million or equivalent to IDR1 trilion from the Shareholder. The capital injection reflects ICBC Ltd., the majority Shareholder's commitment for long term investment in Indonesia and also provide higher hope to Bank ICBC Indonesia which currently listed as BUKU 3 Bank, to have a bigger role in achiving its vision and missions.

Salah satu kontribusi terbesar Bank dalam satu dekade di Indonesia adalah penyaluran kredit kepada sektor-sektor yang menjadi prioritas Pemerintah. Bank berhasil mencapai misi-nya ini dengan menerapkan prinsip kehati-hatian yang tercermin dalam target segmen Bank yang memiliki risiko relatif rendah yakni BUMN dan perusahaan *blue-chip* yang beroperasi di Indonesia. Adapun beberapa proyek pembiayaan yang menjadi ikhtisar utama antara lain pemberian pinjaman sindikasi untuk proyek Palapa Ring sebesar IDR1 triliun dan memberikan pinjaman kepada Hutama Karya untuk proyek jalan tol Trans-Sumatera sejumlah IDR317 miliar.

One of the Bank's biggest contributions throughout its 10 years in Indonesia is distribution of loans to the priority sectors of the Government. The Bank succeeded in achieving this mission by applying prudential principles reflected in the Bank's segment target which has a relatively low risk such as SOE and blue chip companies operating in Indonesia. The financing projects listed as main outlines are syndicated loan for Palapa Ring project of IDR1 trillion; and granting of loan to Hutama Karya for the Trans-Sumatra toll road project totaling IDR317 billion.

Selain menargetkan pertumbuhan pada segmen Korporasi, di tahun 2017 Bank ICBC Indonesia juga memprioritaskan pertumbuhan perbankan konsumen terutama pada pembiayaan Kredit Pemilikan Rumah (KPR). Sedangkan, Bank terus berupaya memaksimalkan pengembangan kredit untuk sektor Usaha Kecil dan Menengah (UKM) sesuai dengan kapasitas Bank.

In addition to targeting growth in the Corporate segment, in 2017 Bank ICBC Indonesia also prioritizes the growth of consumer banking especially in mortgage payment. Meanwhile, the Bank continued The development of credit for Small Medium Enterprises (SME) sector in accordance with the capacity of the Bank.

Pada level organisasi, Bank ICBC Indonesia juga terus memperkuat proses internal untuk meningkatkan budaya manajemen risiko Bank, memperbaiki efisiensi dan efektivitas proses internal untuk meningkatkan tata kelola perusahaan yang baik dan juga meningkatkan koordinasi antar lini pertahanan Bank (*front-middle-back*).

In the organizational level, Bank ICBC Indonesia continued to strengthen its internal process to nurture the risk management culture within the Bank and to improve the efficiency and effectiveness of the internal process so that the Bank can boost its good corporate governance and improve the coordination between the Bank's lines of defense (front-middle-back).

Di samping itu, Bank ICBC Indonesia terus mengupayakan sejumlah kebijakan untuk dapat menekan angka NPL melalui berbagai cara termasuk mengalokasikan tambahan Cadangan Kerugian Penurunan Nilai (CKPN), restrukrisasi portofolio Nasabah dan *write-off*. Upaya Bank tersebut membuahkan hasil dimana Bank mencatat penurunan angka NPL dari 3,08% di tahun 2016 menjadi 2,90% di tahun 2017. Kebijakan ini merupakan lanjutan dari fokus kebijakan strategis yang telah dilakukan di sepanjang tahun 2016.

In addition, Bank ICBC Indonesia continues to pursue a number of policies to reduce NPLs through various means including allocating additional Allowance for Impairment Losses (CKPN), restructuring of the Customer's portfolio and write-off. The Bank's efforts resulted in the Bank's declining NPL figure from 3.08% in 2016 to 2.90% in 2017. This policy is a continuation of the strategic policy focus that has been undertaken throughout 2016.

PERBANDINGAN ANTARA HASIL DAN TARGET

Realisasi jumlah Aset Bank hingga akhir tahun 2017 mencapai IDR56,0 triliun, tumbuh 15,3% dibandingkan posisi per akhir tahun 2016 yang tercatat sebesar IDR48,6 triliun. Realisasi Aset Bank ini mencatat pencapaian 1,3% di atas proyeksi yang telah disampaikan dalam Rencana Bisnis Bank (RBB). Hal ini disebabkan oleh adanya kenaikan penempatan pada Bank Indonesia dan bank-bank lain menjadi IDR5,1 triliun atau tumbuh 177,5% dari tahun sebelumnya. Dari sisi liabilitas, kontribusi terbesar berasal dari penghimpunan DPK yang mencakup 65,7% dari Total Liabilitas yang mencapai IDR33,0 triliun atau tumbuh 33,5% dibandingkan akhir tahun 2016. Dibandingkan dengan RBB, total DPK mencapai 13,9% di atas target.

Laba Sebelum Pajak tahun 2017 sebesar IDR428,5 miliar, turun 42,0% dari tahun 2016, atau terealisasi 55,8% terhadap target yang sebesar IDR539,7 miliar. Kinerja Laba Sebelum Pajak tersebut terutama dipengaruhi oleh kenaikan Cadangan Kerugian Penurunan Nilai (CKPN) hingga mencapai 106,1% dibandingkan tahun lalu. Apabila dibandingkan dengan Rencana Bisnis Bank maka realisasi CKPN di tahun 2017 meningkat 137,2%. Langkah ini diambil oleh Manajemen dalam rangka menurunkan angka NPL dengan mengalokasikan tambahan pencadangan. Namun Bank membukukan kenaikan Laba Sebelum Pajak dan CKPN sebesar 10,3% di atas Rencana Bisnis Bank.

Pada tahun 2017, ekuitas mengalami peningkatan sebesar 30,01% yang disebabkan oleh tambahan modal setara IDR1,0 triliun dari Pemegang Saham di bulan Mei 2017. Tambahan modal ini menguatkan modal Bank sebagaimana terlihat pada Rasio Kecukupan Modal Minimum (KPMM) Bank yang mencapai 17,7%, sekaligus menaikkan posisi Bank ke kategori Bank BUKU 3 sehingga memberi ruang untuk Bank melakukan pengembangan usaha.

Penurunan angka kredit bermasalah (NPL) merupakan salah satu fokus Bank di dua tahun terakhir. Dalam upaya menurunkan angka NPL Bank melakukan sejumlah inisiatif antara lain; melakukan penagihan kembali sebesar IDR257,3 miliar; melakukan *upgrade* terhadap portofolio kredit macet sebesar IDR222,9 miliar serta pemulihan *write-off* sebesar IDR98,4 miliar disertai peningkatan jumlah kredit sebesar 4,83% dengan memegang prinsip kehati-hatian.

COMPARISON BETWEEN REALIZATION AND TARGET

The realization of the Total Assets as of the end of 2017 reached IDR56.0 trillion, showing a growth of 15,3% compared to the position in late 2016, which stood at IDR48.6 trillion. The Bank's asset realization recorded at 1.3% above the projection submitted in the Bank Business Plan (RBB). This is due to an increase in placement with Bank Indonesia and other banks to IDR5.1 trillion, up 177.5% from a year earlier. In terms of liabilities, the largest contribution came from the collection of TPF covering 65.7% of Total Liabilities which reached IDR33.0 trillion or grew by 33.5% compared to the end of 2016. Compared to RBB, total deposit reached 13.9% above the target.

Profit Before Tax of 2017 amounted to IDR428.5 billion, down 42.0% from 2016, or 55.8% realized against the target of IDR539.7 billion. The Profit Before Tax Performance was primarily influenced by the increase of the Allowance for Impairment Losses (CKPN) to 106.1% compared to last year. When compared with the Bank Business Plan, the realization of CKPN in 2017 increased by 137.2%. This step is taken by the Management in order to reduce the NPL by allocating additional back-up. However, the Bank posted an increase in Profit before Tax and CKPN for 10.3% above the Bank's Business Plan.

In 2017, equity increased by 30.01% due to additional equity of IDR1.0 trillion from the Shareholders in May 2017. This additional capital strengthens the Bank's capital as seen in the the Bank's Minimum Capital Requirement Ratio (KPMM) reaching 17.7%, as well as raising the Bank's position into the BUKU 3 Bank category thus allowing the Bank to expand its business.

The decline in non-performing loans (NPL) was one of the Bank's focus in the last two years. In an effort to reduce the NPL rate, the Bank conducted a number of initiatives, among others; re-collection of IDR257.3 billion; upgraded the non-performing loan portfolio by IDR222.9 billion and write-off restoration for IDR98.4 billion accompanied by an increase in the number of loans by 4.83% based on prudential principles.

PENGEMBANGAN SUMBER DAYA MANUSIA

Bank ICBC Indonesia menempatkan Sumber Daya Manusia (SDM) sebagai kunci utama untuk dapat menumbuhkan bisnis secara berkelanjutan. Dengan kompetisi yang terus mengalami peningkatan, Bank berkomitmen untuk terus mengoptimalkan pengelolaan SDM melalui peningkatan kualitas sumber daya manusia. Demikian pula dengan kebijakan pertumbuhan jumlah karyawan yang disesuaikan dengan kebutuhan organisasi dan diikuti oleh peningkatan kualitas kinerja karyawan.

Guna mendukung pencapaian target bisnis, Manajemen Bank percaya bahwa evaluasi berkelanjutan terhadap upaya peningkatan SDM merupakan suatu keharusan. Evaluasi ini dilakukan untuk meningkatkan produktivitas dan efektivitas organisasi melalui penyusunan kompetensi jabatan, pembaharuan *job description* secara berkala, *job requirement*, dan evaluasi terhadap kebijakan promosi karyawan serta kebijakan terkait struktur organisasi. Dengan pengelolaan SDM yang efektif, Bank ICBC Indonesia berharap mampu mendorong SDM yang dimiliki ke tingkat yang lebih baik yang akan mampu menopang rencana pertumbuhan bisnis.

HUMAN RESOURCES DEVELOPMENT

Bank ICBC Indonesia puts Human Resources (HR) as the key factor to develop sustainable business. With an ever-increasing competition, Bank ICBC Indonesia is committed to continuously optimizing HR management through improving the quality of human resources. Similarly, the growth policy of the number of employees is based on the needs of the organization and followed by improving the quality of employees' performance.

In order to support the achievement of business targets, Bank's Management believes that ongoing development to improve human resources is a must. This evaluation is conducted to improve the productivity and organizational effectiveness through the preparation of job competence, periodic job description, job requirement, and evaluation of employee promotion policy as well as policies related to organizational structure. With effectivehuman resource management, Bank ICBC Indonesia hopes to push its Human Resources to a better level and able to sustain the business growth plan.

PROSPEK USAHA BANK

Terselesaikannya sejumlah mega proyek Pemerintah Indonesia akan mendorong pertumbuhan perekonomian yang signifikan. Rampungnya pembangunan sektor prioritas, Pemerintah Indonesia juga akan mendorong peningkatan aktivitas di sejumlah industri, seperti industri logistik, perjalanan maupun pariwisata. Hal ini akan membuka kesempatan kepada berbagai wilayah di Indonesia untuk dapat meningkatkan kegiatan ekonominya.

Proyeksi pertumbuhan ekonomi Indonesia tahun 2018 yang optimis juga menjadi catatan penting untuk dapat melihat prospek usaha ke depan. Target Pemerintah untuk dapat meraih pertumbuhan ekonomi hingga 5,4% patut diapresiasi sebagai wujud optimisme perekonomian Indonesia. Di samping itu, aktivitas pasar modal Indonesia yang mencatat tren pertumbuhan pada beberapa tahun terakhir akan memberikan kontribusi positifnya, baik terhadap pertumbuhan perekonomian maupun iklim investasi yang sehat.

BANK BUSINESS PROSPECT

The completion of several Government's mega infrastructure projects will significantly boost economic growth. The completion of priority sector development of the Government of Indonesia will also boost activities in various industries, such as logistics, travel and tourism industries. This means there will be more opportunities for various regions in the country to improve their economy.

The optimistic projection of Indonesia's economic growth in 2018 is also an important note to be able to see future business prospects. The government's target for economic growth is at 5.4% which shows optimism about the country's economy. Also, the capital market has been showing upward trend in the last few years and this will also give positive effect either to the economic growth or to the investment climate.

Gambaran proyeksi di atas memberikan rasa optimisme kepada Direksi untuk meneruskan program akselerasi pembiayaan pada berbagai sektor prioritas di Indonesia. Selain itu, pengembangan potensi bisnis di sektor konsumsi seperti UMKM dan KPR juga akan memberikan dorongan bagi pengembangan bisnis Bank. Dengan catatan kontribusinya selama 10 tahun berkiprah di Indonesia, sudah selayaknya Bank ICBC Indonesia berbangga diri dan optimis untuk menyambut masa depan.

This projection generates optimism for Board of Directors to continue with the program of accelerating funding to priority sectors in Indonesia. Moreover, the development of business potential in consumption sector, such as MSME and mortgage, can also provide a boost to the development of the Bank's business. With its contribution to the country's development for 10 years, Bank ICBC Indonesia can be proud of its accomplishment and contribution and feel optimistic about the future.

TATA KELOLA PERUSAHAAN

Pelaksanaan penerapan prinsip Tata Kelola Perusahaan yang Baik atau *Good Corporate Governance* (GCG) berlandaskan pada kepatuhan terhadap peraturan dan perundang-undangan yang berlaku. Di tingkat yang lebih ideal, penerapan prinsip GCG dilandasi oleh motivasi entitas usaha untuk dapat merumuskan pengelolaan bisnis berbasis tata kelola organisasi dan prinsip korporasi yang sehat.

Bank ICBC Indonesia telah mengupayakan kedua hal di atas. Kepatuhan telah dijalankan melalui pelaksanaan berbagai peraturan dan perundang-undangan yang berlaku, khususnya pada industri perbankan. Bank telah melengkapi perangkat infrastruktur dan perangkat kebijakan atau *soft structure*. Sejumlah pedoman dan *charter* bagi pelaksanaan GCG telah disusun dan akan terus dikembangkan.

Sebagai pengukuran atas tingkat pencapaian GCG, Bank melakukan *self-assessment* terhadap pelaksanaan GCG sesuai periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan GCG Bagi Bank Umum.

CORPORATE GOVERNANCE

The implementation of Good Corporate Governance (GCG) is based on compliance with the prevailing law and regulations. On a more ideal level, the implementation of GCG principles is based on the motivation of the business entity to formulate the management of its business based on good corporate governance and corporate principles.

Bank ICBC Indonesia has tried to achieve these two things. Compliance has been implemented through the implementation of various prevailing regulations and legislation, particularly in the banking industry. The Bank has completed its infrastructures and policies or soft structure. A number of guidelines and charters for the implementation of GCG have been developed and will continue to be developed.

To assess the level of GCG implementation, the Bank conducted self-assessment on the implementation of GCG as per Risk-Based Bank Rating (RBBR) assessment period performed each semester. This complies with OJK Circular Letter No.13/SEOJK.03/2017 on the Implementation of GCG for Commercial Banks.

Penilaian faktor GCG merupakan penilaian terhadap kualitas manajemen Bank atas pelaksanaan prinsip GCG, dengan memperhatikan signifikansi atau materialitas suatu permasalahan terhadap penerapan GCG secara *bank-wide* sesuai skala, karakteristik dan kompleksitas usaha Bank. Penilaian tersebut dikelompokkan dalam sebuah *governance system* yang terdiri dari 3 (tiga) aspek, yaitu *governance structure*, *governance process*, dan *governance outcome*.

Agar penerapan prinsip GCG dapat berjalan secara internal, Bank ICBC Indonesia melandasi pengelolaan bisnisnya dengan nilai-nilai, budaya, dan karakter yang menjadi landasan kerja bagi seluruh karyawan Bank yaitu: Integritas, Komitmen, Rasa Memiliki, Peduli dan Respek. Budaya ini telah menjadi ruh yang menggerakkan seluruh Karyawan Bank ICBC Indonesia untuk memberikan kontribusi dan kinerja terbaik bagi kemajuan Bank; sekaligus memberikan landasan atas kode etik bisnis bagi seluruh Karyawan dalam menjalankan tugas dan perannya.

TANGGUNG JAWAB SOSIAL PERUSAHAAN

Tanggung Jawab Sosial Bank dilandasi pada keinginan Bank untuk membangun hubungan yang harmonis dengan Pemangku Kepentingan yang tentunya tak lepas dari penerapan prinsip GCG. Dalam melaksanakan program CSR, Bank ICBC Indonesia mengimplementasikan programnya ke dalam 4 (empat) pilar dan 8 (delapan) inisiatif, yaitu tanggung jawab sosial di bidang lingkungan, mencakup menjaga dan melestarikan lingkungan serta berkontribusi untuk penghijauan; tanggung jawab sosial bidang ketenagakerjaan, kesehatan, dan keselamatan kerja yang meliputi peningkatan efektivitas dan efisiensi karyawan serta kontribusi untuk kesehatan dan kesejahteraan karyawan; tanggung jawab sosial bidang pengembangan sosial dan kemasyarakatan yang dilaksanakan melalui inisiatif fasilitas pendidikan bagi generasi muda dan membangun solidaritas dengan masyarakat untuk meningkatkan kesehatan, kesejahteraan dan memberikan bantuan untuk masyarakat yang terkena dampak bencana; serta tanggung jawab sosial terhadap produk/jasa dan nasabah yang diwujudkan melalui peningkatan hubungan yang baik dengan Nasabah dan peningkatan kualitas layanan.

GCG factor assessment is an assessment of the quality of Bank's management on the implementation of GCG principles, taking into account the significance or materiality of a problem on the implementation of GCG on bank-wide basis, based on the scale, characteristics and complexity of the Bank's business. The assessment is grouped into governance system which comprises of three (3) aspects namely governance structure, governance process, and governance outcome.

For the implementation of GCG principles to work internally , Bank ICBC Indonesia based its business activities on the values, culture and characters to which all employees refer. Those values are Integrity, Commitment, Sense of Belonging, Caring and Respect. This culture becomes the guiding spirit which moves everyone at Bank ICBC Indonesia to contribute to, and perform their best for, the development of the Bank. The culture also acts as a basis for the code of conduct for all Employees in performing their tasks and responsibilities.

CORPORATE SOCIAL RESPONSIBILITY

The Bank's social responsibility is based on the Bank's intention to build a harmonious relationship with all Stakeholders, and this cannot be separated from the implementation of GCG principles. Bank ICBC Indonesia incorporates CSR programs into four (4) pillars and 8 (eight) initiatives, namely social responsibility in environment, comprising of efforts to preserve the environment and afforestation; social responsibility of employees, health, and occupational safety, which comprises improvement of employees' efficiency and effectiveness and contribution to employees' health and welfare; social responsibility in social and community empowerment through initiatives to help provide education facilities for the youths, and to build solidarity in communities to improve health, welfare and provide help for people impacted by disasters; and social responsibility in its products/services and toward the customers through building good relationship with the customers and improvement of quality services.

Bank ICBC Indonesia berharap, pelaksanaan Tanggung Jawab Sosial tersebut akan memperkuat pelaksanaan prinsip korporasi yang sehat di lingkup Bank, khususnya menyambut 10 tahun kontribusinya di Indonesia.

Bank ICBC Indonesia hopes the execution of CSR programs can help strengthen the implementation of healthy corporate principles at Bank ICBC Indonesia, especially in relation to the Bank's 10 years contribution in Indonesia.

BUDAYA PERUSAHAAN

Dalam menjalankan bisnisnya, Bank dilandasi oleh nilai-nilai, budaya, dan karakter yang menjadi landasan kerja bagi seluruh karyawan Bank yaitu: *Intregity, Commitment, Belonging, Care and Respect*. Budaya ini telah menjadi prinsip yang menggerakkan seluruh Karyawan Bank untuk memberikan kontribusi dan kinerja terbaik mereka bagi kemajuan Bank.

CORPORATE CULTURE

In conducting its business, Bank ICBC Indonesia based its actions on values, culture, and character which become the foundation of work for all employees of Bank namely: Intregity, Commitment, Belonging, Care and Respect. This culture has become the principle that drives all Employees of Bank ICBC Indonesia to contribute and their best performance for the Bank's development.

PERUBAHAN KOMPOSISI DIREKSI

Di sepanjang tahun 2017 terdapat pergantian susunan Direksi. Direktur Utama Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017; Xin Haiyan dan Fransisca Nelwan Mok diangkat sebagai Direktur dan efektif menjabat sejak 12 April 2017; sementara Rolyta Manullang mengundurkan diri dari posisi Direktur pada 31 Mei 2017. Berikut disampaikan kronologi susunan Direksi di sepanjang tahun 2017 dan susunan Direksi per 31 Desember 2017.

CHANGE IN BOARD OF DIRECTORS COMPOSITION

In 2017, the Board of Directors went some changes to its composition. President Director, Shen Xiaoqi resigned on 31 October 2017; Xin Haiyan and Fransisca Nelwan Mok were appointed as Directors effective from 12 April 2017; and Rolyta Manullang resigned from the post of Director on 31 May 2017. The following is the chronology of the composition of the Board of Directors in 2017 and the composition of the Board of Directors per 31 December 2017.

Kronologi Susunan Direksi di Sepanjang Tahun 2017
Chronology of the Composition of the Board of Directors in 2017

01 January 2017 - 12 April 2017	12 April 2017- May 31, 2017	June 01, 2017- October 31, 2017	November 01, 2017 - December 31, 2017	Keterangan Detail
Shen Xiaoqi Presiden Direktur President Director	**Shen Xiaoqi** Presiden Direktur President Director	**Shen Xiaoqi** Presiden Direktur President Director		Shen Xiaoqi, mengundurkan diri sebagai Presiden Direktur pada 31 Oktober 2017 Shen Xiaoqi resigned as President Director on 31 October 2017
Yu Guangzhu Direktur | Director	**Yu Guangzhu** Direktur | Director	**Yu Guangzhu** Direktur | Director	**Yu Guangzhu** Direktur & Plt. Presiden Direktur Director & Acting President Director	Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 Yu Guangzhu, became Acting President Director effective from 1 November 2017
Jeff S.V. Eman Direktur | Director	**Jeff S.V. Eman** Direktur | Director	**Jeff S.V. Eman** Direktur | Director	**Jeff S.V. Eman** Direktur | Director	-
Liang Qinjun Direktur | Director	**Liang Qinjun** Direktur | Director	**Liang Qinjun** Direktur | Director	**Liang Qinjun** Direktur | Director	-
	Xin Haiyan Direktur | Director	**Xin Haiyan** Direktur | Director	**Xin Haiyan** Direktur | Director	Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 Xin Haiyan became Director effective from 13 April 2017
Thomas Arifin Direktur | Director	**Thomas Arifin** Direktur | Director	**Thomas Arifin** Direktur | Director	**Thomas Arifin** Direktur | Director	-
Sandy Tjipta Muliana Direktur | Director	**Sandy Tjipta Muliana** Direktur | Director	**Sandy Tjipta Muliana** Direktur | Director	**Sandy Tjipta Muliana** Direktur | Director	-
Rolyta Manullang Direktur | Director	**Rolyta Manullang** Direktur | Director			Rolyta Manullang mengundurkan diri sebagai Direktur pada 31 Mei 2017 Rolyta Manullang resigned as Director on 31 May 2017
	Fransisca Nelwan Mok Direktur | Director	**Fransisca Nelwan Mok** Direktur | Director	**Fransisca Nelwan Mok** Direktur | Director	Fransisca Nelwan Mok efektif menjabat posisi Direktur pada 13 April 2017 Fransisca Nelwan Mok became Director effective from 13 April 2017

RENCANA BISNIS

Sebagai landasan utama Bank dalam mencapai visi dan misi-nya kedepan (jangka waktu pendek dan menengah) tertuang dalam Rencana Bisnis Bank. Rencana Bisnis Bank meliputi tujuan finansial, prioritas stratejik, prioritas bisnis, serta prioritas unit pendukung. Tujuan-tujuan tersebut merupakan satu bagian yang tidak terpisahkan untuk menjadi bagian dari strategi Bank dalam mencapai visi dan misi-nya.

BUSINESS PLAN

As the main foundation of the Bank in achieving its vision and mission in the future (short and medium term) is written in the Bank's Business Plan The Bank's Business Plan includes financial objectives, strategic priorities, business priorities, and priority of supporting units. These objectives are an integral part of the Bank's strategy to achieve its vision and mission.

Sejalan dengan hal tersebut, mempertimbangkan masukan dari berbagai Pemangku Kepentingan, Direksi menetapkan rencana pertumbuhan kredit menjadi IDR36,8 triliun dan DPK menjadi IDR33,7 triliun di akhir 2018. Sedangkan Laba Sebelum Pajak diproyeksikan meningkat menjadi IDR489,9 miliar. Peningkatan Laba Sebelum Pajak tersebut di dorong oleh proyeksi penurunan CKPN menjadi IDR631,9 miliar dan peningkatan pendapatan operasional selain bunga menjadi IDR716,17 miliar.

In line with this, by taking into account the input from various Stakeholders, the Board of Directors has set a credit growth plan to IDR36.8 trillion and TPF to IDR33.7 trillion by the end of 2018. Meanwhile, Profit before Tax is projected to increase to IDR489.9 billion. The increase in Profit before Tax is supported by projection of the decline in CKPN to IDR631.9 billion and an increase in non-interest operational income to IDR716.17 billion.

APRESIASI

Kami percaya pencapaian Bank di tahun 2017 tidak terlepas dari kerja keras seluruh Karyawan Bank, kepahaman terhadap pentingnya kepercayaan Nasabah serta masukan yang diberikan oleh seluruh Pemangku Kepentingan Bank. Oleh karena itu, izinkan Direksi atas nama seluruh jajaran Bank ICBC Indonesia menyampaikan terima kasih kepada Pemegang Saham, Dewan Komisaris, seluruh Karyawan, serta para Nasabah dan mitra kerja kami telah mendukung Bank ICBC Indonesia selama berkiprah 10 tahun di Indonesia. Semoga torehan pencapaian ini akan memberikan landasan yang kokoh bagi Bank ICBC Indonesia untuk terus tumbuh di masa depan dan berkontribusi terhadap perkembangan perekonomian Indonesia.

APPRECIATION

We believe that the achievement of the Bank in 2017 is inseparable from the hard work of all Employees of Bank ICBC Indonesia, the understanding of the importance of Customers' trust and the input provided by all Stakeholders of the Bank. Therefore, please allow us, the Board of Directors, on behalf of all Bank ICBC Indonesia staff to thank the Shareholders, the Board of Commissioners, all Employees, and our Customers and Partners who have supported Bank ICBC Indonesia for the last 10 years in Indonesia. Hopefully this achievement will provide a solid foundation for Bank ICBC Indonesia to continue to grow in the future and contribute to the development of the Indonesia's economy.

Jakarta, 20 April 2018

YU GUANGZHU
Direktur & Plt. Direktur Utama
Director & Acting President Director

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INFORMASI UMUM PERUSAHAAN
COMPANY GENERAL INFORMATION

Nama Perusahaan Company Name	: PT Bank ICBC Indonesia
Tanggal Berdiri Date Established	: PT Bankit - 15 May 1970 PT Bank ICBC Indonesia - 6 June 2007
Tanggal Beroperasi Start of Operations	: PT Bank ICBC Indonesia - 28 September 2007
Dasar Hukum Pendirian Legal Basis	: PT Bankit – Deed No.17 dd. 15-05-1970, TBN No.480/1974, BN No.73 dd. 10-9-1974 : PT Bank ICBC Indonesia – Deed No.01 dd. 06-06-2007. MOL Approval No.W7-06959 HT.01.04-TH.2007 dd 22-06-2007
Bidang Usaha Field of Business	: Perbankan Banking
Domisili Domicile	: DKI Jakarta, Indonesia
Kepemilikan Saham Shareholding	: ICBC Limited 98,61% PT Intidana Wijaya 1,39%[1]
Status Perusahaan Company Status	: Perusahaan Non-listed Bank (Limited Liability Company) Non Listed
Modal Dasar Base Capital	: IDR6.000.000.000.000
Modal Ditempatkan dan Disetor Penuh Capital Issued and Fully Paid	: IDR3.706.150.000.000
NPWP Tax Identification Number (NPWP)	: 01.108047.0.073.000
TDP Registration Certificate (TDP)	: 09.05.1.64.64137
SIUP Business Permit (SIUP)	: Keputusan Gubernur Bank Indonesia No. 9/48/KEP.GBI/2007 tanggal 26 September 2007 Bank Indonesia Gubernatorial Decree No. 9/48/KEP.GBI/2007 dated September 26, 2007
Jumlah Karyawan Number of Employees	: 649 orang | person (per 31 December 2017)
Jaringan Cabang Branch Network	: 15 Kantor Cabang | Branch Offices 4 Kantor Cabang Pembantu | Sub-Branch Offices 1 Kantor Kas | Cash Office
Alamat dan Kontak Kantor Pusat Head Office Address and Contact	: ICBC Tower Lantai 32 Jl. M.H. Thamrin No. 81 Jakarta Pusat 10310 DKI Jakarta, Indonesia
Telepon Telephone	: +62 21 2355 6000
Faksimili Fax	: +62 21 3199 6016
Call Center Call Center	: 1-500-198 (i Call ICBC)
Surel Email	: customer_care@ina.icbc.com.cn
Situs Web Website	: www.icbc.co.id

1) Masih dalam proses persetujuan dari OJK
Still in the process of approval from OJK

RIWAYAT SINGKAT PERUSAHAAN
COMPANY BRIEF HISTORY

"Salah satu keunggulan Bank ICBC Indonesia adalah kemampuannya untuk berkontribusi dalam mendukung pesatnya perkembangan infrastruktur di Indonesia. Dalam upaya pencapaian tersebut, Bank ICBC Indonesia menerapkan kebijakan prinsip kehati-hatian yang tercermin dengan menargetkan segmen yang memiliki risiko relatif rendah seperti Badan Usaha Milik Negara (BUMN) dan perusahaan *blue-chip* yang beroperasi di Indonesia."

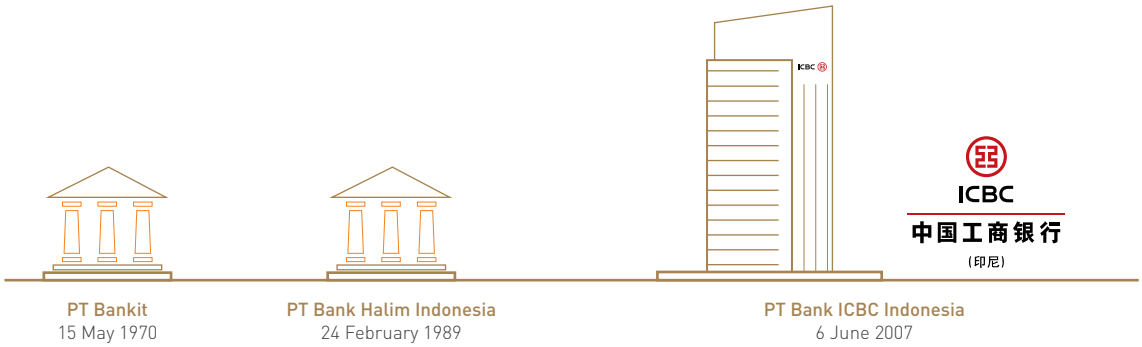
"One of the strengths of Bank ICBC Indonesia is its ability to contribute in supporting the infrastructure development in Indonesia. In an effort to achieve this ojective, Bank ICBC Indonesia applies prudence principles that are reflected in the Bank's targeting relatively low risk segments, such as State-Owned Enterprises and blue-chip corporations operating in Indonesia."

PT Bank ICBC Indonesia, selanjutnya disebut"Bank" atau "Bank ICBC Indonesia" adalah bank yang terbentuk dari hasil akuisisi Bank Halim Indonesia yang saat itu berkantor pusat di Surabaya oleh Industrial and Commercial Bank of China Limited (ICBC Limited) pada 28 September 2007 yang kemudian diubah namanya menjadi PT Bank ICBC Indonesia. ICBC Limited dinamakan "Bank Terbaik di Tiongkok" oleh majalah *The Banker* dari Inggris selama 3 (tiga) tahun berturut-turut (2014-2016). ICBC Limited juga merupakan"Bank Devisa Terbaik" menurut versi majalah *Global Finance* dari Amerika Serikat 2016. ICBC Limited menguasai 98,61% saham Bank ICBC Indonesia sedangkan sisanya sebesar 1,39% dimiliki oleh PT Intidana Wijaya.

Proses akuisisi Bank Halim Indonesia oleh ICBC Limited merupakan contoh keberhasilan pengambilalihan bank lokal oleh bank asing yang berasal dari Tiongkok. Hal itu merupakan langkah awal yang baik untuk membangun kiprah keberhasilan Bank ICBC Indonesia selanjutnya. Meningkatnya permintaan terhadap produk dan layanan paska akuisisi tersebut, membuat Bank ICBC Indonesia merelokasi Kantor Pusatnya dari Surabaya ke Jakarta pada Desember 2007.

PT Bank ICBC Indonesia, hereinafter referred to as the "The Bank" or "Bank ICBC Indonesia", is a bank formed from the acquisition of Bank Halim Indonesia, was headquartered in Surabaya by Industrial and Commercial Bank of China Limited (hereinafter referred to as "ICBC Limited") , on September 28, 2007, and later renamed as PT Bank ICBC Indonesia. ICBC Limited was named the "Best Bank in China" by The Banker magazine from the UK for 3 (three) consecutive years (2014-2016). ICBC Limited was also named as the "Best Foreign Exchange Bank" according to the Global Finance magazine from the US in 2016. ICBC Limited controls 98.61% of The Bank's shares, while the remaining 1.39% is owned by PT Intidana Wijaya.

The acquisition of Bank Halim Indonesia by ICBC Limited is an example of a successful takeover of a local bank by a foreign bank originating from China. This is a good starting point to build the foundation for The Bank's next successes. The increasing demand for products and services after this acquisition prompted The Bank to relocate its headquarter from Surabaya to Jakarta in December 2007.



Bank ICBC Indonesia mengambil manfaat dari posisi geografisnya yang strategis, jaringan yang memadai, dukungan sistem perbankan dari ICBC Limited, serta kepercayaan Pemegang Saham yang tinggi sehingga Bank ini mampu memberikan layanan serta produk perbankan berkualitas tinggi dan efisien bagi Nasabah korporasi maupun individual. Pada akhir tahun 2017, Bank ICBC Indonesia telah memiliki 21 jaringan kantor cabang yang tersebar di 7 (tujuh) provinsi di Indonesia yaitu DKI Jakarta, Jawa Barat, Jawa Timur, Sumatera Utara, Kepulauan Riau, Kalimantan Timur dan Sulawesi Selatan dengan jumlah karyawan mencapai 649 orang. Guna mempermudah akses bagi Nasabah ke rekening tabungan, Bank ICBC Indonesia mengintegrasikan jaringan ATM-nya dengan jaringan ATM ICBC Limited dan ATM Bersama. Dengan demikian, Nasabah Bank ICBC Indonesia dapat menggunakan Kartu ATM ICBC Indonesia tidak hanya di terminal ATM ICBC di Indonesia saja, namun juga di lebih dari 100.000 ATM ICBC Ltd di Tiongkok dan 77.000 ATM dari bank-bank lain yang tergabung kedalam jaringan ATM Bersama.

The Bank benefits from its strategic geographical position, adequate networking, banking system support from ICBC Limited, and high Shareholder trust, enabling the Bank to provide high quality and efficient banking services and products to both corporate and individual Customers. By the end of 2017, The Bank has 21 branch networks spread over 7 (seven) provinces in Indonesia, namely, DKI Jakarta, West Java, East Java, North Sumatra, Riau Islands, East Kalimantan and South Sulawesi, with the number of employees reaching 649 people. To facilitate access for Customers to savings accounts, The Bank has integrated its ATM network with ICBC Limited and ATM Bersama's networks. Thus, The Bank Customers can use ICBC Indonesia ATM Cards not only in ICBC ATM terminal in Indonesia, but also in more than 100,000 ICBC Ltd ATMs in China and 77,000 other bank ATMs incorporated into the ATM Bersama network.

Setelah 1 (satu) dekade beroperasi, Bank ICBC Indonesia tidak hanya telah menunjukkan peningkatan pesat pada neraca maupun rentabilitas, namun juga telah mengembangkan produk dan jasa sesuai kebutuhan Nasabah. Bank ICBC Indonesia akan memanfaatkan apa yang telah dilakukan pada dekade sebelumnya seperti pemanfaatan sumber daya dari perusahaan induk ICBC Limited yang luas, jangkauan global, serta teknologi yang mumpuni guna mencapai prestasi yang lebih tinggi. Selain itu, perkembangan hubungan bilateral Indonesia-Tiongkok memberikan kesempatan kepada Bank ICBC Indonesia memaksimalkan pencapaian misinya untuk menjadi jembatan ekonomi, keuangan dan budaya antara kedua negara dengan menawarkan berbagai produk dan layanan tersebut kepada Nasabah Korporasi dan Komersial, Ritel serta Usaha Kecil dan Menengah (UKM).

After 1 (one) decade of operations, The Bank has not only demonstrated a rapid increase in balance sheets and profitability, but has also developed comprehensive products and services that fit the needs of Customers. The Bank will utilize what has been done in the past decade such as vast resource utilization from ICBC Limited's, global reach, and advanced technology to achieve higher performance. In addition, the development of the bilateral relationship between Indonesia and China provides an opportunity for The Bank to maximize its mission achievement to become an economic, financial and cultural bridge between the two countries by offering various products and services to Corporate and Commercial, Retail, as well as Small and Medium Enterprises (SME).

Strategi transformasi yang telah dijalankan selama beberapa tahun terakhir akan dilanjutkan dalam kurun waktu 5 (lima) tahun mendatang, sehingga menjadi institusi finansial terkemuka dengan layanan, kinerja, dan kontribusi terbaik, serta dapat memberikan sumbangsih lebih terhadap perkembangan perekonomian Indonesia. Transformasi tersebut dilaksanakan antara lain melalui pemilihan segmen Nasabah BUMN dan perusahaan *blue-chip*, perubahan struktur pendapatan Bank yang menitikberatkan pada pertumbuhan kontribusi pendapatan komisi, perubahan struktur pendanaan Bank yang berfokus pada pertumbuhan Dana Pihak Ketiga terutama giro dan tabungan, mempercepat pertumbuhan bisnis konsumen, penguatan pengawasan internal dan percepatan alih teknologi dari ICBC Limited.

The transformation strategy that has been implemented in the last few years will be continued in the next 5 (five) years so that the Bank will become a leading financial institution with the best service, performance and contribution, and be able to contribute more to the economic development of Indonesia. The transformation was carried out, among others, through the selection of segments of SOE and blue chip Customers, the change in the Bank's revenue structure which focused on the growth of commission income contribution, the Bank's funding structure changes that emphasized on the growth of Third Party Funds, especially current accounts and savings, accelerating the growth of consumer business, strenghtening internal monitoring, and acceleration of technology transfers from ICBC Limited

PERUBAHAN NAMA DAN STATUS BADAN HUKUM

Bank merupakan hasil proses akuisisi dari Bank Halim Indonesia. Didirikan pertama kali dengan nama PT Bankit pada tahun 1970. Kemudian pada tahun 1989 berubah nama menjadi Bank Halim Indonesia. Pada 6 Juni 2007, setelah melalui proses akuisisi oleh ICBC Limited berubah nama menjadi PT Bank ICBC Indonesia.

NAME AND LEGAL ENTITY STATUS CHANGE

The Bank is the result of an acquisition process from Bank Halim Indonesia. The Bank was first established under the name of PT Bankit in 1970. In 1989 it changed its name to Bank Halim Indonesia. On June 6, 2007, after going through the acquisition process by ICBC Limited, it changed its name to PT Bank ICBC Indonesia.

BIDANG USAHA
LINES OF BUSINESS

KEGIATAN USAHA BERDASARKAN ANGGARAN DASAR

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, kegiatan usaha Bank adalah menyelenggarakan Bank Umum dan kegiatan penunjang lainnya. Untuk mencapai maksud dan tujuan tersebut, Bank melaksanakan kegiatan usaha dengan penjabaran sebagai berikut:

Maksud dan Tujuan Sesuai Anggaran Dasar Pasal 3: Menyelenggarakan Bank Umum dan Kegiatan Penunjang Lainnya.

BUSINESS ACTIVITIES BASED ON THE ARTICLES OF ASSOCIATION

In accordance with Article 3 of the Company's Articles of Association, The Bank's business activities are to operate as a Commercial Bank and conduct other supporting activities. To achieve such aims and objectives, The Bank has conducted the following business activities:

Purpose and Objective According to the Articles of Association Article 3:
Organizing Commercial Banks and other supporting activities.

Kegiatan Usaha Berdasarkan Anggaran Dasar Business Activities Based on the Articles of Association	Telah/Belum Dijalankan Carried Out/ Not Carried Out	Keterangan Details
Penyelenggaraan Bank Umum Operating as a Commercial Bank		
Menghimpun dana dari masyarakat dalam bentuk giro, tabungan, deposito berjangka, sertifikat deposito, dan/atau bentuk lainnya yang serupa. Collecting funds from the community in the form of current account, savings, time deposits, certificates of deposit, and / or other similar forms;	●	Memiliki produk simpanan berupa Giro, Tabungan dan Deposito Berjangka. Provide saving products in the form of Current Account, Savings and Deposit
Memberikan kredit, baik kredit jangka menengah, panjang atau pendek maupun jenis lainnya. Giving credit, whether medium-term, long or short-term loans or other types;	●	Memberikan kredit dalam segmen korporasi, komersial, UKM, konsumsi dalam berbagai macam tenor. Provide credit in corporate, commercial, SME, consumption segments in various tenors.
Menerbitkan surat pengakuan hutang. Issuing debt-recognition letters;	●	Menerbitkan surat pengakuan hutang dalam bentuk obligasi. Issue a letter of acknowledgment of debt in the form of bonds.

● = telah dijalankan | Carried Out ○ = belum dijalankan | Not Carried Out

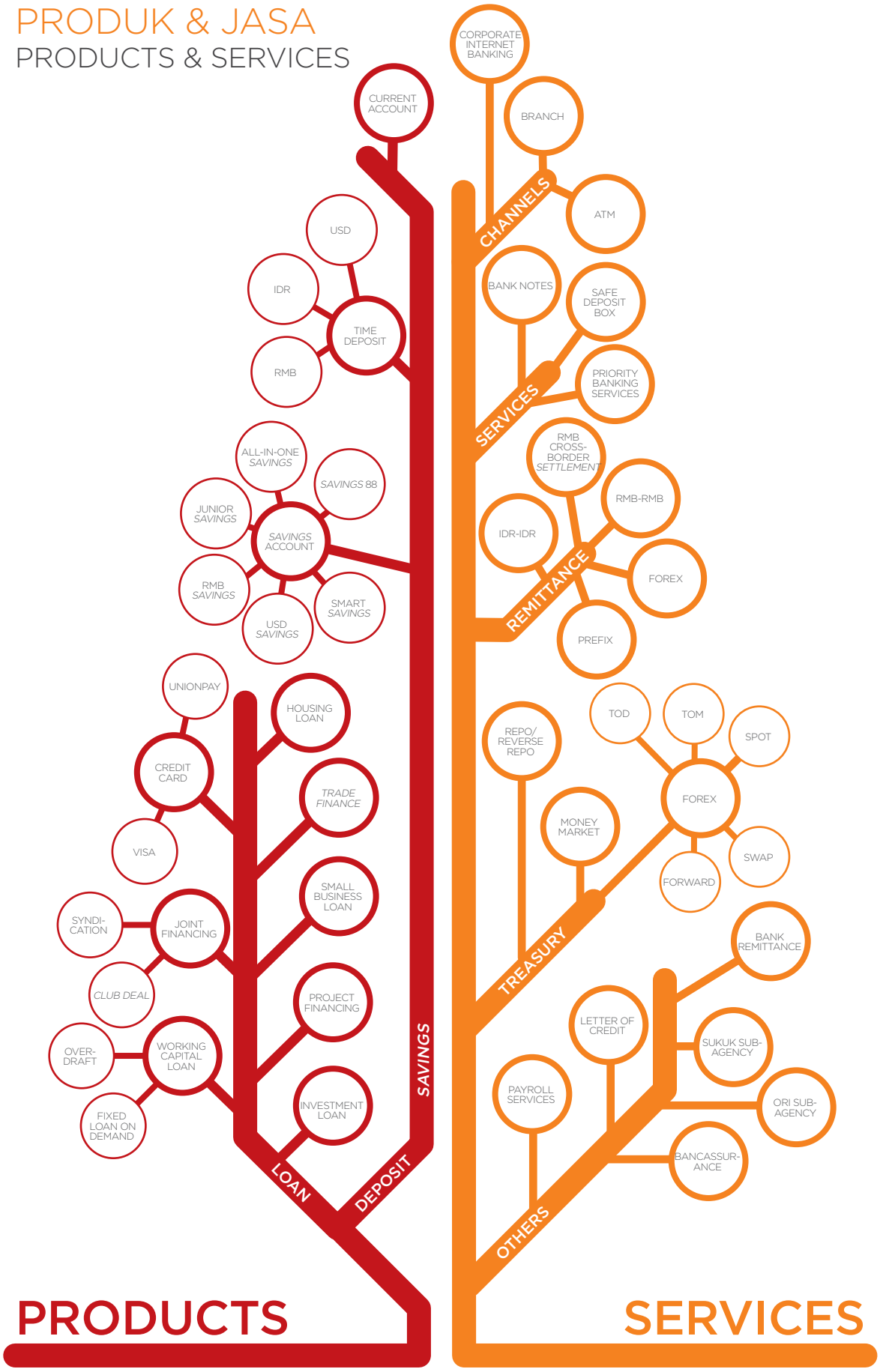
Kegiatan Usaha Berdasarkan Anggaran Dasar Business Activities Based on the Articles of Association	Telah/Belum Dijalankan Carried Out/ Not Carried Out	Keterangan Details
Membeli, menjual, atau menjamin atas risiko sendiri maupun untuk kepentingan dan atas perintah Nasabah: • Surat-surat wesel, termasuk wesel yang diterima oleh bank yang jatuh temponya tidak lebih lama dari masa berlaku perdagangan surat-surat wesel pada umumnya; • Surat pengakuan hutang dan surat dagang lainnya yang jatuh temponya tidak lebih lama dari masa berlaku perdagangan surat-surat tersebut pada umumnya; • Surat Perbendaharaan Negara dan Surat Jaminan Pemerintah; • Sertifikat Bank Indonesia (SBI); • Obligasi; • Surat pengakuan hutang yang dapat diperdagangkan dengan tenor sampai dengan 1 (satu) tahun; • Surat berharga lain dengan tenor sampai dengan 1 (satu) tahun. Purchase, sell, or guarantee at its own risk or in the interest and on the orders of Customers: • Notes payable, including money orders received by banks with maturities not later than the trading period of the draft papers in general; • Debt and other trade papers whose maturity is not longer than the trading period of the letters in general; • Letters of State Treasury and Government Guarantee Letters; • Certificates of Bank Indonesia (SBI); • Bonds; • Debt securities that can be traded with tenure up to 1 (one) year; • Other securities with tenure of up to 1 (one) year.	●	Berperan sebagai agen penjual untuk beberapa jenis obligasi seperti Obligasi Negara (Obligasi Ritel Indonesia/ORI) ataupun SUKUK kepada Nasabah. Serve as a sales agent for several types of bonds such as State bonds or Islamic Bonds (SUKUK) to Customers.
Memindahkan uang, baik untuk kepentingan individu maupun untuk kepentingan Nasabah. Wire fund, whether for the benefit of the individual or for the benefit of the customer;	●	Memberikan fasilitas perbankan berupa transaksi pengiriman uang untuk dalam negeri maupun luar negeri. Provide banking facilities in the form of money transfer transactions for domestic and abroad.
Menempatkan dana pada, meminjam dana dari, atau meminjamkan dana kepada bank lain, baik menggunakan surat, sarana telekomunikasi, wesel unjuk, cek maupun sarana lainnya. Place funds on, borrowing funds from, or lending funds to other banks, whether by mail, telecommunications means, money orders, checks or other means;	●	Melakukan penempatan/meminjamkan dana pada/kepada bank lain. Place/lend funds to/to other banks
Menerima pembayaran dari tagihan atas surat berharga dan melakukan perhitungan dengan atau antara pihak ketiga. Receive payments on claims on securities and performing calculations with or between third parties;	●	Uraian terkait kegiatan usaha yang dijalankan. Description of the business activities undertaken
Melakukan penempatan dana dari Nasabah kepada Nasabah lainnya dalam bentuk surat berharga yang tercatat di bursa efek. Place funds from Customers to other Customers in the form of securities listed on the stock exchange;	○	Belum dikembangkan. Not yet developed
Melakukan kegiatan pertukaran mata uang asing sesuai dengan ketentuan yang ditetapkan oleh Bank Indonesia. Conduct foreign currency exchange activities in accordance with provisions stipulated by Bank Indonesia;	●	Melakukan pertukaran mata uang asing sesuai dengan ketentuan yang berlaku. Exchange foreign currency in accordance with the applicable regulations.
Menyediakan pembiayaan dan atau melakukan kegiatan lain, termasuk kegiatan berdasarkan prinsip syariah sesuai dengan ketentuan yang ditetapkan oleh Bank Indonesia. Provide financing and or perform other activities, including activities based on sharia principles in accordance with provisions stipulated by Bank Indonesia.	○	Belum dikembangkan. Not yet developed

● = telah dijalankan | Carried Out ○ = belum dijalankan | Not Carried Out

Kegiatan Usaha Berdasarkan Anggaran Dasar Business Activities Based on the Articles of Association	Telah/Belum Dijalankan Carried Out/ Not Carried Out	Keterangan Details
Kegiatan Usaha Penunjang Supporting Business Activities		
Menyediakan tempat untuk menyimpan barang dan surat berharga. Provide a space to store goods and securities;	●	Menyediakan fasilitas *Safe Deposit Box*. Provide a Safe Deposit Box facility.
Melakukan kegiatan penitipan untuk kepentingan pihak lain berdasarkan suatu kontrak. Conduct custodial activities for the benefit of others under a contract;	○	Belum dikembangkan. Not yet developed
Membeli agunan baik seluruhnya maupun sebagian melalui suatu pelelangan dalam hal debitur tidak memenuhi kewajibannya kepada perusahaan dengan ketentuan agunan yang dibeli tersebut wajib dicairkan secepatnya. Purchase the collateral either wholly or partly through an auction in the event that the debtor does not fulfill its obligations to the company provided that the collateral is purchased shall be disbursed as soon as possible;	●	Melakukan sesuai dengan kondisi. Conduct according to conditions.
Melakukan kegiatan anjak piutang, bisnis kartu kredit dan wali amanat. Conduct factoring, credit card business and trustee activities;	●	Memiliki bisnis kartu kredit. Conduct credit card business.
Menyediakan dana pensiun sesuai dengan peraturan perundang-undangan yang berlaku, baik selaku pendiri dana pensiun, pemberi kerja dan/atau peserta dana pensiun suatu lembaga keuangan. Provide pension funds in accordance with the applicable legislations, either as founder of pension funds, employer and/or a pension fund participant of a financial institution;	●	Bank sebagai pemberi kerja memberikan dana pensiun untuk karyawannya. Bank ICBC as an employer provides pension funds for its employees
Melakukan kegiatan penyertaan modal pada bank atau perusahaan lain yang bergerak di bidang sewa guna usaha, perusahaan modal ventura, perusahaan efek, perusahaan asuransi, lembaga kliring dan penjamin serta lembaga penyimpanan dan pembayaran sesuai dengan ketentuan yang ditetapkan oleh instansi-instansi yang berwenang. Conduct equity participation in banks or other companies engaged in leasing, venture capital companies, securities companies, insurance companies, clearing and guarantee institutions and depository and payment institutions in accordance with the provisions established by the competent authorities;	○	Belum/tidak pernah melakukan penyertaan modal pada bank ataupun perusahaan lain. Have not/never invested in a bank or other company
Melakukan kegiatan penyertaan modal sementara untuk mengatasi kredit macet, termasuk kegagalan pembiayaan berdasarkan prinsip syariah dengan syarat harus menarik kembali pernyataannya sesuai dengan ketentuan yang ditetapkan oleh Bank Indonesia (BI) dan Otoritas Jasa Keuangan (OJK). Conduct temporary equity participation activities to resolve bad debts, including failure of sharia-based financing provided that they must withdraw their statements in accordance with provisions stipulated by Bank Indonesia (BI) and the Financial Services Authority (OJK);	○	Belum/tidak pernah melakukan penyertaan modal berdasarkan prinsip syariah. Have not/never did equity participation based on sharia principles.
Mengupayakan usaha-usaha lain yang berhubungan langsung atau tidak langsung dengan maksud tersebut di atas yang pelaksanaannya tidak bertentangan dengan undang-undang yang berlaku di Indonesia. Strive for other endeavors that relate directly or indirectly to the foregoing intent whose implementation is not contrary to the laws applicable in Indonesia.	●	Melakukan usaha sesuai dengan regulasi yang berlaku. Perform businesses in accordance to the applicable regulations.

● = telah dijalankan | Carried Out ○ = belum dijalankan | Not Carried Out

PRODUK & JASA
PRODUCTS & SERVICES



PRODUK SIMPANAN

Giro
Produk ini didesain untuk menunjang kelancaran usaha Nasabah dalam melakukan transaksi bisnisnya. Bunga produk giro dihitung secara harian.

Smart Savings
Smart Savings adalah tabungan IDR yang memberikan suku bunga yang kompetitif dengan berbagai keuntungan.

Savings 88
Savings 88 adalah tabungan dengan 2 (dua) pilihan mata uang yaitu IDR dan Renminbi (RMB) yang masing-masing memberikan 8 (delapan) keuntungan terbaik bagi Nasabah.

RMB *Savings*
Produk tabungan dalam mata uang RMB yang memberikan kemudahan, fleksibilitas serta keuntungan bagi Nasabah.

USD *Savings*
Untuk memberikan solusi atas kebutuhan transaksi Nasabah dalam bentuk valuta asing, Bank menyediakan rekening tabungan dalam mata uang Dolar Amerika Serikat (USD).

All-in-One Savings
All-in-One Savings adalah tabungan perorangan dalam berbagai mata uang dalam 1 (satu) nomor rekening dan informasi saldo akan dicetak dalam mata uang masing-masing.

Junior Savings
Produk tabungan yang ditujukan untuk anak-anak dibawah umur 18 tahun.

Deposito Berjangka IDR
Produk deposito ini menawarkan jangka waktu penempatan yang fleksibel dan dapat digunakan sebagai agunan kredit.

Deposito Berjangka USD
Produk ini didesain untuk memenuhi keinginan Nasabah yang ingin menyimpan dananya dalam bentuk simpanan deposito berjangka dalam mata uang USD.

Deposito Berjangka RMB
Bank menyediakan bentuk simpanan Deposito Berjangka RMB demi memenuhi kebutuhan Nasabah yang ingin menyimpan dananya dalam bentuk valuta asing.

DEPOSIT PRODUCTS

Current Accounts
This product is designed to provide convenience for Customers in performing their business transaction. The interest is calculated on a daily basis.

Smart Savings
Smart Savings is an IDR saving account that provides a competitive interest rate and various benefits.

Savings 88
Savings 88 is a savings account with two currency options, IDR (IDR) and Renmimbi (RMB) each of them generates the best 8 (eight) advantages for the Customers.

RMB Savings
It is a savings product in Renmimbi (RMB) that provides convenience, flexibility and benefits for the Customers.

USD Savings
To provide solution for the Customers upon foreign exchange transaction needs, the Bank offers a savings account in US Dollar denomination.

All-In-One Savings
All-In-One Savings is an individual savings account in various currencies in 1 (one) account number, and the account balance information will be printed in each currency.

Junior Savings
Savings product intended for children under 18 years old.

Rupiah Time Deposit
This product not only offers flexible time placement but also can be used as a loan collateral.

USD Time Deposit
This product is designed to meet the needs of Customers who seek to deposit their funds in USD.

RMB Time Deposit
The Bank offers time deposit in RMB denomination to fulfill its Customers's needs to deposit their funds in a foreign currency.

Sepanjang tahun 2017, Bank terus melakukan ekspansi kredit dan berhasil membukukan pinjaman sebesar IDR 35,06 triliun meningkat 6,17% dari tahun sebelumnya.
Throughtout 2017, Bank continues its credit expansion and succesfully booked loan portfolio of IDR35.06 trilion or an increase of 6.17% compared to the previous year.

PRODUK PINJAMAN

Bank memiliki berbagai jenis produk pinjaman yang sesuai dengan kebutuhan Nasabah dalam kepemilikan tempat tinggal dan tempat usaha ataupun perkembangan bisnis Nasabah. Dalam penyalurannya, Bank dapat memberikan pelayanan pinjaman antara lain berupa:

Kredit Modal Kerja

Pinjaman Modal Kerja adalah pinjaman jangka pendek untuk memenuhi kebutuhan operasional usaha debitur. Modal kerja terdiri dari 2 (dua) macam:

- Pinjaman Rekening Koran (PRK), yaitu fasilitas pinjaman untuk memenuhi kebutuhan operasional harian usaha debitur. PRK diberikan dalam bentuk cerukan pada rekening koran dan penarikan dapat dilakukan setiap saat dengan menggunakan bilyet giro/cek bank.
- Pinjaman Tetap *on Demand*, adalah pinjaman modal kerja berulang dimana debitur dapat melakukan penarikan dana dengan jumlah dan jangka waktu tertentu dengan *Promissory Note* dimana baki debet (*outstanding*) yang telah dilunasi dapat ditarik kembali saat transaksi berikutnya.

LOAN PRODUCTS

Bank has a variety of loan products to suit the needs of Customers, for the purpose of home or business ownership as well as business development. In channeling the funds, the Bank provides the following services:

Working Capital Loan

Working Capital Loan is a short-term loan for fulfilling the business operational needs of debtors, consisting of two types, namely:

- Overdraft (PRK) is a loan used to fulfill the daily operational needs of a debtor's business. PRK is given as an overdraft in the debtor's current account and withdrawal may be done at any point of time by means of Bank's bilyet giro/cheque.
- Fixed Loan on Demand (PTD) is a revolving loan which allows a debtor to withdraw funds in a certain amount and tenure with a Promissory Note in which the paid off outstanding balance can be re-drawn at the next transaction.

Pinjaman Investasi

Pinjaman Investasi adalah pinjaman untuk membiayai kegiatan investasi usaha debitur. Pinjaman ini juga dikenal dengan nama fasilitas Pinjaman Tetap Investasi (PTI), yaitu pinjaman investasi kepada debitur yang ditujukan untuk:

- Membangun, memperluas, membangun kembali, mengembangkan atau membeli aset tetap.
- Membiayai ekspansi usaha atau akuisisi.

Investment Loan

Investment Loan is credit facility which intended to finance the investment activity of a debtor's business. This type of credit, also known as a Fixed Installment Loan (PTI), is an investment loan for the debtor that is intended to:

- Build, expand, rebuild, develop or purchase the fixed assets.
- Finance business expansion or acquisition.

Pembiayaan Proyek

Pembiayaan Proyek adalah pinjaman Bank jangka panjang untuk membiayai pembangunan proyek dan sumber pembayaran berasal dari arus kas proyek tersebut setelah selesai.

Project Financing

Project Financing is a long-term loan dedicated to finance a construction project, and the source of the repayment is derived from the project cash flow upon its completion.

Pembiayaan Bersama

Pembiayaan Bersama adalah pinjaman yang diberikan oleh lebih dari satu bank kepada debitur dan atau proyek yang sama. Pembiayaan Bersama ini terdiri dari 2 (dua) macam:

- Pinjaman Sindikasi, adalah Pembiayaan Bersama yang dilakukan oleh lebih dari 1 (satu) bank atau lembaga keuangan untuk debitur atau proyek yang sama dan mempunyai skema pinjaman dan Perjanjian Kredit yang sama. Pinjaman Sindikasi mempunyai Agen Fasilitas dan Agen Jaminan yang telah ditunjuk.
- *Club Deal*, adalah pembiayaan bersama yang dilakukan lebih dari 1 (satu) bank atau lembaga keuangan dimana setiap peserta mempunyai skema pinjaman yang boleh berbeda dengan peserta yang lain dan mempunyai Perjanjian Kredit terpisah untuk masing-masing peserta, tetapi mempunyai Perjanjian Pengikatan Jaminan yang sama, serta diperkuat dengan suatu Perjanjian Keagenan dan Perjanjian Pembagian Jaminan.

Joint Financing

Joint financing is a loan provided to a debtor or a project by more than one banks. Joint financing consists of two types:

- Syndicated Loan is a Joint Financing by more than one bank or financial institution for the same debtor or the same project which have an identical loan scheme as well as the same Credit Agreement. Each Syndicated Loan engages its appointed Facility Agent and Security Agent.
- Club Deal is a Joint Financing by more than one bank or financial institution where every debtor may have different loan scheme and separated Loan Agreement from the others, yet has the same Collateral Binding Agreement, and strenghtened with Security Sharing Agreement.

Kredit Usaha Kecil dan Menengah

Fasilitas kredit dengan skema kredit yang khusus dirancang untuk mendukung pertumbuhan usaha kecil dan menengah. Termasuk kedalam kredit ini adalah pembiayaan perdagangan, garansi bank, dan produk pembiayaan lainnya.

Small and Meduim Business Loan

Small and Medium Business Loan facility is a loan with a special scheme designed to support the growth of small businesses. This type of loan includes trade financing, bank guarantees, and other financial products.

Kredit Pemilikan Rumah

Fasilitas kredit bagi Nasabah Bank untuk melakukan pembelian rumah atau tempat tinggal dengan sistem angsuran dalam jangka waktu sampai 30 tahun atau sampai usia 65 tahun.

Housing Loan

This loan facility is dedicated for Bank's Customers to purchase a home or other type of residence with installment of 30 years tenure or until age of 65 years old.

Pembiayaan Perdagangan Internasional

Pembiayaan perdagangan internasional merupakan salah satu layanan unggulan Bank. Berkat jaringan ICBC Limited yang didukung oleh 1.800 bank korespondensi di 147 negara, 361 institusi luar negeri dan lebih dari 17.000 cabang domestik dan didukung lebih dari 100.000 jaringan ATM, Bank dapat memberikan kemudahan dalam melakukan pembiayaan perdagangan internasional, diantaranya adalah dengan jasa pengiriman uang, *letter of credit*, pembiayaan fasilitas kredit, dan *collection*.

International Trade Financing

International trade financing is one of Bank's competitive, advantages. Thanks to ICBC Limited network of 1,800 correspondence banks in 147 countries, 361 institutions overseas and over 17,000 domestic branches, and supported by a network of more than 100,000 ATMs. Hence, Bank Provides convenient facility to international trade financing through the Bank's remittance service, letter of credits, credit facility financing and collection.

Kartu Kredit

Bank menyediakan serangkaian produk kartu kredit yang mampu membantu pemegang kartunya untuk dapat lebih menikmati hidupnya. Setiap kartu kredit menyajikan berbagai keuntungan dan keistimewaan saat bersantap, berbelanja dan berpergian. Melalui kerjasamanya dengan *UnionPay* sebagai asosiasi kartu terbesar di Tiongkok dan VISA yang merupakan sistem pembayaran elektronik terbesar di dunia, Pemegang Kartu bisa memperoleh keuntungan saat bertransaksi di mitra usaha di mana pun di dunia.

Selain itu, Pemegang Kartu dapat menikmati serangkaian manfaat, seperti: gratis akses ke *lounge* bandara di kota-kota besar di Indonesia dan Tiongkok; *point reward* yang dapat ditukarkan emas; gratis biaya administrasi untuk pembayaran tagihan Kartu Kredit ICBC melalui ATM BCA, KlikBCA & ATM ICBC di Indonesia; penawaran khusus di mitra-mitra usaha terpilih dan juga layanan *personal* untuk keperluan medis, perjalanan dan gaya hidup dari *Concierge Services UnionPay*.

Credit Card

The Bank provides a range of credit card products that provide convenience to its cardholders in getting more out of their life. Each credit card includes an array of benefits and privileges when dining, shopping and traveling. Through its collaboration with UnionPay, the leading bankcard association in China, and VISA, the world's largest retail electronic payments, the Cardholders can take advantage of the utmost convenience of transaction experience at any merchants around the world.

Moreover, the Cardholders are able to enjoy an array of benefits, such as: free access to airport lounges in big cities around Indonesia and Mainland China; reward points redeemable into gold bar; free administration fee for ICBC Credit Card billing payment via BCA ATMs, KlikBCA & ICBC ATMs in Indonesia; as well as special offers from the selected business partners, and personalized medical, travel & lifestyle services of UnionPay Concierge Services.

ICBC Indonesia menawarkan produk dan jasa perbankan yang luas untuk memenuhi kebutuhan nasabah dengan memanfaatkan jaringan global ICBC
ICBC Indonesia offers extensive banking products and services to meet customers' needs by leveraging ICBC's global network

JASA

Transfer IDR
Transfer IDR adalah layanan pengiriman dan penerimaan uang antar bank dalam mata uang IDR melalui sistem BI-RTGS dan BI-SKN untuk bank-bank di dalam negeri.

Transfer Valuta Asing
Layanan *Transfer* Valuta Asing merupakan pengiriman uang antar bank dalam sembilan mata uang asing dari dalam dan ke luar negeri atau pun sebaliknya.

Prefix Remittance
Layanan *Prefix Remittance* memungkinkan pengiriman uang dalam USD dan diterima dalam RMB di ICBC Limited ataupun ke bank manapun di Tiongkok dengan nilai yang ditetapkan saat pengiriman di Indonesia. *Prefix Remittance* adalah jenis *remittance* yang dirancang khusus untuk warga negara Tiongkok yang bertujuan menghindari risiko volatilitas nilai tukar mata uang USD dan RMB.

RMB *Cross Border*
Didukung oleh jaringan ICBC Limited dan koordinasi yang baik dengan seluruh jaringan ICBC di seluruh dunia, Bank mampu menyediakan jasa transfer RMB dengan jaringan luas dan layanan yang cepat.

SERVICES

Rupiah Remittance
Rupiah Remmittance is an interbank remittance services for both incoming and outgoing in IDR through the BI-RTGS and BI-SKN systems for local banks.

Foreign Exchange Remittance
Foreign Exchange Remittance service is an interbank remittance available in nine foreign currencies from Indonesia to overseas and *vice versa*.

Prefix Remittance
Prefix Remittance service allows remittance in US Dollars and can be converted into Renminbi at ICBC Limited or any bank in China with a value preset in Indonesia. Prefix Remittance is a specific product designed for Chinese citizens with the purpose of avoiding the volatility risk of the USD and RMB exchange rates.

Cross Border RMB Settlement
With the network support from ICBC Limited and in cooperation with ICBC branches worldwide, the Bank is able to provide innovative settlement products with fast settlement services.

Jual Beli Bank *Notes/Draft*
Layanan jual-beli mata uang asing yang mudah, efisien dan cepat, serta dapat juga dilakukan dengan menggunakan rekening bank.

Safe Deposit Box
Jasa penyewaan kotak penyimpanan untuk barang berharga yang dirancang secara khusus dan aman.

Penerbitan Garansi Bank
Suatu layanan yang memberikan jaminan kepada pihak penerima jaminan, apabila pihak yang dijamin tidak dapat memenuhi kewajiban atau cidera janji.

Bancassurance
Aktivitas kerjasama antara Bank dengan perusahaan asuransi dalam rangka memasarkan produk asuransi melalui bank, yaitu asuransi *unit link* dan asuransi tradisional. Merupakan program perencanaan keuangan dalam menghadapi masa purna kerja dan hari tua yang sekaligus memberikan perlindungan jiwa terhadap kecelakaan maupun bukan karena kecelakaan.

Kartu ATM
Perluasan jaringan ATM ICBC memungkinkan Nasabah untuk menikmati akses ke rekening tabungan ICBC melalui lebih dari 177.000 jaringan ATM yang meliputi: 16 terminal ATM ICBC di Indonesia, lebih dari 100.000 terminal ATM ICBC Limited di Tiongkok; dan 77.000 terminal ATM dari bank-bank yang tergabung kedalam jaringan ATM Bersama di seluruh Indonesia.

Layanan Nasabah Prioritas
Layanan khusus untuk Nasabah Bank yang mempunyai saldo di atas nilai tertentu. Bank memberikan berbagai fasilitas tambahan yang tidak didapat oleh Nasabah *regular*, seperti: *lounge* khusus, *personal relationship manager*, *meeting room*, diskon biaya *Safe Deposit Box* (SDB) dan berbagai fasilitas serta kemudahan lainnya.

Sub Agen Penjual SUKUK
Aktivitas kerjasama antara Bank dan agen penjual dalam rangka memasarkan Obligasi Ritel Pemerintah Indonesia berdasarkan prinsip Syariah di pasar primer. Sukuk adalah Surat Berharga Negara yang diterbitkan berdasarkan prinsip syariah, bertujuan untuk menghasilkan pendapatan yang stabil dengan risiko seminimal mungkin dan dikombinasikan dengan imbal hasil yang kompetitif dalam mata uang IDR.

Sale and Purchase Bank Notes/ Draft
This sale and purchase of foreign currencies' service is simple, efficient, fast and can be done easily by using bank account.

Safe Deposit Box
This service is offered to provide a secure storage unit which is specially devised for the valuables.

Bank Guarantee Issuance
A service that provides warranty to the recipient in case the guaranteed party fails to meet his/her obligations or if there is a breach of contract.

Bancassurance
Cooperation between Bank and insurance companies in order to sell insurance products through bank, which are unit link insurance and traditional insurance. A financial planning program for retirement preparation funds as well as providing life protection against accidents or non-accidents.

ATM Card
ICBC ATM network expansion enables Customers to enjoy access to their savings account through more than 177,000 ATMs that include: 16 terminals of ICBC ATM in Indonesia, more than 100,000 ICBC Limited ATM terminals in Mainland China; and 77,000 ATM terminals of other banks within ATM Bersama network throughout Indonesia.

Priority Customer Service
This exclusive service is designed for Bank's Customers who maintain account balances above certain amount. The Bank provides additional facilities that are not given to regular Customers, such as: exclusive lounge, personal relationship manager, meeting room, discount rate for Safe Deposit Box (SDB), and other convenient facilities.

SUKUK Sub Selling Agent
Cooperation between Bank and Selling Agent in order to sell Indonesia Government Retail Bond based on sharia principles in the primary market. Sukuk is Government Securities issued based on sharia principles, which aims to generate a stable return with minimum risk while equipped with a competitive return in IDR curency.

Sub Agen Penjual ORI

Aktivitas kerjasama antara Bank dan Agen Penjual dalam rangka memasarkan Obligasi Ritel Pemerintah Indonesia (ORI) di pasar primer. Obligasi yang diterbitkan oleh Pemerintah Republik Indonesia yang dijual kepada individu atau perorangan Warga Negara Indonesia melalui agen penjual di pasar primer.

Payroll

Bank menawarkan layanan *payroll* terpadu yang dapat mengurangi biaya, meningkatkan efisiensi waktu, menghilangkan pemakaian kertas, dan meningkatkan keamanan.

Corporate Internet Banking

Corporate Internet Banking memberikan kemudahan bagi Nasabah korporasi untuk melakukan transaksi *online*.

Valuta Asing (Valas)

Bank dapat melayani transaksi valas dengan valuta *Today, Tomorrow, Spot, Forward*, dan *Swap*.

- *Today*, penyelesaian transaksi dilakukan pada hari yang sama;
- *Tomorrow*, penyelesaian transaksi dilakukan pada satu hari kerja setelah tanggal transaksi;
- *Spot*, penyelesaian transaksi dilakukan pada 2 (dua) hari kerja setelah tanggal transaksi;
- *Forward*, penyelesaian transaksi dilakukan di atas 2 (dua) hari kerja dari tanggal transaksi.
- *Swap*, transaksi valas pada tanggal valuta tertentu sekaligus dengan perjanjian untuk menjual atau membeli kembali pada tanggal valuta berbeda di masa yang akan datang dengan harga yang telah ditentukan pada tanggal transaksi.

Pasar Uang

Merupakan kegiatan yang berhubungan dengan kegiatan penempatan dana atau peminjaman dana antar-bank atau pendanaan berjangka pendek sampai dengan 1 (satu) tahun dalam mata uang IDR dan valuta asing yang dilakukan dalam rangka pengelolaan kebutuhan likuiditas bank.

Repo/*Reverse* Repo

Merupakan kontrak jual atau beli surat berharga denganjanjibeliataujualkembalipadawaktuyangtelah ditetapkan di awal.

ORI Sub Selling Agent

Cooperation between Bank and Selling Agent in order to sell Indonesia Government Retail Bond (ORI) in the primary market. Bonds issued by the Government of Republic of Indonesia which are sold to individuals or Indonesian citizens through brokers in primary market.

Payroll

The Bank offers integrated payroll services that can minimize cost, improve time efficiency, eliminate paper work and improve security.

Corporate Internet Banking

Corporate Internet Banking provides convenience for Corporate Customers to conduct online transactions.

Foreign Currency (Forex)

Bank offers forex transactions with the currency of Today, Tomorrow, Spot, Forward and Swap.

- Today, transaction is completed on the same day;
- Tomorrow, transaction is completed one business day after the date of the transaction;
- Spot, transaction is completed in 2 (two) business days after the date of the transaction;
- Forward, transaction is completed after 2 (two) business days from the date of the transaction.
- Swap, offering forex transactions on a particular currency date with an agreement to sell or repurchase at different future currency dates, at a price specified on the date of the transaction.

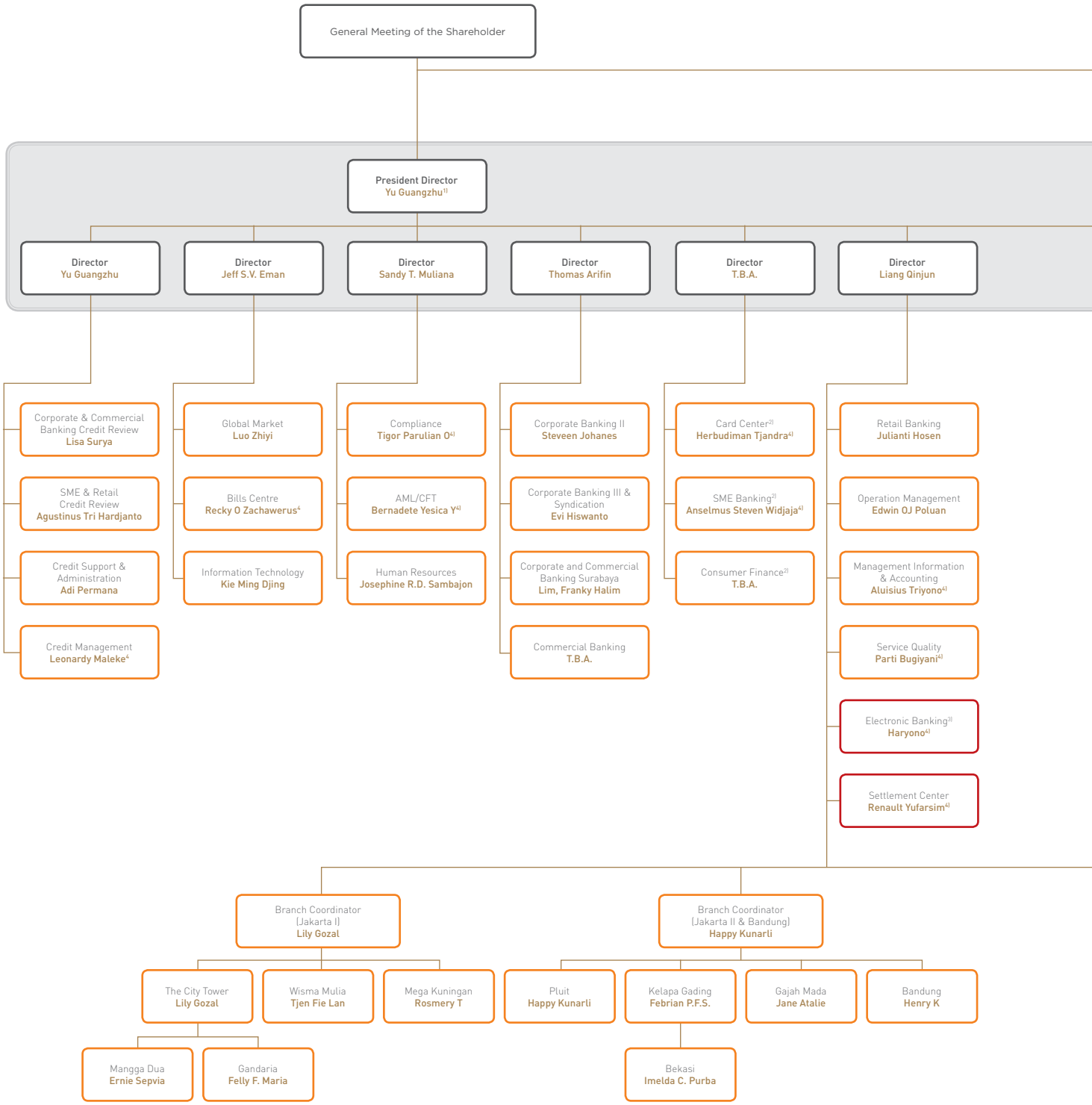
Money Market

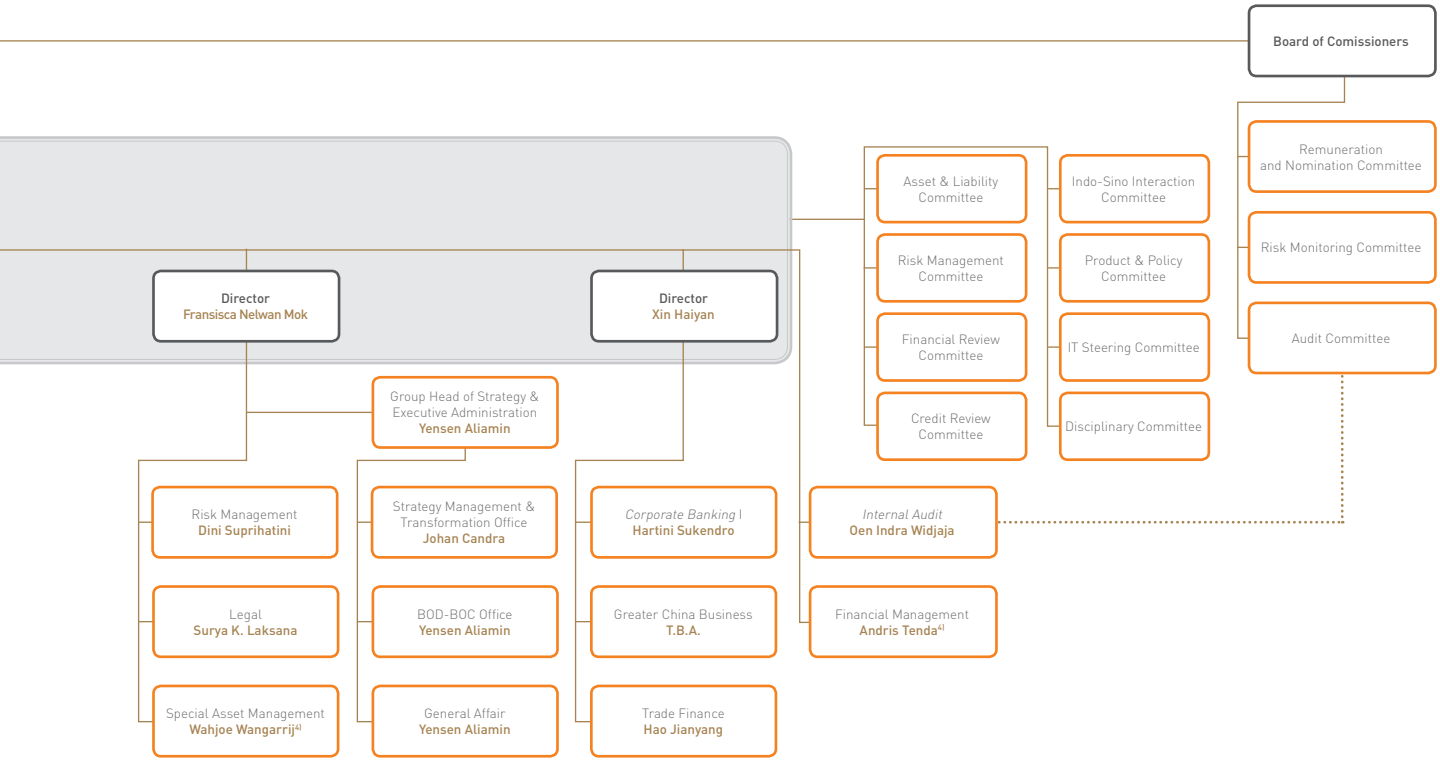
Activity related to fund placement or interbank lending or short-term financing of up to 1 (one) year in IDR and foreign currency, conducted in the framework of managing bank liquidity requirements.

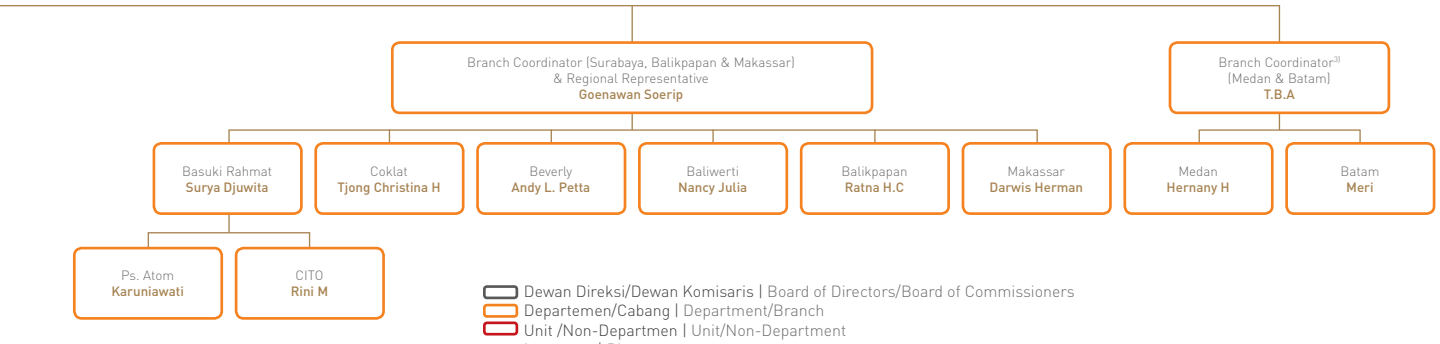
Repo/Reverse Repo

It represents a contract of sale or purchase of securities with a promise of buying or reselling at a pre-defined time.

STRUKTUR ORGANISASI
ORGANIZATIONAL STRUCTURE







Dewan Direksi/Dewan Komisaris | Board of Directors/Board of Commissioners
Departemen/Cabang | Department/Branch
Unit /Non-Departmen | Unit/Non-Department
Langsung | Direct
Koordinasi | Coordination

1) Menduduki posisi sebagai Pejabat Pelaksana Presiden Direktur sejak 31 Oktober 2017
Holding the position as the Acting President Director since October 31, 2017
2) Departemen *Card Center* dan Departemen *Consumer Finance* untuk sementara waktu berada di bawah pengawasan Liang Qinjun, Departemen *SME Banking* untuk sementara waktu berada di bawah pengawasan Thomas Arifin
Card Center Department and Consumer Finance Department temporarily under the supervision of Liang Qinjun
SME Banking Department temporarily under the supervision of Thomas Arifin
3) Posisi ini akan dikembangkan lebih lanjut | The position will be further developed.
4) Pejabat Pelaksana | Acting Officer

Menjadi bank lokal terkemuka dengan layanan, kinerja, dan kontribusi yang terbaik.

To be a leading local Bank providing the best service, performance, and contribution.

LAYANAN TERBAIK:

Secara berkesinambungan membangun kepuasan dan loyalitas Nasabah yang tercermin dalam setiap interaksi Nasabah secara profesional, mengerti setiap kebutuhan Nasabah serta memberikan layanan keuangan yang berkualitas.

PERFORMA TERBAIK:

Secara berkala membangun bisnis yang berkesinambungan guna mendapatkan nilai ekonomi yang mumpuni.

KONTRIBUSI TERBAIK:

Secara terus menerus menjaga kepercayaan yang tinggi pada Bank; menciptakan lingkungan kerja yang kondusif, mendukung proses pembelajaran dan membangun masa depan; terus berupaya membangun citra dan reputasi perusahaan di Indonesia; mendukung pembangunan nasional dan masyarakat melalui berbagai program Tanggung Jawab Sosial Perusahaan (*Corporate Social Responsibilities*/CSR) yang berkelanjutan.

BEST SERVICE:

Continually build Customers' satisfaction and loyalty, as reflected in professional interactions with the Customers, fulfillment of Customers' needs, and provision of quality financial services.

BEST PERFORMANCE:

Gradually develop sustainable businesses that deliver respectable economic returns.

BEST CONTRIBUTION:

Continually maintain Customers' high level of trust and confidence in the Bank; creating a conducive working environment that espouses unceasing learning and development for Employees; persistently raise Bank's reputation and brand value in Indonesia; supporting Indonesia's economic development and contributing to the improvement of the Society's well being through effective Corporate Social Responsibility initiatives.

MISI
MISSION

- Meningkatkan nilai Pegawai, Nasabah, dan Pemegang Saham.
- Menjadi jembatan perekonomian, keuangan, dan kebudayaan antara Indonesia dan Tiongkok.
- To augment the value of Employees, Customers and Shareholders.
- To be the economic, financial and cultural bridge between Indonesia and China.

MOTO
MOTTO

Masa Depan Anda adalah Masa Depan Kami, dan Masa Depan Kami adalah Masa Depan Anda.
Your Future is Our Future, and Our Future is Your future.

TATA NILAI
VALUES

INTEGRITY
Bertindak sesuai dengan norma dan etika serta bertanggung jawab terhadap tindakan yang dilakukan.
Act according to norms and ethics, and be responsible for actions taken.

COMMITMENT
Melakukan yang terbaik untuk mencapai standar tertinggi melalui inovasi dan perbaikan berkelanjutan.
Do the best to achieve the highest standard through innovation and continuous improvement.

BELONGING
Semangat kebersamaan untuk mencapai tujuan perusahaan.
Spirit of togetherness to achieve company objectives.

CARE & RESPECT
Peduli dan empati, menghargai satu sama lain.
Treat others with care, empathy, and respect.

PROFIL DEWAN KOMISARIS
BOARD OF COMMISSIONER'S PROFILE

WANG KUN
Presiden Komisaris
Warga Negara Tiongkok.
Usia 40 tahun
President Commissioner
A Chinese Citizen
40 years old

Jabatan dan Dasar Penunjukan Bapak Wang Kun di angkat sebagai Presiden Komisaris sejak Desember 2017, keputusan ini berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 108 pada 13 Desember 2017. **Pendidikan** Beliau memiliki gelar Sarjana Seni dari Teacher's College, Yangzhou University, mengambil jurusan Pendidikan Bahasa Inggris dan lulus pada tahun 1999. Beliau kemudian melanjutkan pendidikan untuk gelar Pasca Sarjana Seni dengan mengambil jurusan yang sama di Beijing Foreign Studies University dan lulus pada tahun 2002. **Pelatihan** Beliau mengambil pelatihan *Advance Credit Management* (2016) dan *Senior Branch Management Training* (2016) yang diselenggarakan oleh ICBC *Head Office Credit Department*, Beijing, Tiongkok. Serta berpartisipasi dalam *Financial MBA* (2014) yang diselenggarakan oleh China South West Finance and Economic University, Shanghai, Tiongkok. **Perjalanan Karir** Beliau berkarir di ICBC Group sejak 2002 dan menjabat beberapa posisi di beberapa kantor ICBC yang tersebar di Tiongkok, jabatan beliau diantaranya adalah Manajer, *Foreign Affairs*; Manajer Senior, *Correspondent Banking*, Manajer Senior *Overseas Institution Planning*; Manajer Senior, *Correspondent Banking* Eropa & Afrika; Wakil Presiden; Presiden; Wakil Manajer Umum Strategi Perusahaan dan Hubungan Investor dan yang terakhir sebagai Presiden Komisaris Bank ICBC Indonesia.

Position and Appointment Mr. Wang Kun was appointed as President Commissioner since December 2017, based on Deed of Shareholder Resolution of PT Bank ICBC Indonesia Number 108 dated 13 December 2017. **Education** He earned his Bachelor of Arts from Teacher's College, Yangzhou University, majoring in English Education and graduated in 1999. He then continued his postgraduate degree of Art in the same major at Beijing Foreign Studies University and graduated in 2002. **Training** He attended the Advance Credit Management (2016) and Senior Branch Management Training (2016) held by ICBC Head Office Credit Department, Beijing, China and participated in the Financial MBA (2014) held by China South West Finance and Economic University, Shanghai, China. **Professional Careers** He started his career at ICBC Group since 2002 and held several positions in ICBC offices across China, his positions includes Manager, Foreign Affairs, Senior Manager, Correspondent Banking, Senior Manager of Overseas Institution Planning, Correspondent Banking Europe & Africa, Vice President, President, Deputy General Manager Corporate Strategy and Investor Relations and lastly as President Commissioner of Bank ICBC Indonesia.

HENDRA WIDJOJO
Komisaris Independen
Warga Negara Indonesia
Usia 54 tahun
Independent Commissioner
An Indonesian Citizen
54 years old

Jabatan & Dasar Penunjukan Bapak Hendra Widjojo diangkat menjadi Komisaris Independen sejak September 2007 berdasarkan Pernyataan Keputusan Rapat Umum Luar Biasa Para Pemegang Saham PT Bank ICBC Indonesia (dahulu bernama PT Bank Halim Indonesia) No. 24 pada 19 September 2007. **Pendidikan** Beliau menjalani pendidikan di Universitas Merdeka, Surabaya dan meraih gelar Sarjana di bidang Ekonomi (2001). **Pelatihan** Beliau mengikuti pelatihan *Enhancing Good Corporate Governance Framework and Practices* oleh DSG (2017), *Risk Management Certification Refreshment* oleh LSPP (2017), *Managing People in Risk* oleh Kiran Resources Indonesia (2016) dan *Strategic Governance and Sound Bank Strategy Implementation* (2014). **Perjalanan Karir** Selama 35 tahun berkarir, beliau menduduki berbagai posisi, mencakup Direktur PT Ogasaka (1981-83) dan Kepala Divisi Keuangan di PT Multi Commodore Leasing (1982-83). Dalam 5 tahun berikutnya, beliau menjabat sebagai Direktur Utama di Bank Pasar Sumber Dana. Dari tahun 1989 sampai dengan 1998, beliau ditunjuk sebagai Presiden Direktur PT Bank Halim Indonesia, menjabat sebagai Komisaris (1998-2005), lalu akhirnya menduduki posisi Presiden Komisaris hingga Bank diakuisisi oleh ICBC Limited pada 2007 dan berganti nama menjadi PT Bank ICBC Indonesia, sejak saat itu beliau menjabat sebagai Komisaris Independen.

Position and Appointment Mr. Hendra Widjojo was appointed as Independent Commissioner since September 2007, based on Deed of Shareholder Resolution of PT Bank ICBC Indonesia (formerly PT Bank Halim Indonesia) Number 24 dated 19 September 2007. **Education** He studied at Merdeka University, Surabaya and earned his Bachelor degree in Economics (2001). **Training** He attended Enhancing Good Corporate Governance Framework and Practices training by Diaspora Saraswati Gemilang (2017), Risk Management Certification Refreshment by LSPP (2017), Managing People in Risk by Kiran Resources Indonesia (2016) as well as Strategic Governance and Sound Bank Strategy Implementation (2014). **Professional Career** His 35 years career includes position as Director of PT Ogasaka (1981-83) and Head of Finance Division at PT Multi Commodore Leasing (1982-83). In the next 5 years, he served as President Director of Bank Pasar Sumber Dana. From 1989 to 1998, he was appointed as President Director of PT Bank Halim Indonesia, and then as its Commissioner (1998-2005), and finally as its President Commissioner until the Bank was acquired by ICBC Limited in 2007 and re-named to PT Bank ICBC Indonesia, where he has served as Independent Commissioner.

Christina Harapan
Komisaris Independen
Warga Negara Indonesia
Usia 39 tahun
Independent Commissioner
Indonesian Citizen
39 years old

Jabatan & Dasar Penunjukan Ibu Christina Harapan diangkat menjadi Komisaris Independen sejak Februari 2016 berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 135 pada 22 Februari 2016. **Pendidikan** Beliau lulus dengan gelar Sarjana Bisnis dari Universitas San Diego pada 1999. Beliau menyelesaikan studi Pasca Sarjana di San Diego State University dengan gelar *Master* di bidang Bisnis. **Pelatihan** Beliau memperoleh Sertifikasi Manajemen Risiko Level 5 dari LSPP pada 2013 dan mengikuti *Refreshment* pada 2017. Pelatihan lainnya, antara lain partisipasi pada *Enhancing Good Corporate Governance Framework and Practices* oleh DSG (2017), *Befriending with the Boom and Bust Cycle* di Jakarta (2014), dan *Essentials of Leadership* yang diselenggarakan oleh ICBC di London (2016). **Perjalanan Karir** Karir beliau dimulai di PT Bank Artha Graha Internasional, Tbk. Pada 2008, dimana untuk empat tahun berikutnya, beliau memimpin tim pengawas bisnis di dalam *Internal Audit*. Selanjutnya pada tahun 2012, beliau dipromosikan menjadi Kepala Divisi Pengendalian Internal dan bertugas dalam mengelola risiko kredit dan operasional bank. Pada Februari 2016, beliau menjabat sebagai Komisaris Independen PT. Bank ICBC Indonesia.

Position & Appointment Ms. Christina Harapan was appointed as Independent Commissioner since February 2016, based on Deed of Shareholder Resolution of PT Bank ICBC Indonesia Number 135 dated 22 February 2016. **Education** She graduated with a degree in Business from San Diego University in 1999. She then pursues postgraduate studies at San Diego State University with a degree in Business. **Training** She obtained the Level 5 Risk Management Certification from LSPP in 2013 and went through Refreshment program in 2017. Her other professional developments include participation in Enhancing Good Corporate Governance Framework and Practices by Diaspora Saraswati Gemilang (2017), Befriending with the Boom and Bust Cycle in Jakarta (2014), and Essentials of Leadership organized by ICBC in London (2016). **Professional Career** Her banking career started at PT Bank Artha Graha International, Tbk. In 2008, she led the business supervisory team within the Internal Audit for four years. In 2012, she was promoted to be Head of the Internal Control Division and served in managing credit and bank operating risks. Then on February 2016, she was appointed as Independent Commissioner in PT. Bank ICBC Indonesia.

DEWAN KOMISARIS
BOARD OF COMMISSIONER

1. **WANG KUN**
   Presiden Komisaris
   President Commissioner
2. **HENDRA WIDJOJO**
   Komisaris Independen
   Independent Commissioner
3. **CHRISTINA HARAPAN**
   Komisaris Independen
   Independent Commissioner

PROFIL DIREKSI
BOARD OF DIRECTOR'S PROFILE

YU GUANGZHU
Direktur & Plt. Direktur Utama
Warga Negara Tiongkok.
Usia 51 tahun
Director & Acting President Director
A Chinese Citizen
51 years old

Jabatan & Dasar Penunjukan Bapak Yu Guangzhu diangkat menjadi direktur sejak Mei 2014 berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 118 pada 13 Mei 2014. Beliau efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. **Pendidikan** Beliau meraih gelar Sarjana di bidang *Geochemistry* dari University of Science and Technology of China di tahun 1988. Beliau melanjutkan pendidikan Pasca Sarjana di Universitas Xiamen, Tiongkok dan meraih gelar MBA pada 2004. **Pelatihan** Beliau telah berpartisipasi dalam sejumlah pelatihan profesional sepanjang karirnya. Di 2017 beliau berpartisipasi pada pelatihan yang diadakan oleh ICBC Limited - *Strategic Leadership dan Good Corporate Governance* oleh Diaspora Saraswati Gemilang. Di 2016, beliau berpartisipasi dalam *Overseas Institutions Management Training* oleh ICBC Limited, kemudian menghadiri ICBC *Interbank Business Training* yang prestisius di Yale Univesity, New Haven dan berpartisipasi dalam Basel III *Implementation and Its Impact on Banking Industry in Indonesia* yang diselenggarakan oleh Kiran Resources. Di 2014, beliau ke Fontainebleau, Perancis untuk berpartisipasi di *Risk Management in Banking* yang diselenggarakan oleh INSEAD. Beliau menyelesaikan Sertifikasi Manajement Risiko Level 5 oleh BSMR pada tahun 2013. **Perjalanan Karir** Beliau memulai karirnya di kampung halamannya pada 1988 dengan ICBC Xiamen dimana beliau dipercayakan berbagai tanggung jawab terkait kredit seperti *Corporate Credit Marketing*, *Credit Review*, dan *Credit Management*. Beliau juga pernah menjabat sebagai Wakil Ketua Komite Kredit dan sampai dengan Januari 2010, beliau adalah GM Manajemen Kredit dan SME. Penugasannya ke luar negeri dimulai pada awal 2010 di ICBC Singapura sebagai Kepala Departemen Kredit yang bertanggung jawab atas *Credit Review*, *Credit Administration* dan *Credit Operations*. Sebelum beliau ditugaskan ke Bank ICBC Indonesia pada akhir 2013, Beliau menjabat sebagai Direktur yang membawahi *Corporate & Commercial Banking Credit Review, SME & Retail Credit Review, Credit Support & Administration, Credit Management, Internal Audit* dan *Financial Management*.

Position & Appointment Mr. Yu Guangzhu was appointed as a director since May 2014 based on Deed of Shareholder Resolution of PT Bank ICBC Indonesia No. 118 on 13 May 2014. He served as Acting President Director since 1 November 2017. **Education** He earned his bachelor degree in Geochemistry from University of Science and Technology of China in 1988. He continued his postgraduate studies at Xiamen University in China and earned his MBA degree in 2004. **Training** He has participated in a number of professional developments throughout his career. In 2017 he participated in a training organized by ICBC Limited - Strategic Leadership and Good Corporate Governance by Diaspora Saraswati Gemilang. In 2016, he participated in Overseas Institutions Management Training by ICBC Limited, and then attended the prestigious ICBC Interbank Business Training at Yale Univesity, New Haven as well as participation in Basel III Implementation and Its Impact on Banking Industry in Indonesia organized by Kiran Resources. In 2014, he participated in Risk Management in Banking organized by INSEAD in Fontainebleau, France. He completed the Risk Management Certification Level 5 by BSMR in 2013. **Professional Career** Mr. Yu Guangzhu started his career in his hometown in 1988 with ICBC Xiamen where he was entrusted with various credit related responsibilities such as Corporate Credit Marketing, Credit Review and Credit Management. He also served as Vice Chairman of the Credit Committee and until January 2010, he was GM Credit Management and SME. His overseas assignments began in early 2010 at ICBC Singapore as Head of the Credit Department responsible for Credit Review, Credit Administration and Credit Operations. He was assigned to Bank ICBC Indonesia at the end of 2013 and served as Director of Corporate & Commercial Banking Credit Review, SME & Retail Credit Review, Credit Support & Administration, Credit Management, Internal Audit and Financial Management.

Jabatan & Dasar Penunjukan Bapak Jeff S.V. Eman diangkat menjadi direktur sejak Juni 2015 berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 417 pada 30 Juni 2015. **Pendidikan** Beliau meraih gelar Sarjana di bidang ekonomi dari Universitas Advent Indonesia pada 1981. **Pelatihan** Beliau berpartisipasi dalam pelatihan ICBC Limited - *Strategic Leadership* dan *Good Corporate Governance* oleh DSG pada tahun 2017. Beliau berpartisipasi di berbagai konferensi, pelatihan dan *workshops* di Indonesia dan luar negeri. Pada November 2016, beliau memimpin delegasi dalam program eksekutif di New York oleh Euromoney dan di Desember, beliau berpartisipasi dalam program *refreshment* Manajemen Risiko oleh LSPP yang berjudul *Economic Outlook* 2017. Di tahun yang sama, beliau menghadiri *Indonesia Business and Development Expo* 2016 dan sebagai pembicara dalam ICBC's *Roles in Indonesia's Economic Development*. Beliau menghadiri acara *43rd ASEAN Banking Council Meeting* di Myanmar (2013), *World Islamic Conference* (2012) oleh Money Authority of Singapore, program Manajemen Risiko Senior oleh DCG Gardner di London (2010), dan panel diskusi dan lokakarya tentang Penerapan GCG Perbankan oleh LPPI (2008). **Perjalanan Karir** Seorang bankir yang telah memiliki pengalaman selama 36 tahun, beliau memulai karir perbankannya di PT Bank Halim Indonesia pada 1990 dan selama 17 tahun beliau dipercayakan dalam peningkatan tanggung jawab di berbagai bidang termasuk Kepala Cabang, Koordinator Cabang dan Direktur yang membawahi *Marketing*, *Operations*, dan terakhir sebagai Presiden Direktur. Beliau terlibat dalam proses akuisisi, negosiasi dan proses *transfer* bisnis Bank Halim Indonesia menjadi PT Bank ICBC Indonesia dan kemudian bertanggung jawab sejak 2007 di bagian *Compliance, Credit* dan *Operations*. Saat ini beliau menjabat sebagai Direktur yang membawahi departemen *Global Markets*, *Information Technology*, dan *Bill Center*. Beliau juga pernah menjabat sebagai Komisaris Bank sejak akhir 2012 sampai 2015. Beliau adalah eksekutif di *Foreign Committee of Indonesia Banking Association* (Perbanas). Atas dedikasi dan kinerjanya beliau menerima penghargaan *Award for Management Achievement* dalam acara ICBC *Honorary Global Employee* di Beijing.

Jabatan & Dasar Penunjukan Bapak Liang Qinjun diangkat menjadi direktur sejak Juni 2016 berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 21 pada 3 Juni 2016. **Pendidikan** Beliau memperoleh gelar Sarjana (*Public Finance and Finance*, 1987) dan gelar Pasca Sarjana (*International Finance*, 2000) dari Universitas Renmin, China. **Pelatihan** Di tahun 2017, beliau berpartisipasi dalam *Executive Program* Yale University dan *Good Corporate Governance* oleh Diaspora Saraswati Gemilang. Beliau telah mengikuti kursus dan seminar mengenai topik seperti *Innovation* oleh Universitas Sun Yat-sen (2006), *Improvement in Leadership of Modern Commercial Banking* oleh Universitas Tsinghua (2011), *e-Banking* oleh ICBC Changchun Institute of Financial Studies (2016), *Executive Program* di Frankfurt yang diselenggarakan oleh Euromoney (2016), dan the *13th China Expo of Chinese Economic and Commercial Counselors in Asean Countries* oleh Kementrian Perdagangan Republik Rakyat Cina Departemen *Asian Affairs* di Nanning, Guangxi (2016). Beliau telah menyelesaikan Sertifikasi Manajement Kredit Level 5 di 2015. **Perjalanan Karir** Beliau memulai karir perbankannya dengan ICBC pada tahun 1987 di kampung halamannya cabang Jiangmen dimana selama hampir dua dekade beliau memegang beragam tanggung jawab seperti *International Business, Corporate Banking, Credit Review*, dan *Credit Management*. Beliau kemudian dipindahkan ke ICBC cabang Guangzhou pada September 2006 sebagai Wakil GM dari Departemen *International Business* dan kemudian sebagai GM sampai Agustus 2011. Kontribusi beliau telah membuat cabang propinsi tersebut menerima sejumlah penghargaan, termasuk *Cross-border RMB Settlement* (2011), *International Banking Product Innovation* (2011), dan *International Banking Business Comprehensive Contribution* (2010). Sebelum bergabung dengan Bank ICBC Indonesia, beliau pernah bertugas di ICBC Dubai sebagai Wakil GM yang bertanggung jawab atas *Business Banking, Trade Financing, Credit Review* dan *Risk Management*. Sebelumnya dari Juli 2011 sampai April 2014 di ICBC (Timur Tengah) Limited, beliau berkontribusi dalam pertumbuhan institusi sebesar USD290 juta di akhir tahun 2011, menjadi hampir USD8.6 milyar pada akhir tahun 2015. Beliau juga pernah menjabat sebagai Ketua Komite Manajamen Risiko untuk ICBC Timur Tengah yang meliputi Kuwait, Abu Dhabi dan Dubai.

Jabatan & Dasar Penunjukan Ibu Xin Haiyan diangkat menjadi Direktur sejak 13 April 2017 berdasarkan Surat Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 71 pada 13 April 2017 **Pendidikan** Beliau meraih gelar Pasca Sarjana dari University of Macau di bidang *Business Administration* (2008) dan gelar Sarjana di bidang *International Trade* dari Nanjing Agricultural University (1995). **Pelatihan** Pada 2012, beliau mengikuti program Pelatihan Manajemen dan mendapatkan *Certificate of Specialty and Technology for Senior Economists* di ICBC Jiangsu, sedangkan pada tahun 2010 beliau menyelesaikan *Syndicated Course Certificate Training* yang diadakan oleh ALPMA di Singapura. Pada 2016, Beliau mengikuti program pelatihan eksekutif di Yale University bertema *Corporate Client and Investment Banking*. Beliau telah mendapatkan sertifikasi untuk Manajemen Risiko Level 5 oleh LSPP pada 2015. Pada tahun 2017, Beliau mengikuti *Executive Program for Leadership Team* di *United Kingdom* yang diselenggarakan oleh Euromoney, beliau juga mengikuti *Executive Management Program* yang diselenggarakan oleh ICBC Limited, di Beijing. **Perjalanan Karir** Beliau memulai karirnya di ICBC Jiangsu di 1995 sebagai *Credit Officer* dan dipromosikan menjadi *Credit Manager* pada 2003. Di 2006, beliau bergabung dengan ICBC Macau menjabat sebagai GM untuk *Corporate Banking* sampai 2009 sebelum beliau ditugaskan sebagai GM Departemen Kredit. Beliau kemudian kembali ke ICBC Jiangsu dan menjabat sebagai Wakil GM untuk Departemen Kredit dari 2011 sampai 2015. Bergabung dengan Bank ICBC Indonesia sebagai *Group Head of Great Indo China Business* sejak 15 Juli 2015 hingga April 2017. Kontribusi beliau telah menghasilkan beberapa penghargaan termasuk *The Best Service Award of ICBC Macau* (2006), dan penghargaan tertinggi diberikan oleh City Financial Excellent Paper Competition untuk *A Paper Entitled Credit Portofolio Transformation* (2003). *Best Syndication Loan of the Year* oleh *The Asset Magazine* (kepada Galaxy Entertainment Group, HKD9 miliar, 2010), Best MNA Indonesia dan Best Acquisition Award untuk kredit sindikasi dari *The Asset Asian* di tahun 2017.

JEFF S.V. EMAN
Direktur
Warga Negara Indonesia
Usia 60 tahun
Director
An Indonesian Citizen
60 years old

Position & Appointment Mr. Jeff S.V. Eman was appointed as a Director since June 2015, based on Deed of Resolutions of Shareholders of the Limited Liability Company PT Bank ICBC Indonesia Number 417 dated 30 June 2015. **Education** He earned his Bachelor of Economics from Advent Indonesia University in 1981 **Training** He participated in ICBC Limited training of Strategic Leadership and Good Corporate Governance by Diaspora Saraswati Gemilang in 2017. He also participated in various conferences, trainings and workshops in Indonesia and overseas.In November 2016, he led a delegation to take part in an Executive Program conducted by Euromoney in New York by ICBC Limited and in December he took part in refreshment on risk management by LSPP entitled "Economic Outlook 2017". Also in the same year, he not only attended the Indonesia Business and Development Expo 2016 but also contributed as a speaker on "ICBC's Roles In Indonesia's Economic Development". Furtherback, he attended the 43rd ASEAN Banking Council Meeting in Myanmar (2013), the 2012 World Islamic Conference organized by the Monetary Authority of Singapore, Senior Risk Management program conducted by DCG Gardner in London (2010), and Panel Discussion and Workshop on Implementation of Banking GCG by LPPI (2008). **Professional Career** A banker with 36 years of experience, he started his banking career with PT Bank Halim Indonesia in 1990, and during the next 17 years had been entrusted with increasing responsibilities in various capacities, including as Branch Manager, Branch Coordinator, and Director in charge of Marketing, Operations, and finally as President Director. He was involved in the acquisition, negotiation and finally business transfer processes of Bank Halim Indonesia to PT Bank ICBC Indonesia, where he had subsequently taken up various directorate responsibilities since 2007, including Compliance, Credit, and Operations. Currently a Director in charge of Global Markets, Information Technology and Bill Center. He had also served as a Commissioner of the Bank from end of 2012 until 2015. He is also an executive in the Foreign Committee of Indonesian Banking Association (Perbanas). For his dedication and performance, he received an Award for Management Achievement on ICBC Honorary Global Employee in Beijing.

LIANG QINJUN
Direktur
Warga Negara Tiongkok.
Usia 55 tahun
Director
A Chinese Citizen
55 years old

Position & Appointment Mr. Liang Qinjun was appointed as a Director in June 2016, based on Deed of Resolutions of Shareholders of the Limited Liability Company PT Bank ICBC Indonesia Number 21 dated 3 June 2016. **Education** He earned both his undergraduate (Public Finance and Finance, 1987) and postgraduate (International Finance, 2000) degrees from Renmin University of China. **Training** In 2017, he participated in Executive Program at Yale University and Good Corporate Governance by Diaspora Saraswati Gemilang. He has attended courses and seminars on such topics as Innovation by Sun Yat-sen University (2006), Improvement in Leadership of Modern Commercial Banking by Tsinghua University (2011), e-Banking by ICBC Changchun Institute of Financial Studies (2016), Executive Program in Frankfurt by Euromoney (2016), and the 13th China Expo of Chinese Economic and Commercial Counselors in ASEAN Countries by the Ministry of Commerce of the People's Republic of China Department of Asian Affairs in Nanning, Guangxi (2016). He has completed Risk Management Certification Level 5 in 2015. **Professional Career** He started his banking career with ICBC in 1987, at his hometown's Jiangmen Branch, where for almost two decades he held diverse responsibilities as International Business, Corporate Banking, Credit Review, and Credit Management. He was then transferred to ICBC Guangzhou Provincial Branch in September 2006 as Deputy GM of International Business Department and later as GM until August 2011. His contributions had made the Provincial Branch a recipient of numerous awards, including Cross-border RMB Settlement (2011), International Banking Product Innovation (2011), and International Banking Business Comprehensive Contribution (2010). Before joining Bank ICBC Indonesia, he served in ICBC Dubai Branch as Vice GM in charge of Business Banking, Trade Financing, Credit Review and Risk Management. Previously from July 2011 until April 2014 in ICBC (Middle East) Limited, he contributed in the growth of a USD290Mn-institution at end of 2011, to almost USD8.6 billion by end of 2015. He had also been a Chairperson of Risk Management Committee for ICBC in Middle East, encompassing Kuwait, Abu Dhabi, and Dubai branches.

XIN HAIYAN
Direktur
Warga Negara Tiongkok.
Usia 43 tahun
Director
Chinese Citizen
43 years old

Position & Appointment She was appointed as a Director since 13 April 2017, based on Deed of Shareholder Resolution of PT Bank ICBC Indonesia Number 71 dated 13 April 2017. **Education** She earned her postgraduate degree from University of Macau in Business Administration (2008) and her bachelor degree in International Trade from Nanjing Agricultural University (1995). **Training** In 2012, she underwent Management Training program and earned Certificate of Specialty and Technology for Senior Economist at ICBC Jiangsu, while in 2010 she completed Syndicated Course Certificate Training held by ALPMA in Singapore. In 2016, She went to Yale University to take part in executive training program titled Corporate Client and Investment Banking. She was certified in Risk Management Level 5 by LSPP in 2015. In 2017, she attended Executive Program for Leadership Team in United Kingdom by Euromoney. She also participated in Executive Management Program held by ICBC Limited in Beijing. **Professional Career** She started her career at ICBC Jiangsu in 1995 as Credit Officer and was promoted to Credit Manager in 2003. In 2006, she joined ICBC Macau's Corporate Banking as GM until 2009 before she was assigned to Credit Department as GM. She then returned to ICBC Jiangsu and served as Deputy GM of Credit Department from 2011 to 2015. She first joined Bank ICBC Indonesia as Group Head of Great Indo China Business since July 2015 until April 2017. Her contributions have resulted in numerous awards, including Best Syndication Loan of the Year by The Asset Magazine (for Galaxy Entertainment Group, HKD9 billion, 2010), The Best Service Award of ICBC Macau (2006), and the first prize awarded by City Financial Excellent Paper Competition for a paper entitled Credit Portfolio Transformation (2003), Best MNA Indonesia and Best Acquisition Award for syndication loan from The Asset Asian in 2017.

Jabatan dan Dasar Penunjukan Bapak Thomas Arifin bergabung dengan Bank ICBC Indonesia pada Februari 2016 dan diangkat berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 135 pada 22 Februari 2016. **Pendidikan** Beliau meraih gelar Sarjana dalam bidang Matematika dari Institut Teknologi Bandung (1985), Ekonomi/Manajemen dari Universitas Katolik Parahyangan (1986), dan Ekonomi/Manajemen dari Universitas Indonesia (1990). Mendapatkan beasiswa dari Masyarakat Eropa dan Negara ASEAN, beliau menyelesaikan MBA dari European University di Toulouse pada tahun 1993. Beliau adalah *Certified Risk Professional* (Bank Administration Institute, Chicago, 2003) dan *Chartered Financial Analyst Level* 2 (CFA Institute, 2004). **Pelatihan** Pada tahun 2017, beliau berpartisipasi dalam *Enhancing Good Corporate Governance Framework and Practices* oleh DSG. Beliau juga telah berpartisipasi dalam sejumlah program eksekutif yang diselenggarakan oleh institusi terkenal seperti Kellogg School of Management (*Corporate Financial Strategies for Creating Shareholder Value*, 2008), Wharton Business School (*Investment Strategies and Portofolio Management*, 2009), Stanford University (*Leading Change and Organizational Renewal*, 2010) dan Said Business School di Oxford University (*Global Investment Risk Management Program*, 2011). Beliau mengambil bagian dalam Program Eksekutif di London oleh Moody's (2016) dan program *refreshment* manajemen risiko oleh London Financial Studies (2014) dan BARa dan LSPP di Frankfurt (2012). **Perjalanan Karir** Beliau memulai karirnya di PT Bank Bali Tbk, karir beliau berkembang sejak tahun 1987 sampai beliau melanjutkan studi Pasca Sarjana pada 1993. Selanjutnya, beliau ditugaskan di Bank Bali Los Angeles sebagai VP Pertama dan GM (1997-2002) dan terlibat dalam integrasi Bank Bali dan 4 bank lainnya menjadi PT Bank Permata Tbk yang kemudian beliau bergabung sebagai GM dari Grup Manajemen Risiko sampai Mei 2006. Selama 5 tahun berikutnya, beliau berada di PT Bank Mandiri (Persero) Tbk sebagai Direktur yang membawahi *Treasury* & *International Banking* dan *Special Asset Management* dimana Bank tersebut diakui atas keunggulannya sehubungan dengan bidang tanggung jawabnya oleh Asian Banker (2011), Kementrian Keuangan (2010), Asia Money (2010, 2006), dan Finance Asia (2007). Beliau pernah menjabat sebagai Direktur Manajemen Risiko dan *Chief Risk Officer* untuk PT Bank OCBC NISP Tbk. (2011-2014) dan pernah menjadi dosen di Universitas Katolik Parahyangan (2014-2015).

Jabatan & Dasar Penunjukan Bapak Sandy T. Muliana diangkat menjadi Direktur sejak November 2009 berdasarkan Pernyataan Keputusan Pemegang Saham PT Bank ICBC Indonesia No. 35 pada 24 November 2009. **Pendidikan** Beliau lulus dari Unika Atma Jaya di tahun 1988 dengan gelar Sarjana Ekonomi/Manajemen. **Pelatihan** Di tahun 2017 Beliau berpartisipasi dalam *Executive Program* Michigan University, USA. Pelatihan dan seminar beliau yang lainnya termasuk *Making Corporate Board More Effective* yang diselenggarakan oleh Harvard Business School yang diadakan di Boston, USA (2014), *Increase Profits and Lower Risks Through Avoidance of Corruption* yang diselenggarakan oleh Indonesia International Chamber of Commerce di Jakarta (2015), The Leadership and HR Forum APAC oleh Orchid Associates (2016), *International Congress on Assessment Center Methods* yang diselenggarakan oleh Daya Dimensi Indonesia (2016), dan Program Eksekutif yang diadakan di New York, USA (2016). Beliau juga berpartisipasi dalam program *refreshment* Manajemen Risiko Level 5. **Perjalanan Karir** Beliau memulai karir pada 1989 di PT Bank Arta Prima sebagai *Account Officer*, dan dipercayakan dengan tanggung jawab yang lebih besar sebagai Manajer Cabang Pembantu, Manajer Cabang, Manajer *Corporate Banking*, dan di 1995 sebagai *Credit and Marketing* GM yang bertanggung jawab atas Departemen *Corporate Banking, Financial Institution & Syndication Banking, Consumer Banking* dan Credit *Support and Review*. Pada tahun 1996, di Bank Artamedia, beliau menjabat sebagai *Business Development* GM, lalu menjabat menjadi Kepala Audit Internal lalu Direktur Kepatuhan, dan Ketua Tim Manajemen di tahun 2002. Karir beliau di PT Bank Permata Tbk. sebagai SVP dari tahun 2003-2009 menjabat sebagai *Corporate Compliance* lalu Sekretaris Perusahaan. Selama periode tersebut, beliau menangani Risiko Kepatuhan, AML dan GCG, serta bertindak sebagai juru bicara Bank. Bersertifikasi *Compliance Manager - Executive Level* sejak 2012.

Jabatan & Dasar Penunjukan Ibu Fransisca Nelwan Mok diangkat menjadi Direktur sejak 13 April 2017 berdasarkan Surat Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 71 pada 13 April 2017 **Pendidikan** Beliau meraih gelar Pasca Sarjana dari Sekolah Tinggi Manajemen Labora, Jakarta pada 2002 dan gelar Sarjana di bidang Peternakan dari Universitas Padjajaran Bandung di tahun 1981. **Pelatihan** Pada tahun 2017, beliau berpartisipasi dalam *Enhancing Good Corporate Governance Framework and Practices* oleh DSG. Beliau juga mengikuti pelatihan diantaranya *High Performance Leadership* oleh University of Chicago Booth School of Business, AS (2008), *Risk Management in Banking* oleh INSEAD, Perancis (2009), *Strategies for Leadership - Empowering Women Executives* oleh IMD, Laussane, Swiss (2011), *Indonesia Corporate Day* di London oleh Mandiri Sekuritas (2012), *Executive Training: Pulling in the Same Direction* oleh CELEMI Decision Base (2012), *Driving Corporate Performance* oleh Harvard Business School, Boston, AS (2012), *The Women's Leadership Program* oleh Darden Business School, AS (2013), *Creative Encounters to Inspire Leaders* oleh London Business School, Inggris (2014), serta berpartisipasi pada *Regional Governments Conference 2013* dan *Indonesia Infrastructure Week* (2014). Beliau juga telah merampungkan sertifikasi untuk Kompetensi di Manajemen Risiko Bank Level 5 (LSPP, 2010) dan mengikuti *Intensive Wealth and Risk Management Refreshment Program* yang diadakan oleh Program Magister Manajemen Universitas Gadjah Mada, bekerjasama dengan Ikatan Bankir Indonesia dan Rotterdam School of Management, Erasmus University (2014). **Perjalanan Karir** Beliau pernah menjabat sebagai Ketua Pengawas Dana Pensiun Mandiri I dari 2008 hingga 2010, kemudian dipercaya untuk menduduki posisi Direktur Supervisi di PT Mandiri Sekuritas dari 2010 hingga 2014 dan juga Direktur *Corporate Banking* di PT Bank Mandiri (Persero) Tbk. Dari 2010 sampai 2015 Beliau bergabung dengan PT Asuransi Jiwa Inhealth Indonesia dan Dana Pensiun Lembaga Keuangan (DPLK) Bank Mandiri sebagai Direktur Supervisi di tahun 2005.

Position & Appointment Mr. Thomas Arifin was appointed as a Director in February 2016, based on Deed of Resolutions of Shareholders of the Limited Liability Company PT Bank ICBC Indonesia Number 135 dated 22 February 2016. **Education** He is a holder of multiple undergraduate degrees in Mathematics from Institut Teknologi Bandung (1985), Economics/Management from Universitas Katolik Parahyangan (1986), and Economics/Management from University of Indonesia (1990). On scholarship from European Community and ASEAN Countries, he completed his MBA from European University at Toulouse in 1993. He is a Certified Risk Professional (Bank Administration Institute, Chicago, 2003) and Chartered Financial Analyst Level 2 (CFA Institute, 2004). **Training** In 2017, he participated in Enhancing Good Corporate Governance Framework and Practices by DSG. He has also participated in a number of executive programs conducted by renowned institutions such as Kellogg School of Management (Corporate Financial Strategies for Creating Shareholder Value, 2008), Wharton Business School (Investment Strategies and Portfolio Management, 2009), Stanford University (Leading Change and Organizational Renewal, 2010) and Said Business School at Oxford University (Global Investment Risk Management Program, 2011). More recently, he took part in the Executive Program in London by Moody's (2016) and risk management refreshment programs by London Financial Studies (2014) and by Bankers Association for Risk Management and LSPP, in Frankfurt (2012). In 2017, he participated in workshop entitled "How Leadership Accelerates Transformation in Banking" by Infobank and Good Corporate Governance by Diaspora Saraswati Gemilang **Professional Career** He started his career at PT Bank Bali Tbk., where his career progressed since 1987 until he pursued post-graduate studies in early 1993. Subsequently, he was assigned to Bank Bali Los Angeles as First VP and GM (1997 - 2002) and then involved in the integration of Bank Bali and 4 other banks into PT Bank Permata Tbk., which he later joined as GM of Risk Management Group until May 2006. For the following 5 years, he was at PT Bank Mandiri (Persero) Tbk. as Director in charge of Treasury and International Banking and of Special Asset Management, during which the Bank was recognized for excellence related to his areas of responsibilities, by Asian Banker (2011), Ministry of Finance (2010), Asia Money (2010, 2006), and Finance Asia (2007). He has also been a Director of Risk Management and Chief Risk Officer for PT Bank OCBC NISP Tbk. (2011-2014) and a lecturer at his alma mater, Universitas Katolik Parahyangan (2014-2015).

THOMAS ARIFIN
Direktur
Warga Negara Indonesia
Usia 56 tahun
Director
An Indonesian Citizen
56 years old

Position & Appointment Mr. Sandy T. Muliana was appointed as a Director since November 2009, based on Deed of Resolutions of Shareholders of PT Bank ICBC Indonesia Number 35 dated 24 November 2009 **Education** He graduated from Unika Atma Jaya in 1988, with a bachelor degree in Economy/Management. **Training** In 2017, he participated in Executive Program in Michigan University, Good Corporate Governance by Diaspora Saraswati Gemilang and Policy Direction on APU PPT by Compliance Director Communication Forum. He has been enrolled in diverse training subjects over the years. His recent years' trainings and seminars including Making Corporate Board More Effective by Harvard Business School held in Boston (2014), "Increase Profits and Lower Risks Through Avoidance of Corruption" by Indonesia International Chamber of Commerce (2015), "The Leadership and HR Forum APAC" conducted in Bali by Orchid Associates (2016), "International Congress on Assessment Center Methods" by Daya Dimensi Indonesia (2016), and Executive Program held in New York by ICBC Limited (2016). He also took a refreshment course on Risk Management Level 5 facilitated by Kiran Resources in Jakarta (2016). **Professional Career** He started his banking career in 1989 at PT Bank Arta Prima as an Account Officer, and was progressively entrusted with greater responsibilities as Sub-branch Manager, Branch Manager, Corporate Banking Manager, and in 1995, as Credit and Marketing GM in charge of Corporate Banking, Financial Institution & Syndication Banking, Consumer Banking and Credit Support and Review Departments. By 1996, now at Bank Artamedia, he was Business Development GM, then Head of Internal Audit followed by Compliance Director, and Chairman of Management Team in 2002. His subsequent career at PT Bank Permata Tbk. as Senior VP from 2003 to 2009 involved Corporate Compliance then Corporate Secretary roles. During the period, he had managed and got involved in, among others, Compliance Risk, AML, GCG, Operational Risk, and acted as Spokesperson for the Bank. He is a certified Compliance Manager - Executive Level since 2012.

SANDY TJIPTA MULIANA
Direktur
Warga Negara Indonesia
Usia 53 tahun
Director
An Indonesian Citizen
53 years old

Position & Appointment Mrs. Fransisca Nelwan Mok has been appointed as Director as per 13 April 2017 based on Deed of Resolutions of Shareholders of PT Bank ICBC Indonesia No. 71 dated 13 April 2017 **Education** She earned her postgraduate degree from Sekolah Tinggi Manajemen Labora, Jakarta in 2002 and bachelor degree in Husbandry from University of Padjajaran, Bandung in 1981 **Training** In 2017, she participated in Enhancing Good Corporate Governance Framework and Practices by DSG. She has also participated other trainings among others High Performance Leadership oleh University of Chicago Booth School of Business, AS (2008), Risk Management in Banking oleh INSEAD, Perancis (2009), Strategies for Leadership - Empowering Women Executives oleh IMD, Laussane, Swiss (2011), Indonesia Corporate Day in London by Mandiri Sekuritas (2012). Executive Training: Pulling in the Same Direction oleh CELEMI Decision Base (2012), Driving Corporate Performance oleh Harvard Business School, Boston, AS (2012), The Women's Leadership Program oleh Darden Business School, AS (2013), Creative Encounters to Inspire Leaders oleh London Business School, Inggris (2014), also participated in Regional Governments Conference 2013 and Indonesia Infrastructure Week (2014). She had also completed certification for Risk Management Comprehension Level 5 (LSPP, 2010) and participated in Intensive Wealth and Risk Management Refreshment Program which were held by Magister Program Gajah Mada University in cooperation with Indonesian Banker Association and Rotterdam School of Management, Erasmus University (2014). **Professional Career** She has been positioned as the Head of Pension Fund Monitoring I from 2008 to 2010. Later, she is entrusted to hold the position as the Supervision Director at PT. Mandiri Sekuritas from 2010 to 2014 and also Corporate Banking Director at PT. Bank Mandiri (Persero) Tbk. From 2010 to 2015 she joined PT. Asuransi Jiwa Inhealth Indonesia and Dana Pensiun Lembaga Keuangan (DPLK) Bank Mandiri as Supervision Director in 2005.

FRANSISCA NELWAN MOK
Direktur
Warga Negara Indonesia
Usia 61 tahun
Director
An Indonesian Citizen
61 years old

SHEN XIAOQI
Presiden Direktur[1)]
Warga Negara Tiongkok
Usia 60 tahun
President Director
A Chinese Citizen
60 Years old

1) Mengundurkan diri pada 31 Oktober 2017
Effectively resigned on October 31, 2017

Jabatan & Dasar Penunjukan Bapak Shen Xiaoqi menjadi Presiden Direktur PT Bank ICBC Indonesia di bulan September 2014, berdasarkan Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 16 pada 2 September 2014. **Pendidikan** Beliau meraih gelar Pasca Sarjana di bagian *Business Administration* dari City University of Macau pada tahun 2002 dan Fudan University & Hongkong University pada tahun 2011. Beliau juga memegang gelar Sarjana Akuntansi dari Number 1 Professional's Business Academy of Guangzhou (1988) dan *Culture and History* dari Guangzhou Amateur University (1987). **Pelatihan** Beliau melakukan banyak pelatihan selama karir profesionalnya. Pada tahun 2010, beliau mengikuti program bersama antara ICBC Limited dan Goldman Sachs di Tokyo, sedangkan pada tahun 2011 beliau mengikuti pelatihan Manajemen Risiko oleh ICBC Limited di London, pada tahun 2016, beliau berpartisipasi dalam ICBC Globalization untuk eksekutif tingkat senior yang diselenggarakan di Beijing. Beliau mendapatkan sertifikasi Kompetensi Manajamen Risiko Bank Tingkat 5 oleh LSPP dan mengikuti program *refreshment* Manajemen Risiko oleh Kiran Resources pada 2016. **Perjalanan Karir** Beliau adalah seorang bankir senior yang memiliki pengalaman selama empat dekade. Setelah menghabiskan karir awalnya selama 4 tahun di People's Bank of China, beliau kemudian bergabung dengan ICBC Limited pada tahun 1979 dan selama 37 tahun kedepan, beliau berkontribusi terhadap pertumbuhan Bank dalam kapasitas yang berbeda dengan jalur karir yang progresif. Beliau pernah menjabat sebagai GM di ICBC Guangzhou yang bertanggung jawab atas deposit dan kredit (USD50 miliar) serta bisnis *Trade Finance* (USD1.2 miliar). Setelah bekerja selama satu tahun di ICBC Asia di Hongkong sebagai Assistant GM yang bertanggung jawab atas pengelolaan untuk seluruh institusi, Beliau ditugaskan untuk mengelola ICBC Macau pada Mei 2003. Selama 10 tahun kedepan di ICBC Macau sebagai Wakil Presiden Direktur, Direktur Eksekutif dan CEO, beliau mempelopori pertumbuhan besar dari cabang kecil menjadi salah satu institusi keuangan termuka di Macau dengan total aset USD200 miliar. Selama lima tahun, ICBC Macau dianugerahi bank terbaik Macau oleh majalah Asia Financial dan diberi peringkat BB+ untuk stabilitas jangka panjang oleh Fitch, menjadikan ICBC Macau sebagai bank lokal pertama dengan peringkat eksternal.

Position & Appointment Mr. Shen Xiaoqi became President Director of PT Bank ICBC Indonesia in September 2014, based on Deed of Resolutions of Shareholders of the Limited Liability Company PT Bank ICBC Indonesia Number 16 dated 2 September 2014. **Education** He earned his Master's degrees in Business Administration from two higher institutions City University of Macau in 2002, and Fudan University & Hongkong University in 2011. He also holds undergraduate degrees in Accounting from Number 1 Professional's Business Academy of Guangzhou (1988), and in Culture and History from Guangzhou Amateur University (1987). **Training** He has undertaken extensive trainings in a number of countries throughout his professional career. In 2010, he took part in a joint program by ICBC Limited and Goldman Sachs in Tokyo, whereas in 2011 he joined a Risk Management training by ICBC Limited in London, and more recently in 2016, he participated in senior-level executives' "ICBC Globalization" workshop conducted in Beijing. Mr. Shen Xiaoqi is certified for Competence in Bank Risk Management Level 5 by LSPP and underwent a refreshment of Risk Management Level 5 by Kiran Resources in 2016. **Professional Career** He is a senior banker with four decades of experience. After spending 4 years of his early career with the People's Bank of China, Mr. Shen joined ICBC Limited in 1979 and for the next 37 years, he contributed to the growth of the Bank in different capacities with a progressive career path. He had been a GM at ICBC Guangzhou in charge of deposit and credit (USD50Bn) as well as trade finance business (USD1.2Bn). Following a one-year stint at ICBC Asia in Hongkong as Assistant GM responsible for the management of the whole institution, he was assigned to manage ICBC Macau in May 2003. For the next 10 years in ICBC Macau as its Deputy President Director, Executive Director and CEO, he helped spearhead the massive growth from a small branch into one of Macau's foremost financial institutions with total assets of USD200Bn. For five years in a row, ICBC Macau was awarded Macau's best bank by Asia Financial Magazine, and was assigned a BB+ rating for long-term stability by Fitch, making ICBC Macau the first local bank with an external rating.

PROFIL *GROUP HEAD*
GROUP HEAD'S PROFILE

YENSEN ALIAMIN
Group Head
Warga Negara Indonesia
Usia 50 tahun
An Indonesian Citizen
50 Years old

Jabatan & Dasar Penunjukan Bapak Yensen Aliamin diangkat menjadi *Group Head* berdasarkan Surat Keputusan Direksi Bank ICBC Indonesia No. 104A/KPTS.DIR/ICBC.IND/2016 pada 1 November 2016. **Pendidikan** Lulus dari University of Maryland di College Park dengan gelar BA (*Economics*) dan BSc. (*Finance*) tahun 1992. Beliau melanjutkan studi Pasca Sarjana di Australian Graduate School of Management, dan meraih gelar MBA di tahun 2000. **Pelatihan** Beliau berpartisipasi di *Executive Program for Leadership Team* yang diselenggarakan oleh Euromoney dan *Retail Finance & Wealth Management Senior Leadership Program* oleh ICBC Limited di Inggris (2017). Beliau telah mengikuti pelatihan termasuk *Behavioral Economics* yang diadakan oleh Harvard Business School, Boston (2014), *Training for Senior Executives* oleh ICBC Institute of Financial Studies di Hangzhou, dan *Senior Executive Development Program* yang diadakan oleh INSEAD (2008). Beliau telah mengikuti beragam topik seperti *Change Management* (2014), *Bank Corporate Governance Practices* (2013), *Analytics: The Difference* (2007). Beliau juga telah mendapatkan sertifikasi untuk Kompetensi di Manajemen Risiko Bank Level 5 (LSPP, 2016) dan untuk *Brand Management* (Mark Plus Institute of Marketing, 2010). Pada tahun 2017 Beliau berpastisipasi dalam *Executive Program for Leadership Team* di *United Kingdom* yang di selenggarakan oleh Euromoney, dan mengikuti Program *Retail Finance & Wealth Management Senior Leadership* di *United Kingdom* yang diselenggarakan oleh ICBC Limited **Perjalanan Karir** Beliau memulai karirnya di BCA di tahun 1993 sebagai *Officer* dan kemudian sebagai *Head of Relationship and Business Support* (1999) di divisi International Banking. Dari 2002 ke 2006, beliau menjabat sebagai *Head of Client Management* di American Express Bank Ltd. dan juga berperan sebagai Pejabat Pelaksana untuk *Head for Establishment Services International*. Beliau bergabung dengan PT Bank Danamon Indonesia Tbk. sebagai *Head of American Express Merchant Services*, dan kemudian sebagai *Head of Acquiring Business*. Selama 5 tahun hingga 2011, beliau juga menjabat sebagai *Head of PMO* dan juga *Head of Business and Process Development*. Beliau bergabung dengan Bank ICBC Indonesia di 2011 sebagai *Head of Card Center*.

Position & Appointment Mr. Yensen Aliamin was appointed as a Group Head based on Decision Letter of Board of Director of Bank ICBC Indonesia No. 104A/KPTS.DIR/ICBC.IND/2016 dated 1 November 2016. **Education** He graduated from the University of Maryland at College Park, with BA (Economics) and BSc. (Finance), and continued his postgraduate studies at the AGSM of both UNSW and USyd., and earned his MBA in 2000. **Training** He participated in Executive Program for Leadership Team by Euromoney and Retail Finance & Wealth Management Senior Leadership Program by ICBC Limited, both in United Kingdom (2017). He has taken trainings including "Behavioral Economics" by Harvard Business School in Boston (2014), "Training for Senior Executives" by ICBC Institute of Financial Studies in Hangzhou, and "Senior Executive Development Program" by INSEAD (2008). He has also been trained in such diverse topics as "Change Management" (2014), "Bank Corporate Governance Practices" (2013), "Analytics: The Difference" (2007). He is certified for Competence in Bank Risk Management Level 5 (LSPP, 2016) and for Brand Management (MarkPlus Institute of Marketing, 2010). In 2017, he attended Executive Program for Leadership Team in United Kingdom by Euromoney, and attended Retail Finance & Wealth Management Senior Leadership Program in United Kingdom by ICBC Limited **Professional Career** He started his career at BCA in 1993, as officer and later as Head of Relationship and Business Support (1999) within International Banking Division. From 2002 to 2006, he was with American Express Bank Ltd. as Head of Client Management and also on occasions as Acting Head for Establishment Services International. He then joined PT Bank Danamon Indonesia Tbk. as Head of American Express Merchant Services, and later as Head of Acquiring Business. During his 5-year tenure until 2011 at the Bank, He was also entrusted to be Head of PMO and Head of Business and Process Development. He joined Bank ICBC Indonesia in 2011 as Head of Card Center.

DIREKSI & *GROUP HEAD*
BOARD OF DIRECTORS & GROUP HEAD

1. **YU GUANGZHU**
   Direktur & Plt. Direktur Utama
   Director & Acting President Director
2. **JEFF S.V. EMAN**
   Direktur | Director
3. **LIANG QINJUN**
   Direktur | Director
4. **XIN HAIYAN**
   Direktur | Director
5. **THOMAS ARIFIN**
   Direktur | Director
6. **SANDY TJIPTA MULIANA**
   Direktur | Director
7. **FRANSISCA NELWAN MOK**
   Direktur | Director
8. **YENSEN ALIAMIN**
   Group Head

PROFIL PEJABAT EKSEKUTIF & PIMPINAN JARINGAN CABANG
EXECUTIVE OFFICER & BRANCH MANAGERS PROFILES

PEJABAT EKSEKUTIF
EXECUTIVE OFFICER

Adi Permana
Kepala Departemen *Credit Support & Administration*
Head of Credit Support & Administration Department

WNI. 45 tahun. Sarjana di bidang Matematika dari Universitas Sriwijaya, Palembang (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 049/KPTS.DIR/ICBC.IND/2015 pada 13 Februari 2015.

An Indonesian Citizen. 45 years old. Bachelor Degree in Mathematics from Sriwijaya University, Palembang (1996). Appointed based on Board of Directors Decision Letter No. 049/KPTS.DIR/ICBC.IND/2015 dated February 13, 2015.

Agustinus Tri Hardjanto
Kepala Departemen *Small Medium Enterprise & Retail Credit Review*
Head of Small Medium Enterprise & Retail Credit Review Department

WNI. 46 tahun. Sarjana di bidang Manajemen dari Universitas Gadjah Mada (1994) dan gelar Magister di bidang Manajemen dari Universitas Gadjah Mada, Yogyakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 047/KPTS.DIR/ICBC.IND/2015 pada 13 Februari 2015.

An Indonesian Citizen. 46 years old. Bachelor degree in Management from Gadjah Mada University (1994) and Master degree in Management from Gadjah Mada University, Yogyakarta (2005). Appointed by Board of Directors Decision Letter No. 047/KPTS.DIR/ICBC.IND/2015 dated February 13, 2015.

Aluisius Triyono
Deputy Head & Pejabat Pelaksana Departemen *Management Information & Accounting*
Deputy Head & PIC of Management Information & Accounting Department

WNI. 46 tahun. Sarjana di bidang Manajemen dari Universitas Indonesia, Jakarta (2001) dan Magister di bidang *Business Administration* dari The Indonesian Institute for Management Development, Jakarta (2012). Diangkat berdasarkan Surat Keputusan Direksi No. 118/KPTS.DIR/ICBC.IND/2016 pada 30 Desember 2016.

An Indonesian Citizen. 46 years old. Bachelor in Management from University of Indonesia, Jakarta (2001) and Master in Business Administration from The Indonesian Institute for Management Development, Jakarta (2012). Appointed by Board of Directors Decision Letter No. 118/KPTS.DIR/ICBC.IND/2016 dated December 30, 2016.

Andris Tenda
Deputy Head & Pejabat Pelaksana Departemen *Financial Management*
Deputy Head & PIC of the Financial Management Department

WNI. Usia 37 tahun. Sarjana di bidang Sistem Informasi Akuntansi dari Universitas Bina Nusantara, Jakarta (2002). Diangkat berdasarkan Surat Keputusan Direksi No. 106/KPTS.DIR/ICBC.IND/2016 pada 18 November 2016.

An Indonesian Citizen. 37 years old. Bachelor degree in Accounting Information System from Bina Nusantara University, Jakarta (2002). Appointed by Board of Directors Decision Letter No. 106/KPTS.DIR/ICBC.IND/2016 dated November 18, 2016.

Anselmus Steven Widjaja

Kepala Regional *Small Medium Enterprise* (SME) *Sales* & Pejabat Pelaksana Departemen *SME Banking*

Head of Small Medium Enterprise (SME) Sales & PIC of SME Banking Department

WNI. 45 tahun. Sarjana di bidang Manajemen Pemasaran dari STIE IBI, Jakarta (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 100/ KPTS.DIR/ICBC.IND/2016 pada 12 Agustus 2016.

An Indonesian Citizen. 45 years old. Bachelor in Marketing Management from STIE IBI, Jakarta (1996). Appointed by Board of Directors Decision Letter No. 100/ KPTS.DIR/ICBC.IND2016 dated August 12, 2016.

Bernadete Yesica Yuwono

Assistant Head & Pejabat Pelaksana Departemen *Anti Money Laundering/Countering Financing of Terrorism*

Assistant Head & PIC of Anti Money Laundering/Countering Financing of Terrorism

WNI. 33 tahun. Sarjana Ekonomi jurusan Akuntansi dari Universitas Widyatama, Bandung. Diangkat berdasarkan Surat Keputusan Direksi No. 016/KPTS.DIR/ICBC.IND/2017 pada 11 Juli 2017.

An Indonesian Citizen. 33 years old. Bachelor of Economics majoring in Accounting from Widyatama University, Bandung. Appointed based on Board of Directors Decision Letter No. 016/KPTS. DIR/ICBC.IND/ 2017 dated July 11, 2017.

Dini Suprihatini

Kepala Departemen *Risk Management*

Head of Risk Management Department

WNI. 46 tahun. Sarjana di bidang Agribisnis dari Institut Pertanian Bogor (1995). Diangkat berdasarkan Surat Keputusan Direksi No. 039/KPTS. DIR/ICBC.IND/2012 pada 17 Desember 2012.

An Indonesian Citizen. 46 years old. Bachelor degree in Agribusiness from Bogor Institute of Agriculture (1995). Appointed based on Board of Directors Decision Letter No. 039/KPTS.DIR/ICBC.IND/2012 dated December 17, 2012.

Edwin O. J. Poluan

Kepala Departemen *Operation Management*

Head of Operation Management Department

WNI. Usia 53 tahun. Sarjana di bidang Manajemen dari Universitas Klabat, Manado (1986) dan gelar Magister di bidang Administrasi Bisnis dari University of The East–Manila, Filipina (1989). Diangkat berdasarkan Surat Keputusan Direksi No. 002/KPTS.DIR/ICBC.IND/ VII/2017 pada 10 Januari 2017.

An Indonesian Citizen. 53 years old. Bachelor in Management from University of Klabat, Manado (1986) and Master's degree in Business Administration from University of The East-Manila, Philippines (1989). Appointed based on Board of Directors Decision Letter No. 002/KPTS.DIR/ICBC.IND/VII/2017 dated January 10, 2017.

Evi Hiswanto

Kepala Departemen *Corporate Banking* III dan *Syndication*

Head of Corporate Banking III and Syndication Department

WNI. 39 tahun. Sarjana Ekonomi dan Keuangan dari Universitas Sydney, Australia (1999). Diangkat berdasarkan Surat Keputusan Direksi No. 109/ KPTS.DIR/ICBC.IND/2016 pada 18 November 2016.

An Indonesian Citizen. 39 years old. Bachelor of Economics and Finance from the University of Sydney, Australia (1999). Appointed based on Board of Directors Decision Letter No. 109/KPTS.DIR/ICBC.IND/2016 dated November 18, 2016.

Hao Jianyang

Kepala Departemen *Trade Finance*

Head of Trade Finance Department

Warga Negara Tiongkok. 34 tahun. Sarjana Statistik dari Universitas Tianjin, Tiongkok (2006) dan gelar Magister di bidang Statistik dari Universitas Tianjin, Tiongkok (2009). Diangkat berdasarkan Surat Keputusan Direksi No. 108/KPTS. DIR/ICBC.IND/2016 pada 18 November 2016.

A Chinese Citizen. 34 years old. Bachelor of Statistics from Tianjin University, China (2006) and Master degree in Statistics from Tianjin University, China (2009). Appointed based on Board of Directors Decision Letter No. 108/KPTS.DIR/ICBC.IND/2016 dated November 18, 2016.

Hartini Sukendro
Deputy Head Departemen *Corporate Banking I*
Deputy Head of Corporate Banking Department I

WNI. 49 tahun. Sarjana di bidang Administrasi Bisnis dari The Ohio State University Columbus USA (1991). Diangkat berdasarkan Surat Keputusan Direksi No. 009/KPTS. DIR/ICBC.IND/2017 pada 2 Juni 2017.

An Indonesian. 49 years old. Bachelor in Business Administration from The Ohio State University Columbus USA (1991). Appointed based on Board of Directors Decision Letter No. 009/KPTS.DIR/ ICBC.IND/2017 dated June 2, 2017.

Haryono
Team Leader Product Solution & Pejabat Pelaksana *E-Banking*
Team Leader Product Solution & PIC of E-Banking

WNI. 42 tahun. Sarjana di bidang Sistem Informasi dari STIMIK Indonesia, Jakarta (2002). Diangkat berdasarkan Surat Keputusan Direksi No. 111/ KPTS.DIR/ICBC.IND/2016 pada 22 November 2016.

An Indonesian Citizen. 42 years old. Bachelor in Information Systems from STIMIK Indonesia, Jakarta (2002). Appointed based on Board of Directors Decision Letter No. 111 / KPTS.DIR / ICBC.IND / 2016 dated November 22, 2016.

Herbudiman Tjandra
Deputy Head & Pejabat Pelaksana Departemen *Card Center*
Deputy Head & PIC of Card Center Department

WNI. 40 tahun. Sarjana Teknik Sipil, Universitas Tarumanegara, Jakarta (2002). Diangkat berdasarkan Surat Keputusan Direksi No. 004/KPTS. DIR/ICBC.IND/2017 pada 10 Januari 2017.

An Indonesian Citizen. 40 years old. Bachelor in Civil Engineering, Tarumanegara University, Jakarta (2002). Appointed based on Board of Directors Decision Letter No. 004/KPTS.DIR/ICBC.IND/2017 dated January 10, 2017.

Indra Widjaja
Kepala Departemen *Internal Audit*
Head of Internal Audit Department

WNI. Usia 49 tahun. Sarjana Akuntansi dari Universitas Trisakti, Jakarta (1991). Diangkat berdasarkan Surat Keputusan Direksi No. 107/KPTS. DIR/ICBC.IND/2016 pada 18 November 2016.

An Indonesian Citizen. 49 years old. Bachelor of Accounting from Trisakti University, Jakarta (1991). Appointed based on Board of Directors Decision Letter No. 107/KPTS.DIR/ICBC.IND/2016 dated November 18, 2016.

Johan Candra
Kepala Departemen *Strategy Management & Transformation Office*
Head of Strategy Management & Transformation Office Department

WNI. 39 tahun. Sarjana Ekonomi & Komputer dari Universitas Bina Nusantara, Jakarta (2004). Diangkat berdasarkan Surat Keputusan Direksi No 020A/KPTS.DIR/ICBC.IND/2017 pada 30 November 2017.

An Indonesian Citizen. 39 years old. Bachelor of Economics & Computer from Bina Nusantara University, Jakarta (2004). Appointed based on Board of Directors Decision Letter No 020A/KPTS.DIR/ICBC.IN/2017 dated November 30, 2017

Josephine Regina Dameria Sambajon
Kepala Departemen *Human Resource*
Head of Human Resource Department

WNI. 46 tahun. Sarjana Ekonomi jurusan Akuntansi dari Universitas Gadjah Mada, Yogyakarta (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 005/KPTS.DIR/ICBC.IND/2017 pada 3 April 2017.

An Indonesian Citizen. 46 years old. Bachelor of Economics majoring in Accounting from Gadjah Mada University, Yogyakarta (1996). Appointed based on Board of Directors Decision Letter No. 005/KPTS.DIR/ICBC. IND/2017 dated April 3, 2017.

Julianti Hosen
Deputy Head Departemen *Retail Banking*
Deputy Head of Retail Banking Department

WNI. 38 tahun. Diploma di bidang Kesekretariatan dari Sekolah Tinggi Ilmu Administrasi dan Sekretaris (ASMI), Jakarta (2000). Diangkat berdasarkan Surat Keputusan Direksi No. 113/KPTS.DIR/ICBC.IND/2016 pada 25 November 2016.

An Indonesian Citizen. 38 years old. Diploma in Secretarial Studies from Administrative and Secretary Academy (ASMI), Jakarta (2000). Appointed based on Board of Directors Decision Letter No. 113/ KPTS.DIR/ ICBC. IND/2016 dated November 25, 2016.

Kie Ming Djing
Kepala Departemen *Information Technology*
Head of Information Technology Department

WNI. 50 tahun. Sarjana di bidang *Business Computing* dari Chisholm Institute of Technology Melbourne, Australia (1992). Diangkat berdasarkan Surat Keputusan Direksi No 006/KPTS.DIR/ICBC.IND/2017 pada 10 April 2017.

An Indonesian Citizen. 50 years old. Bachelor in Business Computing from Chisholm Institute of Technology Melbourne, Australia (1992). Appointed based on Board of Directors Decision Letter No. 006/ KPTS. DIR/ICBC.IND/2017 dated April 10, 2017.

Leonardy Maleke
Assistant Head & Pejabat Pelaksana Departemen *Credit Management*
Assistant Head & PIC of Credit Management Department

WNI. 40 tahun. Sarjana di bidang Administrasi Bisnis dari University of Minnesota, AS (2001) dan gelar Magister di bidang Administrasi Bisnis dari Cardinal Stritch University, AS (2004). Diangkat berdasarkan Surat Keputusan Direksi No. 082/KPTS.DIR/ICBC.IND/2015 pada 24 November 2015.

An Indonesian Citizen. 40 years old. Bachelor in Business Administration from University of Minnesota, USA (2001) and Master degree in Business Administration from Cardinal Stritch University, USA (2004). Appointed based on Board of Directors Decision Letter No. 082/KPTS.DIR/ICBC. IND/2015 dated November 24, 2015.

Lim Franky Halim
Kepala Departemen *Corporate & Commercial Banking* Surabaya
Head of Corporate & Commercial Banking Surabaya

WNI. 36 tahun. Sarjana di bidang Administrasi Bisnis dari Simon Fraser University, Kanada (2003). Diangkat berdasarkan Surat Keputusan Direksi No. 015/KPTS.DIR/ICBC.IND/2012 pada 3 April 2012.

An Indonesian Citizen. 36 years old. Bachelor in Business Administration from Simon Fraser University, Canada (2003). Appointed based on Board of Directors Decision Letter No. 015/KPTS.DIR/ICBC.IND/2012 dated April 3, 2012.

Lisa Surya
Kepala Departemen *Corporate & Commercial Credit Review*
Head of the Corporate & Commercial Credit Review Department

WNI. 47 tahun. Sarjana Teknik Sipil dari Universitas Katolik Parahyangan, Bandung (1993) dan gelar Magister di bidang Manajemen dari Universitas Prasetya Mulya, Jakarta (1995). Diangkat berdasarkan Surat Keputusan Direksi No. 061/KPTS.DIR/ICBC.IND/2015 pada 12 Juni 2015.

An Indonesian Citizen. 47 years old. Bachelor of Civil Engineering from Parahyangan Catholic University, Bandung (1993) and Master degree in Management from Prasetya Mulya University, Jakarta (1995). Appointed based on Board of Directors Decision Letter No. 061/KPTS.DIR/ICBC.IND/2015 dated June 12, 2015.

Luo Zhiyi
Kepala Departemen *Global Market*
Head of Global Market Department

Warga Negara Tiongkok. 37 tahun. Sarjana di bidang Ekonomi dari Renmin University China (2003) dan Magister di bidang Ekonomi dari Durham University, UK (2006). Diangkat berdasarkan Surat Keputusan Direksi No. 020/KPTS.DIR/ICBC.IND/2017 pada 15 November 2017.

A Chinese Citizen. 37 years old. Bachelor in Economics from Renmin University China (2003) and Master in Economics from Durham University, UK (2006). Appointed based on Board of Directors Decision Letter No. 020/KPTS.DIR/ICBC.IND/2017 dated November 15, 2017.

Parti Bugiyani
Team Leader & Pejabat Pelaksana Departemen *Service Quality & Policy Assurance*
Team Leader & PIC of Service Quality & Policy Assurance Department

WNI. 51 tahun. Sarjana Ekonomi dari Universitas Yos Sudarso, Surabaya (2002). Diangkat berdasarkan Surat Keputusan Direksi No. 001/KPTS.DIR/ICBC.IND/2017 pada 10 Januari 2017.

An Indonesian Citizen. 51 years old. Bachelor of Economics from Yos Sudarso University, Surabaya (2002). Appointed based on Board of Directors Decision Letter No. 001/KPTS.DIR/ICBC.IND/2017 dated January 10, 2017.

Recky Octosarus Zachawerus
Assistant Head & Pejabat Pelaksana Departemen *Bills Centre*
Assistant Head & PIC of Bills Center Department

WNI. 53 tahun. Sarjana di bidang Manajemen dari Universitas Katolik Parahyangan, Bandung (1990). Diangkat berdasarkan Surat Keputusan Direksi No. 079/KPTS.DIR/ICBC.IND/2015 pada 28 Oktober 2015.

An Indonesian Citizen. 53 years old. Bachelor degree in Management from Catholic University of Parahyangan, Bandung (1990). Appointed based on Board of Directors Decision Letter No. 079/KPTS.DIR/ICBC.IND/2015 dated October 28, 2015.

Renault Yufarsim
Assistant Head & Pejabat Pelaksana *Unit Settlement Center*
Assistant Head & PIC of Unit Settlement Center

WNI. 34 tahun. Sarjana Komputer Jurusan Komputerisasi Akuntansi dari Universitas Bina Nusantara, Jakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 003/KPTS.DIR/ICBC.IND/2017 pada 10 Januari 2017.

An Indonesian Citizen. 34 years old. Bachelor of Computer Major Computerized Accounting from Bina Nusantara University, Jakarta (2005). Appointed based on Board of Directors Decision Letter No. 003/KPTS.DIR/ICBC.IND/2017 dated January 10, 2017.

Steveen Johanes
Kepala Departemen *Corporate Banking* II
Head of Corporate Banking II Department

WNI. 45 tahun. Sarjana Teknik Industri dari Universitas Kristen Maranatha, Bandung (1996) dan Magister di bidang Manajemen Keuangan dari Universitas Indonesia, Jakarta (2003). Diangkat berdasarkan Surat Keputusan Direksi No. 046/KPTS.DIR/ICBC.IND/2014 pada 15 Desember 2014.

An Indonesian Citizen. 45 years old. Bachelor of Industrial Engineering from Maranatha Christian University, Bandung (1996) and Master in Financial Management from University of Indonesia, Jakarta (2003). Appointed based on Board of Directors Decision Letter No. 046/KPTS.DIR/ICBC.IND/2014 dated December 15, 2014.

Surya Karya Laksana
Kepala Departemen *Legal*
Head of Legal Department

WNI. 46 tahun. Sarjana Hukum dari Universitas Brawijaya, Malang (1995) dan Magister di bidang Manajemen dari Universitas Tarumanagara, Jakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 019/KPTS.DIR/ICBC.IND/2017 pada 15 September 2017.

An Indonesian Citizen. 46 years old. Bachelor of Law from Brawijaya University, Malang (1995), and Master in Management from Tarumanagara University, Jakarta (2005). Appointed based on Board of Directors Decision Letter No. 019/KPTS.DIR/ICBC.IND/2017 dated September 15, 2017.

Tigor Paruliaan
Pejabat Pelaksana Departemen *Compliance*
PIC of Compliance Department

WNI. 47 tahun. Sarjana Teknik Metalurgi dari Universitas Indonesia (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 017/KPTS.DIR/ICBC.IND/2017 pada 11 Juli 2017.

An Indonesian Citizen. 47 years old. Bachelor of Metallurgical Engineering from University of Indonesia (1996). Appointed based on Board of Directors Decision Letter No. 017/KPTS.DIR/ICBC.IND/2017 dated July 11, 2017.

Wahjoe Wangarijj
Deputy Head & Pejabat Pelaksana Departemen *Special Asset Management*
Deputy Head & PIC of Special Asset Management Department

WNI. 51 tahun. Sarjana di bidang Ekonomi dari Murdoch University Australia (1991). Diangkat berdasarkan Surat Keputusan Direksi No. 012/KPTS.DIR/ICBC.IND/2017 pada 21 Juni 2017.

An Indonesian Citizen. 51 years old. Bachelor in Economics from Murdoch University Australia (1991). Appointed based on Board of Directors Decision Letter No. 012/KPTS.DIR/ICBC.IND/2017 dated June 21, 2017.

PIMPINAN KOORDINATOR CABANG
BRANCH COORDINATOR MANAGER

Goenawan Surip
Koordinator Cabang Surabaya, Balikpapan & Makassar
Surabaya, Balikpapan & Makassar Branch Coordinator

WNI. 47 tahun. Sarjana di bidang Bisnis (Perbankan & Keuangan) dari Monash University, Australia (1993), dan gelar Magister di bidang Administrasi Bisnis dari University of The City of Manila, Filipina (1997). Diangkat berdasarkan Surat Keputusan Direksi No. 010/KPTS.DIR/ICBC.IND/2017 pada 19 Juni 2017.

An Indonesian Citizen. 47 years old. Bachelor degree in Business (Banking & Finance) from Monash University, Australia (1993) and Master degree in Business Administration from University of the City of Manila, Philippines (1997). Appointed based on Board of Directors Decision Letter No. 010/KPTS.DIR/ICBC.IND/2017 dated June 19, 2017.

Happy Kunarli
Koordinator Cabang Jakarta II & Bandung dan Kepala Cabang Pluit
Jakarta II & Bandung Branch Coordinator and Pluit Branch Manager

WNI. 49 tahun. Sarjana di bidang Manajemen dari Universitas Trisakti, Jakarta (1992). Diangkat berdasarkan Surat Keputusan Direksi No. 029/KPTS.DIR/ICBC.IND/2013 pada 2 Desember 2013.

An Indonesian Citizen. 49 years old. Bachelor degree in Management from Trisakti University, Jakarta (1992). Appointed based on Board of Directors Decision Letter No. 029/KPTS.DIR/ICBC.IND/2013 dated December 2, 2013.

Lily Gozal
Koordinator Cabang Jakarta I & Kepala Cabang The City Tower
Jakarta I Branch Coordinator and The City Tower Branch Manager

WNI. 52 tahun. Sarjana Ilmu Kedokteran Gigi dari Universitas Trisakti, Jakarta (1990) dan gelar Magister di bidang Manajemen dari Sekolah Tinggi Manajemen PPM, Jakarta (1998). Diangkat berdasarkan Surat Keputusan Direksi No. 002/KPTS.DIR/ICBC.IND/2012 pada 2 Januari 2012.

An Indonesian Citizen. 52 years old. Bachelor degree in Dentistry from Trisakti University, Jakarta (1990) and Master degree in Management from PPM School of Management, Jakarta (1998). Appointed based on Board of Directors Decision Letter No. 002/KPTS.DIR/ICBC.IND/2012 dated January 2, 2012.

PIMPINAN CABANG
BRANCH MANAGER

Andy Leonard Petta
Kepala Cabang Beverly
Beverly Branch Manager

WNI. 49 tahun. Sarjana Hukum dari Universitas Merdeka, Malang (1999). Diangkat berdasarkan Surat Keputusan Direksi No. 075/KPTS.DIR/ICBC.IND/2015 pada 22 September 2015.

An Indonesian Citizen. 49 years old. Bachelor degree in Law from Merdeka University, Malang (1999). Appointed based on Board of Directors Decision Letter No. 075/KPTS.DIR/ICBC.IND/2015 dated September 22, 2015.

Darwis Herman
Kepala Cabang Makassar
Makassar Branch Manager

WNI. 44 tahun. Sarjana di bidang Manajemen dari Universitas Atma Jaya, Jakarta (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 074/KPTS.DIR/ICBC.IND/2015 pada 8 September 2015.

An Indonesian Citizen. 44 years old. Bachelor degree in Management from Atma Jaya University, Jakarta (1996). Appointed based on Board of Directors Decision Letter No. 074/KPTS.DIR/ICBC.IND/2015 dated September 8, 2015.

Ernie Sepvia
Kepala Cabang Pembantu Mangga Dua
Mangga Dua Sub-Branch Manager

WNI. 37 tahun. Sarjana Ekonomi dari Universitas Tarumanagara, Jakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 013/KPTS.DIR/ICBC.IND/2017 pada 3 Juli 2017

An Indonesian Citizen. 37 years old. Bachelor degree in Economy from Tarumanegara University, Jakarta (2005). Appointed based on Board of Directors Decision Letter No. 013/KPTS.DIR/ICBC.IND/2017 dated July 3, 2017.

Felly Fransisca Maria
Kepala Cabang Pembantu Gandaria
Gandaria Sub-Branch Manager

WNI. 35 tahun. Sarjana Teknik Industri dari Universitas Bina Nusantara (2004). Diangkat berdasarkan Surat Keputusan Direksi No. 014/KPTS.DIR/ICBC.IND/2017 pada 3 Juli 2017.

An Indonesian Citizen. 35 years old. Bachelor degree in Industrial Engineering from Bina Nusantara University (2004). Appointed based on Board of Directors Decision Letter No. 014/KPTS.DIR/ICBC.IND/2017 dated 3 July 2017.

Febrian Putra
Kepala Cabang Kelapa Gading
Kelapa Gading Branch Manager

WNI. 38 tahun. Sarjana Ekonomi Manajemen dari Universitas Trisakti, Jakarta (2001). Diangkat berdasarkan Surat Keputusan Direksi No. 104/KPTS.DIR/ICBC.IND/2016 pada 1 November 2016.

An Indonesian Citizen. 38 years old. Bachelor degree in Economic Management from Trisakti University, Jakarta (2001). Appointed based on Board of Directors Decision Letter No. 104/KPTS.DIR/ICBC.IND/2016 dated November 1, 2016.

Henry Kartono
Kepala Cabang Bandung
Bandung Branch Manager

WNI. 45 tahun. Sarjana Teknologi Industri dari Institut Teknologi Nasional, Bandung (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 024/KPTS.DIR/ICBC.IND/2012 pada 9 Juli 2012.

An Indonesian Citizen. 45 years old. Bachelor degree in Industrial Technology from Institut Teknologi Nasional, Bandung (1996). Appointed based on Board of Directors Decision Letter No. 024/KPTS.DIR/ICBC.IND/2012 dated July 9, 2012.

Hernany Hartono
Kepala Cabang Medan
Medan Branch Manager

WNI. 42 tahun. Sarjana Akuntansi dari Universitas Methodist Indonesia, Medan (1997). Diangkat berdasarkan Surat Keputusan Direksi No.086/KPTS.DIR/ICBC.IND/2016 pada 11 Januari 2016.

An Indonesian Citizen. 42 years old. Bachelor degree in Accounting from Methodist Indonesia University, Medan (1997). Appointed based on Board of Directors Decision Letter No. 086/KPTS.DIR/ICBC.IND/2016 dated January 11, 2016.

Imelda Christine Purba
Kepala Cabang Pembantu Bekasi
Bekasi Sub-Branch Manager

WNI. 43 tahun. Diploma di bidang Asuransi Jiwa dari Akademi Asuransi Trisakti (1997). Diangkat berdasarkan Surat Keputusan Direksi No. 015/KPTS.DIR/ICBC.IND/2017 pada 3 Juli 2017.

An Indonesian Citizen. 43 years old. Diploma in Life Insurance from Trisakti Insurance Academy (1997). Appointed based on Board of Directors Decision Letter No. 015/KPTS.DIR/ICBC.IND/2017 dated 3 July 2017.

Jane Atalie Bernadette
Kepala Cabang Gajah Mada
Gajah Mada Branch Manager

WNI. 43 tahun. Sarjana Ekonomi jurusan *Business Study Administration* dari Universitas Tarumanegara, Jakarta (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 039/KPTS.DIR/ICBC.IND/2014 pada 22 Mei 2014.

An Indonesian Citizen. 43 years old. Bachelor degree in Economic majoring in Business Study Administration from Tarumanegara University, Jakarta (1996). Appointed based on Board of Directors Decision Letter No. 039/KPTS.DIR/ICBC.IND/2014 dated May 22, 2014.

Karuniawati
Kepala Kantor Kas Pasar Atom
Pasar Atom Cash Office Manager

WNI. 50 tahun. Sarjana di bidang Manajemen dari Universitas Narotama (1993). Diangkat berdasarkan Surat Keputusan Direksi No. 015/KPTS.DIR/ICBC.IND/2009 pada 3 Agustus 2009

An Indonesian Citizen. 50 years old. Bachelor degree in Management from Narotama University (1993). Appointed based on Board of Directors Decision Letter No. 015/KPTS.DIR/ICBC.IND/2009 dated August 3, 2009.

Meri
Kepala Cabang Batam
Batam Branch Manager

WNI. 47 tahun. Lulus dari Sekolah Menengah Ekonomi Atas, Batam (1989). Diangkat berdasarkan Surat Keputusan Direksi No. 021/KPTS.DIR/ICBC.IND/2012 pada 1 Maret 2012.

An Indonesian Citizen. 47 years old. Graduated from Senior Vocational School of Economics, Batam (1989). Appointed based on Board of Directors Decision Letter No. 021/KPTS.DIR/ICBC.IND/2012 dated March 1, 2012.

Nancy Julia
Kepala Cabang Baliwerti
Baliwerti Branch Manager

WNI. 47 tahun. Sarjana Akuntansi dari Universitas Katolik Widya Mandala, Surabaya (1993). Diangkat berdasarkan Surat Keputusan Direksi No. 076/KPTS.DIR/ICBC.IND/2015 pada 1 September 2015.

An Indonesian Citizen. 47 years old. Bachelor degree in Accounting from Katolik Widya Mandala University, Surabaya (1993). Appointed based on Board of Directors Decision Letter No. 076/KPTS.DIR/ICBC.IND/2015 dated September 1, 2015.

Ratna Hartaty Chainur
Kepala Cabang Balikpapan
Balikpapan Branch Manager

WNI. 44 tahun. Sarjana Teknik Kimia dari Universitas Pembangunan Nasional "Veteran", Yogyakarta (1997). Diangkat berdasarkan Surat Keputusan Direksi No. 093/KPTS.DIR/ICBC.IND/2016 pada 18 Mei 2016

An Indonesian Citizen. 44 years old. Bachelor degree in Chemical Engineering from Pembangunan Nasional "Veteran" University, Yogyakarta (1997). Appointed based on Board of Directors Decision Letter No. 093/KPTS.DIR/ICBC.IND/2016 dated May 18, 2016.

Rini Marita
Kepala Cabang Pembantu CITO
CITO Sub-Branch Manager

WNI. 49 tahun. Sarjana di bidang Keuangan dan Perbankan dari Monash University (1992). Diangkat berdasarkan Surat Keputusan Direksi No. 018/KPTS.DIR/ICBC.IND/2012 pada 3 April 2012.

An Indonesian Citizen. 49 years old. Bachelor degree in Finance and Banking from Monash University (1992). Appointed based on Board of Directors Decision Letter No. 018/KPTS.DIR/ICBC.IND/2012 dated April 3, 2012.

Rosmery Thomas
Kepala Cabang Mega Kuningan
Mega Kuningan Branch Manager

WNI. 39 tahun. Sarjana di bidang Manajemen Keuangan dan Perbankan dari Institut Perbanas (2014). Diangkat berdasarkan Surat Keputusan Direksi No. 007/KPTS.DIR/ICBC.IND/2017 pada 15 Mei 2017.

An Indonesian Citizen. 39 years old. Bachelor degree in Financial Management and Banking from Perbanas Institute (2014). Appointed based on Board of Directors Decision Letter No. 007/KPTS.DIR/ICBC.IND/2017 dated May 15, 2017.

Surya Djuwita
Kepala Cabang Basuki Rahmat
Basuki Rahmat Branch Manager

WNI. 48 tahun. Sarjana di bidang Administrasi Bisnis dari Oregon State University, AS (1990). Diangkat berdasarkan Surat Keputusan Direksi No. 077/KPTS.DIR/ICBC.IND/2015 pada 22 September 2015.

An Indonesian Citizen. 48 years old. Bachelor degree in Business Administration from Oregon State University, US (1990). Appointed based on Board of Directors Decision Letter No. 077/KPTS.DIR/ICBC.IND/2015 dated September 22, 2015.

Tjen Fie Lan
Kepala Cabang Wisma Mulia
Wisma Mulia Branch Manager

WNI. 50 tahun. Sarjana Administrasi Bisnis dari Washburn University, AS (1993). Diangkat berdasarkan Surat Keputusan Direksi No. 027/KPTS.DIR/ICBC.IND/2011 pada 19 September 2011.

An Indonesian Citizen. 50 years old. Bachelor degree in Business Administration from Washburn University, US (1993). Appointed based on Board of Directors Decision Letter No. 027/KPTS.DIR/ICBC.IND/2011 dated September 19, 2011.

Tjong Christina Hartono
Kepala Cabang Coklat
Coklat Branch Manager

WNI. 46 tahun. Sarjana Teknik Industri dari Universitas Surabaya (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 101/KPTS.DIR/ICBC.IND/2016 pada 25 Agustus 2016.

An Indonesian Citizen. 46 years old. Bachelor degree in Industrial Engineering from Surabaya University (1996). Appointed based on Board of Directors Decision Letter No. 101/KPTS.DIR/ICBC.IND/2016 dated August 25, 2016.

DEMOGRAFI KARYAWAN & PENGEMBANGAN KOMPETENSI
EMPLOYEE DEMOGRAPHICS & COMPETENCE DEVELOPMENT

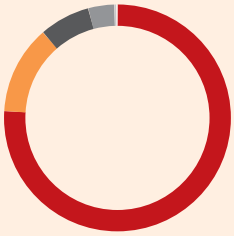
DEMOGRAFI KARYAWAN

Per 31 Desember 2017, jumlah Karyawan Bank mencapai 649 orang (tidak termasuk *outsourcing*), mengalami penurunan dibandingkan jumlah karyawan per 31 Desember 2016 yang sebanyak 701 orang.

EMPLOYEE DEMOGRAPHICS

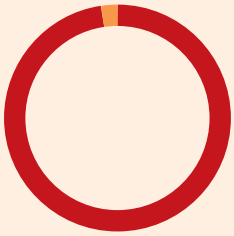
As of December 31, 2017, the number of Employees of The Bank reached 649 person (excluding outsourcing), a decline compared to the number of employees as of December 31, 2016 which reached 701 person.

Demografi Karyawan Berdasarkan Tingkat Pendidikan
Employee Demographics Based on Education Levels



- : 75,96% Strata 1 | Bachelor Degree
- : 12,63% Strata 2 | Master Degree
- : 7,24% Diploma 3 | Diploma 3
- : 3,70% SLTA dan Sederajat | High School & Equivalent
- : 0,31% Diploma 1 | Diploma 1
- : 0,15% Diploma 4 | Diploma 4

Demografi Karyawan Berdasarkan Status Kepegawaian
Employee Demographics Based on Employee Status

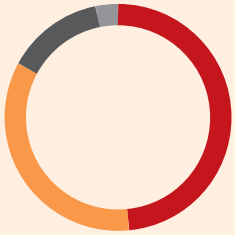


- : 97,69% Tetap | Permanent
- : 2,31% Tidak Tetap | Non-Permanent

Demografi Karyawan Outsourcing Berdasarkan Fungsinya
Outsourcing Employee Demographics Based on Functions

- : 27,32% Supir | Driver
- : 26,34% Petugas Keamanan | Security
- : 24,39% *Office Boy, Office Girl, Messenger, Receptionist*
- : 21,95% Petugas Kebersihan ISS | ISS Cleaning Service

Demografi Karyawan Berdasarkan Rentang Usia | Employee Demographics Based on Age



- : 48,38% 26-35 tahun | years old
- : 34,51% 36-45 tahun | years old
- : 13,87% 45 tahun keatas | years old & above
- : 3,24% 18-25 tahun | years old

Demografi Karyawan Outsourcing Berdasarkan Jenis kelamin/Jenis Kelamin | Outsourcing Employee Demographics Based on Gender

- : 50,85% Laki-laki | Male
- : 49,15% Perempuan | Female

PENGEMBANGAN KOMPETENSI KARYAWAN

Bank secara konsisten menjalankan program pelatihan dan pengembangan karyawan serta mempersiapkan program pengembangan karir yang sesuai dengan kebutuhan karyawan. Program pelatihan selalu ditinjau ulang setiap tahun baik dari sisi materi pelatihan maupun dari metode pelatihan yang digunakan. Hal ini bertujuan untuk memenuhi kebutuhan karyawan terkait pembelajaran sesuai dengan jenis pekerjaannya dan tetap memperhatikan kebutuhan dari bisnis Bank.

Di sepanjang tahun 2017 Bank telah menggunakan total biaya pelatihan IDR12,41 miliar yang terbagi dalam 150 program *in-house training*, 121 program *public training*, dan 23 program *training* ke luar negeri. Sebanyak 95% karyawan telah mengikuti program pelatihan di sepanjang tahun 2017, dengan rata- rata karyawan telah mengikuti *training* sebanyak 30 jam.

EMPLOYEE COMPETENCE DEVELOPMENT

The Bank consistently conducts employee training and development programs as well as prepares career development programs that meet the needs of employees. The training program is consistently reviewed annually both in terms of training materials and training methods used. The aim is to calibrate the learning in accordance to the job functions whilst paying attention to the needs of Bank's businesses.

Throughout 2017, The Bank has spent a total of IDR12.41 billion in training cost. These tranings are divided into 150 in-house training program, 121 public training program, and 23 overseas training program. As many as 95% of employees participated in training programs throughout 2017, with an average of 30 training hours for each employee.

Biaya Pengembangan Kompetensi | Competency Development Cost

	2017	2016	Peningkatan/Penurunan | Increase/Decrease	
			Selisih | Difference (IDR)	(%)
Pendidikan dan Pelatihan Education and Training	12.407.740.825	16.770.330.864	(4.362.590.039)	-26,01%

Uraian lengkap terkait kebijakan Bank dalam mengelola dan mengembangkan kompetensi SDM dapat dilihat pada pembahasan Sumber Daya Manusia di bab Fungsi Penunjang Bisnis dalam laporan tahunan ini.

A complete description of The Bank's policy on managing and developing human resource competencies can be seen in the Human Resources discussion on the Business Support Functions section in this annual report.

KOMPOSISI PEMEGANG SAHAM
COMPOSITION OF SHAREHOLDERS

KOMPOSISI KEPEMILIKAN SAHAM BANK ICBC INDONESIA

COMPOSITION OF OWNERSHIP OF BANK ICBC INDONESIA

Modal Saham per 31 Desember 2017

Capital Shares as of December 31, 2017

Pemegang Saham Shareholders	Jumlah Saham (lembar) Number of Shares (sheets)	Modal Ditempatkan dan Disetor Penuh (IDR-juta) Capital Issued and Fully Paid (IDR-millions)	Persentase Kepemilikan Ownership Percentage (%)
Nilai Nominal Saham = IDR50.000.000/lembar saham Nominal Value of Stock = IDR50,000,000 /share			
Kepemilikan saham 5% atau lebih | Share ownership of 5% or more			
Industrial and Commercial Bank of China Limited	73.091	3.654.550	98,61
Kepemilikan saham dibawah 5% | Share ownership below 5%			
PT Intidana Wijaya	750	37.500	1,39
TOTAL	**74.123**	**3.706.150**	**100,00**

KEPEMILIKAN SAHAM OLEH MANAJEMEN DAN KARYAWAN

Bank tidak memiliki kebijakan Program Kepemilikan Saham oleh Manajemen (MSOP) maupun Program Kepemilikan Saham oleh Karyawan (ESOP). Baik Dewan Komisaris, Direksi maupun Karyawan tidak memiliki saham Bank.

SHARE OWNERSHIP BY KEY MANAGEMENT AND EMPLOYEES

The Bank does not have a Management Stock Option Plan (MSOP) or Employee Stock Ownership Plan (ESOP) policy. Neither the Board of Commissioners, nor the Board of Directors and the Employees own shares in The Bank.

Transparansi Kepemilikan Saham oleh Dewan Komisaris
Transparency Shares Ownership by Board of Commissioners

	Kepemilikan Saham | Stock Ownership
Ma Xiangjun Presiden Komisaris | President Commissioner[1]	○
Wang Kun Presiden Komisaris | President Commissioner[2]	○
Hendra Widjojo Komisaris Independen | Independent Commissioner	○
Christina Harapan Komisaris Independen | Independent Commissioner	○

● = Ada Kepemilikan Saham | Shares Ownership, ○ = Tidak ada Kepemilikan Saham | No Shares Ownership

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017 | Mr. Ma Xiangjun resigned from President Commissioner since December 13, 2017
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017 | Wang Kun was appointed to be the President Commissioner since December 13, 2017

Transparansi Kepemilikan Saham oleh Direksi, dan Karyawan
Transparency of Shares Ownership by Directors and Employees

	Kepemilikan Saham | Shares Ownership
Direksi | Directors	
Shen Xiaoqi Presiden Direktur | President Director[1]	○
Yu Guangzhu Direktur & Plt. Presiden Direktur | Director & Acting President Director[2]	○
Jeff S.V. Eman Direktur | Director	○
Liang Qinjun Direktur | Director	○
Xin Haiyan Direktur | Director[3]	○
Thomas Arifin Direktur | Director	○
Sandy Tjipta Muliana Direktur | Director	○
Fransisca Nelwan Mok Direktur | Director[3]	○
Rolyta Manullang Direktur | Director[4]	○
Karyawan | Employees	
Karyawan Bank ICBC Indonesia | Bank ICBC Indonesia Employees	○

● = Ada Kepemilikan Saham | Shares Ownership, ○ = Tidak ada Kepemilikan Saham | No Shares Ownership

1) Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017 | Shen Xiaoqi resigned on October 31, 2017
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 | Yu Guangzhu, effectively hold the position as Acting President Director on November 1, 2017
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 | Fransisca Nelwan Mok and Xin Haiyan effectively served on the position of Director on April 13, 2017
4) Rolyta Manullang mengundurkan diri pada 31 Mei 2017 | Rolyta Manullang resigned on May 31, 2017

STATUS PEMEGANG SAHAM

STATUS OF SHAREHOLDERS

Rincian Pemegang Saham Bank ICBC Indonesia Berdasarkan Status
Bank ICBC Indonesia Shareholders Details by Status

Pemegang Saham | Shareholder	Status
Industrial and Commercial Bank of China Limited	Badan Usaha Asing | Foreign Business Entity
PT Intidana Wijaya	Badan Usaha Dalam Negeri/Perseroan Terbatas | Entity/Limited Liability Company

INFORMASI TENTANG PEMEGANG SAHAM MAYORITAS

Industrial and Commercial Bank of China Limited merupakan Pemegang Saham mayoritas Bank dengan kepemilikan sebesar 98,61%. Sementara itu, PT Intidana Wijaya sebelumnya adalah Pemegang Saham mayoritas PT Bank Halim Indonesia sebesar 84,4%, hingga kemudian diakuisisi oleh ICBC Limited sebesar 74,4% pada tahun 2007.

INFORMATION ON MAJOR SHAREHOLDERS

The Industrial and Commercial Bank of China Limited is a major Shareholder of Bank with an ownership of 98.61%. Meanwhile, PT Intidana Wijaya was previously the largest shareholder of PT Bank Halim Indonesia with 84.4% until it was acquired by ICBC Limited with an ownership of 74.4% in 2007.

INFORMASI TENTANG ENTITAS ANAK DAN ENTITAS ASOSIASI/ *JOINT VENTURE* (JV)/*SPECIAL PURPOSE VEHICLE* (SPV)

Per 31 Desember 2017, Bank tidak memiliki entitas anak usaha maupun entitas asosiasi.

INFORMATION ON THE SUBSIDIARY ENTITIES AND ASSOCIATED/JOINT VENTURE (JV)/SPECIAL PURPOSE VEHICLE (SPV) ENTITIES

As of December 31, 2017, The Bank has no subsidiaries or associates.

KRONOLOGIS PENERBITAN DAN PENCATATAN SAHAM

Hingga akhir tahun 2017, Bank tidak menerbitkan saham untuk dimiliki oleh masyarakat. Dengan demikian, tidak terdapat informasi terkait aksi korporasi yang berhubungan dengan perubahan kepemilikan saham dan pencatatan saham di bursa efek manapun.

ISSUANCE AND STOCK LISTING CHRONOLOGY

As of end of 2017, The Bank has not issued any shares for public ownership. As such, there is no information in regards to corporate actions relating to changes in shares ownership and shares listing on any securities exchange.

KRONOLOGIS PENERBITAN DAN PENCATATAN EFEK LAINNYA

Medium Term Note (MTN)

Bank menerbitkan *Medium Term Note* (MTN) yang didistribusikan secara elektronik pada 22 Mei 2014 dengan rincian sebagai berikut:

ISSUING AND LISTING OF OTHER SECURITIES CHRONOLOGY

Medium-Term Note (MTN)

The Bank issued a Medium-Term Note (MTN) I distributed electronically on May 22, 2014 with details as follows:

Keterangan Details	Nominal (IDR-juta) Nominal (IDR-million)	Kode Code	Kupon (%) Coupon (%)	Jangka Waktu Period	Frekuensi Pembayaran Bunga Frequency of Interest Payment	Pembayaran Bunga Pertama First Interest Payment	Jatuh Tempo Due Date
Seri | Series A	265.000	ICBC01AXMF	9,70% per tahun annually	370 hari kalender calendar days	Triwulan Quarterly	22 August 2014	02 June 2015
Seri | Series B	235.000	ICBC01BXMF	10,60% per tahun annually	36 bulan months	Triwulan Quarterly	22 August 2014	22 May 2017
TOTAL	**500.000**						

OBLIGASI GLOBAL BERDENOMINASI USD

Pada Januari 2015 Bank menerbitkan obligasi global pertama secara *Private Placement* dengan denominasi USD dengan perincian sebagai berikut:

USD-DOMINATED GLOBAL BONDS

In January 2015, The Bank issued its first global bonds by means of Private Placement with USD denomination. The details are as follows:

Komponen | Component	
Nominal | Nominal	USD500,000,000
Jangka Waktu | Duration	3 tahun | Years
Kupon | Coupon	LIBOR 3 month +1,5%
Jenis Kupon | Coupon Type	Floating Rate
Peringkat Internasional Obligasi | International Bond Rating	Baa2 (Moody's) 2014
Frekuensi Pembayaran Kupon | Coupon Payment Frequency	Per kuartal | Quarterly
Tanggal Penerbitan | Issue Date	January 28, 2015
Tanggal Jatuh Tempo Kupon Pertama | First Coupon Due Date	April 28, 2015
Tanggal Jatuh Tempo | Maturity Date	January 28, 2018

PERINGKAT

Moody's memberikan peringkat "Baa2" berdasarkan penilaian *outlook* stabil untuk pinjaman jangka panjang pada tahun 2014.

Fitch Ratings memberikan peringkat untuk tahun 2016 sebagai berikut:

- Peringkat Nasional Jangka Panjang "AAA(idn)/Stabil" untuk MTN dengan jatuh tempo hingga tiga tahun;
- Peringkat Nasional Jangka Pendek "F1+(idn)" untuk MTN dengan jatuh tempo 370 hari.

RATINGS

Moody's assigned "Baa2" rating with a stable outlook for long-term loans in 2014.

Fitch Ratings ranked the Bank in 2016 as follows:

- Long-Term National Rating of "AAA (idn)/Stable" for MTN with maturity of up to three years;
- Short-Term National Rating of "F1 + (idn)" for MTN with a maturity of 370 days.

LEMBAGA DAN PROFESI PENUNJANG

SUPPORTING INSTITUTIONS AND PROFESSIONS

Daftar Lembaga dan Profesi Penunjang Pasar Modal
List of Institutions and Capital Market Supporting Professionals

Nama dan Alamat Name and Address		Jenis dan Bentuk Jasa Type and Form of Service	Periode Penugasan Assignment Period
Lembaga Penunjang | Supporting Institutions			
Kantor Akuntan Publik Public Accountant Office	Siddharta Widjaja & Rekan (KPMG) Wisma GKBI Lantai 33 Jl. Jend. Sudirman No. 28 Jakarta 10210	Audit Umum atas Laporan Keuangan Tahun Buku 2017. KAP tidak memberikan jasa lainnya General Audit of Financial Statements in Fiscal Year 2017. The Public Accountant Office didn't provide any other services	2017
Pemeringkat Efek Rating Agencies	PT Fitch Ratings Indonesia DBS Bank Tower, Lantai 24 Suite 2403 Jl. Prof. Dr. Satrio Kav 3-5, Jakarta.	Memberikan peringkat atas pinjaman jangka panjang Provide ratings on long-term loans	2016
	Moody's Investors Service Singapore Pte Ltd 50 Raffles Place 23-06, Singapore Land Tower, Singapore	Memberikan peringkat atas MTN Provide MTN ratings	2014
Profesi Penunjang | Supporting Profession			
Akuntan Accountant	Susanto SE CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2017 General Audit of Financial Statements for Fiscal Year 2017	2017
Notaris Notary	Dr. Irawan Soerodjo, SH, Msi Jl. K.H. Zainul Arifin No.2 Ketapang Indah, Blok B-2 No. 4-5	Membantu dalam pembuatan PKPS Assist in the making of PKPS	2017

Daftar Kantor Akuntan Publik dan Akuntan 6 (Enam) Tahun Terakhir 2012-2017
List of Public Accounting Firms and Accountants for the Last 6 (Six) Years (2012-2017)

Tahun Buku Book Year	Kantor Akuntan Publik Public Accounting Office	Akuntan Accountant	Jasa Service	Jasa Lainnya Other Services
2017	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2017 General Audit of Financial Statement for Fiscal Year 2017	Rp1.149.120.000 Termasuk Pajak Tax Included
2016	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2016 General Audit of Financial Statement for Fiscal Year 2016	Rp1.149.120.000 Termasuk Pajak Tax Included
2015	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2015 General Audit of Financial Statement for Fiscal Year 2015	Rp925.000.000 Tidak Termasuk Pajak Tax Not Included
2014	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Umum atas Laporan Keuangan Tahun Buku 2014 General Audit of Financial Statement for Fiscal Year 2014	USD55.000 Tidak Termasuk Pajak Tax Not Included
2013	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2013 General Audit of Financial Statement for Fiscal Year 2013	USD49.500 Tidak Termasuk Pajak Tax Not Included
2012	Purwantono, Suherman & Surja (Ernst & Young)	Peter Surja	Audit Umum atas Laporan Keuangan Tahun Buku 2012 General Audit of Financial Statement for Fiscal Year 2012	Rp550.000.000 Tidak Termasuk Pajak Tax Not Included

INFORMASI PADA SITUS PERUSAHAAN
INFORMATION ON THE COMPANY'S WEBSITE

Regulator di Indonesia telah mendorong transparansi informasi dari entitas usaha, dengan tujuan membangun hubungan yang harmonis antara entitas usaha dengan Pemegang Saham maupun Pemangku Kepentingan. Salah satunya adalah situs yang diharapkan mampu menampilkan informasi yang komprehensif dari entitas usaha yang dapat diakses oleh masyarakat luas.

Bank memiliki situs resmi dengan alamat www.icbc.co.id yang telah dilengkapi dengan berbagai informasi seputar produk layanan perbankan maupun informasi korporasi, meliputi diantaranya:

- *"Homepage"* yang menampilkan berbagai informasi, seperti Suku Bunga Dasar Kredit, Kurs Mata Uang, *Corporate Internet Banking log-in Portal* dan Pengumuman.
- Halaman "Tentang Kami" menampilkan informasi tentang sejarah singkat Bank, Visi dan Misi, Profil Manajemen, Tata Kelola Perusahaan dan Informasi Lainnya.
- Halaman "Produk dan Jasa" menampilkan informasi produk *Corporate & Commercial Banking* dan *Consumer Banking* serta layanan jasa.
- Halaman "Karir" menampilkan informasi rekrutmen.
- Halaman "Layanan Nasabah" menampilkan informasi tentang jaringan kontak Bank.
- Tautan kepada situs ICBC regional maupun ICBC Limited di Tiongkok.

Situs dengan alamat www.icbc.co.id ini menjadi portal digital resmi korporasi yang dapat diakses secara umum, dengan tujuan memberikan informasi yang komprehensif tentang Bank.

Regulators in Indonesia have encouraged the transparency of information from business entities, with the purpose to build a harmonious relationship between business entities with Shareholders and Stakeholders. One way of doing so is through a website displaying comprehensive information from business entities that can be accessed by wide range of audiences.

The Bank's official website is www.icbc.co.id where it displayed information regarding the Bank's products and services as well as corporate information, including:

- "Homepage" featuring information on Prime Lending Rate, Currency Rates, Corporate Internet Banking log-in portal and Announcements.
- "About Us" page featuring information on the Bank's brief history, Vision and Mission, Management's Profiles, Good Corporate Governance and Other Information.
- "Products and Services" page featuring information on the Bank's Corporate & Commercial Banking as well as Consumer Banking products and services.
- "Career Development" page provides information on recruitment.
- "Customer Service" page provides information on the Bank's contact channel.
- Links to ICBC regional and ICBC Limited websites in China.

The website www.icbc.co.id is the Bank's official digital portal which is accessible to the public, with the purpose of providing comprehensive information regarding the Bank.

PENDIDIKAN & PELATIHAN MANAJEMEN
EDUCATION & TRAINING MANAGEMENT

PENGEMBANGAN KOMPETENSI DEWAN KOMISARIS

Sepanjang tahun 2017, anggota Dewan Komisaris Bank telah mengikuti berbagai program peningkatan kompetensi berupa pelatihan, *workshop*, konferensi, maupun seminar, sebagaimana tabel berikut ini:

BOARD OF COMMISSIONERS COMPETENCY DEVELOPMENT

Throughout 2017, Board of Commissioners has participated in various competency development programs in the form of workshop, conference and seminar, as listed in the following table:

Pendidikan dan/atau Pelatihan Dewan Komisaris
Education and/or Training of Board of Commissioners

Nama dan Jabatan Name and Position	Materi Pendidikan dan Pelatihan Education and Training Material	Tempat/Tanggal Place/Date	Penyelenggara Organizer
Wang Kun Presiden Komisaris President Commissioner	*Preparation of Risk Management Certification Level 1 Commissioner*	Jakarta 21 July 2017	Bank ICBC Indonesia
Hendra Widjojo Komisaris Independen Independent Commissioner	*Enhancing Good Corporate Governance Framework and Practices*	Jakarta 11 August 2017	DSG
	Risk Management Certification Refreshment: Cyber Security and Integrating Operation Risk	Jakarta 19 September 2017	LSPP
Christina Harapan Komisaris Independen Independent Commissioner	*Risk Management Certification Refreshment: Deeper Understanding On IFRS 9 & Basel IV, And Progress of Basel III Implementation*	Bali 18-19 May 2017	BARa
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Strategic Business Management	USA 28-29 August 2017	Harvard University

PENGEMBANGAN KOMPETENSI DIREKSI

Sepanjang tahun 2017, anggota Direksi Bank telah mengikuti berbagai program peningkatan kompetensi berupa pelatihan, *workshop*, konferensi, maupun seminar, sebagaimana tabel berikut ini:

BOARD OF DIRECTORS COMPETENCY DEVELOPMENT

Throughout 2017, Board of Directors has participated in various competency development programs in the form of workshop, conference and seminar, as listed in the following table:

Pendidikan dan/atau Pelatihan Dewan Komisaris, dan Direksi
Education and/or Training of Board of Directors

Nama dan Jabatan Name and Position	Materi Pendidikan dan Pelatihan Education and Training Material	Tempat/Tanggal Place/Date	Penyelenggara Organizer
Shen Xiaoqi Presiden Direktur President Director[1]	Executive Program for Leadership Team	UK 04-08 September 2017	Euromoney
Yu Guangzhu Direktur & Plt. Presiden Direktur Director & Acting President Director[2]	ICBC Ltd. Training Program	China 08 April - 13 Mei 2017	ICBC Limited
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
Jeff S.V. Eman Direktur | Director	Kick Off ICBC Department Business Plan 2017	03 February 2017	Bank ICBC Indonesia
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
Liang Qinjun Direktur | Director	Bahasa Indonesia Course	17 February - 05 June 2017	Mandarin Expert
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Executive Program: Yale University	USA 30 October - 12 November 2017	Yale University
Xin Haiyan Direktur | Director [3]	Executive Program for Leadership Team	UK 04-08 September 2017	Euromoney
Thomas Arifin Direktur | Director	Risk Management Certification Refreshment: Deeper Understanding On IFRS 9 & Basel IV, And Progress of Basel III Implementation	Bali 18-19 Mei 2017	BARa
	How Leadership Accelerates Transformation in Banking	Jakarta 28 November 2017	Infobank
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Indonesian Banking Expo	Jakarta 19 September 2017	LSPP & Perbanas
Sandy Tjipta Muliana Direktur | Director	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Executive Training: Investment Banking	USA 19 August - 04 September 2017	Michigan University
	Penyusunan Struktur Gaji dan Skala Upah	Jakarta 27-28 November 2017	Kontan Academy
	Arah Kebijakan APU PPT	Jakarta 07 December 2017	FKDKP
Fransisca Nelwan Mok Direktur | Director [3]	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Team Improvement 2017	Singapore 20-22 October 2017	Bank ICBC Indonesia

1) Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017 | Shen Xiaoqi resigned on October 31, 2017
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 | Yu Guangzhu, effectively hold the position as Acting President Director on November 1, 2017
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 | Fransisca Nelwan Mok and Xin Haiyan effectively served on the position of Director on April 13, 2017

PENGEMBANGAN KOMPETENSI ANGGOTA KOMITE-KOMITE

Sepanjang tahun 2017, Anggota Komite-Komite Bank telah mengikuti berbagai program peningkatan kompetensi berupa pelatihan, *workshop*, konferensi, maupun seminar, sebagaimana tabel berikut ini:

MEMBERS OF COMMITTEES COMPETENCY DEVELOPMENT

Throughout 2017, Committees' member has participated in various competency development programs in the form of workshop, conference and seminar, as listed in the following table:

Pendidikan dan/atau Pelatihan Anggota Komite-Komite
Education and/or Training of Members of Committees

Nama dan Jabatan Name and Position	Materi Pendidikan dan Pelatihan Education and Training Material	Tempat/Tanggal Place/Date	Penyelenggara Organizer
Komite Audit | Audit Committee			
Ricky Dompas Anggota Komite Audit Member of Audit Committee	Economic Outlook 2018 with Fintech Challenges	Jakarta 04 December 2017	Ikatan Bankir Indonesia
	Understanding Shifting Behavior of the Customer in the Current Market	Jakarta 13 December 2017	PPM School of Management
Waldy Gutama Anggota Komite Audit Member of Audit Committee	Audit Committee Master Program	Thailand 28-29 September 2017	International Finance Corporation (IFC), World Bank Group
Komite Remunerasi dan Nominasi | Nomination and Remuneration Committee			
Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Member of Nomination and Remuneration Committee	New Employee Orientation Program	Jakarta 27 April 2017	Bank ICBC Indonesia
	Enhancing Good Corporate Governance Framework and Practices	Jakarta 11 August 2017	DSG
	Compliance, AML, Risk Management, and Audit	Jakarta 31 August 2017	Bank ICBC Indonesia
	Team Improvement 2017	Yogyakarta 06-08 October 2017	Bank ICBC Indonesia
	Penyusunan Struktur Gaji dan Skala Upah	Jakarta 27-28 November 2017	Kontan Academy
Komite Pemantau Risiko | Risk Monitoring Committee			
Lando Simatupang Anggota Komite Pemantau Risiko Member of Risk Monitoring Committee	Fit and Proper Test Workshop	Jakarta 23 February 2017	Lembaga Pengembangan Perbankan Indonesia (LPPI)
	GRC - a New Face of Creating Value	Jakarta 02-03 May 2017	Lembaga Pengembangan Perbankan Indonesia (LPPI) – ValeoCon Japan
	Audit for Leader	Jakarta 11 July 2017	Institute of Internal Audit (IIA) – Indonesia
	Workshop Risk Management Assurance – Preparation (CRMA)	Jakarta 11-15 September 2017	Institute of Internal Audit (IIA) – Indonesia
	Workshop Strategic Execution	Jakarta 20 September 2017	Lembaga Pengembangan Perbankan Indonesia (LPPI)
	Indonesia Risk Management Outlook (IRMO)	Jakarta 07 December 2017	Majalah Stabilitas

PENGEMBANGAN KOMPETENSI SEKRETARIS PERUSAHAAN, DAN UNIT AUDIT INTERNAL

Sepanjang tahun 2017, Sekretaris Perusahaan, dan Unit Audit Internal Bank telah mengikuti berbagai program peningkatan kompetensi berupa pelatihan, *workshop*, konferensi, maupun seminar, sebagaimana tabel berikut ini:

CORPORATE SECRETARY AND INTERNAL AUDIT COMPETENCY DEVELOPMENT

Throughout 2017, Corporate Secretary and Internal Audit has participated in various competency development programs in the form of workshop, conference and seminar, as listed in the following table:

Pendidikan dan/atau Pelatihan Sekretaris Perusahaan, dan Unit Audit Internal
Education and/or Training of Corporate Secretary and Internal Audit

Nama dan Jabatan Name and Position	Materi Pendidikan dan Pelatihan Education and Training Material	Tempat/Tanggal Place/Date	Penyelenggara Organizer
Sekretaris Perusahaan | Corporate Secretary			
Yensen Aliamin Pelaksana Tugas Fungsi Sekretaris Perusahaan| Acting Corporate Secretary Function	Sharing Session: Getting Started With Credit	Jakarta 16 February 2017	Bank ICBC Indonesia
	Good Corporate Governance (GCG)	Jakarta 11 August 2017	DSG
	Executive Program For Leadership Team	UK 04–08 September 2017	Euromoney
	Team Improvement 2017	Malaysia 13-15 October 2017	Bank ICBC Indonesia
	Retail Finance & Wealth Management Senior Leadership Program	UK 05–18 November 2017	ICBC Limited
Audit Internal | Internal Audit			
Indra Widjaja Head of Internal Audit	Aspek Hukum Kepailitan Dalam Dunia Perbankan	Jakarta 31 January 2017	Sentramark
	Enhancing Good Corporate Governance (GCG) Framework and Practices	Jakarta 11 August 2017	DSG
	Team Improvement 2017	Thailand 20-22 October 2017	Bank ICBC Indonesia
	Internal Audit Workshop - National Anti Fraud Conference	Yogyakarta 27–28 November 2017	ACFE

AREA OPERASIONAL & JARINGAN KANTOR
OPERATIONAL AREA & OFFICE NETWORKS

Head Office
ICBC Tower 32nd Floor,
Jalan M.H. Thamrin No. 81,
Central Jakarta 10310
T. (+62 21) 2355 6000
F. (+62 21) 2355 6016

The City Tower (TCT) Branch
The City Tower
Building Ground Floor,
Jalan M.H. Thamrin
No. 81, Central Jakarta 10310
T. (+62 21) 2355 6000
F. (+62 21) 2355 6069

Gajah Mada Branch
Green Central City Lantai 1,
Jalan Gajah Mada No. 188,
West Jakarta 11120
T. (+62 21) 2937 9279
F. (+62 21) 2397 9276

Pluit Branch
Clover Tower Jalan Pluit Selatan
Raya No. 8A-9
North Jakarta 11450
T. (+62 21) 6629 792
F. (+62 21) 6629 793

Wisma Mulia Branch
Gedung Wisma Mulia, GF.08
Jalan Gatot Subroto No. 42,
South Jakarta 12170
T. (+62 21) 5297 1223
F. (+62 21) 5297 1231

Kelapa Gading Branch
Jalan Boulevard Barat Raya
Blok A No. 1-3, Kelapa Gading
Square, North Jakarta 11450
T. (+62 21) 4531 851
F. (+62 21) 4520 980

Mega Kuningan Branch
The East Tower, Jalan Lingkar
Mega Kuningan Kavling E3.2 No.
1, South Jakarta 12950
T. (+62 21) 5793 8671
F. (+62 21) 5793 8672

Gandaria Sub Branch
Gandaria 8 Office Tower, Ground
Foor Unit 8, Jalan Sultan
Iskandar Muda,
South Jakarta 12240
T. (+62 21) 2903 6608
F. (+62 21) 2903 6609

Mangga Dua Sub Branch
Komplek Ruko Mangga Dua Mall
No. 10, Jl. Mangga Dua Raya,
Central Jakarta 10730
T. (+62 21) 601 7068
F. (+62 21) 601 7069

Bandung Branch
Jalan Ir. H. Juanda No. 71,
Bandung 40116
T. (+62 22) 423 2560
F. (+62 22) 423 2590

Bekasi Sub Branch[1)]
Komplek Ruko Mitra Bekasi,
Jalan Ir. Juanda Blok C No. 7,
Bekasi 17111
T. (+62 21) 8816 482
F. (+62 21) 8809 316

Batam Branch
Jalan Raden Patah, Kompleks
Nagoya Gateway Blok E No. 5-7,
Batam 29444
T. (+62 778) 428 275
F. (+62 778) 427 395

Medan Branch
Jalan Jend. Sudirman
No. 39-39A, Medan 20152
T. (+62 61) 4521 922
F. (+62 61) 4521 911

Balikpapan Branch
Grha Bintang Ground Floor
Jalan Jend. Sudirman No. 423
Balikpapan 76112
East Kalimantan
T. (+62 542) 300 1601-3
F. (+62 542) 300 1606

Makassar Branch
Wisma Kalla 8th Floor,
Jalan Dr. Ratulangi No. 8-10,
Makassar 90125
T. (+62 542) 870 199
F. (+62 542) 870 299

Basuki Rahmat Branch
ICBC Center Building 1st Floor,
Jalan Basuki Rahmat No. 16-18,
Surabaya 60262
T. (+62 31) 545 1990
F. (+62 31) 545 1996

Coklat Branch
Jalan Coklat No. 23-25,
Surabaya 60161
T. (+62 31) 3522 288
F. (+62 31) 3520 707

Baliwerti Branch
Jalan Baliwerti No. 1,
Surabaya 60174
T. (+62 31) 5317 033/5320 546
F. (+62 31) 5452 678

Beverly Branch
Komplek Ruko Taman Beverly,
Jalan H.R. Mohammad
No. 49-55, Surabaya 60189
T. (+62 31) 7344 054/7344 731
F. (+62 31) 7344 728

CITO Mall Sub Branch
Mall CITO (City of Tomorrow)
Lantai Dasar, Jalan Ahmad Yani
No. 288, Surabaya 60234
T. (+62 31) 5825 1301-06
F. (+62 31) 5825 1309

Pasar Atum Cash Office
Pasar Atum Mall 2nd Floor
BA 62-67, Jalan Stasiun Kota
No. 22, Surabaya 60161
T. (+62 31) 353 5680
F. (+62 31) 353 5690

1) Sejak tanggal 30 Januari 2018 Kantor Cabang Pembantu sudah ditutup | As of 30 January 2018, the Sub-Branch Office has been closed

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TINJAUAN PEREKONOMIAN & INDUSTRI
ECONOMY & INDUSTRY OVERVIEW

TINJAUAN PEREKONOMIAN GLOBAL

Ketidakpastian masih membayangi wajah perekonomian global di sepanjang 2017. Ketidakpastian di awal tahun 2017 ditandai dengan perang dagang di kancah global. Situasi perdagangan global memanas seiring dengan terpilihnya Presiden Amerika Serikat (AS) Donald Trump yang menonjolkan sikap proteksionisme sebagai arah kebijakan ekonomi AS. Negara-negara yang menjadi sasaran kebijakan proteksionisme Presiden Donald Trump karena terjadi defisit perdagangan yaitu Tiongkok, Korea Selatan, Jepang, Meksiko, dan Kanada. Walaupun Indonesia bukan merupakan sasaran kebijakan proteksionisme AS, dampaknya masih akan dirasakan secara tidak langsung karena rantai produksi perekonomian global saat ini telah membuat negara terhubung satu sama lain.

Ekonomi global mengalami sedikit penurunan di pertengahan 2017, namun dipercaya tetap tumbuh dibandingkan beberapa tahun terakhir. Lembaga survei The Global Economic Conditions Survey (GECS) konsisten dengan data survei lainnya seperti *Purchasing Managers' Index* (PMI) dan data Produk Domestik Bruto (PDB) yang menunjukkan ekonomi global dalam kondisi baik. Pertumbuhan ekonomi dunia diproyeksikan akan tumbuh 3,0% di tahun 2017 dan 3,1% di tahun 2018. Data tersebut dirilis oleh World Bank pada Januari 2018.

Di semester II, pertumbuhan ekonomi global bergerak di luar ekspektasi. Dalam laporan yang dirilis jelang akhir tahun 2017, Goldman Sachs menghitung pertumbuhan ekonomi global tahun 2017 sebesar 3,7%. Sementara konsensus analis yang disurvei Bloomberg menyebut, pertumbuhan ekonomi global mencapai 3,6%. Pemulihan ekonomi global berjalan baik ditopang oleh laju pertumbuhan ekonomi AS. Laporan Bank Indonesia (BI) menuliskan, PDB AS sepanjang 2017 ditopang investasi yang meningkat dan konsumsi yang stabil. Sejalan dengan AS, pertumbuhan ekonomi Eropa cukup solid ditopang konsumsi dan ekspor.

GLOBAL ECONOMIC REVIEW

The face of the global economy is still overshadowed by uncertainty throughout 2017. The uncertainty in early 2017 was marked by a trade war in the global arena. The global trading situation is heating up with the election of US President Donald Trump who highlighted protectionism as the US economic policy direction. Countries targeted by President Donald Trump's protectionist policies are due to the trade deficit, including China, South Korea, Japan, Mexico and Canada. Although Indonesia is not a target of US protectionism policy, its impact will be felt indirectly because the current global economic production chain has connected the world globally.

The global economy has declined slightly in mid-2017, but it is believed to have kept growing over the past few years. The Global Economic Conditions Survey (GECS) institute is consistent with other survey data such as the Purchasing Managers' Index (PMI) and Gross Domestic Product (GDP) data which shows the global economy is in good shape. World economic growth is projected to grow 3.0% in 2017 and 3.1% in 2018. This data was released by the World Bank in January 2018.

During the second semester, global economic growth moved beyond expectations. In a report released at the end of 2017, Goldman Sachs calculated global economic growth in 2017 at 3.7%. Meanwhile, consensus analysts surveyed by Bloomberg estimated the economic growth at 3.6%. Global economic recovery is well underpinned by the growth rate of the US economy. According to the report by Bank Indonesia (BI), US GDP throughout 2017 was bolstered by increased investment and stable consumption. In line with the US, European economic growth was solidly bolstered by consumption and exports.

Perekonomian Tiongkok juga membaik di tengah *re-balancing* yang ditempuh secara gradual. Perkembangan ini selanjutnya mendorong volume perdagangan dunia dan harga komoditas global, termasuk minyak yang lebih tinggi dibandingkan tahun 2016.

The Chinese economy also improved amid the gradual re-balancing. These developments further boosted world trade volume and global commodity prices, including oil, which were higher than in 2016.

Kawasan Amerika Serikat

Tren kenaikan suku bunga acuan Bank Sentral AS Federal Reserve menjadi faktor utama penggerak ekonomi AS sekaligus ekonomi global. Sepanjang tahun 2017, The Fed telah menaikkan suku bunga acuan sebanyak tiga kali; terakhir kali menaikkan suku bunga acuan sebesar 0,25%, pada pertengahan Desember 2017. Terkait hal tersebut, suku bunga The Fed menjadi 1,25% di akhir 2017. Kenaikan suku bunga acuan ini mencerminkan ekspektasi pertumbuhan ekonomi AS. PDB AS tercatat tumbuh 2,9% di akhir Q4/17 berdasarkan data Bureau of Economic Analysis, AS.

Kenaikan ekonomi AS ditopang oleh meningkatnya pertumbuhan investasi. Sentimen lain berasal dari reformasi pajak yang dicanangkan Presiden AS Donald Trump dan Partai Republik. Trump memangkas tarif pajak korporasi dari 35% menjadi 15%.

Hasil notulen rapat The Federal Open Market Committee (FOMC) Desember 2017 menuliskan, terjadi perbaikan yang signifikan terhadap tingkat upah buruh AS seiring dengan turunnya angka pengangguran ke level 4,1%. Mayoritas anggota FOMC memprediksi pemangkasan pajak mendongkrak anggaran belanja konsumen. Sebagai tambahan, FOMC mengamati bahwa harga di pasar saham juga semakin membaik, di mana indeks S&P 500 melonjak sekitar 20%.

United States

The US Federal Reserve's benchmark interest rate hike has been a driving key factor for the US economy as well as the global economy. Throughout 2017, the Fed had raised interest rates three times; the last time it raised its benchmark interest rate was by 0.25% in mid-December 2017. Related to this, the Fed's interest rate became 1.25% by the end of 2017. The increase in interest rates reflects expectations of US economic growth. US GDP grew 2.9% at the end of the fourth quarter 2017 according to Bureau of Economics Analysis data in USA.

The rise in the US economy is bolstered by rising investment growth. Another sentiment comes from tax reforms launched by US President Donald Trump and the Republican Party. Trump cut its corporate tax rate from 35% to 15%.

The minutes of meeting of the Federal Open Market Committee (FOMC) in December 2017 indicated that there has been a significant improvement in the level of US labor wages as the unemployment rate has dropped to 4.1%. The majority of FOMC members predicted that tax cuts will boost consumer spending. In addition, the FOMC observed that prices in the stock market were also improving, with the S&P 500 index jumping by about 20%.

Kawasan Eropa

Data ekonomi yang masih tumbuh pelan dan gejolak politik di sejumlah negara membayangi pertumbuhan ekonomi Eropa di sepanjang 2017. Misalnya, kondisi politik dan ekonomi Inggris yang tidak menentu. Pelaku pasar ragu terhadap proses penanganan *Brexit* yang dijalankan Perdana Menteri Theresa May dan memburuknya data ekonomi Inggris.

Namun, kenaikan investasi swasta menolong ekonomi kawasan Eropa. Tiga lembaga riset yakni institut IFO di Munich, institut KOF Swiss, dan institut Istat Italia meramal inflasi sebesar 1,4% pada kuartal terakhir 2017. Inflasi tersebut masih di bawah target Bank Sentral Eropa atau European Central Bank (ECB) yang sebesar 2%. Pertumbuhan ekonomi Eropa seiring membaiknya ekonomi kawasan itu tercatat sebesar 2,6% berdasarkan data Eurostat di sepanjang 2017, lebih tinggi dari prediksi 2,4%. ECB juga mempertahankan tingkat suku bunga acuan di level 0%.

European Region

The slowly growing economic data and political turmoil in some countries overshadowed European economic growth throughout 2017 – for example, the UK's uncertain political and economic conditions. Market participants are skeptical of the Brexit handling process run by Prime Minister Theresa May and worsening of British economic data.

However, an increase in private investment helped the economy of the European region. The three institutes, namely the institute IFO in Munich, the Swiss KOF institute, and the institute Istat Italia – projected 1.4% inflation in the last quarter of 2017. The inflation is still below the European Central Bank's (ECB) target of 2%. The economic growth in Europe, in line with the improved economy in the region, was recorded at 2.6% according to data throughout 2017 from Eurostat, higher from the previous 2.4%. The ECB has also kept its benchmark interest rate at 0%.

TINJAUAN PEREKONOMIAN REGIONAL

Tiongkok

Pertumbuhan ekonomi Tiongkok diperkirakan tumbuh sekitar 6,9% di sepanjang 2017. Kantor berita resmi Tiongkok, Xinhua, mencatat prediksi tersebut meningkat dari pertumbuhan ekonomi Tiongkok level terendah dalam 26 tahun di tahun sebelumnya. Sedangkan analis memperkirakan ekonomi terbesar kedua di dunia ini tumbuh sekitar 6,8% di 2017, melampaui target pemerintah sekitar 6,5%. Pertumbuhan kuat ekonomi Tiongkok terjadi berkat ledakan di sektor konstruksi dan permintaan global yang kuat untuk produk ekspornya. Sebagai perbandingan, PDB Tiongkok tumbuh 6,7% pada 2016.

REGIONAL ECONOMIC REVIEW

China

China's economic growth was forecasted to grow about 6.9% throughout 2017. China's official Xinhua news agency noted that the forecast rose from China's economic growth to its lowest level in 26 years in the previous year. Analysts expect the world's second-largest economy to grow by 6.8% in 2017, exceeding the government's target of around 6.5%.China's strong economic growth came as a result of the explosion of construction sector and strong global demand for its export products. By comparison, China's GDP grew 6.7% in 2016.

Bank Dunia juga menaikkan perkiraan pertumbuhan ekonomi Tiongkok menjadi 6,8% dari proyeksi yang dibuat pada bulan Oktober 2017 di level 6,7%. Kenaikan tersebut terdorong pertumbuhan konsumsi rumah tangga dan perdagangan luar negeri. Namun, rasio utang yang menggunung mengintai pertumbuhan ekonomi Tiongkok. International Monetary Fund (IMF) pada Oktober 2017 menyatakan bahwa rasio utang atau aset perbankan Tiongkok telah melonjak hingga 310,0% terhadap PDB, dibandingkan sebesar 240,0% dari PDB yang tercatat sampai akhir tahun 2012. Lonjakan rasio utang ini yang memicu S&P Global Ratings menurunkan peringkat kredit jangka panjang Tiongkok. Sebelumnya, S&P dan Moody's pada Mei 2017 telah lebih dulu menggunting peringkat kredit jangka panjang Tiongkok.

The World Bank also raised China's economic growth forecasts to 6.8% from the projection made in October 2017 at 6.7%. The increase was driven by growth in household consumption and foreign trade. However, the mounting debt ratio lurks behind China's economic growth. The International Monetary Fund (IMF) in October 2017 stated that China's debt or asset ratio had jumped by 310.0% to the GDP, compared to 240.0% of the GDP recorded at the end of 2012. This spike in debt ratios triggered S&P Global Ratings to downgrade the long-term credit rating China. Previously, S&P and Moody's in May 2017 had already cut China's long-term credit rating.

Namun, stabilitas Tiongkok cukup terjaga seiring perhelatan Kongres Partai Komunis ke-19 pada Oktober 2017 lalu. Setelah periode kongres tersebut selesai, Tiongkok kembali fokus menangani persoalan utang. Diperkirakan, Tiongkok akan mengambil tindakan lebih tegas untuk mengontrol pertumbuhan utang.

However, the stability of China has been maintained as the 19th Communist Party Congress took place in October 2017. After the congress period was over, China again focused on tackling the debt issue. It is estimated that China will take tougher measures to control debt growth.

Jepang

Pemerintah Jepang telah memperkirakan pertumbuhan ekonomi tahun 2017 bisa mencapai 1,7%, kemudian di tahun 2018 naik ke level 2,5%. Sedangkan untuk inflasi sepanjang tahun 2017 bisa mencapai 0,7% dan di tahun 2018 naik menjadi 2,0%. Shinzo Abe yang kembali terpilih sebagai Perdana Menteri Jepang pada awal November 2017 menjadi sentimen positif bagi pertumbuhan ekonomi Jepang di masa depan. Kendati menang, kemampuan Abe membawa pemulihan ekonomi bagi Jepang masih menghadapi tantangan berat.

Japan

The Japanese government forecasted its economic growth in 2017 to reach 1.7%, then in 2018 it predicted a rise to the level of 2.5%. As for the inflation throughout 2017, it could reach 0.7% and in 2018 could rise to 2.0%. Shinzo Abe, who was re-elected as Prime Minister of Japan in early November 2017, became a positive sentiment for Japan's economic growth in the future. Despite the win, Abe's ability to bring economic recovery to Japan still faces a tough challenge.

Pasalnya, perekonomian Jepang merosot setelah peluncuran kebijakan ekonomi atau biasa disebut Abenomic pada lima tahun lalu. Penyebabnya adalah perlambatan upah dan inflasi stagnan. Ada tiga resep Abenomic yang populer, yakni pelonggaran moneter, pengeluaran fiskal dan reformasi struktural yang dapat menghidupkan kembali ekonomi.

The reason is that the Japanese economy slumped after the launch of an economic policy commonly called Abenomics five years ago. The causes are wage slowdown and stagnant inflation. There are three popular Abenomics recipes, namely, monetary easing, fiscal expenditure and structural reforms that can revive the economy.

Consumer Price Index (CPI) yang termasuk bahan bakar naik 0,9% pada bulan November 2017 jika dibandingkan tahun 2016. Belanja rumah tangga juga meningkat 1,7% secara tahunan pada bulan November 2017. Sedangkan pertumbuhan ekonomi Jepang mencapai 2,5% secara tahunan pada kuartal III atau periode Juli-September 2017. Ini adalah kenaikan dalam tujuh kuartal berturut-turut. Namun, angka inflasi masih jauh dari target Bank of Japan sebesar 2,0%. Inflasi inti Jepang berhasil naik dalam 11 bulan berturut-turut hingga November 2017.

The Consumer Price Index (CPI), which includes fuel, rose 0.9% in November 2017 compared to 2016. Household spending also increased 1.7% annually in November 2017. While Japan's economic growth reached 2.5% year-on-year (yoy) in the third quarter or July-September 2017 period. This is an increase in seven consecutive quarters. However, the inflation rate is still far from the Bank of Japan's target of 2.0%. Japan's core inflation has risen for 11th consecutive months until November 2017.

TINJAUAN PEREKONOMIAN INDONESIA

Kementerian Keuangan meramal, PDB Indonesia diproyeksi menembus USD1 triliun di tahun 2017. Pertumbuhan ekonomi 2017 diperkirakan sekitar 5,10% secara tahunan year-on-year (yoy), dibandingkan 5,02% (yoy) pada 2016. Data resmi Bank Indonesia (BI) mencatat, pertumbuhan ekonomi triwulan III 2017 tercatat 5,06%, lebih baik dibandingkan triwulan sebelumnya yang sebesar 5,01% (yoy).

Membaiknya pertumbuhan ekonomi pada triwulan III 2017 didorong oleh meningkatnya kinerja ekspor dan investasi, serta konsumsi yang relatif terjaga. Perbaikan kinerja ekspor terutama dipengaruhi oleh membaiknya harga komoditas seperti CPO dan batubara, serta meningkatnya pertumbuhan ekonomi dunia. Investasi pun meningkat hingga mencapai level tertinggi sejak Q1/13 yang didukung oleh investasi bangunan dan non- bangunan.

Investasi bangunan tumbuh tinggi sejalan dengan terus berlanjutnya pembangunan infrastruktur pemerintah disertai peran sektor swasta. Sementara investasi non bangunan juga tumbuh tinggi didorong oleh pembelian mesin dan perlengkapan. Di sisi lain, kinerja konsumsi pemerintah membaik sejalan dengan meningkatnya pengeluaran pemerintah, sementara konsumsi rumah tangga tetap terjaga meskipun tumbuh sedikit lebih rendah dibanding triwulan sebelumnya.

INDONESIAN ECONOMIC REVIEW

The Ministry of Finance forecasted Indonesia's GDP to exceed USD1 trillion in 2017. The economic growth in 2017 was estimated to reach 5.10% year-on-year (yoy) compared to 5.02% (yoy) in 2016. Official data from Bank Indonesia (BI) recorded that the economic growth in the third quarter of 2017 was 5.06%, better than the previous quarter which was 5.01% (yoy).

The improvement in economic growth in the third quarter of 2017 was driven by increased exports and investment performance, as well as relatively safe consumption. The improvement in export performance was mainly influenced by improving commodity prices such as CPO and coal, as well as increasing world economic growth. Investments also increased to the highest level since the first quarter of 2013 supported by building and non-building investment.

Building investment is growing in line with the continuing development of government infrastructure alongside the role of the private sector. Meanwhile, non-building investment is also growing high, driven by the purchase of machinery and equipment. On the other hand, government consumption performance improved in line with rising government spending, while household consumption remained steady although it grew slightly lower than the previous quarter.

Kedepannya, BI memperkirakan pertumbuhan ekonomi terus membaik. Dukungan harga komoditas yang masih tinggi dan perbaikan perekonomian dunia yang terus berlanjut akan berdampak positif bagi kinerja ekspor Indonesia. Sejalan dengan peningkatan ekspor, investasi juga diperkirakan terus meningkat didukung percepatan reformasi struktural untuk penciptaan iklim investasi yang semakin kondusif.

Sejumlah indikator makroekonomi pun menunjukkan kokohnya ekonomi Indonesia. Mengutip data BI, posisi cadangan devisa Indonesia akhir Desember 2017 tercatat USD130,20 miliar, lebih tinggi dibandingkan posisi akhir November 2017 sebesar USD125,97 miliar. Peningkatan tersebut terutama dipengaruhi oleh penerimaan devisa, antara lain berasal dari penerbitan global bonds pemerintah serta penerimaan pajak dan devisa ekspor migas bagian pemerintah.

Indikator lain, IDR cenderung stabil pada 2017 meski sempat mengalami tekanan yang bersumber dari eksternal pada awal Q4/17. Inflasi 2017 terjaga tetap rendah sekitar 3,5% (yoy) dan berada dalam kisaran sasaran inflasi 4±1%. Terkendalinya inflasi terutama disumbang oleh rendahnya inflasi *volatile food* ditopang oleh pasokan yang memadai, kebijakan stabilisasi harga pangan oleh Pemerintah dan harga pangan global yang rendah.

TINJAUAN MONETER DAN INDUSTRI PERBANKAN NASIONAL

Rapat Dewan Gubernur (RDG) BI pada 13-14 Desember 2017 memutuskan untuk mempertahankan BI 7-day *Reverse Repo Rate* tetap sebesar 4,25%, dengan suku bunga *Deposit Facility* tetap sebesar 3,50% dan *Lending Facility* tetap sebesar 5,00%. Kebijakan moneter ini berlaku efektif sejak 15 Desember 2017. Hal ini didukung oleh laju inflasi yang terkendali yang memberikan ruang bagi BI untuk melakukan pelonggaran moneter dan memangkas suku bunga. Terlebih kebijakan ini, konsisten dengan upaya menjaga stabilitas makroekonomi dan sistem keuangan serta turut mendukung pemulihan ekonomi domestik dengan tetap mempertimbangkan dinamika perekonomian global maupun domestik.

Looking ahead, BI expects economic growth to continue to improve. Support for high commodity prices and continuing improvement in the world economy will positively impact Indonesia's export performance. In line with the rise in exports, investment is also expected to continue to increase supported by the acceleration of structural reforms to create an increasingly conducive investment climate.

A number of macroeconomic indicators also show the strength of Indonesia's economy. Citing BI's data, Indonesia's foreign reserves position at the end of December 2017 was recorded at USD130.20 billion, higher than the end of November 2017 at USD125.97 billion. The increase was mainly influenced by foreign exchange earnings, among others derived from the issuance of global government bonds as well as tax revenues and foreign exchange of the government's oil and gas exports.

Another indicator was that the IDR tended to stabilize in 2017 despite experiencing pressure from external sources at the beginning of the fourth quarter of 2017. Inflation in 2017 remained low, at about 3.5% (yoy) and was within the inflation target range of 4±1%. Controlled inflation was mainly contributed by low volatile food inflation supported by adequate supply, the policy of stabilizing food prices by the Government, and low global food prices.

NATIONAL MONETARY AND INDUSTRIAL BANKING REVIEW

The BI's Board of Governors Meeting (RDG) on December 13-14, 2017 decided to keep the BI 7-day Reverse Repo Rate fixed at 4.25%, with the Deposit Facility interest rate at 3.50% and the fixed Lending Facility at 5.00%. This monetary policy has been in effective since December 15, 2017. The policy is consistent with efforts to maintain macroeconomic and financial system stability and contribute to the recovery of the domestic economy while taking into account the dynamics of the global and domestic economy.

Stimulus pelonggaran moneter belum berdampak langsung terhadap pertumbuhan kredit perbankan di akhir 2017. Pertumbuhan kredit tercatat hanya tumbuh 8,10% lebih rendah dibandingkan proyeksi rata-rata Rencana Bisnis Bank 2017 yang memproyeksikan pertumbuhan mencapai 11,81%. Hal ini disebabkan oleh pemulihan kualitas aset perbankan yang belum sepenuhnya membaik. Hal ini dapat terlihat dari NPL perbankan nasional yang masih relatif tinggi sebesar 2,59% pada akhir 2017. Selain sikap pelaku perbankan nasional yang lebih ketat dalam penyaluran kredit, permintaan terhadap kredit juga masih relatif lemah tercermin dari peningkatan fasilitas kredit yang belum tersalurkan (*Undisbursed loan*) juga mempengaruhi lemahnya pertumbuhan kredit.

Economic stimulus package to ease the monetary has yet to impact the banking credit growth at the end of 2017. The credit growth was recorded 8.10% lower than the average projection of Bank Business Plan (RBB) 2017 that forecasted the growth to reach 11.81%. This was caused by the quality recovery of banking assets that has yet to fully improve. This can also be seen from the NPL of national banking, which is still relatively high at 2.59% by the end of 2017. Aside from the attitude of national banking participants shown in the tight disbursed loan, the demand for loan is also still relatively weak as reflected from the increase in undisbursed loan; this what influences the weakening of credit growth.

Sama hal-nya di sisi pendanaan, pada akhir 2017, Dana Pihak Ketiga (DPK) perbankan tumbuh melambat pada level 8,30% lebih rendah dibandingkan dengan pertumbuhan DPK pada tahun 2016 yang sebesar 9,10%. Penurunan ini terjadi seiring dengan penurunan suku bunga simpanan. Penurunan tersebut dipengaruhi oleh penyesuaian terhadap BI 7-*day Reverse Repo Rate* pada level 4,25%. Penurunan pertumbuhan DPK tentunya berdampak pada rasio likuiditas perbankan nasional yang hingga Desember 2017 yang berada pada 90,40%, meskipun LPS menilai likuiditas Bank masih relative memadai dikarenakan permintaan kredit yang masih cenderung rendah.

The same goes with the financing, at the end of 2017, the Third Party Funds (TPF) grew slowly at the level of 8.30% lower than the growth of TPF in 2016 at 9.10%. The decline is in line with the decline in savings interest rate. The decrease was influenced by the adjustment to BI 7-day Reverse Repo Rate at 4.25%. The decline in the TPF growth indeed impacted the national banking liquidity ratio, which stood at 90.40% as of December 2017, even though the Indonesia Deposit Insurance Corporation (LPS) views that the Bank's liquidity is still relatively adequate due to the low demand for loan.

Sepanjang tahun 2017, Bank tetap fokus dalam memperbaiki kualitas aset sehingga pertumbuhan kredit (4,83%) relatif rendah dibandingkan tahun-tahun sebelumnya. Terkait dengan *risk appetite*, Bank akan fokus pada penyaluran dana pada Nasabah-Nasabah dengan tingkat risiko rendah seperti perusahaan-perusahaan *bluechip* dan BUMN. Bank terus melakukan penyesuaian suku bunga kredit maupun suku bunga simpanan sesuai dengan biaya pendanaan Bank. Namun disaat yang sama Bank juga memprioritaskan penghimpunan dana murah untuk meningkatkan kredit dengan bunga kompetitif serta memperbesar porsi pendapatan komisi.

Throughout 2017, The Bank still focusing on the asset quality improvement; hence, the loan growth (4.83%) was still relatively low compared to the previous years. In relation to the risk appetite, the Bank focused on the disbursed funds to Customers with low risk level, such as blue chip corporations and State-owned Enterprises. The Bank continued to adjust the loan interest rate and saving interest rate in line with the Bank's financing expenditure. Nevertheless, the Bank at the same time prioritized the collection of low funds to increase loan with the competitive interest rates while increasing commission income.

TINJAUAN BISNIS
BUSINESS REVIEW

RENCANA JANGKA PANJANG KORPORASI

Tujuan Finansial

- Keuntungan Ekonomi yang Kompetitif
  Mengembangkan bisnis yang berkesinambungan untuk mencapai *economic returns* yang berkesinambungan.
- Solid Secara Finansial
  Seiring dengan pertumbuhan yang stabil, Bank senantiasa menyempurnakan kemampuan finansial sebagaimana tercermin dalam rasio-rasio utama dan mengelola risiko secara efektif sesuai dengan toleransi Bank.
- BUKU 3
  Didukung rencana pertumbuhan modal yang memadai, Bank dapat memberikan fasilitas perbankan yang lebih luas dengan menjadi Bank BUKU 3 pada akhir 2017.

Prioritas Stratejik

- Pengembangan bisnis dengan prinsip kehati-hatian
  - Membentuk struktur debitur sesuai dengan toleransi Bank dengan fokus pada sektor infrastruktur.
  - Mengelola kualitas aset secara efektif.
  - Meningkatkan kontribusi pendapatan *fee-based*.
- Transformasi struktural untuk meningkatkan daya saing
  - Mengembangkan berbagai produk dan layanan baru dengan nilai tambah untuk Nasabah.
  - Meningkatkan kualitas layanan Nasabah Bank.
  - Mengembangkan struktur pendanaan yang stabil dan rendah biaya.
  - Mengembangkan strategi *channel* yang efektif untuk melayani Nasabah.
- Menggunakan teknologi untuk mencapai *best-in-class economics*
  - Meningkatkan efisiensi, efektivitas dan daya saing dari produk serta layanan Bank.
  - Menyediakan *one-stop-financial-service* bagi kebutuhan Nasabah.
  - Mengandalkan teknologi untuk meningkatkan pendapatan dan mengurangi pengeluaran Bank

LONG-TERM CORPORATION PLAN

Financial Objectives

- Competitive Economic Gains
  Developing a sustainable business to achieve sustainable economic returns.
- Becoming Financially Solid
  Along with the stable growth, the Bank continues to improve its financial capabilities as reflected in key ratios and manages risk effectively in line with the Bank's tolerance.
- BUKU 3
  Supported by an adequate capital growth plan, the Bank is able to provide a wider banking facility by becoming a BUKU 3 bank by the end of 2017.

Strategic Priorities

- Business development with prudence principle
  - Establish a debtor structure in accordance with the Bank's tolerance with a focus on the infrastructure sector.
  - Manage asset quality effectively.
  - Increase the contribution of fee-based income.
- Structural transformation to improve competitiveness
  - Develop new products and services with added value for Customers.
  - Improve the quality of the Bank's customer service.
  - Develop a stable and low cost funding structure.
  - Develop an effective strategy channel to serve Customers.
- Utilize technology to achieve best-in-class economics
  - Improve efficiency, effectiveness and competitiveness of Bank's products and services.
  - Provide one-stop-financial-service for Customers' needs.
  - To utilize technology to increase revenue and reduce Bank's spending

Prioritas Bisnis

- Badan Usaha Milik Negara (BUMN), Korporasi & Komersial
  - Memfasilitasi pembiayaan dan memberikan layanan perbankan Korporasi dengan memanfaatkan hubungan bilateral yang baik antara Indonesia dan Tiongkok.
  - Menitikberatkan pemberian fasilitas kredit kepada BUMN dan Korporasi *blue-chip* untuk proyek-proyek di sektor ekonomi seperti infrastruktur, energi dan transportasi.
  - Meningkatkan pendapatan komisi melalui transaksi valuta asing, perdagangan, sindikasi, dan sebagainya.
  - Mengelola kualitas kredit secara berhati-hati.
  - Memanfaatkan peluang bisnis melalui kerjasama dengan Grup ICBC secara global.
  - Memberikan nilai lebih kepada Nasabah melalui upaya *cross-selling* untuk produk-produk Bank dari segmen bisnis lainnya.
  - Mengembangkan layanan perbankan elektronik kepada Nasabah korporasi untuk mempermudah dan mempercepat transaksi.
- Institusi
  - Menjadi pemain utama bisnis RMB dalam hal kliring, *remittance*, perdagangan dan kredit.
  - Mendukung pendanaan Bank dari fasilitas antar bank dan kegiatan *treasury*.
  - Mengembangkan bisnis *trade finance* dengan memanfaatkan peningkatan perdagangan antara Indonesia dan Tiongkok.
  - Memperbesar pendapatan komisi melalui antara lain bisnis *trade finance*, transaksi antar-bank dan transaksi valas.
- Individu
  - Memprioritaskan Kredit Pemilikan Rumah (KPR) dan pinjaman individu sebagai produk-produk inti dalam mengembangkan bisnis Perbankan Ritel.
  - Meluncurkan fasilitas-fasilitas perbankan elektronik seperti *Personal Internet Banking*, *Acquiring Business* dan sebagainya.
  - Mengembangkan jaringan layanan yang terintegrasi dengan perbankan digital secara bertahap.
  - Meningkatkan Dana Pihak Ketiga (DPK) dengan menitikberatkan pada pertumbuhan giro dan tabungan.

Business Priorities

- State Owned Enterprises (SOEs), Corporations & Commercial
  - Facilitate financing and provide Corporate banking services by utilizing good bilateral relations between Indonesia and China.
  - Focused on providing credit facilities to SOEs and blue-chip Corporations for projects in economic sectors such as infrastructure, energy and transportation.
  - Increase commission income through foreign exchange transactions, trade, syndication, etc.
  - Manage credit quality prudentially.
  - Leverage business opportunities through collaboration with the ICBC Group globally.
  - Provide added value to Customers through cross-selling for banking products from other business segments.
  - Develop electronic banking services to corporate Customers to simplify and speed up transactions.
- Institution
  - Become a major player of the RMB business in terms of clearing, remittance, trade and credit.
  - Support Bank's funding from inter-bank facilities and treasury activities.
  - Develop trade finance business by utilizing increased trade between Indonesia and China.
  - Increase commission income through, among others, trade finance, inter-bank transactions and forex transactions.
- Individual
  - Prioritize Mortgages and individual loans as core products in developing its Retail Banking business.
  - Launch electronic banking facilities such as Personal Internet Banking, Acquiring Business and so on.
  - Develop network of services integrated with digital banking gradually.
  - Increase Third Party Funds (TPF) by focusing on the growth of deposits and savings.

- Usaha Kecil & Menengah (UKM)
  - Mengembangkan portofolio UKM sesuai dengan kemampuan Bank.
  - Berkerjasama dengan segmen bisnis lainnya untuk melakukan *cross-selling* produk-produk UKM seperti *product bundling* dan *value chain financing*.
  - Mencari peluang kerjasama dengan institusi finansial lainnya untuk mengembangkan bisnis UKM, misalnya *channeling*.

Prioritas Unit Pendukung

- Teknologi Informasi (TI)
  - Menjadikan TI sebagai alat stratejik guna meningkatkan daya saing Bank melalui pengalihan teknologi canggih dari ICBC Limited.
  - Membangun infrastruktur TI yang mumpuni dalam upaya mendukung operasional Bank yang semakin berkembang.
  - Meningkatkan integrasi, efektivitas dan efisiensi TI guna mendukung fungsi-fungsi seperti layanan Nasabah, *analytics*, *operational excellence*, anti pencucian uang dan manajemen risiko.
- Kontrol Internal
  - Memperkuat budaya pengelolaan risiko melalui penyempurnaan kebijakan dan prosedur terkait manajemen risiko dan kredit serta penyelarasan antara *Risk Appetite Statement* dengan rencana stratejik dan permodalan Bank.
  - Memperkuat fungsi kepatuhan melalui pemberian masukan kepada departemen-departemen terkait guna memastikan ketentuan internal sesuai dengan peraturan yang berlaku, penerapan parameter penilaian kinerja Bank sesuai dengan peraturan Regulator, pemberian pelatihan kepatuhan guna mendukung penerapan prinsip-prinsip kehati-hatian, peningkatan koordinasi dan kolaborasi antar lini (*front-middle-back*), serta penguatan budaya manajemen internal.

- Small & Medium Enterprises (SME)
  - Develop a portfolio of SME in accordance with the Bank's capabilities.
  - Cooperate with other business segments to cross-sell products such as product bundling and value chain financing.
  - Seek cooperation opportunities with other financial institutions to develop SME business, e.g. channeling.

Support Unit Priorities

- Information Technology (IT)
  - Make IT a strategic tool to improve the Bank's competitiveness through sophisticated technology transfers from ICBC Limited.
  - Build a qualified IT infrastructure in an effort to support the Bank's growing operations.
  - Improve integration, effectiveness and efficiency of IT to support functions such as customer service, analytics, operational excellence, anti-money laundering and risk management.
- Internal Control
  - Strengthen risk management culture through improvement of policies and procedures related to risk and credit management and alignment between Risk Appetite Statement with the Bank's strategic plan and capital.
  - Strengthen compliance functions through inputs to relevant departments to ensure internal provisions in accordance with applicable regulations, implementation of Bank performance appraisal parameters in accordance with regulatory regulations, provision of compliance training to support the application of prudential principles, improvement of coordination and inter-line collaboration (front-middle-back), as well as strengthening the internal management culture.

RENCANA BISNIS JANGKA PENDEK DAN MENENGAH

Bank merencanakan pertumbuhan kredit sebesar 10,03% menjadi IDR36,81 triliun dan DPK sebesar 7,00% menjadi IDR26,48 triliun, di akhir 2017. Rencana pertumbuhan tersebut sedikit di atas perkiraan pertumbuhan industri perbankan untuk kedua metrik di atas. Langkah-langkah strategis yang telah diutarakan di atas diharapkan dapat berdampak positif dalam hal rentabilitas. Pendapatan komisi yang direncanakan tumbuh menjadi IDR486,65 miliar atau tumbuh 9,89% dan *Net Interest Income* sebesar IDR1,31 triliun atau tumbuh 3,64% diharapkan memberikan kontribusi besar terhadap Pendapatan Sebelum Pajak yang akan tumbuh 3,81% menjadi IDR767,55 miliar di 2017.

Bank menetapkan 4 (empat) pilar langkah strategis sebagai berikut:

1. Mengatur pertumbuhan bisnis dengan prinsip kehati-hatian.
   - Fokus pada pembiayaan proyek infrastruktur, seperti pada sektor konstruksi dan komunikasi, transportasi, dan pinjaman kepemilikan rumah.
   - Menurunkan dan menjaga NPL pada tingkat yang wajar dengan memilih Nasabah dengan risiko yang rendah, seperti perusahaan BUMN Indonesia, anak perusahaan atau BUMN Tiongkok yang beroperasi di Indonesia, perusahaan-perusahaan *blue-chip* Indonesia serta anak perusahaan *blue-chip* dari Tiongkok.
   - Meningkatkan peluang bisnis yang salah satunya berasal dari Grup ICBC.
   - Meningkatkan pendapatan komisi yang berasal dari transaksi mata uang asing, *trade commissions*, komisi sindikasi, dll.
2. Mengembangkan Perbankan Konsumen
   - Meningkatkan kontribusi pendapatan cabang.
   - Meningkatkan DPK yang relatif murah dan stabil, terutama giro dan tabungan.
   - Meningkatkan pendapatan komisi yang berasal dari pertukaran mata uang, pengiriman uang dan komisi lainnya.
   - Meningkatkan kualitas pelayanan.
3. Memperkuat proses internal Bank
   - Memperkuat budaya manajemen risiko Bank.
   - Mengikuti arahan Pemegang Saham dengan memperhatikan peraturan Regulator.
   - Memperbaiki efisiensi dan efektivitas proses internal dalam Bank guna meningkatkan daya saing.
   - Menguatkan koordinasi antar lini pertahanan Bank (*front-middle-back*).

SHORT- AND MEDIUM-TERM BUSINESS PLANS

The Bank has planned a growth in loans of 10.03% to IDR36.81 trillion and TPF of 7.00% to IDR26.48 trillion by the end of 2017. This growth plan is slightly above the banking industry's growth forecast for the above metrics. The strategic steps described above are expected to have a positive impact on profitability. The commission's revenue is expected to grow to IDR486.65 billion or grow 9.89%. Meanwhile, a Net Interest Income of IDR1.31 trillion or a growth of 3.64% is expected to contribute significantly to the Revenue Before Tax which will grow by 3.81% to IDR767.55 billion in 2017.

The Bank has established 4 (four) pillars of strategic steps, as follows:

1. Regulate business growth with prudent principle.
   - Focusing on infrastructure projects financing, such as construction, communications, transportation, and mortgage.
   - To reduce and maintain NPLs at a reasonable level by selecting low risk Customers, such as Indonesian State-Owned Enteprise (SOEs), subsidiaries or Chinese SOEs operating in Indonesia, Indonesian blue-chip companies and Chinese blue-chip subsidiaries.
   - To increase business opportunities, with one of them being from the ICBC Group.
   - Increase commission income from foreign currency transactions, trade commissions, syndicated commissions, etc.
2. Develop Consumer Banking
   - Increase the contribution of branch income.
   - Increase the TPF, which is relatively cheap and stable, especially current account and savings.
   - Increase commission income derived from currency exchange, remittance and other commission.
   - Improve service quality.
3. Strengthening the Bank's internal processes
   - Strengthen the Bank's risk management culture.
   - Follow the direction of the Shareholder by taking into account regulations from Regulator.
   - Improve efficiency and effectiveness of internal processes within the Bank to improve competitiveness.
   - Strengthen coordination between the Bank's defense lines (front-middle-back).

4. Memanfaatkan potensi utama dari segi teknologi informasi
   - Mempercepat pengadopsian sistem yang berasal dari ICBC Ltd.
   - Mempercepat peluncuran berbagai produk utama Bank yang berbasis teknologi.

STRATEGI 2017

Guna mendukung pencapaian target bisnis serta melakukan transformasi, Bank telah menetapkan sejumlah langkah strategis, sebagai berikut:

- Bank akan memfokuskan diri pada proyek-proyek berskala besar pada sektor:
  - Infrastruktur: sektor energi, komunikasi dan transportasi;
  - Manufaktur;
  - Kredit sindikasi (sebagai *lead arranger*).
- Bank tetap menjadi jembatan finansial antara Indonesia dan Tiongkok dengan memberikan dukungan lebih pada proyek pemerintah dan proyek lokal dengan skala besar, seperti:
  - Perusahaan BUMN Indonesia;
  - Perusahaan BUMN Tiongkok yang berada di Indonesia;
  - Perusahaan perusahaan *blue-chip* Indonesia dan *blue-chip* Tiongkok yang ada di Indonesia.
- Bank akan terus mengembangkan kredit untuk sektor UKM demi memperkuat sektor UKM, memaksimalkan penyaluran kredit ke sektor UKM secara konsisten dan memanfaatkan setiap potensi pasar serta terus berusaha untuk memperbaiki proses kredit yang ada menjadi lebih baik. Bank akan mempersiapkan infrastruktur untuk mengambil peluang pada pasar di sektor ini. Bank akan menitikberatkan pada sektor UKM yang bergerak di dalam rantai nilai Nasabah-nasabah segmen korporasi.

4. Utilizing the potential of information technology
   - Accelerate the system adoption from ICBC Limited.
   - Accelerate the launch of major technology-based Bank's products.

STRATEGY IN 2017

In order to support the achievement of business targets and its transformation, The Bank has established a number of strategic steps. They are as follows:

- The Bank will focus on large-scale projects in the following sectors:
  - Infrastructure: energy, communication and transportation sectors;
  - Manufacturing;
  - Syndicated loan (as lead arranger).
- The Bank will continue striving to be financial bridge between Indonesia and China by providing more support to large-scale local and government projects such as:
  - Indonesian SOEs;
  - Chinese SOEs in Indonesia;
  - Indonesian blue-chip corporations and Chinese blue-chip corporations in Indonesia.
- The Bank will continue to develop credit for the SME sector in order to strengthen the SME sector, maximize credit distribution to the SME sector consistently and utilize every potential market and improve the existing credit process. The Bank will prepare the infrastructure needed to take opportunities on the market in this sector. The Bank will focus on the SME sector engaged in the corporate value chain.

TINJAUAN USAHA PER SEGMEN
BUSINESS REVIEW BY SEGMENT

Segmen usaha Bank meliputi Perbankan Korporasi, Perbankan Komersial, *Global Market*, *Financial Institution*, *Retail Banking*, Bisnis Kartu Kredit, *Transaction Banking*, *e-Banking* dan *Trade Finance*.

The Bank's business segments include Corporate Banking, Commercial Banking, Global Markets, Financial Institutions, Retail Banking, Credit Card Business, Transaction Banking, e-Banking and Trade Finance.

CORPORATE BANKING

Segmen usaha *Corporate Banking* di Bank terbagi menjadi tiga grup. *Corporate Banking* I berfokus pada pemberian layanan keuangan kepada perusahaan-perusahaan lokal yang memiliki keterkaitan bisnis dengan Tiongkok di Indonesia dan sebaliknya. Sedangkan *Corporate Banking* II dan *Corporate Banking III* menfokuskan pada perusahaan-perusahaan korporasi lokal termasuk BUMN dan *blue-chip company*. *Corporate Banking* melayani penyaluran kredit kepada perusahaan swasta dengan penjualan minimal diatas IDR1 triliun per tahun, Perusahaan Tbk, BUMN serta Sindikasi Kredit.

CORPORATE BANKING

The Corporate Banking in The Bank is divided into three groups. Corporate Banking I focuses on providing financial services to local companies with business links to China in Indonesia and vice versa. Meanwhile, Corporate Banking II and Corporate Banking III focuses on local corporations including SOE and blue-chip companies. Corporate Banking serves as lending to private companies with minimum sales of over IDR1 trillion per year, Public Companies, SOEs and Syndication Loan.

Secara keseluruhan, *Corporate Banking* menyumbang sekitar 85,3% terhadap total posisi kredit Bank di tahun 2017, yaitu mencapai IDR30,9 triliun, atau meningkat 10,1% dibandingkan tahun 2016 yang sebesar IDR28,0 triliun. Dari sisi pendanaan, *Corporate Banking* menyumbang sekitar 90,0% terhadap total Dana Pihak Ketiga Bank di tahun 2016.

Overall, Corporate Banking accounts for approximately 85.3% of the Bank's total credit in 2017, reaching IDR30.9 trillion, or increased 10.1% compared to 2016 or IDR28.0 trillion. In terms of financing, Corporate Banking contributed around 90.0% to the Bank's total Third Party Funds in 2016.

Dari sisi pendapatan, baik dari pendapatan bunga dan komisi, *Corporate Banking* juga menjadi kontributor pendapatan tertinggi untuk Bank pada tahun 2016 dan 2017, dimana pendapatan segmen *Corporate Banking* per 31 Desember 2017 naik 11,9% dari posisi tahun sebelumnya.

In terms of revenue, both from interest and commission incomes, Corporate Banking also became the Bank highest revenue contributor in 2016 and 2017 where the revenue from Corporate Banking segment as of December 31, 2017 increased 11.9% from the previous year.

Sejalan dengan fokus usaha Bank, *Corporate Banking* banyak terlibat dalam proyek-proyek infrastruktur seperti pembangkit listrik, jalan tol, jalan kereta api, dan proyek lainnya. Peran *Corporate Banking* untuk proyek-proyek terkait infrastruktur tersebut antara lain melalui pemberian fasilitas *Bank Guarantee Reissuance* dengan jaminan SBLC dari jaringan global ICBC Bank. Selain itu *Corporate Banking* juga memproses beberapa kredit sindikasi dan *club deal* dengan bank-bank di Indonesia maupun bank dan lembaga keuangan di luar negeri.

Transaksi-transaksi penting yang dilaksanakan di 2017 untuk *Corporate Banking* antara lain:

- Pinjaman Sindikasi untuk pembangunan Jalan Tol Manado - Bitung di Sulawesi Utara sebesar IDR3,5 triliun (kontribusi Bank ICBC Indonesia sebesar IDR500 miliar).
- Pinjaman Sindikasi untuk pembangunan Jalan Tol Pandaan - Malang di Jawa Timur (bagian dari Jalan Tol Trans Jawa) sebesar IDR4,1 triliun (portofolio Bank adalah IDR500 miliar).
- Pinjaman Sindikasi untuk PT Perkebunan Nusantara V sebesar IDR4,8 triliun (porsi Bank ICBC Indonesia adalah IDR500 miliar).
- Pinjaman Sindikasi untuk pembangunan Jalan Tol Bakauheni - Terbanggi Besar (bagian dari Jalan Tol Trans Sumatera) sebesar IDR8,7 triliun (porsi Bank ICBC Indonesia adalah IDR317 miliar).
- Pinjaman Sindikasi untuk pembangunan Jalan Tol PT Pejagan Pemalang Tol Road. Jalan tol Pejagan-Pemalang membentang sepanjang 57,5 kilometer yang menghubungkan daerah Pejagan, Brebes, hingga Pemalang, Jawa Tengah, Indonesia. Jalan tol ini merupakan kelanjutan dari jalan tol Kanci-Pejagan dan bagian dari Jalan Tol Trans-Jawa. Porsi pembiayaan Bank ICBC Indonesia adalah IDR500 miliar.
- Pinjaman Sindikasi untuk pembangunan Jalan Tol PT Pejagan Pemalang Tol Road. Jalan Tol Pemalang-Batang atau disingkat Jalan Tol Pematang, adalah jalan raya sepanjang 39,2 kilometer yang menghubungkan kawasan Pemalang dengan Batang, Jawa Tengah, Indonesia. Jalan tol ini merupakan bagian dari Jalan Tol Trans-Jawa yang akan menghubungkan Merak dengan Banyuwangi di Pulau Jawa. Porsi pembiayaan Bank ICBC Indonesia adalah IDR100 miliar.

In line with the Bank's business focus, Corporate Banking is heavily involved in infrastructure projects such as power plant, toll roads, railways, and other projects. The role of Corporate Banking in infrastructure related projects is through the Bank Guarantee Reissuance Facility with an SBLC guarantee from the ICBC Bank's global network. In addition, Corporate Banking also processes syndicated loans and club deals with banks in Indonesia as well as overseas banks and financial institutions.

Important transactions carried out in 2017 in Corporate Banking include:

- Syndicated Loan for the construction of the Manado-Bitung Toll Road in North Sulawesi in the amount of IDR3.5 trillion (Bank ICBC Indonesia contributed IDR500 billion).
- Syndicated Loan for the construction of the Pandaan-Malang Toll Road in East Java (part of the Trans Java Toll Road) in the amount of IDR4.1 trillion (The Bank's portfolio is IDR500 billion).
- Syndicated Loan for PT Perkebunan Nusantara V amounting to IDR4.8 trillion (Bank ICBC Indonesia's portion was IDR500 Billion).
- Syndicated Loan for the construction of the Bakauheni - Terbanggi Besar Toll Road (part of the Trans Sumatra Toll Road) of IDR8.7 trillion (Bank ICBC Indonesia's portion was IDR317 billion).
- Syndicated Loan for the construction of the PT Pejagan Pemalang Toll Road. The Pejagan-Pemalang toll road stretches 57.5 kilometers that links Pejagan, Brebes, through Pemalang, Central Java, Indonesia. This toll road is a continuation of the Kanci-Pejagan toll road and part of the Trans-Java Toll Road. Bank ICBC Indonesia's financing portion was IDR500 billion.
- Syndicated Loan for the construction of the PT Pejagan Pemalang Toll Road. The Pemalang-Batang Toll Road or abbreviated Pematang Toll Road is a 39.2-kilometer highway connecting the Pemalang area with Batang, Central Java, Indonesia. This toll road is part of the Trans-Java Toll Road that will connect Merak with Banyuwangi in Java. Bank ICBC Indonesia's financing portion was IDR100 billion.

- Pembiayaan Proyek Bilateral kepada PT Mega Kuningan Pinnacle untuk pembangunan World Capital Tower. World Capital Tower adalah gedung pencakar langit di area Lingkar Mega Kuningan, Jakarta Selatan, Indonesia yang siap untuk diserahtangankan pada 2019. Gedung ini memiliki luas lantai 75.000 m^2, mencakup area pertokoan dan hiburan. Menara dengan tinggi 244,3 meter ini menjadi salah satu gedung perkantoran tertinggi di Jakarta. Jumlah pembiayaannya mencapai IDR400 miliar.
- Pembiayaan CT Corps, salah satu kelompok konglomerasi terkemuka di Indonesia, yaitu:
  - Berpartisipasi dalam Pinjaman Sindikasi USD575 juta untuk membiayai PT Trans Retail Indonesia (pemilik Transmart Carrefour) untuk pengembangan toko Transmart Carrefour di seluruh Indonesia;
  - Berpartisipasi dalam Pinjaman Sindikasi untuk membiayai PT Para Bandung Propertindo (pemilik Trans Luxury Hotel & Trans Studio Bandung). Total Pinjaman Sindikasi mencapai USD50 juta dan IDR675 miliar.
- Pinjaman Sindikasi Modal Kerja untuk PT Waskita Karya (Persero) Tbk. Pinjaman ini digunakan untuk membiayai pembangunan LRT di Palembang, Sumatera Selatan. Total Pinjaman Sindikasi adalah IDR6,0 triliun dan porsi pembiayaan Bank ICBC Indonesia adalah IDR200 miliar.
- Pinjaman Sindikasi untuk PT Wijaya Karya (Persero) Tbk yang digunakan untuk membiayai pembangunan Jalan Tol Balikpapan - Samarinda, Kalimantan Timur. Total Pinjaman Sindikasi sebesar IDR5 triliun dan porsi pembiayaan Bank ICBC Indonesia adalah IDR375 miliar.
- Pembiayaan Bilateral kepada PT Industri Kereta Api (INKA) untuk pengembangan proyek kereta api LRT di Palembang, Sumatera Selatan. Proyek ini milik PT Kereta Api Indonesia (Persero). Jumlah pembiayaannya mencapai IDR343 miliar.
- Pembiayaan Bilateral kepada PT Perkebunan Nusantara XII sebesar IDR350 miliar untuk proyek Penghijauan Kembali.
- Pembiayaan Bilateral kepada PT Royal Pacific Nusantara sebesar USD47,7 juta yang digunakan untuk pembangunan Hotel (The Renaissance Hotel) dan Villa (Marriott Vacation Club) di Bali.
- Membiayai PT Varia Usaha Beton (anak perusahaan PT Semen Indonesia). Pembiayaan tersebut terdiri dari Pinjaman Investasi (IDR100 miliar) dan Pinjaman Modal Kerja (IDR50 miliar).

- Bilateral Project Financing to PT Mega Kuningan Pinnacle for the construction of the World Capital Tower. The World Capital Tower is a skyscraper under construction in Mega Kuningan, South Jakarta, Indonesia, which is ready for handover in 2019. The building has a floor area of 75,000 m^2, including shopping and entertainment areas. A tower with a height of 244.3 meters has become one of the tallest office buildings in Jakarta. The amount of financing reached IDR400 billion.
- Financing CT Corps, one of the leading conglomerate groups in Indonesia, such as:
  - Participation in USD575 million Syndicated Loan to finance PT Trans Retail Indonesia (owner of Transmart Carrefour) for the development of Transmart Carrefour stores throughout Indonesia;
  - Participation in Syndicated Loan to finance PT Para Bandung Propertindo (owner of Trans Luxury Hotel & Trans Studio Bandung). Total Syndicated Loans reached USD50 million and IDR675 billion.
- Syndicated Working Capital Loan for PT Waskita Karya (Persero) Tbk. The loan was used to finance the construction of LRT in Palembang, South Sumatra. The total Syndicated Loans reached IDR6.0 trillion and the financing portion of Bank ICBC Indonesia was IDR200 billion.
- Syndicated Loan for PT Wijaya Karya (Persero) Tbk which was used to finance the construction of the Balikpapan - Samarinda Toll Road, East Kalimantan. Total Syndicated Loan reached IDR5 trillion and Bank ICBC Indonesia's financing portion was IDR375 billion.
- Bilateral Financing to PT Industri Kereta Api (INKA) for the development of the LRT railway project in Palembang, South Sumatra. This project belongs to PT Kereta Api Indonesia (Persero). The amount of financing reached IDR343 billion.
- Bilateral Financing to PT Perkebunan Nusantara XII amounting to IDR350 billion for a Reforestation project.
- Bilateral Financing to PT Royal Pacific Nusantara amounting to USD47.7 million used for the construction of a Hotel (The Renaissance Hotel) and Villa (Marriott Vacation Club) in Bali.
- Financing to PT Varia Usaha Beton (a subsidiary of PT Semen Indonesia). The financing consists of an Investment Loan (IDR100 billion) and Working Capital Loan (IDR50 billion).

- Bank ICBC Indonesia secara konsisten berupaya memaksimalkan penyaluran kredit ke sektor Usaha Kecil Menengah (UKM) dengan mengoptimalkan setiap pasar potensial di sektor ini, serta memperbaiki proses kredit.
- Penyaluran kredit di sektor UKM dilakukan tidak hanya secara organik (melalui pemasaran di kantor pusat dan cabang), tapi juga secara anorganik, melalui kerja sama dengan bank lain (program pembelian aset) dan pelepasan pinjaman ke BPR. Selain itu, pembiayaan melalui program *supply chain* saat ini sedang dikembangkan, oleh karena itu pembiayaan ke sektor UKM dapat lebih optimal.

Corporate Internet Banking

Guna meningkatkan pelayanan perbangkan transaksi pada pelayanan perbankan transaksi pada segmen Nasabah korporasi, Bank telah dilengkapi dengan fasilitas *e-Banking*, dengan fitur sebagai berikut:

- Melakukan pengecekkan saldo rekening.
- Melakukan pindah buku untuk rekening atas Nasabah yang sama di Bank ICBC Indonesia (IDR - IDR, USD - USD, RMB - RMB).
- Melakukan pindah buku untuk rekening yang berbeda di Bank ICBC Indonesia (IDR - IDR).
- Melakukan *transfer* antar rekening melalui BI-RTGS dan BI-SKN.
- Mencetak rekening koran.

COMMERCIAL BANKING

Commercial Banking di Bank melayani penyaluran kredit skala menengah untuk perusahaan swasta dan belum menjadi perusahaan publik dengan besaran penjualan antara IDR50 miliar sampai IDR1,5 triliun per tahun.

Sepanjang tahun 2017, *Commercial Banking* menyelesaikan pembayaran kredit senilai IDR641 miliar dari total portofolio senilai IDR2,449 triliun di sektor-sektor dagang, manufaktur, infrastruktur, perkebunan, transport, pertambangan dan properti. Sedangkan untuk mengoptimalkan sisi pendanaan, *Commercial Banking* meraih Dana Pihak Ketiga sebesar IDR853 miliar per akhir 2017 (diluar *Corporate Banking* dan *Commercial Banking* Surabaya).

- Bank ICBC Indonesia consistently strives to maximize lending to the Small and Medium Enterprises (SMEs) sector by optimizing every market potential in the sector, as well as improving the credit process.
- Loan disbursement in the SME sector was done not only organically (through marketing at head office and branches), but also inorganically, through cooperation with other banks (asset purchase program) and loan disbursement to BPR. In addition, financing through supply chain programs is currently being developed so that financing to the SME sector can be optimized.

Corporate Internet Banking

To increase the banking transaction service for corporate customers, the Bank is equipped with e-Banking facilities with the following features:

- Account balance Inquiry.
- Book transfer for accounts of the same customer in Bank ICBC Indonesia (IDR - IDR, USD - USD, RMB - RMB).
- Book transfer for different accounts in Bank ICBC Indonesia (IDR - IDR).
- Inter-account transfer through BI-RTGS and BI-SKN.
- Print account statement.

COMMERCIAL BANKING

Commercial Banking in The Bank serves medium-scale loans to private companies that is not public companies with sales ranging from IDR50 billion to IDR1.5 trillion per year.

Throughout 2017, Commercial Banking settled IDR641 billion of loan credit out of the total of IDR2.449 trillion of portfolio in sectors of trading, manufacturing, infrastructure, plantation, transportation, mining and property. As to optimize the funding, Commercial Banking was able to achieve Third Party Funds amounting to IDR853 billion as of end of 2017 (excluding Corporate Banking and Commercial Banking Surabaya).

Bank ICBC Indonesia secara konsisten berupaya untuk memaksimalkan penyaluran kredit ke sektor UKM dengan memanfaatkan setiap potensi pasar di sektor UKM
Bank ICBC Indonesia consistently strives to maximize lending in the SME sector by utilizing every potential market in the SME sector

PERBANKAN UKM

Perbankan UKM yang baru dirintis di tahun 2013 merupakan segmen bagi UKM dengan kriteria sebagai berikut:

- Aset Bersih maksimum IDR10 miliar (diluar total *fixed asset*).
- Penjualan maksimum IDR50 miliar per tahun.

Bank secara konsisten berupaya untuk memaksimalkan penyaluran kredit ke sektor UKM dengan memanfaatkan setiap potensi pasar di sektor UKM, serta terus berusaha untuk memperbaiki proses kredit yang ada menjadi lebih baik.

Namun mengingat Bank sedang melakukan penguatan internal pada segmen ini maka besarnya target yang harus dicapai dalam penyaluran kredit ke sektor UKM jelas merupakan suatu tantangan besar bagi Bank. Penyaluran kredit ke sektor UKM tidak hanya dilakukan secara organik (melalui *marketing* yang ada di kantor pusat dan cabang), tetapi juga pembiayaan secara inorganik melalui kerjasama dengan Bank lain (*asset purchase*).

Selain itu, jenis pembiayaan dengan produk program *Supply Chain* juga sedang dikembangkan, sehingga diharapkan penyaluran kredit ke sektor UKM akan lebih optimal.

SME BANKING

SME banking which initiated in 2013 is a segment for SME with the following criteria:

- Maximum Net Assets of IDR10 billion (excluding total fixed assets).
- Maximum sales of IDR50 billion per year.

The Bank consistently strives to maximize lending in the SME sector by utilizing every potential market in the SME sector, and by continuously making effort to improve the existing credit process.

However, considering that the Bank is implementing internal strengthening in this segment, therefore the target to be achieved in lending to SME sector is indeed a big challenge for The Bank. Loan distribution to SME sector is not only done organically (through marketing in head office and branches), but also inorganically by means of financing through cooperation with other banks (asset purchases).

In addition, the Supply Chain financing program product is also being developed where it is expected that the channeling of credit to the SME sector will be optimalized.

GLOBAL MARKETS

Produk yang ditawarkan segmen usaha *Global Markets* meliputi layanan valuta asing seperti TOD, TOM, Spot, *Forward*, dan *FX Swap*; produk surat berharga, seperti obligasi pemerintah, obligasi korporasi, *Medium Term Notes* (MTN), Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), dan Surat Perbendaharaan Negara (SPN); produk pasar uang seperti penempatan dan peminjaman dana antar bank (IDR, USD, dan RMB), *Negotiable Certificate of Deposit* (NCD), instrumen Bank Indonesia, transaksi *Repo/Reverse Repo*, dan lain-lain.

Kontribusi *Global Markets* menunjukkan pencapaian yang sangat baik di tahun 2017 baik dari sisi *fee-based income* maupun pendapatan bunga bersih. Selain itu, *Global Markets* juga memainkan peranan penting dalam mengelola aset dan kewajiban Bank guna mengoptimalkan keuntungan di buku Bank. *Global Markets* juga harus memastikan tersedianya pendanaan yang efisien untuk mendukung pertumbuhan aset dan bisnis Bank.

Sepanjang tahun 2017, *Global Markets* berhasil membukukan laba sebelum pajak sebesar IDR440,6 miliar. Komponen terbesar dari pendapatan tersebut disumbang dari pendapatan bunga bersih dari investasi pada obligasi pemerintah, obligasi korporasi, MTN, SBI, SDBI, SPN, dan penempatan dana antar bank dalam RMB dengan total sebesar IDR221,7 miliar (49,0%), diikuti dengan *fee based income* dari aktivitas transaksi valuta asing (valas) yakni sebesar IDR205,6 miliar (45,0%) dan keuntungan dari hasil penjualan surat berharga (obligasi pemerintah, obligasi korporasi, SBI, dan SDBI) sebesar IDR26 miliar (6,0%).

Pendapatan bunga bersih di tahun 2017 mengalami kenaikan sebesar 39,0% dibandingkan tahun 2016. Hal ini disebabkan oleh meningkatnya pendapatan bunga dari penempatan dalam mata uang IDR, USD dan RMB. Sedangkan *fee based income* yang dihasilkan dari transaksi valas di tahun 2017 tumbuh 16,0% dibanding tahun 2016 yang dipengaruhi oleh meningkatnya pendapatan dari transaksi *FX swap* antar-bank serta meningkatnya *margin* dan volume dari transaksi valas Nasabah di tengah persaingan antar bank yang semakin ketat. Volume transaksi valas Nasabah tahun 2017 mengalami kenaikan sebesar 11% dibandingkan tahun 2016.

GLOBAL MARKETS

Products offered in Global Markets includes foreign exchange services such as TOD, TOM, Spot, Forward, and FX Swap; securities, such as government bonds, corporate bonds, Medium-Term Notes (MTN), Bank Indonesia Certificates (SBI), Bank Indonesia Certificates of Deposit (SDBI) and State Treasury (SPN); money market products such as inter-bank placements and lending (IDR, USD, and RMB), Negotiable Certificate of Deposit (NCD), Bank Indonesia instruments, Repo/Reverse Repo transactions, and others.

Global Markets' contribution showed an excellent achievement in 2017 in terms of both fee-based income and net-interest income. In addition, Global Markets also played an important role in managing the Bank's assets and liabilities to optimize profits. Global Markets must also ensure the availability of efficient funding to support the Bank's business and asset growth.

Throughout 2017, Global Markets successfully posted income before tax of IDR440.6 billion. The largest component of the revenue was contributed by net-interest income from investments in government bonds, corporate bonds, MTN, SBI, SDBI, SPN and inter-bank placements in RMB totaling IDR221.7 billion (49.0%), followed by fee based income from foreign exchange transactions amounting to IDR205.6 billion (45.0%), and gains from proceeds of sale of securities (government bonds, corporate bonds, SBI and SDBI) of IDR26 billion (6.0%).

Net interest income in 2017 increased by 39% compared to 2016. This was due to increased interest income from placements denominated in IDR, USD and RMB. Meanwhile, fee-based income generated from foreign exchange transactions in 2017 grew 16% compared to 2016, which was influenced by the increased revenue from inter-bank swap FX transactions and increased margin and volume of customer foreign exchange transactions amidst increasingly intense banking competition. The volume of customer foreign exchange transactions in 2017 increased by 11% compared to 2016.

Berikut ini adalah program kerja utama *Global Markets* yang berhasil diselesaikan di tahun 2017:

- Peningkatan aset RMB dalam bentuk penempatan dana antar-bank. Penempatan dana antar-bank di tahun 2016 sebesar RMB17.305 juta sedangkan di tahun 2017 sebesar RMB20.567 juta atau tumbuh 19,0% dibanding tahun 2016.
- Peningkatan portofolio investasi pada surat berharga dari USD379,2 juta di tahun 2016 menjadi USD443,3 juta di tahun 2017.
- Menandatangani perjanjian GMRA dengan 4 *counterpart* bank untuk mengaktifkan transaksi *Repo* dan *Reverse Repo* antar-bank sekaligus mendukung kebutuhan pendanaan Bank jangka pendek.
- Penyediaan pendanaan pinjaman kepada PT Bank Mayapada Internasional, Tbk. sebesar USD50 juta selama 3 tahun.
- Bekerja sama dengan Departemen *Retail Banking* meluncurkan produk *Secondary Bonds* untuk Nasabah ritel.

The following are the main programs of Global Markets that were successfully completed in 2017:

- Increase of RMB assets in the form of inter-bank fund placements. The placement of inter-bank funds in 2016 amounted to RMB17,305 million while in 2017 it amounted to RMB20,567 million or it grew 19.0% compared to 2016.
- Increase of investment portfolio on securities from USD379.2 million in 2016 to USD443.3 million in 2017.
- Signing of GMRA agreement with 4 counterparty banks to activate Repo and Reverse Repo transactions between banks while supporting the Bank's short-term funding needs.
- Provision of loan financing to PT Bank Mayapada Internasional, Tbk. amounting to USD50 million for 3 years.
- Collaboration with Retail Banking Department to launch Secondary Bonds product for retail Customers.

FINANCIAL INSTITUTION

Segmen usaha *Financial Institution* (FI) memiliki program dan kegiatan antara lain:

- Mendukung Departemen *Global Markets* dalam kerangka mencari pinjaman dana antar bank.
- Menyediakan kredit kepada bank maupun institusi keuangan lain
- Mempromosikan rekening RMB dan USD untuk prospektif *counterparty* bank.
- Mendukung unit bisnis lain yang terkait dengan transaksi ekspor impor (*trade*), misalnya: *forfeiting (buying and selling)* dan mencarikan pendanaan untuk pembiayaan *Usance Payable at Sight* (UPAS).
- Memproses *credit line* (*interbank*) untuk *counterpart* FI.

Sejalan dengan misi Departemen *Global Markets* untuk meningkatkan pemakaian RMB sebagai alternatif mata uang USD dalam transaksi valuta asing, Departemen *Financial Institution* memberikan edukasi terkait dengan penggunaan RMB kepada para mitra bank secara berkesinambungan dengan harapan agar pasar di Indonesia menjadi lebih *familiar* dan lebih berminat dalam menggunakan mata uang ini. Strategi ini terbukti cukup berhasil, seperti dapat dilihat dari meningkatnya transaksi RMB *cross border settlement*. Selama tahun 2017, volume transaksi *Cross Border* RMB naik sebesar 49,16% dari tahun sebelumnya.

FINANCIAL INSTITUTION

The Financial Institution (FI) segment has programs and activities that include:

- Supporting Global Markets Department within the framework for seeking inter-bank loans.
- Loan provision to banks and other financial institutions.
- Promoting RMB and USD accounts for prospective counterparty banks.
- Supporting other business units related to export-import trade transactions, for example: forfeiting (buying and selling) and funding for Usance Payable at Sight (UPAS) financing.
- Processing credit line (inter-bank) for FI counterpart.

In line with Global Markets Department's mission to increase the use of RMB as an alternative to USD currency in foreign exchange transactions, the Financial Institution Department provides education related to the use of RMB to correspondent banks hoping that the market in Indonesia will be familiarized and showing interest in RMB currency. This strategy proved to be quite successful, as RMB cross-border settlement transactions have increased. During 2017, the volume of cross-border RMB transactions increased by 49.16% from the previous year.

TRADE FINANCE

Departemen *Trade Finance* berkontribusi untuk membantu kebutuhan Nasabah terutama dalam transaksi *trade*. Bekerjasama dengan Departemen *Corporate* dan *Commercial*, di 2017 Departmen *Trade Finance* mengelola total 174 Nasabah, dan menghasilkan volume *trade* sebesar USD1,9 miliar, dan menghasilkan keuntungan sebesar IDR84 miliar. Kontribusi terbesar untuk transaksi *trade* di Bank adalah melalui sektor konstruksi, kimia dan minyak & gas.

Departemen *Trade Finance* juga bekerjasama dengan cabang ICBC lainnya untuk memberikan solusi transaksi dalam satu bank (*one-stop-financial-service*) demi memberikan pelayanan terbaik dan meningkatkan hubungan Nasabah dengan Bank.

TRADE FINANCE

The Trade Finance Department contributes to assisting Customers' needs especially in trade transactions. Cooperating with Corporate and Commercial Departments, in 2017, Trade Finance Department managed a total of 174 customers, generating a trade volume of USD1.9 billion, and generating profit of IDR84 billion. The biggest contribution to trade transactions at The Bank was through construction, chemical and oil & gas sector.

Trade Finance Department also cooperated with Bank's branches network to provide one-stop-financial-service transaction solutions in order to deliver the best service and improve the Bank's relationship with customers.

RETAIL BANKING

Departemen *Retail Banking* mengelola dan mengembangkan produk dan layanan antara lain: pendanaan, asuransi, investasi, maupun kredit perorangan seperti Kredit Pemilikan Rumah (KPR) ke segmen ritel (*core*, *middle* dan *affluent*). Produk dan layanan dari *Retail Banking*, antara lain rekening giro; tabungan dan deposito dalam mata uang IDR, USD dan RMB; *bancassurance*, rekening *multi currency* (10 mata uang); serta sebagai sub agen penjual SUKUK dan ORI.

Selain itu, di 2017 telah diluncurkan produk, program dan layanan tambahan, antara lain: ICBC *Take Your Gift*, *Time Deposit for New-to-Bank Promo*, *Payroll Bundling Promo*, ICBC *Savings for New-to-Bank Promo*, ICBC *Anniversary Promo*, ORI, Sukuk, Simas Investa Maxima, dan obligasi di pasar sekunder.

Meskipun pada akhir 2017 portofolio simpanan individu meningkat sebesar 22,57% dibandingkan dengan portofolio 2016, namun jumlah Nasabah baru mengalami peningkatan sebesar 9,44%. Hingga akhir tahun, penyaluran KPR sebesar IDR78 miliar, atau meningkat 17,46% pada 2017 dibandingkan tahun sebelumnya. Sekilas tentang pencapaian kinerja keuangan Perbankan Ritel: dari sisi pendapatan, *Retail Banking* juga berhasil membukukan pendapatan komisi sebesar IDR13.6 miliar, atau naik sekitar 28,30% dari 2016, sebesar IDR 10.6 miliar.

RETAIL BANKING

Retail Banking Department manages and develops products and services including: funding, insurance, investment, and personal loans such as mortgages to the retail segment (core, middle and affluent). Products and services from Retail Banking includes current account; savings and time deposits in IDR, USD and RMB; bancassurance, multi-currency accounts (10 currencies); as well as functioning as sub-agent sellers of SUKUK and ORI.

Moreover, Retail Banking has launched additional products, programs and services in 2017, including: ICBC Take Your Gift, Time Deposit for New-to-Bank Promo, Payroll Bundling Promo, ICBC Savings for New-to-Bank Promo, ICBC Anniversary Promo, ORI, Sukuk, Simas Investa Maxima, and Secondary Bonds.

Although at the end of 2017 the portfolio of individual savings increased by 22.57% compared to the 2016 portfolio, however, the number of new Customers only increased by 9.44%. Until the end of the year, mortgage disbursement amounted to IDR78 billion, or an increase of 17.46% in 2017 compared to the previous year. A glimpse of Retail Banking's financial performance: from the revenue side, Retail Banking also successfully booked a commission income of IDR13.6 billion or up 28.30% from IDR10.6 billion recorded in 2016.

Kartu Kredit ICBC yang diterbitkan bertumbuh sebesar 15,50%, meski terjadi perubahan tren pada ranah pembayaran.
ICBC Credit Cards issued grew by 15.50%, regardless the changing trend of payments landscape.

Kartu ATM

Nasabah ICBC dapat menikmati kenyamanan dalam mengakses ke rekening Tabungan ICBC di lebih dari 177.000 terminal ATM:

- 16 terminal ATM ICBC di Indonesia untuk penarikan tunai, *transfer* antar bank, cek saldo, pemindahbukuan, dan pembayaran tagihan kartu kredit ICBC.
- Lebih dari 77.000 terminal ATM Bersama di Indonesia untuk penarikan tunai, cek saldo dan kliring.
- Lebih dari 100.000 terminal ATM ICBC Limited di Tiongkok untuk penarikan tunai dan cek saldo.

ATM Cards

ICBC customers can enjoy the convenience of accessing the ICBC Savings account at more than 177,000 ATM terminals:

- 16 ICBC ATM terminals in Indonesia for cash withdrawals, clearing, balance inquiry, overbooking, and ICBC credit card bill payments.
- Over 77,000 ATM Bersama terminals in Indonesia for cash withdrawals, balance inquiry and clearing.
- More than 100,000 ICBC Limited ATM terminals in China for cash withdrawals and balance inquiry.

KARTU KREDIT

Dalam rangka mendorong transaksi non-tunai nasabah di Indonesia, Bank Indonesia telah menetapkan batasan suku bunga yang boleh dikenakan oleh bank kepada pemegang kartu kredit. Pengenaan suku bunga yang lebih rendah untuk kartu kredit mulai diberlakukan pada pertengahan 2017, suku bunga maksimum untuk kartu kredit menjadi 2,25 persen per bulan atau 27 persen per tahun dari batas yang sebelumnya berlaku yakni 2,95 persen per bulan atau 35,4 persen per tahun. Tingkat suku bunga kartu kredit yang lebih rendah ditujukan agar pertumbuhan bisnis kartu kredit yang selama ini stagnan akan lebih bergairah. Pertumbuhan kartu kredit yang kurang menggembirakan ini mencerminkan melemahnya konsumsi nasional sebagai bagian terbesar dari perekonomian Indonesia.

CREDIT CARD

In its latest attempt to push non-cash transactions among Indonesian customers, the Central Bank of Indonesia has set the ceiling of interest rate that banks can charge their cardholders. A lower interest rate for credit cards has become effective in mid 2017, the maximum credit card interest rate is capped at 2.25 percent per month or 27 percent per year from the prevailing limit of 2.95 percent per month or 35.4 percent per year. The lower credit card interest rate was aimed to stimulating the card business which has been stagnant over the year. The marginal growth in credit card transactions reflected a weakening of national consumption, the biggest chunk of Indonesia's economy.

Selain itu, peraturan pemerintah yang mewajibkan lembaga perantara keuangan di Indonesia untuk melaporkan rincian transaksi kartu kredit pelanggan di tahun lalu telah mengakibatkan banyak pemegang kartu enggan menggunakan kartunya. Meskipun peraturan tersebut ditangguhkan, ketakukan akan dilacak untuk pembayaran pajak melalui pembelanjaan kartu kredit masih berkelanjutan. Banyak pemegang kartu yang ragu-ragu untuk menggunakan kartu kreditnya untuk melakukan transaksi dengan nominal berjumlah besar dan beberapa diantaranya telah menutup kartunya.

In addition, the government decree of financial intermediaries in Indonesia submitting cardholders' transaction details in previous year has discouraged the use of credit cards by many cardholders. While the decree was later suspended, the fear of being tracked down to pay tax through credit card spending lingered. Many cardholders are still reluctant to use their credit cards for large nominal purchases and some have since terminated them.

Seiring dengan meningkatnya perdagangan elektronik (e-dagang) di Indonesia yang merupakan salah satu pasar terbesar di Asia dan menawarkan metode pembayaran alternatif yang lebih luas, Bank melihat adanya penurunan nilai transaksi kartu kredit, hal ini antara lain diakibatkan oleh semakin meningkatnya penggunaan digital atau dompet elektronik secara bertahap di industri pembayaran di Indonesia.

As Indonesian e-commerce market rose tremendously and becomes one of the biggest markets in Asia offering a broader range of alternative payment methods, the Bank saw a reduction in credit card transaction values, presumably digital and mobile wallets were gradually gaining prominence in Indonesia payments industry.

Kendati demikian, bisnis kartu kredit Bank terus melakukan berbagai upaya untuk bertumbuh melalui penjualan kartu baru yang tepat sasaran, peluncuran berbagai inisiatif guna meningkatkan pemakaian kartu kredit. Hal ini tercermin dari Kartu Kredit ICBC diterbitkan pada 2017 yang berjumlah lebih dari 4.000, tumbuh 15,50% dibandingkan 2016. Saldo terhutang dan volume transaksi relatif datar dibandingkan periode yang sama di tahun sebelumnya. Saldo terhutang naik 3,70% dan volume transaksi mencapai IDR212 miliar di akhir tahun, meningkat 3,80% dibandingkan dengan tahun lalu.

In spite of such backdrop, the Bank's credit card business continued its growth path through targeted new card acquisitions and launched a range of spend stimulation initiatives. This was reflected in the more than 4,000 ICBC Credit Cards was issued in 2017, up 15.50 percent over 2016. Outstanding balance and sales volume were relatively flat compared to the same period a year ago. Outstanding balance rose by 3.70 percent and sales volume stood at IDR212 billion as of end of the year, an increase of 3.80 percent against that of 2016.

Konsumen menjadi semakin cermat dalam memilih kartu kredit yang dapat menawarkan produk dengan nilai terbaik. Oleh karenanya, Bank tetap berusaha untuk memahami sepenuhnya tren dan pola perilaku belanja konsumen, khususnya, kebutuhan gaya hidup mereka. Bank memastikan Kartu Kredit ICBC menawarkan nilai nyata serta manfaat yang berbeda dengan cara meningkatkan serangkaian keuntungan dari produk yang ditawarkan. Beberapa inisiatif yang patut dicatat diluncurkan di 2017, termasuk:

- Penjualan kartu baru terus diupayakan untuk menembus segmen yang ditargetkan melalui keikutsertaannya dalam berbagai acara di mitra usaha dan komunitas yang terpilih.

As consumers had become increasingly discerning in selecting credit cards that offered the best value for- money propositions. Hence, the Bank remained completely cognizant of consumer spending trends and behavior patterns, in particular, their lifestyle needs. The Bank ensured the ICBC Credit Cards offered tangible value and distinct benefits by incorporating enhanced benefits into its product offerings. Some notable initiatives were rolled out in 2017 include:

- New card acquisition continued its effort to penetrate targeted segment through participation in various events at selected merchants and communities.

- Penjualan silang ke nasabah Perbankan Ritel dan Perbankan Korporasi serta program Referal Manajemen Senior terus dilanjutkan guna memperoleh referensi prospek yang berkualitas.
- Program *Cashback* IDR1 juta diberikan untuk setiap pemegang kartu baru yang disetujui dengan pembelanjaan minimum IDR10 juta selama periode program.
- 3X poin bonus red*reward untuk pembelanjaan ritel di luar negeri dan 2X poin bo bonus red*rewards untuk pembelanjaan ritel di dalam negeri diluncurkan untuk menggenjot pemakaian Kartu Kredit ICBC selama musim liburan.
- *Cashback* 5% diberikan kepada pemegang kartu dengan jumlah pembelanjaan terbanyak asalkan mereka memenuhi minimum volume transaksi atau lebih selama periode program.
- Program cicilan di beberapa mitra usaha terpilih dijalankan untuk membantu pemegang kartu agar dapat mengatur pola pembayaran tagihan secara teratur melalui cicilan bulanan.
- Fasilitas ICBC red*trans yang memungkinkan pemegang kartu mengubah limit kredit menjadi tunai melalui *transfer* bank juga diluncurkan, dimana dana yang tersedia dapat digunakan untuk keperluan tak terduga atau mendesak. Pemegang kartu dapat membayarkannya kembali melalui cicilan tetap dengan suku bunga yang kompetitif.
- *Cashback* nonton 50% diberikan kepada pemegang kartu asalkan mereka juga menggunakan kartunya untuk pembelanjaan ritel lainnya selain transaksi nonton. Program ini juga dimaksudkan agar dapat menarik prospek baru.
- Saat Tahun Baru Imlek, pemegang kartu ICBC dapat menikmati *cashback* jika bersantap di restoran-restoran Tionghoa terpilih di Jakarta, Surabaya & Bandung.
- Kemitraan merupakan faktor yang signifikan dalam bisnis kartu kredit, oleh karena itu, sepanjang tahun, Bank terus bekerjasama dengan mitra-mitra usaha terpilih di kota-kota besar di Indonesia dalam memberikan penghematan saat bersantap, bepergian dan berbelanja.

Di masa mendatang, strategi Bank akan berkisar pada upaya yang berkesinambungan untuk meningkatkan nilai yang ditawarkan dan menyediakan produk dan layanan terdepan yang bernilai untuk segmen yang dipilih, membina hubungan yang lebih erat dengan pemegang kartu, dan untuk berinvestasi di sistem guna meningkatkan kemampuan di lini belakang.

- Cross selling to Retail and Corporate Banking customers and Senior Management Referrals programs were being extended to generate qualified sales prospects.
- IDR1 million Cashback program was also given to every new approved cardholder with a minimum spending of IDR10 million during the program period.
- 3X bonus red*rewards points for overseas retail spend and 2X bonus red*rewards points for domestic retail spend rolled out to stimulate the ICBC Credit Card usage during the holiday season.
- 5% cashback was given to top spending cardholders provided they met the minimum or more of card-usage-volume target during the program period.
- Installment program at selected merchants was run to help cardholders to spread their payments into manageable monthly installments.
- ICBC red*trans facility was introduced to enable cardholders to convert their credit card limit into cash through a bank transfer and use the fund to settle an unexpected bill or urgent need. The cardholders can make the repayment of the cash in fixed installments with competitive interest rates.
- 50% cashback on movie was granted to cardholders provided that the cardholders also used their cards for other retail spend in addition to movie transactions. The program was also deemed as a value to attract new prospects.
- During the Chinese New Year, the ICBC cardholders were able to enjoy cashback when dining at selected restaurants around Jakarta, Surabaya and Bandung.
- Partnerships factored significantly in the credit card business, therefore, throughout the year, the Bank continued to team up with selected merchants in major cities in Indonesia, offering cost-saving discounts on dining, traveling and shopping.

Moving forward, the Bank's strategy revolves around continuing efforts to improve value propositions and provide stand-out products & services that are of value to the chosen segment, foster stronger relationships with cardholders, as well as invest in systems and back-end capabilities.

TRANSACTION BANKING

Transaction Banking bertujuan untuk melakukan transaksi aktivitas perbankan antara lain untuk *remittance*, *cash management* serta kegiatan lainnya. Produk *remittance* yang dilayani oleh Bank adalah sebagai berikut:

- Pelayanan *Remittance*
  Bank saat ini melayani *remittance* untuk 9 (sembilan) mata uang asing. Pelayanan *remittance* di tahun 2017 mengalami penurunan dalam total transaksi sebesar 14,01% dibandingkan tahun 2016. Pengiriman uang dalam IDR dapat dilakukan melalui RTGS (*Real Time Gross Settlement*) dan SKN (Sistem Kliring Nasional). Total transaksi RTGS selama 2017 sebanyak 38.338 transaksi, naik 10,96% dari transaksi tahun 2016. Demikian pula dengan transaksi SKN yang mengalami kenaikan 8,60% dibandingkan dengan tahun sebelumnya. Khusus dalam mata uang RMB, terdapat produk yang bernama RMB *Trade Settlement*, dimana keuntungan dari produk ini adalah menjamin penerima untuk dapat menerima dana dalam hari yang sama dengan biaya yang sangat kompetitif. Penggunaan mata uang RMB sepanjang tahun 2017 dengan nilai sebesar RMB1,04 miliar.
- *Prefix Remittance*
  Prefix Remittance adalah produk yang dirancang khusus untuk warga negara Tiongkok yang bertujuan untuk membatasi adanya risiko pertukaran antara mata uang USD dan RMB. Produk ini memungkinkan Nasabah mengirimkan dana dalam mata uang USD namun penerima dana akan menerima RMB dalam jumlah yang tepat sesuai dengan jumlah yang diharapkan oleh pengirim. Nominal yang diterima oleh penerima untuk *prefix remittance* tidak berpengaruh terhadap volatilitas harian pada pertukaran kurs antara USD dan RMB. Produk ini ditujukan untuk Nasabah perorangan yang merupakan penduduk Tiongkok. Pemerintah Tiongkok memberikan batasan transaksi sebesar USD50.000 per tahun untuk mengontrol penerimaan dana penduduknya dari luar negeri. Nasabah yang menggunakan produk ini adalah perusahaan Tiongkok yang mempunyai cabang usaha di Indonesia untuk pembayaran gaji karyawannya yang berwarga negara Tiongkok dan penduduk Indonesia yang melakukan transaksi dengan penduduk Tiongkok. Dengan adanya fitur yang unik, transaksi *prefix remittance* di tahun 2017 adalah sebanyak 5.843 transaksi. Dibandingkan dengan tahun 2016 mengalami penurunan sebesar 3,26 %, sementara dari total nominal mengalami penurunan sebesar 16,12 %.

TRANSACTION BANKING

Transaction Banking aims to conduct banking activities, among others, remittance, cash management and other activities. The remittance products served by the Bank are as follows:

- Remittance Service
  The Bank currently serves remittance in 9 (nine) foreign currencies. The total transactions in remittance services decreased by 14.01% in 2017 compared to 2016. Remittance in IDR can be done through RTGS (Real Time Gross Settlement) and SKN (National Clearing System). The total number of RTGS transactions during 2017 amounted to 38,338 transactions, up 10.96% compared to 2016. Similarly, SKN transactions increased by 8.60% compared to the previous year. In RMB currency, it includes RMB Trade Settlement with the advantage is to guarantee the Customer to obtain its funds within the same day at a competitive cost. The use of RMB currency throughout 2017 amounted to RMB1.04 billion.
- Prefix Remittance
  Prefix Remittance is a product especially designed for Chinese citizens aimed at limiting any risk of exchange between USD and RMB currency. This product allows Customers to remit in USD currency and the recipient will receive RMB currency in the amount in accordance with the number expected by the sender. Consequently the nominal received by the recipient for the prefix remittance will not be affected by daily volatility in exchange rates between USD and RMB. This product is intended for individual recipient who resides in China. The Chinese Government imposes a limit on transactions of USD50,000 per year which aims to control the inflow of its citizens' funds from overseas. Customers who uses this product are Chinese companies that operates in Indonesia for the purpose of paying their employees' salary and Indonesian doing transaction with Chinese resident. With this unique feature, the prefix remittance transaction in 2017 numbered in as many as 5,843 transactions. Compared to year 2016, it decreased by 3.26%, while the total nominal decreased by 16.12%.

- *Remittance Client Banks & Non-Bank Financial Institutions*
  Sejak tahun 2009, Bank sudah bertindak sebagai bank perantara untuk *remittance* ke Tiongkok. Bank berkolaborasi dengan sebagian besar bank di Indonesia baik *top tier* maupun bank berskala kecil menengah yang mempunyai potensial bisnis dengan Tiongkok. Kolaborasi yang baik terlihat dari pertumbuhan transaksi yang dari tahun ke tahun. Dibandingkan tahun 2016, total transaksi mengalami kenaikan sebesar 1,48 % dari 17.056 transaksi menjadi 17.309 transaksi. Transaksi mata uang RMB berkontribusi sebesar 74,11% dari total keseluruhan transaksi. Dari sisi *cash management*, pada tahun 2017 telah menjalankan fasilitas pembayaran gaji untuk 24 perusahaan yang telah terdaftar pada layanan tersebut, terjadi peningkatan dari jumlah 15 perusahaan di tahun 2016. Total karyawan yang telah dilayani mencapai lebih dari 5 ribuan karyawan dengan total nominal mencapai IDR4,4 miliar.

Guna mendorong pertumbuhan kinerja Bank, *Transaction Banking* akan terus berfokus pada peningkatan produk dan layanan serta program yang sesuai dengan kebutuhan Nasabah serta memberikan solusi *product bundling* melalui sinergi dengan produk perbankan lainnya.

- Remittance Client Banks & Non Bank Financial Institutions
  Since 2009, the Bank has acted as an intermediary bank for remittance to China. The Bank collaborates with most of Indonesia's top-tier banks as well as small and medium-sized banks with business potential with China. The collaboration can be seen in the increase of transactions from year to year. Compared to 2016, total transactions increased by 1.48% from 17,056 transactions to 17,309 transactions. RMB currency transactions contributed 74.11% of the total transactions. Since 2017, in terms of cash management, the Bank has implement payroll facility for 24 companies that registered for this service, which marked an increase from the 15 companies registered in 2016. The total number of employees served reached more than 5 thousand employees with a nominal totaling of IDR4.4 billion.

To encourage the Bank's performance growth, Transaction Banking will continue to focus on improving its products and services and tailored programs to customer needs and providing product bundling solutions synergy with other banking products.

TINJAUAN OPERASIONAL PENDUKUNG
OPERATIONAL SUPPORT REVIEW

MANAJEMEN OPERASIONAL

Sebagai bagian dari proses transformasi, Fungsi Manajemen Operasional memegang peranan penting dalam mendukung unit-unit bisnis mencapai target kinerja yang diharapkan seperti misalnya mendukung peluncuran produk baru, mengembangkan kebijakan atau prosedur, perbaikan sistem Bank, peningkatan kualitas layanan dan mempercepat proses transaksi di cabang. Fungsi Manajemen Operasional di Bank adalah mengawasi bagian *Branch Supports*.

Realisasi Program Kerja

Realisasi program kerja pengembangan karyawan adalah sebagai berikut:

- Pada 2017, Departemen Manajemen Operasional melanjutkan program rotasi beberapa Manajer Operasional, Kepala Kasir, Kepala *Customer Service* dan promosi karyawan operasional di seluruh cabang. Tujuan rotasi ini adalah untuk memberikan kesempatan kepada karyawan untuk bekerja dengan tim yang berbeda pada cabang yang berbeda. Mereka yang dirotasi tersebut tentunya akan berbagi pengetahuan dan pengalaman mereka, yang pada gilirannya mengarah kepada peningkatan kinerja secara keseluruhan dari team operasional cabang mereka. Rotasi tersebut juga bertujuan untuk meminimalisasi risiko operasional di cabang.
- Departemen Manajemen Operasional telah menyusun ulang tim *Flying* dan *Monitoring* dan *Inspecting* untuk memberikan kesempatan kepada karyawan dalam meningkatkan kemampuan dan pengetahuan.
- Departemen Manajemen Operasional secara rutin mengadakan rapat koordinasi dengan seluruh Manajer Operasional dan level *officer* cabang serta mengadakan forum diskusi untuk *Customer Service*, *Teller* dan *Teller Non Tunai*.
- Departemen Manajemen Operasional melanjutkan program pelatihan internal dalam bentuk sosialisasi melalui kelas tersendiri, konferensi melalui telepon atau pun video.

OPERATIONAL MANAGEMENT

As part of the transformation process, the Bank's Operational Management function plays an important role in supporting business units to achieve the expected performance targets. These include supporting the launch of new products, developing policies or procedures, improving the system of The Bank, improving service quality and accelerating transaction processing in branches. The function of Operational Management at the Bank is to oversee the Branch Supports section.

Work Program Realization

The work program realization of employee development include:

- In 2017, the Department of Operational Management continued the rotation program of several Operations Managers, Head of Teller, Head of Customer Service and promoting several operational employees across branches. The rotation is to provide an opportunity for employees to work with different teams on different branches. Rotated employees will share their knowledge and experience, which in turn leads to an overall performance improvement of their branch operations teams. The rotation also aims to minimize operational risks in branches.
- Operational Management Department has re-organized the Flying and Monitoring and Inspecting teams to provide employees with opportunities to improve their skills and knowledge.
- Operational Management Department regularly conducts coordination meetings with Operations Managers and branch officer to hold discussion forum for Customer Service, Tellers and Non-Cash Teller.
- Operational Management Department continued its internal training program in the form of in-house socialization through telephone or video conference.

Realisasi program pelatihan untuk meningkatkan keahlian teknikal karyawan di cabang dan departemen lainnya, antara lain:

- Sosialisasi *Branch Reforming* (8 sesi)
- Pelatihan penyegaran untuk *Teller* non Tunai (1 sesi)
- Pelatihan Kebijakan dan Prosedur untuk Manajer Operasi yang baru (1 sesi)
- Pelatihan Penyegaran Kebijakan dan Prosedur untuk Manajer Operasi (1 sesi)
- Sosialisasi formulir pembukaan rekening versi 1.3 (7 sesi)
- Pelatihan penyegaran untuk DHN (1 sesi)
- Pelatihan sistem FOVA untuk karyawan *Marketing* seperti: *Financial Institution*, *Commercial Banking* dan SME (3 sesi)
- Sosialisasi Kewenangan Komisaris dalam pengoperasian rekening perusahaan (2 sesi)

Produk dan Aktivitas Departemen Manajemen Operasional

Kinerja Departemen Manajemen Operasional dalam aktivitasnya selama 2017 antara lain:

- Implementasi *Branch Reforming Project* di seluruh cabang.
- Rotasi karyawan di cabang Bank ICBC Indonesia untuk level karyawan maupun supervisor.
- Sosialisasi kebijakan dan prosedur untuk karyawan di cabang secara berkesinambungan.
- Pemeriksaan *voucher* cabang secara rutin oleh tim *Post Supervision*.
- Pemeriksaan rutin untuk kegiatan operasional di cabang oleh tim *Monitoring* and *Inspecting*.
- Analisa perbaikan sistem yang ditujukan ke Departemen Informasi Teknologi.
- Desain baru untuk beberapa formulir instruksi Nasabah dan Bilyet Deposito.
- Syarat dan ketentuan rekening perorangan dan perusahaan di situs ICBC.

Selama 2017, Departemen Manajemen Operasional telah melakukan peningkatan proses dan pengembangan sistem sebagai berikut:

- Menu tambahan FOVA untuk kode user: *Settlement Center*, *Marketing*, *Teller*, *Teller* Non Tunai, *Customer Service* dan level *supervisor*.
- Otomasi pengiriman uang secara berkelompok melalui SKNBI-NG.
- Penatausahaan untuk mengatur *cheque*, BG/LOA di cabang.
- Optimalisasi fungsi *menu* di *Helpdesk*.

The realization of training programs to improve the technical expertise of employees in branches and other departments include, among others:

- Socialization on Branch Reforming (8 sessions)
- Refreshment Training for Non-Cash Tellers (1 session)
- Training on Policies and Procedures for new Operation Manager (1 session)
- Refreshment Training on Policies and Procedures for Operation Manager (1 session)
- Socialization of Account Opening Form Version 1.3 (7 sessions)
- Refreshment training for DHN (1 session)
- Training of FOVA systems for Marketing employees for departments such as: Financial Institution, Commercial Banking, and SME (3 sessions)
- Socialization of the Authority of Commissioners in the operation of corporate accounts (2 sessions)

Products and Activities of the Operational Management Department

The performance of the Operational Management Department as indicated by its activities during 2017 include, among others:

- Implementation of the Branch Reforming project in all branches.
- Employee rotation at Bank ICBC Indonesia branches for employee and supervisor levels.
- Continuous socialization of policies and procedures for employees in branches.
- Regular voucher checking by the Post Supervision team.
- Regular checking of branch operations activities by the Monitoring and Inspecting team.
- Analysis of system improvements aimed at Information Technology Department.
- New design for Customer instruction form and Deposit Bilyet.
- Terms and conditions of individual and corporate accounts on ICBC website.

Throughout 2017, Operational Management Department has made improvements to the processes and development of the system, as follows:

- Additional FOVA menu for user code: Settlement Center, Marketing, Teller, Non-Cash Teller, Customer Service and supervisor levels.
- Automation of the joint remittance process of SKNBI-NG.
- Administration to set up cheque, BG/LOA at branches.
- Optimization of menu function in Helpdesk.

Departemen Manajemen Operasional juga mengeluarkan kebijakan dan prosedur baru maupun tambahan, antara lain:

- Prosedur Tambahan ke 2 Penerimaan Pajak pada Bank Persepsi ver1.2, 10 Januari 2017
- Tambahan ke 3 Prosedur DHN Ver2.0, 2 Februari 2017
- Pembayaran Gaji Perusahaan, 22 Februari 2017
- Panduan Sistem Verifikasi Tanda Tangan (SVS), 23 Februari 2017
- Reformasi Cabang, 27 Februari 2017
- Panduan Penyimpanan *Voucher*, 21 Maret 2017
- Tambahan Prosedur Rekening Giro, 4 April 2017
- Tambahan ke 2 Kebijakan Kewenangan Berjenjang ver 1.3, 29 April 2017
- Desain baru Formulir Pembukaan Rekening ver 1.3, 31 Mei 2017
- Penilaian Pos Pengawasan *Center*, 12 Juli 2017
- Desain baru Kartu Tanda Tangan, 19 Juli 2017
- Kebijakan Pengaturan Kartu Akses Sistem FOVA ver 1.4, 24 Juli 2017
- Kebijakan DHN ver 1.1, 12 Juli 2017
- Kebijakan mengenai Tingkat jabatan pada sistem FOVA ver 1.3, 20 Juli 2017
- Prosedur DHN ver 2.1, 14 Juli 2017
- Daftar laporan F-CBRS untuk Cabang, 10 Agustus 2017
- Prosedur *Voucher* Penting ver 1.1, 7 September 2017
- Kebijakan *Voucher* Penting Ver 1.1, 7 September 2017
- Kebijakan Penanganan Kunci dan Kombinasi di Cabang Ver 1.1, 22 September 2017
- Tambahan Prosedur DHN ver 2.1, 21 Desember 2017
- Otomasi *Batching* SKNBI-NG, 28 Desember 2017

Analisa Target dan Realisasi

Departemen Manajemen Operasional telah mencapai indikator kinerja utama untuk tahun 2017, antara lain seperti:

- Inisiatif perbaikan atau peningkatan fungsi sistem utama yang digunakan, dari manual menjadi otomatis atau semi otomatis.
- Inisiatif membuat/mengajukan atau penambahan/perubahan kebijakan dan prosedur.

Operational Management Department also issued new and additional policies and procedures, including:

- 2nd supplementary of Procedure of Tax Receipts at Bank Perception Ver 1.2, January 10, 2017
- 3rd supplementary of DHN Procedures Ver 2.0, February 2, 2017
- Payment of Company Salaries, February 22, 2017
- Signature Verification System (SVS) Guideline, February 23, 2017
- Branch Reform, February 27, 2017
- Voucher Storage Guideline, March 21, 2017
- Additional Procedures for Checking Accounts, April 4, 2017
- 2nd supplementary to Tiered Authority Policy Ver 1.3, April 29, 2017
- New design Account Opening Form Ver 1.3, May 31, 2017
- Assessment of Post Supervision Center, July 12, 2017
- New Design Signature Card, July 19, 2017
- FOVA System Card Access Control Policy Ver 1.4, July 24, 2017
- DHN Policy Ver 1.1, July 12, 2017
- Policy on the level of positions in the FOVA system Ver 1.3, July 20, 2017
- DHN Procedure Ver 2.1, July 14, 2017
- List of F-CBRS reports for Branches, August 10, 2017
- Important Voucher Procedure Ver 1.1, September 7, 2017
- Important Voucher Policy Ver 1.1, September 7, 2017
- Key Handling Policy and Combinations at Branches Ver 1.1, September 22, 2017
- Additional DHN Procedures Ver 2.1, December 21, 2017
- Automation Batching of SKNBI-NG, December 28, 2017

Target and Realization Analysis

Operational Management Department has achieved key performance indicators for 2017, such as:

- Repair or upgrade initiatives of the main system, from manual to automatic or semi-automatic.
- Initiative to create/submit or addition/amendment of policies and procedures.

Saat ini, kualitas sumber daya manusia yang dimiliki cukup baik dan terus diasah dari segi teknikal dan non teknikal. Bank memiliki tim yang bekerja secara profesional, dapat bekerja secara mandiri maupun dalam tim. Selain itu, dengan adanya *job description* dan *Key Performance Indicators* yang jelas dan terukur dapat menjamin kualitas kerja yang bagus dari para karyawan. Koordinasi dan komunikasi yang baik antar bagian di Departemen Operasional juga sangat mendukung kesuksesan untuk setiap proyek atau tugas yang dikerjakan.

At this moment, the quality of human resources is adequate enough and continues to be honed in terms of technical and non-technical perspectives. The Bank has a team who works professionally, is able to work independently or in team. In addition, with clear and measurable job description and Key Performance Indicators can ensure a good work quality from employees. Good coordination and communication between departments in Operational Department also greatly supports success for any project or task being undertaken.

Standarisasi pengukuran jumlah karyawan di cabang telah dilakukan untuk penerapan efisiensi sumber daya manusia. Dengan adanya perubahan struktur organisasi di cabang dimana Departemen Operasional membawahi karyawan operasional memudahkan untuk melakukan perbaikan-perbaikan dalam hal: peningkatan kualitas karyawan, standarisasi struktur organisasi, penilaian kerja dan deskripsi pekerjaan, menghitung kapasitas karyawan yang dibutuhkan di cabang dan sentralisasi pekerjaan.

Measurement standardization of the number of employees in branches has been implemented for efficient use of human resources. Changes in the organizational structure in branches where Operational Department supervise the operational employees will be easier to make improvements in terms of: quality of employees, organizational structure standardization, job appraisal and description, calculating the number of employee required in branches and job centralization.

Serangkaian produk-produk baru yang diluncurkan oleh fungsi bisnis melibatkan Departemen Manajemen Operasional dalam pengembangan kebijakan atau prosedur maupun perbaikan sistem utama Bank. Hal ini semakin menunjukkan kontribusi dan peran dari Departemen Manajemen Operasional yang sangat krusial di dalam mendukung pertumbuhan Bank.

A series of new products launched by business functions involving Operational Management Departement in developing of policies or procedures, and in improvements of the Bank's main system. This further demonstrates the contribution and role of Operational Management Department is crucial in supporting the Bank's growth.

Kecepatan perubahan peraturan yang dibuat oleh Bank Indonesia atau badan pemerintah lainnya, menjadi tantangan tersendiri dalam hal penyesuaian kebijakan internal Bank.

The rate of regulatory changes made by Bank Indonesia or other government agencies is a challenge itself in terms of adjustment to the Bank's internal policies.

Menyadari pentingnya teknologi untuk meningkatkan pelayanan pada Nasabah, Bank ICBC Indonesia selalu menitikberatkan pada pengembangan teknologi agar tetap kompetitif di pasar perbankan.
Acknowledging the importance of technology to better serve the customers, Bank ICBC Indonesia always put emphisize on technology enhancement to remain competitive in the market.

TEKNOLOGI INFORMASI (TI)

Tata Kelola Informasi

Bank menyadari bahwa perkembangan TI memungkinkan Bank memanfaatkannya untuk meningkatkan efisiensi kegiatan operasional dan mutu pelayanan kepada Nasabah serta dapat meminimalisir resiko. Di sisi lain, pengembangan TI yang berkelanjutan juga dapat menjadikan sistim managemen resiko yang dimiliki Bank berjalan secara efektif.

Bank menerapkan Tata Kelola TI di seluruh proses kerja TI Bank. Penerapan Tata Kelola TI di Bank terus ditingkatkan dari sisi kebijakan dan prosedur dengan mengadopsi Peraturan Otoritas Jasa Keuangan dan Bank Indonesia, Peraturan Pemerintah serta International *Best Practice* berikut memitigasi adanya risiko dan ancaman baru berdasarkan perkembangan teknologi.

INFORMATION TECHNOLOGY (IT)

Information Governance

The Bank realized that the development of IT enables the Bank to make the most of it so as to improve operational efficiency and service quality to Customers and to minimize risks. On the other hand, sustainable IT development can render the Bank's risk management system run effectively.

The Bank applies IT Governance throughout the Bank's IT work processes. Implementation of IT Governance at the Bank is continually improved in terms of policy and procedure by adopting the regulations of the Financial Services Authority, Bank Indonesia, Government Regulation and International Best Practices, following the mitigating of new risks and threats based on technological developments.

Selain itu, Bank juga telah menerapkan tata kelola proyek terhadap pengembangan produk baru atau modifikasi produk yang sudah ada. Seluruh proyek diwajibkan untuk mempunyai Siklus Pengelolaan Proyek, melalui tahapan-tahapan sebagai berikut:

- Penyusunan kebutuhan, pemilihan solusi dan penentuan jadwal proyek.
- Pengembangan produk oleh tim TI terkait atau melalui induk perusahaan (*parent company*)
- *System Integration Test* (SIT)
- *User Acceptance Test* (UAT)
- Penyerahan produk setelah lulus uji pada tahap SIT dan UAT untuk selanjutnya dapat digunakan oleh pemakai (*live*)

Pengembangan Layanan Sistem Teknologi Informasi

Bank merancang program yang dikembangkan untuk mendukung peluncuran produk/jasa perbankan baru melalui TI. Sepanjang tahun 2017, Bank telah meluncurkan/mengimplementasikan beberapa produk dan layanan berbasis TI dalam mendukung peningkatan efisiensi kegiatan operational maupun layanan kepada seluruh Nasabah. Pengembangan TI senantiasa sesuai dengan arahan bisnis dan mengutamakan aspek strategis serta memperhatikan regulasi otoritas keuangan untuk perbankan, diantaranya:

- Penggunaan kartu ATM berlogo VISA di ATM Bank ICBC Indonesia.
- Kartu kredit yang diperuntukkan Korporasi (*corporate card*).
- Kartu debit (*debit card*).
- Otomatisasi pelaporan ke Regulator (*Overseas Reporting System*).
- Penambahan pencegahan skema kecurangan (VISA 3D *Secure*).
- Standar Nasional Teknologi Chip kartu ATM dan/atau kartu debit (NSICCS)
- Sistim pendukung lainnya, antara lain sistem untuk mengelola aset, pengembangan sistim *helpdesk*, pengembangan sistem untuk memonitor likuiditas.

In addition, the Bank has also implemented project governance towards new product development or modification of existing products. All projects are required to own a Project Management Cycle through the following stages:

- Preparation of needs, selection of solutions and determining of project schedule.
- Product development by related IT teams or through parent company
- System Integration Test (SIT)
- User Acceptance Test (UAT)
- Product submission after passing SIT and UAT stages where the user can use it in the next stage (live)

Development of Information Technology System Services

The Bank has designed a program developed to support the launch of new banking products/services through IT. Throughout the year 2017, the Bank has launched/implemented several IT-based products and services to support operational and service efficiency to Customers. IT development is always consistent with business direction and prioritizes the strategic aspects while also pays heed to financial authority regulations for banks. These developments include:

- The use of ATM cards with VISA logo at Bank ICBC Indonesia's ATM.
- Credit card designated for the Corporation (corporate card).
- Debit Card.
- Automated reporting to Regulators (Overseas Reporting System).
- An addition to the fraud prevention scheme (VISA 3D Secure).
- National Standard Chip Technology ATM cards and/or debit card (NSICCS)
- Other support systems, including system for managing assets, developing helpdesk system, and liquidity monitoring system.

Sumber Daya Manusia

Sebagai faktor penting pertumbuhan kinerja, kompetensi dan kualitas Sumber Daya Manusia (SDM) dalam bidang TI terus ditingkatkan. Bank juga senantiasa memperbaharui pengetahuan dan ketrampilan SDM dalam bidang TI melalui materi pelatihan yang disesuaikan dengan kebutuhan bisnis. Pelatihan tersebut juga diselenggarakan baik secara internal, eksternal maupun program inklusif pada proyek pengembangan sistim dan aplikasi baru yang diselenggarakan oleh induk perusahaan (*parent company*). Dengan adanya kerjasama dengan induk perusahaan, maka diharapkan SDM TI akan bertambah wawasan dan kebutuhan dalam dunia kerja yang semakin dinamis. Melalui kerja sama ini pula diharapkan dapat menunjang pengembangan karir karyawan. Program pelatihan ini tidak hanya mencakup materi yang berkaitan dengan pekerjaan karyawan tersebut, namun akan lebih memperkaya pengetahuan dasar yang dimiliki untuk pengembangan sistim induk perusahaan kedepannya secara mandiri sesuai dengan *Roadmap* Teknologi Informasi 2018-2021.

Human Resources

An important factor of performance growth, competence and quality of Human Resources (HR) in IT is continually improved. The Bank also continuously updates the knowledge and skill of HR in IT through training materials tailored to business needs. The training conducted internally, externally and inclusive program on systems development projects and new application held by parent company. With the cooperation with the parent company, it is expected that IT human resources will increase insights in the increasingly dynamic working environment. This cooperation is also expected to support employee's career development. This training program covers not only materials related to the work of the employee, but will further enrich the basic knowledge held for the future development of the parent company independently in accordance to the Information Technology Roadmap 2018-2021.

Survei dan Evaluasi

Mengingat semakin pentingnya peranan TI dalam mendukung kelancaran operasional Bank, maka Bank mengantisipasi terjadinya bencana di masa depan dengan melakukan uji coba *Disaster Recovery Plan* (DRP) dan *Business Continuity Plan* (BCP) secara berkala.

Uji coba BCP dilakukan secara *live* di lokasi *Business Resumption Site* (BRS), sehingga apabila terjadi bencana di Kantor Pusat Bank, maka Bank tetap dapat melanjutkan aktivitasnya dalam melayani Nasabah. Selain itu, Bank juga terus melakukan pembaruan dokumen DRP dan BCP agar sesuai dengan kondisi terkini sehingga kualitas uji coba DRP dan BCP dapat ditingkatkan.

Surveys and Evaluations

Given the importance of IT's role in supporting the operation of the Bank, the Bank anticipates future calamity by regularly conducting regular tests of the Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP).

The BCP trial is performed live at the Business Resumption Site (BRS), in case of calamity at the Bank's Head Office, the Bank can continue its activities serving the Customers. In addition, the Bank also keeping update on DRP and BCP documents to meet its current conditions to improve the quality of DRP and BCP trials.

Roadmap Teknologi Informasi

Bank telah memiliki rencana Strategis Teknologi Informasi (IT *Strategic Plan*/ITSP) untuk mendukung rencana strategis kegiatan usaha Bank periode 2018-2021 serta untuk memenuhi persyaratan yang ditetapkan dalam regulasi POJK No. 38 tentang Penerapan Managemen Risiko dalam Penggunaan Teknologi Informasi oleh Bank Umum.

Information Technology Roadmap

The Bank has IT Strategic Plan (ITSP) to support the Bank's business activities strategic plan for the period of 2018-2021 as well as to meet the requirements set forth in the OJK Regulation No. 38 on Risk Management Application in the Use of Information Technology by Commercial Banks.

Pengembangan TI berfungsi memberikan infrastruktur TI yang handal dan aman bagi Nasabah di Indonesia, serta memberikan operational bank yang baik dan efektif. Tujuan pengembangan TI Bank antara lain meliputi:

- Mendukung pengelolaan Bank secara strategis.
- Memastikan pelaksanaan proses managemen risiko TI yang kuat dan komprehensif.
- Membantu menyediakan dan mengembangkan proses bisnis yang efisien dan efektif.
- Memastikan penyediaan layanan berkualitas berbasis teknologi informasi yang handal dan inovatif.

E-BANKING

Saat ini produk *e-Banking* yang sudah dimiliki oleh Bank adalah *Corporate Internet Banking*. Namun Bank terus berusaha untuk mengembangkan produk-produk *e-Banking* lainnya seperti *Mobile Banking* dan *Personal Internet Banking*.

SUMBER DAYA MANUSIA

Bank terus menjaga komitmennya untuk mengembangkan sumber daya manusia sebagai aset berharga dalam mendukung pencapaian target bisnis, mendukung implementasi inisiatif strategis dari Bank, dan memberikan pelayanan terbaik bagi Nasabah.

Secara berkesinambungan Bank terus berusaha meningkatkan produktivitas karyawan melalui budaya kerja berbasis kinerja (*performance-work based*) yang diimbangi dengan *work-life balance*, dan memberikan kesempatan seluas-luasnya bagi karyawan untuk mengembangkan dirinya melalui program pelatihan untuk meningkatkan kompetensi dan juga kesempatan pengembangan karir.

IT development serves to provide a reliable and secure IT infrastructure for Customers in Indonesia, as well as providing good and effective banking operations. The Bank's IT development objectives include the following:

- Support the Bank's management strategically.
- Ensure the implementation of a robust and comprehensive IT risk management process.
- Help to provide and develop efficient and effective business processes.
- Ensure the provision of quality service based on reliable and innovative information technology.

E-BANKING

Currently, e-Banking product owned by the Bank is Corporate Internet Banking. However, the Bank continues to strive in developing other e-Banking products such as Mobile Banking and Personal Internet Banking.

HUMAN RESOURCES

The Bank continues to maintain its commitment to develop human resources as a valuable asset in supporting the achievement of business targets, supporting the implementation of strategic initiatives from the Bank, and providing the best service to Customers.

The Bank continuously strives to improve employee productivity through performance-based work culture that is evened out with work-life balance, and provides the widest opportunity for employees to develop themselves through training programs to improve competence as well as development career opportunities.

Komposisi Karyawan

Seiring dengan pertumbuhan bisnis Bank dibutuhkan optimalisasi dalam efektivitas pengelolaan jumlah karyawan serta usaha-usaha untuk meningkatkan produktivitas karyawan.

Sampai dengan akhir tahun 2017 Bank memiliki jumlah karyawan sebanyak 649 orang, turun 7,41% dibandingkan akhir 2016, dimana jumlah karyawan Bank adalah 701 orang.

Employee Composition

Along with the growth of the Bank's business needs comes optimization in the effectiveness of managing the number of employees and efforts to improve employee's productivity.

As of end of 2017, the Bank employs 649 people, a decrease of 7.41% compared to the end of 2016, where the number of employees was at 701 people.

Berdasarkan Posisi/Jabatan

Berdasarkan tingkatan posisi, komposisi karyawan di Bank pada akhir tahun 2017 adalah sebagai berikut:

Based on Position/Function

Based on the position level, the composition of employees at the Bank by the end of 2017 is as follows:

Demografi Karyawan Berdasarkan Level Organisasi
Employee Demographics Based on Organizational Level

Jumlah Orang | No of People

Level	2017				2016			
	♂	♀	Total	(%)	♂	♀	Total	(%)
Direksi | Board of Directors	5	2	7	1,08%	6	1	7	1,00%
Dewan Komisaris | Board of Commissioners	2	1	3	0,46%	2	1	3	0,43%
Senior Executive Vice President	3	-	3	0,46%	2	2	4	0,57%
Executive Vice President	10	7	17	2,62%	17	7	24	3,42%
Senior Vice President	13	11	24	3,70%	10	8	18	2,57%
Vice President	25	17	42	6,47%	28	17	45	6,42%
Assistant Vice President	36	19	55	8,47%	35	26	61	8,70%
Senior Manager	27	14	41	6,32%	33	13	46	6,56%
Manager	34	25	59	9,09%	34	31	65	9,27%
Assistant Manager	26	42	68	10,48%	31	39	70	9,99%
Senior Officer	48	44	92	14,18%	52	49	101	14,41%
Officer	33	41	74	11,40%	40	31	71	10,13%
Senior Clerk	23	45	68	10,48%	22	47	69	9,84%
Intermediate Clerk	23	40	63	9,71%	24	51	75	10,70%
Clerk	4	11	15	2,31%	10	13	23	3,28%
Non Clerk	12	-	12	1,85%	13	-	13	1,85%
Lainnya | Others	6	-	6	0,92%	5	1	6	0,86%
TOTAL	**330**	**319**	**649**	**100,00%**	**364**	**337**	**701**	**100,00%**

Bank ICBC Indonesia percaya bahwa keberagaman karyawan dari latar belakang pendidikan, umur dan gender adalah aspek penting dalam pertumbuhan bisnis. Maka, Bank memberikan kesempatan yang sama untuk seluruh karayawan untuk mendapatkan pengembangan diri melalui pelatihan-pelatihan maupun kegiatan karyawan lainnya.

Bank ICBC Indonesia believes in employee diversity in education, age and gender as an important aspect to growth. Hence, the Company provide equal opportunity to all employees for further development through trainings and other employees' activities.

Berdasarkan Pendidikan

Bank percaya bahwa sumber daya manusia yang kompeten akan mendukung pencapaian target bisnis Bank, oleh karena itu dalam proses rekrutmen Bank berusaha mendapatkan talenta-talenta terbaik dan juga terus mengembangkan talenta-talenta yang ada di dalam Bank. Standarisasi tingkat pendidikan menjadi salah satu upaya Bank untuk mendapatkan talenta terbaiknya.

Sampai dengan akhir tahun 2017 komposisi terbanyak adalah karyawan dengan gelar sarjana (S1) yaitu 493 karyawan atau sebesar 75,96%.

Based on Education

The Bank believes that competent human resources will support the achievement of the Bank's business target, therefore during the recruitment process, the Bank seeks to recruit the best talents and continues to develop talents in the Bank. Education level standardization is one of the Bank's efforts to recruit best talents.

As of end of 2017, the composition of employees hold a bachelor degree (S1), totaling at 493 employees or 75.96% of all employees.

Demografi Karyawan Berdasarkan Tingkat Pendidikan
Employee Demographics Based on Education Level

Jumlah Orang | No of People

Level	2017				2016			
	♂	♀	Total	(%)	♂	♀	Total	(%)
Strata 2 | Master Degree	50	32	82	12,63%	54	36	90	12,84%
Strata 1 | Bachelor Degree	243	250	493	75,96%	269	262	531	75,75%
Diploma 4	1	-	1	0,15%	-	-	-	0,00%
Diploma 3	17	30	47	7,24%	19	32	51	7,28%
Diploma 2	-	-	-	0,00%	-	-	-	0,00%
Diploma 1	1	1	2	0,31%	1	1	2	0,29%
SLTA dan Sederajat | High School & Equivalent	18	6	24	3,70%	21	6	27	3,85%
TOTAL	**330**	**319**	**649**	**100,00%**	**364**	**337**	**701**	**100,00%**

Berdasarkan Usia

Rencana pengembangan sumber daya manusia di Bank bertujuan untuk menciptakan sumber daya manusia yang berkualitas dan produktif untuk mendukung strategi bisnis. Oleh karenanya Bank selalu memberikan kesempatan bagi talenta-talenta muda untuk belajar dan mengembangkan karir mereka di Bank.

Sampai dengan akhir tahun 2017, komposisi karyawan berdasarkan usia adalah sebagai berikut:

Based on Age

The human resource development plan at the Bank aims to create qualified and productive human resources to support business strategies. Therefore, the Bank always provides opportunities for young talents to learn and develop their career in The Bank.

As of end of 2017, the composition of employees by age is as follows:

Demografi Karyawan Berdasarkan Usia
Employee Demographics Based on Age

Jumlah Orang | No of People

Usia Age	2017				2016			
	♂	♀	Total	(%)	♂	♀	Total	(%)
> 45 tahun keatas | years above	59	31	90	13,87%	56	27	83	11,84%
36-45 tahun | years	129	95	224	34,51%	139	96	235	33,52%
26-35 tahun | years	138	176	314	48,38%	155	186	341	48,64%
18-25 tahun | years	4	17	21	3,24%	14	28	42	5,99%
TOTAL	**142**	**193**	**649**	**100,00%**	**169**	**214**	**701**	**100,00%**

Berdasarkan Jenis Kelamin

Komposisi karyawan berdasarkan jenis kelamin dapat dilihat pada tabel berikut ini:

Based on Gender

The composition of employees based on gender can be seen on the following table:

Demografi Karyawan Berdasarkan Jenis kelamin
Outsourcing Employee Demographics Based on Gender

Jenis Kelamin Gender	2017		2016	
	Jumlah Number	(%)	Jumlah Number	(%)
Laki-laki | Male	330	50,85%	364	51,93%
Perempuan | Female	319	49,15%	337	48,07%
TOTAL	**649**	**100,00%**	**701**	**100,00%**

Berdasarkan Status Kepegawaian

Komposisi karyawan Bank berdasarkan status kepegawaian dapat dilihat pada tabel berikut ini:

Based on Employment Status

The composition of employees of Bank based employment status can be seen on the following table:

Demografi Karyawan Berdasarkan Status Kepegawaian
Employee Demographics Based on Employee Status

Jumlah Orang | No of People

Status	2017				2016			
	♂	♀	Total	(%)	♂	♀	Total	(%)
Karyawan Tetap | Permanent Employee	317	317	634	97,69%	347	334	681	97,15%
Karyawan Tidak Tetap | Non-Permanent Employee	13	2	15	2,31%	17	3	20	2,85%
TOTAL	**330**	**319**	**649**	**100,00%**	**364**	**337**	**701**	**100,00%**

Pelatihan dan Pengembangan

Dewasa ini, bisnis pada umumnya dan bisnis perbankan pada khususnya, bergerak semakin dinamis yang didorong oleh perkembangan teknologi dan kebutuhan masyarakat akan layanan perbankan yang berkualitas, mudah, dan tanpa batas. Untuk menjawab tantangan tersebut, Bank secara konsisten menjalankan program pelatihan dan pengembangan karyawan serta mempersiapkan program pengembangan karir yang sesuai dengan kebutuhan karyawan.

Program pelatihan selalu ditinjau ulang setiap tahun baik dari sisi materi pelatihan maupun dari metode pelatihan yang digunakan. Hal ini bertujuan untuk memenuhi kebutuhan karyawan untuk pembelajaran sesuai dengan jenis pekerjaannya dan tetap memperhatikan kebutuhan dari bisnis Bank.

Training and Development

Business today in general, particularly banking business are moving dynamically in a way that is driven by technological development and society's need for quality, easy, and seamless banking services. To address these challenges, the Bank consistently performs employee training and development program as well as preparing career development program that meet the needs of employees.

These training programs are always reviewed annually both in terms of training materials and training methods used. It aims to meet the needs of employees for learning in accordance with the type of work while still paying attention to the needs of the Bank's business.

Sepanjang tahun 2017 Bank telah menggunakan total biaya pelatihan IDR12,41 miliar yang terbagi dalam 150 program *training in-house*, 121 program *public training*, dan 23 program *training* ke luar negeri. Sebanyak 95,00% karyawan telah mengikuti program pelatihan di sepanjang tahun 2017, dengan rata- rata karyawan telah mengikuti *training* sebanyak 30 jam.

Selain mengadakan pelatihan *in-house*, Bank juga mengembangkan bentuk pelatihan yang lebih informal berupa *sharing session* dalam *morning/ afternoon coffee*. Di dalam *sharing session* ini karyawan yang bertindak sebagai *subject matter expert* akan menjadi narasumber bagi karyawan lain terkait dengan materi yang ada dalam bentuk diskusi, tanya-jawab, dan studi kasus.

Detail *sharing session* yang telah dilakukan di Bank adalah sebagai berikut:

Throughout year 2017, the Bank has used up training cost a total of IDR12.41 billion, divided into 150 in-house training programs, 121 public training programs, and 23 overseas training programs. As many as 95.00% of its employees have attended training programs throughout 2017, with an average of 30 hours of participation time for each employee.

In addition to conducting in-house training, the Bank has also developed a more informal way of training, in the form of "sharing sessions" during morning/ afternoon coffee session. In this sharing session the employee act as a "subject matter expert" which will be a source for other employees related to the material in the form of discussion, question and answer, and case studies.

The details of "sharing sessions" conducted in the Bank are as follows:

Nama Pelatihan Training Program
Sharing Session - Coaching to Develop Performance & Engagement
Sharing Session - Mitigation on Credit Documents
Sharing Session - Global Sanctions of Money laundering
Sharing Session - GCMS for Business
Sharing Session - Getting Started with Credit
Sharing Session - Loan Syndication
Sharing Session - Peran Balai Lelang dalam Penyelesaian NPL Perbankan
Sharing Session - FI (*Financial Institution*) FYI

Karyawan yang memiliki kompetensi di bidang pekerjaannya menjadi kebutuhan Bank untuk mencapai tujuan bisnis. Oleh karena itu karyawan diberikan kesempatan untuk mengikuti pelatihan sertifikasi kompetensi sesuai dengan bidang pekerjaannya maupun sertifikasi yang diwajibkan oleh Regulator.

Having employees who are competent in their field of respective line of work has become part of the needs of the Bank in achieving its business goals. As such, employees are given the opportunity to attend competency certification training programs in accordance with their field of work and on the basis of certifications required by Regulators.

Sertifikasi keahlian yang telah dijalankan di Bank diantaranya:

- Sertifikasi Asosiasi Asuransi Jiwa Indonesia (AAJI)
- Sertifikasi Manajemen Resiko, Sertifikasi Analis Keuangan (CFA)
- Sertifikasi Perencana Keuangan (CFP)
- Sertifikasi Pemeriksa *Fraud*
- Sertifikasi Profesi Sumber Daya Manusia (CHRP)
- Sertifikasi Tresuri dan Penerapan Kode Etik Pasar
- Sertifikasi Bidang Kepatuhan

Expertise certification that has been implemented in the Bank are as follows:

- Certification of the Indonesian Life Insurance Association (AAJI)
- Risk Management Certification, Certification of Financial Analyst (CFA)
- Certification of Financial Planner (CFP)
- Fraud Inspection Certification
- Certification of Human Resources Profession (CHRP)
- Treasury Certification and Application of Market Ethics Code
- Compliance Certification

Sertifikasi Manajemen Risiko Risk Management Certification	Jumlah Karyawan yang Telah Tersertifikasi Number of Certified Employees
Tingkat | Tier 1	169
Tingkat | Tier 2	180
Tingkat | Tier 3	71
Tingkat | Tier 4	39
Tingkat | Tier 5	11
TOTAL	**470**

Work- Life Balance

Dalam rangka menjaga keterikatan antara karyawan dan Bank, Bank berkomitmen untuk menyeimbangkan antara pekerjaan dan kehidupan personal karyawan. Sebagai bentuk dukungan terhadap *work-life balance*, Bank mengadakan berbagai program diantaranya:

- Perayaan Tahun Baru – 17 Januari 2017
- Perayaan Tahun Baru Imlek – 30 Januari 2017
- Pembagian Coklat sebagai bentuk kampanye "*Together as One*" – 22 Februari 2017
- Lomba Foto perayaan Hari Kartini – 20 April 2017
- Bebagai aktivitas olah raga (Yoga, Futsal, Bulu Tangkis, Basket, dll)
- Perayaan Festival Perahu Naga – 30 Mei 2017
- Acara Buka Puasa Bersama – 16 Juni 2017
- Perayaan 10 tahun Bank ICBC Indonesia "*Double Treat*" – 28 September 2017

Program *work-life balance* ini ditujukan untuk meningkatkan rasa nyaman karyawan dalam bekerja dan juga untuk meningkatkan keterlibatan dan rasa memiliki karyawan dengan Bank.

Work-Life Balance

In order to maintain the bond between employees and the Bank, the Bank is committed to create balance between work and personal life of the employees. As a way to support work-life balance, the Bank conducts various programs including:

- New Year Celebration - January 17, 2017
- Lunar New Year Celebration - January 30, 2017
- Chocolate distribution as a part of the "Together as One" campaign - February 22, 2017
- Kartini Day Celebration Photo Contest - April 20, 2017
- Various sports activities (Yoga, Futsal, Badminton, Basketball, etc.)
- Dragon Boat Festival Celebration - May 30, 2017
- Breakfasting Event - June 16, 2017
- Bank ICBC Indonesia's 10th anniversary "Double Treat" - September 28, 2017

This work-life balance program is aimed at improving employees' sense of well-being at work as well as increasing employee's engagement and sense of ownership with the Bank.

Rencana Pengembangan Sumber Daya Manusia

Ke depan, Bank akan terus menyempurnakan program-program pengelolaan sumber daya manusia sejalan dengan perkembangan lingkungan usaha dan kebutuhan Bank. Untuk itu peningkatan produktivitas karyawan masih akan terus menjadi fokus utama pengembangan sumber daya manusia. Bank akan memantau secara cermat kebutuhan sumber daya manusia di Bank agar sejalan dengan pertumbuhan bisnis dan kebutuhan Bank. Proses seleksi dan rekrutmen akan dilakukan secara cermat untuk mendapatkan talenta-talenta terbaik.

Pengembangan program pelatihan bagi karyawan akan terus dilakukan agar karyawan memiliki kompetensi yang memadai untuk dapat menjalankan tugas dan tanggung jawabnya yang pada akhirnya akan meningkatkan kinerja karyawan. Program pelatihan karyawan juga memperhatikan perkembangan teknologi terkini, Bank akan terus berusaha mengembangkan program pelatihan berbasis teknologi misalnya: *e-learning*, pembelajaran melalui konferensi video, dan *platform* pembelajaran digital lainnya.

Human Resource Development Plan

Going forward, the Bank will continue to refine human resource management programs in line with the development of the business environment and the Bank's needs. Therefore, the development in employees' productivity will continue to be the main focus of human resources. The Bank will closely monitor the Bank's human resources needs in line with the Bank's business growth and needs. The selection and recruitment process will be implement thoroughly to recruit the best talents.

Training program development for employees will continue to run to improve employees' competency in carrying out their duties and responsibilities that will ultimately improve their performance. Employees' training program will also take into account of the latest technological developments. The Bank will continue to develop technology-based training programs such as e-learning, video conferencing, and other digital learning platforms.

Bank juga memiliki komitmen untuk mengembangkan model struktur organisasi yang sesuai untuk mendukung perkembangan bisnis Bank, dengan fokus pada peningkatan produktivitas dan kinerja Bank dan juga antisipasi terhadap perkembangan bisnis kedepannya.

Peningkatan *employee value proposition* juga menjadi perhatian bagi Bank dengan terus melakukan berbagai perbaikan berkelanjutan terkait dengan kompensasi dan benefit karyawan. Semua ini diharapkan akan mampu meningkatkan nilai tambah Bank.

SPECIAL ASSET MANAGEMENT (SAM)

Fungsi SAM adalah untuk menangani masalah-masalah terkait NPL dengan tingkat kolektabilitas 3 hingga 5. Tugas SAM termasuk mencari, menemukan dan menghubungi para individu atau organisasi untuk menagih kredit yang telah jatuh tempo guna meminimalisasi pembayaran yang terlambat dan menjaga kelancaran pembayaran kredit di masa mendatang. Selain itu, SAM juga berperan untuk:

- Membantu unit bisnis (*Retail*, *Commercial* dan *Corporate*) dalam menangani kredit bermasalah debitur guna mempertahankan rasio NPL Bank agar sesuai dengan peraturan Bank Indonesia.
- Mempersiapkan *mapping* dan *aging* sebagai tahap dasar bagi penagih/eksekutor untuk memahami kasus yang ditangani serta menganalisa data kasus yang diberikan oleh departemen terkait serta dari survei lapangan.
- Mengeksekusi dan mengambil tindakan atas nama Bank sejalan dengan praktik-praktik perbankan terkait aset yang disita dari para debitur kredit bermasalah.

Kinerja SAM pada 2017, berhasil menurunkan nett rasio NPL dari 2,09% menjadi 2,05% (YoY), berhasil menagih kembali dan/atau menyelesaikan NPL sebesar IDR355,89 miliar, serta berhasil melakukan *write-off* sebesar IDR538,33 miliar.

Rencana 2018, SAM akan terus meningkatkan penyelesaian kredit bermasalah sesuai dengan praktik-praktik perbankan yang baik dan aturan hukum yang berlaku sambil terus menangani aset-aset yang diambil alih untuk memulihkan kredit yang disalurkan Bank. Selain itu, SAM juga akan terus memberikan umpan balik kepada unit bisnis dan analis kredit agar bisa mendeteksi potensi-potensi suatu kredit yang bisa menjadi bermasalah serta tantangan dalam penyelesaiannya dari sisi dokumentasi dan hukum.

The Bank is also committed in developing the appropriate organizational structure model to support the Bank's business development that focus on improving the Bank's productivity and performance as well as anticipating future business developments.

Enhancement in employee value proposition is also a concern for the Bank as it continue to make improvements related to employee compensation and benefits. The efforts are expected to increase the added value of the Bank.

SPECIAL ASSET MANAGEMENT (SAM)

The function of SAM is to handle NPL-related issues with collectability categories of 3 to 5. SAM's roles includes scouting, detect and get in touch with individuals or organizations to collect overdue credit to minimize late payment and maintain the fluency of future credit payment. Moreover, SAM also take part in:

- Assisting business units (Retail, Commercial and Corporate) in handling non-performing loan to maintain the Bank's NPL ratio to comply with Bank Indonesia's regulations.
- Mapping and aging as the basic stages for the collector/executor in understanding the cases being handled as well as to analyze case data provided by the relevant department and from field survey.
- Executing and taking action on behalf of the Bank in line with banking practices related to assets seized from debtors.

SAM's performance in 2017 saw a decrease in net NPL ratio from 2.09% to 2.05% (YoY), where they successfully recovered and/or settled NPLs amounting to IDR355.89 billion and managed to write-off in the amount of IDR 538,33 billion.

For 2018, SAM will continue to improve the settlement of non-performing loan in accordance with good banking practices and prevailing legal regulations while continuing to handle foreclosed assets to recover the Bank's disbursed credit. In addition, SAM will also continue to provide feedback to business units and credit analysts in order to detect NPL potential debtor as well as the challenges in its resolution in terms of documentation and law.

CREDIT MANAGEMENT (CMD)

CMD ditugaskan untuk melakukan pemantauan kredit, pemantauan sistem kredit dan kewajiban penjaminan kredit. Pertumbuhan kredit yang berkelanjutan dan sehat harus didukung oleh pemantauan kredit yang komprehensif, sistem yang kuat dan jaminan kredit. Oleh karena itu, CMD memberikan informasi dan analisis kepada Manajemen dan semua unit terkait, seperti *Marketing*, *Credit Review*, Akunting, *Financial Management*, Manajemen Risiko, *Special Asset Management*, dan lainnya, dengan secara berkala melakukan penyaluran portofolio pinjaman Bank melalui sistem informasi pemantauan kredit.

Pada 2017, dari perspektif sistem kredit, CMD memberikan kontribusi dalam memperbaiki proses kredit dan konsolidasi produk dengan dua tujuan untuk memperkuat perolehan dan pemeliharaan akuisisi aset serta menerapkan prinsip kehati-hatian pada saat yang bersamaan, termasuk pengaturan batas kredit, persetujuan fasilitas, dokumentasi kredit *online* dan lain-lain. Selain itu, dari sudut pandang kualitas kredit, CMD memberikan kontribusi dalam pemantauan terus-menerus untuk portofolio pinjaman Bank untuk memastikan kualitas aset yang tinggi sejalan dengan *risk appetite* dan prioritas pertumbuhan Bank.

CREDIT MANAGEMENT (CMD)

CMD is tasked to perform monitoring on credit, credit system and collateral. Sustainable and healthy credit growth must be supported by comprehensive credit monitoring, robust system and credit guarantee. As such, CMD is designed to provide such information and analysis to Management and related units, such as Marketing, Credit Review, Accounting, Financial Management, Risk Management, Special Asset Management, and others, by regularly channeling Bank's loan portfolio through credit monitoring information system.

In 2017, from a credit-system perspective, CMD contributed to improving credit processes and product consolidation with two goals: to strengthen acquisition and maintenance of acquired asset and to implement prudential principles at the same time, including setting credit limit, facility approval, online credit documentation, etc. In addition, from a credit-quality perspective, CMD has contributed in continuous monitoring of the Bank's loan portfolio to ensure high asset quality in line with risk appetite and growth priorities of the Bank.

CORPORATE & COMMERCIAL CREDIT REVIEW

Corporate and Commercial Credit Review memastikan proses aplikasi kredit yang tepat untuk mendukung kebijakan kredit Bank dan menjaga prosedur analisa kredit di seluruh segmen *Corporate* dan *Commercial*. Hal ini bertujuan untuk membantu menjaga risiko yang akan dilakukan oleh unit bisnis pada tingkat yang sejalan dengan kebijakan dan prosedur Bank. Selain melakukan kajian proposal, *Corporate and Commercial Credit Review* meninjau dan bekerja sama dengan *Credit Support Administration* dan *Credit Management* untuk mempersiapkan laporan periodik mengenai data keuangan debitur seperti memastikan pemenuhan syarat dan kondisi keuangan debitur sesuai dengan ketentuan rasio dalam persetujuannya. *Corporate and Commercial Credit Review* turut mengelola kelompok atau portofolio kredit tunggal dalam Batas Maksimum Pemberian Kredit sebelum proses peninjauan kredit, setelah persetujuan dan secara bulanan.

CORPORATE AND COMMERCIAL CREDIT REVIEW

Corporate and Commercial Credit Review ensures a right credit application process to support the Bank's credit policy and maintain credit analysis procedures across the Corporate and Commercial segments. The purpose is to help maintain the risks business unit will perform at a level consistent with the Bank's policies and procedures. In addition to reviewing proposals, the Corporate and Commercial Credit Review also review and cooperate with Credit Support Administration and Credit Management to prepare periodic reports on debtors' financial data such as ensuring compliance with borrower's terms and conditions in accordance with the approved ratio. Corporate and Commercial Credit Review also manage a single credit group or portfolio within the Legal Lending Limit before the credit review process, after approval and on a monthly basis.

SME & RETAIL CREDIT REVIEW

Peran dan tanggung jawab *Small Medium Enterprise* (SME) & *Retail Credit Review* adalah melakukan kajian serta analisis secara menyeluruh terhadap proposal kredit, serta turut aktif dalam pemantauan portofolio kredit dan pengembangan kebijakan perkreditan untuk segmen SME dan Ritel, sesuai dengan ketentuan perkreditan yang berlaku dengan memperhatikan prinsip kehatihatian dan manajemen risiko untuk mendukung kelancaran pencapaian target bisnis secara keseluruhan.

Didukung oleh sumber daya manusia yang telah berpengalaman dibidang perkreditan dan dibekali ilmu tentang manajemen risiko yang memadai, SME & *Retail Credit Review* melakukan analisis kredit secara menyeluruh dan hati-hati, guna mendapatkan debitur yang berkualitas sehingga dapat menumbuhkan portofolio kredit.

SME & RETAIL CREDIT REVIEW

The role and responsibility of Small Medium Enterprise (SME) & Retail Credit Review is to review and analyze loan proposal and to actively participate in credit portfolio monitoring and the development of credit policy for SME and Retail segments, in accordance with applicable credit provisions, all while paying attention to the principle of prudence and risk management to support the achievement of overall business targets.

Supported by experienced human resources in the field of credit and equipped with risk management knowledge, the SME & Retail Credit Review conducts a thorough and careful credit analysis to obtain qualified debtors to support the grow of loan portfolio.

CREDIT SUPPORT & ADMINISTRATION (CSA)

CSA adalah unit pendukung bisnis dalam hal penyaluran kredit yang bertanggungjawab dari segi *legal operations*, *credit administration*, dan *post-disbursement monitoring*. Disamping itu, CSA juga berperan sebagai *Agency Service* yang meliputi Agen Fasilitas, Agen Jaminan dan Agen Bank pada Pinjaman Sindikasi/*Club Deal* dan atau Bilateral.

Selama tahun 2017, Bank melalui CSA melanjutkan transaksi dengan mekanisme *Risk Participation* yang sudah dimulai sejak tahun 2015 dengan ICBC Group terutama dengan ICBC Limited Hong Kong Branch Overseas Asset Center. Transaksi ini ditujukan untuk mendukung proyek-proyek besar di wilayah Republik Indonesia. Sampai dengan akhir Desember 2017 portofolio Bank yang dibukukan dengan metode Risk Participation dengan ICBC Limited Hong Kong Branch Overseas Asset Center mencapai lebih dari USD600 juta.

- Agen Fasilitas : 11 transaksi
- Agen Jaminan : 7 transaksi
- Agen Bank : 4 transaksi

CREDIT SUPPORT & ADMINISTRATION (CSA)

CSA is a business support unit in terms of lending with responsibilities in legal operations, credit administration, and post-disbursement monitoring. In addition, CSA also acts as an Agency Service that include Facility Agents, Guarantee Agents and Bank Agents on Syndicated Loans/Club Deal and/or Bilateral Loans.

Throughout 2017, the Bank through CSA continue its transaction with Risk Participation mechanisms started in 2015 with ICBC Group, mainly with ICBC Limited Hong Kong Branch Overseas Asset Center. The transaction is intended to support major projects in Republic of Indonesia. Until the end of December 2017, the portfolio of the Bank recorded by Risk Participation method with ICBC Limited Hong Kong Branch Overseas Asset Center reached more than USD600 million.

- Facility Agent : 11 transactions
- Guarantee Agent : 7 transactions
- Bank Agent : 4 transactions

TINJAUAN KEUANGAN
FINANCIAL REVIEW

STANDAR PENYAJIAN INFORMASI DAN KESESUAIAN TERHADAP PSAK

Analisa dan pembahasan kinerja keuangan pada laporan tahunan ini mengacu pada Laporan Keuangan untuk tahun-tahun yang berakhir 31 Desember 2017 dan 31 Desember 2016 yang telah diaudit oleh Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG). Penyajian dan pengungkapan laporan keuangan Bank disusun dan disajikan sesuai Pernyataan Standar Akuntansi Keuangan (PSAK) yang berlaku di Indonesia.

STANDARD OF PRESENTATION OF INFORMATION AND CONFORMITY TO FSA

Analysis and discussion of financial performance in this annual report refers to the Financial Statements for the years that ended on December 31, 2017 and December 31, 2016, both of which have been audited by Public Accounting Firm Siddharta Widjaja & Rekan (KPMG). The presentation and the disclosure of the financial statements of The Bank was prepared and presented in ways that were in accordance with Financial Accounting Standards (FSA) in Indonesia.

POSISI KEUANGAN

Tinjauan keuangan ini merupakan bagian dari laporan posisi keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia. Pengungkapan yang dicantumkan dalam laporan keuangan sudah lengkap dan akurat dan Bank tidak menghilangkan informasi atau fakta material untuk laporan keuangan. Perkembangan jumlah Aset, Liabilitas dan Ekuitas Bank tahun 2017 dan perbandingannya dengan tahun 2016, adalah sebagai berikut:

FINANCIAL POSITION

This financial review is part of the financial position report that was prepared and presented in accordance with Financial Accounting Standards (FSA) in Indonesia. Disclosure stated in the financial report is complete and accurate and the Bank did not omit information or material facts in the financial statement. The development of the Bank's total Assets, Liabilities and Equity in 2017 and the comparison with 2016 figures are as follows:

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Aset | Assets	56.039,20	48.621,06	7.418,15	15,26
Liabilitas | Liabilities	50.284,76	44.194,76	6.090,01	13,78
Ekuitas | Equity	5.754,44	4.426,30	1.328,14	30,01
TOTAL	**56.039,20**	**48.621,06**	**7.418,15**	**15,26**

ASET

Membaiknya kinerja Bank terlihat dari nilai total aset yang terus mengalami pertumbuhan dari tahun ke tahun. Total aset Bank tumbuh 15,26% menjadi IDR56,04 triliun pada 2017 dari IDR48,62 triliun pada 2016. Kenaikan total aset ditopang oleh pertumbuhan kredit yang diberikan sebelum penyisihan kerugian penurunan nilai yang tercatat sebesar IDR35,07 triliun pada 2017 dari IDR33,5 triliun pada 2016 dan kenaikan giro pada bank lain sebesar 44,82% menjadi IDR3,31 triliun pada 2017 dari IDR2,29 triliun pada 2016. Rincian aset Bank dapat dilihat pada tabel berikut:

ASSETS

The improvement in the performance of the Bank is evident from the growth of total assets year on year. The Bank's total assets grew 15.26% to IDR56.04 trillion in 2017 from IDR48.62 trillion booked in 2016. The increase in total assets was supported by the growth of credit outstanding before allowance for impairment loss which was recorded at IDR35.07 trillion in 2017 from IDR33.5 trillion in 2016 and the increase of current accounts at other banks of 44.82% to IDR3.31 trillion in 2017 from IDR2.29 trillion in 2016. The details of the Bank's assets can be seen in the following table:

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Kas | Cash	88,40	85,09	3,31	3,89
Giro pada Bank Indonesia | Current Account at Bank Indonesia	3.888,04	3.231,56	656,48	20,31
Giro pada Bank-Bank Lain | Current Account at Other Banks	3.314,45	2.294,99	1.019,45	44,42
Penempatan pada Bank Indonesia dan Bank-bank Lain | Placement at Bank Indonesia and Other Banks	5.135,05	1.850,36	3.284,69	177,52
Aset Derivatif | Derivative Assets	5,98	10,963	-49,83	(45,45)
Tagihan Akseptasi | Acceptance Claims	1.519,88	1.170,53	349,35	29,85
Efek-Efek untuk Tujuan Investasi | Securities for Investment Purpose	6.248,88	6.286,17	-37,29	(0,59)
Kredit yang Diberikan | Credit	35.068,61	33.031,66	2.036,95	6,17
• Kredit yang Diberikan (sebelum cadangan kerugian penurunan nilai) | Credit (before allowance for impairment loss)	35.664,33	33.452,65	2.211,69	6,61
Aset Tetap | Fixed Assets	280,69	321,47	-40,79	(12,69)
Aset Pajak Tangguhan | Deferred Tax Assets	191,90	-	191,90	-
Aset Lain-lain | Other Assets	297,33	338,26	-40,93	(12,10)
TOTAL	**56.039,20**	**48.621,06**	**7.418,15**	**15,26**

Kredit

Di sepanjang tahun 2017, Bank menyalurkan kredit sebesar IDR35,07 triliun, naik 4,83% dari IDR33,45 triliun pada 2016. Dalam hal jenis kredit, kredit modal kerja turun 5,28% menjadi IDR18,64 triliun pada 2017 namun tetap memiliki kontribusi terbesar sekitar 52,28% dari total kredit.

Kredit investasi naik 23,77% menjadi IDR16,42 triliun pada 2017 dengan kontribusi terbesar kedua sebesar 46,06%. Kredit investasi naik 13,29% menjadi IDR13,27 triliun dengan kontribusi terbesar kedua sebesar 39,66%. Sedangkan kredit konsumsi naik 14,24% menjadi IDR589,87 miliar dari IDR516,34 miliar pada 2016.

Loans

Throughout 2017, the Bank has disbursed loans in the amount of IDR35.07 trillion, increases by 4.83% from IDR33.45 trillion recorded in 2016. As for the type of loans, working capital loan declined by 5.28% to IDR18.64 trillion in 2017 but still being the largest contributor comprising of 52.28% of the total loans.

Investment loan increased by 23.77% to IDR16.42 trillion in 2017 with the second largest contribution of 46.06%. Investment loan increased 13.29% to IDR13.27 trillion as the second largest contributor of 39.66%. Meanwhile, consumption loan rose 14.24% to IDR589.87 billion from IDR516.34 billion in 2016.

Dari total kredit sebesar IDR35,07 triliun pada 2017, sisi mata uang, komposisinya masih didominasi kredit dalam mata uang asing, yaitu mencapai IDR 21,10 triliun atau sekitar 59,21% dari total kredit. Hal ini tidak jauh berbeda dari 2016 untuk kredit dalam IDR dan mata uang asing yang memiliki porsi masing-masing sebesar 39,15% and 54,70%. Pada akhir 2017, Bank memberikan komitmen untuk mendukung perkembangan ekonomi Indonesia melalui pembiayaan proyek-proyek BUMN dengan plafon sebesar IDR14,87 triliun dan sudah dibukukan oleh Bank sebesar IDR6,47 triliun atau 43,50% dari total kredit Bank selama tahun 2016.

Berdasarkan jenis industri, sektor pengolahan memiliki kontribusi signifikan karena mencapai 25,47% dari total kredit Bank. Sektor lainnya yang memiliki porsi lebih dari 10,00% adalah: *Real Estate*, Persewaan dan Jasa Dunia Usaha; Perdagangan, Hotel dan Restoran, serta Perantara Keuangan. Pada 2017, terjadi peningkatan porsi kredit kepada sektor Konstruksi serta sektor Listrik, Gas dan Air. Selain itu, terdapat porsi yang menurun atas kredit untuk sektor-sektor berikut: Pertambangan; Pertanian, Perkebunan, dan Sarana Pertanian; serta Jasa-jasa Sosial. Portofolio kredit Bank menurut jangka waktu pinjaman terlihat pada di bawah ini:

Of the total loan of IDR35.07 trillion in 2017, the credit composition was still dominated by loan in foreign currencies, which reached IDR21.10 trillion or around 59.21% of the total loan. Hence, there is only slight changes to the 2016 credit composition recorded in IDR and foreign currencies are 39.15% and 54.70%, respectively. At the end of 2017, the Bank realized its commitment in supporting the development of Indonesian economy through financing of SOE projects in the amount of IDR14.87 trillion and booked by the Bank in the amount of IDR6.47 trillion or 43.50% of the Bank's total loan in 2016.

Based on the type of industry, processing sector has the most significant contribution that reached 25.47% of the Bank's total loans. Other sectors with more than 10.00% portion are Real Estate, Rental and Service Businesses, Trading, Hotel and Restaurant, as well as Financial Intermediary. In 2017, there was an increase in the loan portion to Construction sector as well as Utilities sector. In addition, there was a decrease in the loan portion to sectors such as Mining, Farming, Plantation, Farming Infrastructure, and Social Services. The Bank's loan portfolio according to the loan period is shown in the following table:

Portofolio Kredit Berdasarkan Sektor
Loan Portfolio Based on Sector

IDR miliar | in IDR billion

Sektor Sector	2017		2016	
	Nominal	%	Nominal	%
Industri Pengolahan | Processing Industry	9.082,85	25,47	8.964,02	26,80
Real Estate, Persewaan dan Jasa Dunia Usaha | Real Estate, Rental and Service Businesses	6.314,47	17,71	5.706,39	17,06
Perdagangan, Hotel dan Restoran | Trading, Hotel and Restaurant	4.163,18	11,67	3.864,23	11,52
Perantara Keuangan | Financial Intermediary	4.112,05	11,53	3.355,73	10,03
Pertambangan | Mining	3.147,68	8,83	4.013,22	12,00
Listrik, Gas, dan Air | Utilities	3.010,82	8,44	2.127,08	6,36
Konstruksi | Construction	2.360,27	6,62	1.480,80	4,43
Pengangkutan, Pergudangan, dan Komunikasi | Transportation, Warehouse and Communication	1.886,70	5,29	1.852,25	5,54
Pertanian, Perkebunan dan Sarana Pertanian | Farming, Plantation, and Farming Infrastructure	989,27	2,77	1.392,09	4,16
Jasa-Jasa Sosial/Masyarakat | Social/Community Services	3,48	0,01	174,14	0,52
Lain-lain | Others	593,57	1,66	522,70	1,56
TOTAL	**35.664,33**	**100,00**	**33.452,64**	**100,00**

Dalam hal jangka waktu kredit, terdapat perubahan komposisi kredit dengan tenor lebih dari 5 tahun mengalami kenaikan porsi menjadi 46,07% pada 2017 dari sebelumnya 34,44% pada 2016. Tidak terdapat kredit dengan tenor 2-5 tahun, 1-2 tahun dan <1 tahun memiliki porsi 33,68%,14,98% dan 5,27%. Portofolio kredit bank menurut jangka waktu pinjaman terlihat pada tabel berikut ini:

In terms of loan period, there was a change in loan composition with tenor of more than 5 years, which experienced an increase of 46.07% in 2017 from the previous 34.44% in 2016. There was no change in loan composition with tenor of 2-5 years, 1-2 years and <1 year, with the portion of 33.68%, 14.98% and 5.27%, respectively. The Bank's loan portfolio based on the loan term is shown in the following table:

Kredit Berdasarkan Jangka Waktu
Loan Based on Period

IDR miliar | in IDR billion

Tenor	2017		2016	
	Nominal	%	Nominal	%
< 1 Tahun | year	1.878,57	5,27	2.208,07	6,60
1-2 Tahun | year	5.342,21	14,98	6.793,86	20,31
2-5 Tahun | year	12.011,86	33,68	12.166,36	36,37
> 5 Tahun | year	16.431,70	46,07	12.284,36	36,72
TOTAL	**35.664,33**	**100,00**	**33.452,64**	**100,00**

Bank menghadapi tantangan dalam hal kualitas kredit di 2016 dan berhasil menekan angka NPL Gross di akhir 2017 pada angka 2,90%. Oleh karena itu Bank perlu mengalokasikan CKPN yang cukup untuk mencadangkan kemungkinan kerugian yang terjadi atas kualitas kredit yang buruk. Total CKPN meningkat dari IDR380.15 miliar di 2016 menjadi IDR783.15miliar di 2017. Dengan kata lain, CKPN ini mencapai 58,75% (2017) dan 40,89% (2016) dari total NPL.

The Bank faced challenges in terms of loan quality in 2016 and successfully reduced the figure of NPL Gross at the end of 2017 at the level of 2.90%. Therefore, the Bank need to allocate its Allowance for Impairment Loss (CKPN) enough to cover possible loss due to low loan quality. Total CKPN has been increased from IDR380.15 billion in 2016 to IDR783.15 billion in 2017. Therefore, the Bank's CKPN reached 58.78% in 2017 and 40.89% in 2016 of the total NPL.

Aset Produktif Lain

Giro pada Bank Indonesia dan bank lain relatif stabil terjaga, masing-masing sebesar IDR3,89 triliun dan IDR3,31 triliun atau mencapai 6,94% dan 5,91% dari Total Aset. Sementara itu, pada 2017 Surat Berharga didominasi oleh jenis Tersedia untuk Dijual yang mencapai IDR4,74 triliun atau 8,46% dari Total Aset Bank. Pada 2016 pos Surat Berharga yang Tersedia untuk dijual mencapai IDR4,66 triliun atau 9,58% dari Total Aset pada 2016.

Other Earning Assets

Placements at Bank Indonesia and other banks were relatively stable and maintained, each amounting to IDR3.89 trillion and IDR3.31 trillion or reached 6.94% and 5.91%, respectively of the Total Assets. Meanwhile, in 2017, Securities were dominated by Available for Sale transaction type that reached IDR4.74 trillion or 8.46% of the Bank's Total Assets. In 2016, Securities Available for Sale reached IDR4.66 trillion or 9.58% of the Total Assets in 2016.

Liabilitas

Total Liabilitas pada 2017 adalah sebesar IDR50,28 triliun, atau meningkat 13,78% dari IDR44,19 triliun pada 2016. Kenaikan Liabilitas didukung oleh kenaikan Dana Pihak Ketiga, yang naik 33,52% menjadi IDR33,04 triliun pada 2017 dari IDR24,75 triliun pada 2016. Pinjaman yang diterima menurun 42,97% menjadi IDR2,86 triliun pada 2017 dari IDR5,01 triliun pada 2016. Sementara Surat Berharga yang Diterbitkan sebesar IDR6,78 triliun atau turun 2,67% dari IDR6,97 triliun karena sebagian sudah dibayarkan. Begitu juga Simpanan dari Bank-bank lain naik 0,71% menjadi IDR4,24 triliun pada 2017 dari IDR4,21 triliun pada 2016.

Sedangkan Liabilitas Lain-lain meningkat 3,76% menjadi IDR417,14 miliar pada 2017 dari IDR402,02 miliar pada 2016. Untuk mendukung kapasitas Pinjaman yang Diterima, Bank telah mendiversifikasi sumber pendanaan diantaranya Simpanan Nasabah, Simpanan dari Bank Lain, Pinjaman, dan Surat Berharga yang Diterbitkan.

Liabilities

Total Liabilities in 2017 stood at IDR50.28 trillion, or an increase 13.78% from IDR44.19 trillion in 2016. The increase in Liabilities was supported by the rise in Third Party Fund, which increased 33.52% to IDR33.04 trillion in 2017 from IDR24.75 trillion in 2016. Loan Received declined by 49.97% to IDR2.86 trillion in 2017 from IDR5.01 trillion in 2016. Meanwhile, Securities Issued was recorded at IDR6.78 trillion or down 2.67% from IDR6.97 trillion due to securities that have been paid. Likewise, Placement from Other Banks increased by 0.71% to IDR4.24 trillion in 2017 from IDR4.21trillion in 2016.

Meanwhile, Other Liabilities increased by 3.76% to IDR417.14 billion in 2017 from IDR402.02 billion in 2016. To support the capacity of Loan Received, the Bank has diversified its funding sources, among others, Savings, Placement from Other Banks, Interbank Borrowing, and Securities Issued.

Komposisi Liabilitas
Liabilities Composition

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Liabilitas Segera | Immediate Liabilities	6,54	2,00	4,54	227,20
Simpanan Nasabah | Deposit from Customer	33.044,50	24.748,65	8.295,85	33,52
Simpanan dari Bank-bank Lain | Deposit from Other Banks	4.235,05	4.205,68	(981,07)	(18,81)
Liabilitas Derivatif | Derivative Liabilities	2,87	5,49	(2,63)	(47,85)
Efek-Efek yang Dijual dengan Janji Dibeli Kembali | Securities Sold with a Repurchase Agreement	88,98	263,69	(174,71)	(66,26)
Liabilitas Akseptasi | Acceptance Liabilities	1.519,88	1.170,53	349,35	29,85
Hutang Pajak Penghasilan | Income Tax Payable	174,07	251,32	(77,26)	(30,74)
Pinjaman yang Diterima | Loan Received	2.858,87	5.013,29	(1.143,98)	(28,58)
Efek-efek yang Diterbitkan | Published Securities	6.783,64	6.969,67	(186,03)	(2,67)
Liabilitas Pajak Tangguhan | Deferred Tax Liability	-	17,24	(17,24)	(100,00)
Liabilitas Lain-lain | Other Liabilities	417,14	402,02	15,11	3,76
Pinjaman Subordinasi | Subordinated Loans	1.153,24	1.145,16	8,08	0,71
TOTAL	**50.284,77**	**44.194,76**	**6.090,01**	**13,78**

Simpanan Nasabah

Satu pos dalam akun Liabilitas yang mengalami peningkatan pesat adalah Simpanan Nasabah yang meningkat 33,52%. Simpanan Nasabah berasal dari giro, tabungan, dan deposito berjangka yang memiliki dampak signifikan terhadap total Simpanan Bank. Pada tahun 2017, pertumbuhan tertinggi dalam komponen simpanan Nasabah adalah deposito yang mengalami peningkatan sebesar 38,01%. Bank masih mempertahankan rasio Current Account & Savings Account (CASA) di 2016 pada kisaran 18,54% yang relatif masih pada level stabil.

Customers' Deposit

Liabilities account that experienced a rapid increase is Customers' Deposit which grew 33.52%. Customers' Deposit orginated from current accounts, savings, and time deposits, all of which have significant impact to the Bank's total deposits. In 2017, the highest growth in Customers' Deposit component is from deposit with an increase of 38.01%. The Bank still maintained Current Account & Savings Account (CASA) ratio in 2016 at relatively stable level of around 18.54%.

Sumber Pendanaan Lain

Untuk memenuhi ketersediaan likuiditas, Bank melakukan diversifikasi atas sumber pendanaan antara lain Simpanan dari Bank Lain, Pinjaman yang Diterima, dan Surat Berharga yang Diterbitkan. Secara kumulatif, ketiga sumber pendanaan ini menurun menjadi IDR13,88 triliun pada 2017 dari IDR16,19 triliun.

Other Funding Sources

To meet liquidity availability, the Bank diversified funding sources; among others are Placement from Other Banks, Borrowings, Securities Issued. Cumulatively, the three funding sources decreased to IDR13.88 trillion in 2017 from IDR16.19 trillion.

Simpanan dari Bank Lain dalam bentuk tabungan, giro, *inter-bank call money* dan deposito berjangka sedikit menurun menjadi IDR4,24 triliun pada 2017 dari tahun sebelumnya. Terkait dengan Surat Berharga yang Diterbitkan, Bank menerbitkan surat berharga senilai IDR6,78 triliun pada 2017, sedikit dibawah IDR6,97 triliun pada 2016. Pada 2015 Bank menerbitkan Obligasi senilai IDR6,89 triliun selain MTN yang jatuh tempo pada 22 Mei 2017 senilai IDR234,92 miliar. Obligasi yang diterbitkan dijual dengan penawaran terbatas kepada ICBC Limited senilai USD500 juta dengan jangka waktu tiga tahun hingga 28 Januari 2018.

Placement from Other Banks in the form of savings, current account, inter-bank call money and time deposit slightly decreased to IDR4.24 trillion in 2017 from the figure booked in the previous year. In relation to the securities issued, the Bank issued securities valued at IDR6.78 trillion in 2017, a slight decrease compared to IDR6.97 trillion recorded in 2016. In 2015, the Bank issued bonds amounted to IDR6.89 trillion in addition to MTN of IDR234.92 billion that matured on May 22, 2017. The bonds were sold with limited offer to ICBC Limited at USD500 million with three-year maturity until January 28, 2018.

Ekuitas

Total Ekuitas naik sebesar 30,01 % menjadi IDR5,75 triliun pada 2017 dari IDR4,43 triliun pada 2016. Kenaikan Total Ekuitas 2017, naik terutama karena penambahan modal saham dari ICBC Limited dan PT. Intidana Wijaya sebesar IDR1,014 triliun menjadi IDR3,706 triliun dengan mempertahankan komposisi kepemilikan saham masing-masing sebesar 98,61% dan 1,39%. Selain itu kenaikan ekuitas juga didorong oleh kenaikan saldo laba sebesar 17,80%, dimana laba bersih sebesar IDR311,32 miliar pada tahun 2017. Komponen ekuitas Bank selengkapnya terlihat dalam tabel sebagai berikut:

Equity

Total equity rose 30.01% to IDR5.75 trillion in 2017 from IDR4.43 trillion in 2016. The increase in total equity was primarily due to IDR1.014 trillion capital injection from ICBC Limited and PT Intidana Wijaya to IDR3.706 trillion, each maintaining the composition of shares ownership at 98.61% and 1.39%, respectively. In addition, the increase in equity was also bolstered by the increase in retained earning by 17.80%, whereby the net profit in 2017 was recorded at IDR311.32 billion. Components of The Bank's equity is shown in the following table:

Komposisi Ekuitas
Equity Composition

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Modal Saham | Capital stock	3.706,15	2.692,25	1.013,90	37,66
Dana Setoran Modal | Fund Deposit Fund	-	15,50	(15,50)	(100,00)
Cadangan Nilai Wajar (Aset Keuangan Tersedia untuk Dijual) - Bersih Fair Value Reserves (Available-for-Sale Financial Assets) - Net	1,99	(18,47)	20,47	(110,79)
Saldo Laba | Retained earning				
Telah Ditentukan Penggunaannya | Usage has been determined	193,22	138,53	54,69	39,48
Belum Ditentukan Penggunaannya | Usage has not been determined	1.853,08	1.598,50	254,58	15,93
TOTAL	**5.754,44**	**4.426,30**	**1.328,14**	**30,01**

Analisa Laba Rugi

Pendapatan Bunga

Pendapatan Bunga Bank pada 2017 IDR3,02 triliun, secara tahun ke tahun naik sebesar 13,71% dari IDR2,65 triliun pada tahun 2016. Pendapatan bunga didominasi oleh Pendapatan Bunga dari Kredit sebesar IDR2,59 triliun (85.77%), Surat Berharga sebesar IDR330,32 miliar (10.95%) dan Penempatan pada BI atau Bank Lain/ Giro pada BI/ Bank lain IDR99.13 miliar (3.28%). Dibandingkan tahun lalu, Pendapatan Bunga naik 12.05% dan Surat Berharga naik 24.21% pada tahun 2017. Pendapatan Bunga Bank dapat dirinci ke dalam tabel di bawah ini :

Profit and Loss Analysis

Interest Income

The Bank booked IDR3.02 trillion of interest income in 2017, an increase of 13.71% year-on-year from IDR2.65 trillion in 2016. Interest income was dominated by interest income from Loans at IDR2.59 trillion (85.77%), Securities stood at IDR330.32 billion (10.95%), and Placement with Bank Indonesia or Other Banks/Current Accounts with BI/Other Banks amounting to IDR99.13 billion (3.28%). In comparison to the previous year, interest income and Securities rose 12.05% and 24.21%, respectively in 2017. The Bank's interest income is detailed in the following table:

Komposisi Pendapatan Bunga
Interest Income Composition

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Kredit | Loans	2.587,94	2.309,65	278,29	12,05
Surat Berharga | Securities	330,32	265,94	64,38	24,21
Penempatan pada BI dan bank lain | Placements at BI and other banks	89,92	53,50	36,42	68,07
Giro pada BI dan bank lain | Current Accounts at BI and other banks	9,21	24,59	(15,39)	(62,55)
TOTAL	**3.017,38**	**2.653,68**	**363,70**	**13,71**

Kenaikan suku bunga kredit IDR pada tahun 2017 sebesar 11.03% dibandingkan pada tahun 2016 sebesar 10.62%, sedangkan suku bunga kredit mata uang USD pada tahun 2017 sebesar 5.14%, mengalami sedikit penurunan 0.18%, yaitu sebesar 5.32% pada tahun 2016. Saldo kredit berdasarkan mata uang IDR dan USD, memiliki kontribusi terbesar masing-masing 40.76% dan 58.85%.

The increase in IDR loan interest rate stood at 11.03% in 2017 compare to 10.62% booked in the previous year. Meanwhile, USD loan interest rate stood at 5.14% in 2017, a decrease of 0.18% compare to 5.32% booked in the previous year. The credit balance based on IDR and USD currencies each stood at 40.76% and 58.85%, respectively.

Beban Bunga

Struktur Beban Bunga terdiri dari Beban Bunga untuk Simpanan Dana Pihak Ketiga (DPK), Premi Simpanan DPK, Pinjaman Subordinasi, *Inter-bank call money*, dan Surat Berharga. Sejalan dengan kenaikan Simpanan dari Nasabah Beban Bunga baik IDR maupun mata uang asing meningkat 19,64% menjadi IDR1.72 triliun pada 2017 dari IDR1.44 triliun pada 2016. Kenaikan Beban Bunga terjadi untuk seluruh komponen Simpanan seperti Beban Bunga Simpanan Nasabah yang meningkat sebesar 23,42% menjadi IDR1,23 triliun pada 2017 dari IDR1.00 trilliun pada 2016. Selain itu, terdapat kenaikan signifikan Beban Bunga dari Surat Berharga hutang menjadi IDR 212.37 miliar pada 2017 dari hanya IDR 189.00 miliar pada 2016. Sementara Beban Bunga untuk *Inter-bank call money* meningkat menjadi IDR106.61 miliar pada 2017 dari IDR103.33 miliar pada 2016, sebagaimana digambarkan pada tabel berikut ini.

Interest Expense

Interest Expense structure consist of interest expense from Third Party Funds (TPF), TPF Premium Deposit, Subordinated Loans, Inter-bank call money, and Securities. In line with the increase in Customers' Deposit, interest expense – both in IDR and foreign currencies – rose 19.64% to IDR1.72 trillion in 2017 compare to IDR1.44 trillion recorded in 2016. The increase in interest expense was booked in all components of Deposit such as interest expense of Customers' Deposit that was up 23.42% to IDR1.23 trillion in 2017 from IDR1.00 trillion in 2016. In addition, there was a significant increase of interest expense from Debt Securities to IDR212.37 billion in 2017 from only IDR189.00 billion in 2016. Meanwhile, inter-bank call money interest expense increased to IDR106.61 billion in 2017 from IDR103.33 billion in 2016, as illustrated in the following table.

Komposisi Beban Bunga
Interest Expense Composition

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih Variance	%
Simpanan Nasabah | Deposits from Customers	1.234,21	1.000,02	234,18	23,42
Premi Penjaminan DPK | Guarantee Premium of TPF	58,72	52,98	5,74	10,82
Simpanan dari bank lain | Deposits from other banks	106,61	103,33	3,28	3,17
Pinjaman subordinasi dan pinjaman yang diterima | Subordinated loans and Loan Received	110,65	94,46	16,19	17,14
Surat Berharga | Securities	212,38	189.00	23,37	12,37
TOTAL	**1.722,57**	**1.439,80**	**282,76**	**19,64**

Pendapatan Operasional Lainnya

Pada 2017 Bank mencatat Pendapatan Operasional Lain sebesar IDR453,08 triliun, naik 2,31% dari IDR442,85 miliar pada 2016. Kenaikan Pendapatan ini sebagian besar dikontribusi oleh Keuntungan dari Transaksi Valuta Asing sebesar IDR194,48 miliar. Dengan adanya Pendapatan Operasional Lainnya ini maka Bank mencatat jumlah Pendapatan Operasional sebesar IDR1,75 triliun pada 2017, naik dari IDR1,66 triliun pada 2016. Rincian Pendapatan Operasional Lainnya dapat dilihat pada tabel di berikut ini:

Other Operational Incomes

In 2017, the Bank recorded its Other Operational Income at IDR453.08 trillion, up 2.31% from IDR442.85 billion in 2016. The increase of this Income mainly derived from Foreign Exchange Transaction Gain of IDR194.48 billion. Coupled with Other Operational Income, the Bank recorded its total Operational Income at IDR1.75 trillion in 2017, an increase from IDR1.66 trillion in 2016. The detail of Other Operational Income can be seen in the following table:

Komposisi Pendapatan Operasional Lainnya
Composition of Other Operating Incomes

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih | Variance	%
Provisi dan Komisi Lainnya | Provision and Other Commission	118,66	156,21	(37,55)	(24,04)
Keuntungan Transaksi Mata Uang Asing - Bersih Foreign Exchange Transaction Gain - Net	194,48	183,50	10,98	5,98
Keuntungan Transaksi Penjualan Fasilitas Kredit Sale of Transaction of Credit Facility Gain - Net	7,50	73,15	(65,65)	(89,75)
Keuntungan atas Penjualan Efek-efek - Bersih Sale of Securities Gain	26,04	19,85	6,19	31,18
Lain-lain | Others	106,40	10,15	96,25	948,60
TOTAL	**453,08**	**442,85**	**10,23**	**2,31**

Beban Operasional Lainnya

Sepanjang 2017 Bank mengalami Kerugian Nilai Aset Keuangan Bersih sebesar IDR783,41 miliar, naik dari IDR380,15 miliar pada 2016. Namum Bank berhasil menurunkan Beban Umum dan Administrasi menjadi sebesar IDR185,75 triliun pada 2017, turun dari IDR185,75 miliar pada 2016. Ditambah dengan Beban Tenaga Kerja sebesar IDR339,52 miliar pada 2017, naik dari IDR346,70 miliar pada 2016, maka jumlah Beban Operasional Bank menjadi IDR1,32 triliun pada 2017 naik dari IDR917,38 miliar pada 2016.

Other Operational Expenses

Throughout 2017, the Bank suffered a loss of Net Financial Asset Value of IDR783.41 billion, an increase from IDR380.15 billion in 2016. However, the Bank successfully decreased its General and Administrative Expense to IDR185.75 trillion in 2017, a decrease from IDR185.75 billion in 2016. With IDR339.52 billion booked for Labor Expense in 2017, an increase from IDR346.70 billion in 2016, thus the Bank's Operational Expense amounted to IDR1.32 trillion in 2017 or an increase from IDR917.38 billion in 2016.

Komposisi Beban Operasional Lainnya
Composition of Other Operating Expenses

IDR miliar | in IDR billion

Komponen Component	2017	2016	Kenaikan (Penurunan) Increase (Decrease)	
			Selisih | Variance	%
Penurunan Nilai Aset Keuangan - Bersih | Loss of Net Financial Asset Value - Net	(783,42)	(380,12)	(403,27)	106,08
Beban Umum dan Administrasi | General and Administrative Expense	(163,56)	(185,75)	22,20	(11,95)
Beban Tenaga Kerja | Labor Expense	(339,52)	(346,70)	7,18	(2,07)
Lain-lain | Others	(32,88)	(4,78)	(28,10)	588,59
TOTAL	**(1.319,37)**	**(917,38)**	**(401,99)**	**43,82**

Laba

Sejalan dengan Peningkatan Beban Operasional Bank yang dikontribusikan oleh Penurunan Nilai Aset Keuangan – Bersih maka Laba Sebelum Pajak tercatat sebesar IDR428,53 miliar pada 2017 turun dari IDR 739,34 miliar pada 2016. Setelah dikurangi Beban Pajak Penghasilan sebesar IDR117,21 miliar pada 2017 maka menghasilkan Laba Bersih sebesar IDR311,32 miliar, turun dari IDR IDR546,91 miliar pada 2016. Namun Bank berhasil meningkatkan Laba sebelum Pajak dan CKPN menjadi IDR1,21 triliun pada 2017, naik 8,26% dari IDR1,12 triliun pada tahun 2016 seiring dengan kenaikan Pendapatan Bunga Bersih dan Pendapatan Operasional lainnya.

Reklasifikasi yang terjadi setelah pos Laba Bersih terutama didominasi oleh keuntungan (kerugian) yang belum direalisasi atas perubahan nilai wajar atas Surat Berharga yang Tersedia Untuk Dijual sebesar IDR53,33 miliar pada 2017 dibandingkan dengan keuntungan sebesar IDR79,23 miliar pada 2016. Bank mencatat keuntungan nilai wajar yang ditransfer ke laporan laba rugi saat penjualan sebesar IDR26,04 miliar, naik dari IDR19,85 miliar pada 2016.

Pada 2017 Bank juga mencatat pajak yang ditangguhkan terkait pos-pos yang akan direklasifikasi ke laba rugi sebesar IDR6,82 miliar, dibandingkan IDR14,84 miliar pada tahun sebelumnya. Sedangkan komponen-komponen yang tidak akan direklasifikasi ke laba rugi Bank tercatat negatif IDR2,05 miliar, dibandingkan keuntungan sebesar IDR386 juta pada 2016 yang menghasilkan penghasilan komprehensif lain sebesar IDR18,42 miliar pada 2017, menurun dibandingkan IDR44,92 miliar pada 2016. Pada akhirnya jumlah Laba Komprehensif Bank pada 2017 adalah sebesar IDR329,74 miliar pada 2017, naik 79,48% dari IDR IDR591,83 miliar pada 2016.

Laporan Arus Kas

Laporan Arus Kas menyajikan perubahan dalam kas dan setara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung. Untuk tujuan laporan arus kas, kas dan setara kas meliputi kas, giro pada Bank Indonesia, giro pada bank-bank lain, dan penempatan pada Bank Indonesia dan bank-bank lain yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan.

Profit

In line with the increase in the Bank's Operational Expense due to the Impairment of Financial Asset Value – Net, thus Profit Before Tax was recorded at IDR428.53 billion in 2017, a decrease from IDR739.34 billion in 2016. After deducted from Income Tax Expense of IDR117.21 billion in 2017, thus the Bank earned net Profit of IDR546.91 billion in 2016. However, the Bank successfully increased its Profit before Tax and Allowance for Impairment Loss to IDR1.21 trillion in 2017, up 8.26% from IDR1.12 trillion in 2016, in line with the increase in Net Interest Income and Other Operational Incomes.

Reclassification occurred after posting Net Profit, mainly dominated by unrealized gain (loss) on changes in fair value of Available-for-Sale Securities of IDR53.33 billion in 2017, compared to a gain of IDR79.23 billion in 2016. The Bank recorded a loss of fair value in the statement of profit or loss at the time of sale amounting to IDR26.04 billion, an increase from IDR19.85 billion in 2016.

In 2017, the Bank also paid income tax related to posts that are subject to reclassification amounting to IDR6.82 billion, compared to IDR14.84 billion in the previous year. Meanwhile, components that will not be reclassified to the Bank's profit-loss were recorded at minus of IDR2.05 billion, compared to IDR386 million gain in 2016 that earned other comprehensive income of IDR18.42 billion in 2017, experienced a decrease from IDR44.92 billion in 2016. At the end, the Bank's total Comprehensive Profit in 2017 was IDR329.74 billion, an increase of 79.48% from IDR591.83 billion in 2016.

Cash Flow Report

Cash Flow Report presents changes in cash and cash equivalents from operating, investing and financing activities. The statement is prepared using direct method. In this statement, cash and cash equivalents include cash, current accounts at Bank Indonesia, current accounts at other banks, placements with Bank Indonesia and other banks with three-month maturity since the date of acquisition.

Arus Kas dari Aktivitas Operasi

Bank mencatat kas bersih untuk aktivitas operasi sebesar IDR4,55 triliun pada 2017, lebih rendah dari negatif IDR 1,16 triliun pada 2016. Angka tersebut sebagian besar merupakan hasil dari peningkatan simpanan Nasabah sebesar IDR IDR5,43 triliun dan peningkatan simpanan pada bank-bank lain sebesar IDR1,74 triliun, setelah digunakan untuk penempatan pada Bank Indonesia dan bank-bank lainnya sebesar negatif IDR2,14 triliun.

Cash Flow from Operating Activities

The Bank recorded its net cash for operating activities at IDR4.55 trillion in 2017, lower than minus IDR1.16 trillion recorded in 2016. This was due to IDR5.43 trillion an increase in Customers' Deposit and IDR1.74 trillion increase in placement from the banks, after being used for placements at Bank Indonesia and other banks for minus IDR2.14 trillion.

Arus Kas dari Aktivitas Investasi

Arus kas masuk dari aktivitas investasi terutama datang dari kenaikan efek-efek tersedia untuk dijual dan dimiliki hingga jatuh tempo sebesar negatif IDR441,91 triliun pada 2017, dibandingkan arus masuk sebesar negatif IDR1,78 triliun pada 2016. Perolehan aset tetap ada pos keluar sebesar negatif IDR7,10 miliar pada 2017, turun dari IDR32,35 miliar pada 2016. Perolehan aset tidak berwujud sebesar negatif IDR16,85 miliar, dibanding arus keluar sebesar negatif IDR16,85 miliar pada 2016. Hasil akhirnya ada pengeluaran sebesar IDR441,91 miliar pada 2017 untuk kas bersih (digunakan untuk aktivitas investasi) dibandingkan arus masuk sebesar IDR1,78 triliun pada 2016.

Cash Flow from Investing Activities

Cash flow from investing activities in 2017 mainly derived from an increase in available-for-sale and held-to-maturity securities at minus IDR441.91 trillion in 2017, compared to IDR1.78 trillion inflows in 2016. Acquisition of fixed assets was recorded at minus IDR7.10 billion in 2017, a decrease from IDR32.35 billion in 2016. Acquisition of intangible assets stood at minus IDR16.85 billion, compared to minus IDR16.85 billion outflows in 2016. The end result was IDR441.91 billion outflows in 2017 for net cash (used for investing activities), compared to IDR1.78 inflows in 2016.

Arus Kas dari Aktivitas Pendanaan

Pada 2017 Bank mencatat arus kas masuk berupa kas bersih dari aktivitas pendanaan sebesar negatif IDR1,34 triliun, menurun tajam dari IDR1,81 triliun pada 2016. Penurunan ini terjadi terutama karena pembayaran untuk pinjaman yang diterima sebesar IDR5,01 triliun pada 2017, naik dari IDR1,73 triliun pada 2016, namun terdapat pinjaman yang diterima sebesar IDR2,86 triliun.

Cash Flow from Financing Activities

In 2017, The Bank recorded its inflow of net cash from financing activities minus of IDR1.34 trillion, a sharp decrease from IDR1.81 trillion in 2016. The decrease was primarily due to payment for loan received amonting IDR5.01 trillion in 2017, an increase from IDR1.73 trillion in 2016. However there is an increase in loan received amounting IDR2.86 trillion.

Dari ketiga arus kas tersebut diatas, kas dan setara kas awal tahun sebesar IDR7,42 triliun pada 2017, turun dari IDR8,55 triliun pada 2016. Kas dan setara kas akhir tahun 2017 mencapai IDR10,24 triliun, meningkat dibandingkan pada 2016.

Of the three cash flows above, cash and equivalent to cash in the beginning of 2017 amounting to IDR 7.42 trillion, a drop from IDR8.55 trillion in 2016. Cash and equivalent to cash at the end of 2017 amounting to IDR10.24 trillion or an increase compared to 2016.

KEMAMPUAN MEMBAYAR UTANG

Solvabilitas Bank dapat terlihat dari kemampuannya dalam melakukan pembayaran atas utang pokok dan bunga dari Surat Berharga yang diterbitkan dan Pinjaman Subordinasi. Adapun penjabaran pembayaran atas utang pokok Surat Berharga yang diterbitkan dan akan jatuh tempo dalam waktu mendatang adalah berikut:

SOLVENCY

The Bank's solvency is shown from the Bank's ability to make payments on principal and interest from Securities issued and Subordinated Bonds. The detail of the payments on the debt principal of Securities issued and will mature in the future is as follows:

Daftar Surat Berharga
List of Securities

Surat Hutang Securities	Pokok Principal	Suku Bunga Interest Rate	Tanggal Penerbitan Date of Issuance	Tanggal Jatuh Tempo Due Date
Obligasi | Bonds	USD500 juta | million	LIBOR 3 bulan | month ±1,5%	28 January 2015	28 January 2018

RASIO

Penguatan permodalan Bank dapat dilihat pada rasio CAR yang sebesar 17,72% yang semakin meningkat dibandingkan tahun sebelumnya tercatat sebesar 15,86%. Kebijakan Bank untuk menambah CKPN di tahun 2017 yang meningkatkan beban operational bank menghasilkan Rasio rentabilitas secara umum lebih rendah dari tahun sebelumnya, ROE terealisasi sebesar 6,21% dan ROA mencapai 0,83%. Berdasarkan simulasi skenario dimana Bank tidak membukukan CKPN pada tahun 2017, maka Bank menunjukkan hasil ROE & ROA yang jauh lebih baik yaitu 17,56% (ROE) dan 2,35% (ROA). ROA 2,35% tercatat lebih baik dibandingkan ROA Bank di kategori BUKU 3 dan hampir menyamai ROA industri perbankan secara keseluruhan. Sementara ROE 17,56% jauh lebih tinggi dari ROE Bank kategori BUKU 3 dan industri perbankan. Bank juga memperbaiki Rasio NPL *Gross* menjadi 2,84% dari sebelumnya tercatat di 3,08% pada 2016.

RATIO

The strengthening of the Bank's capital is shown in the increasingly higher CAR ratio of 17.72%, compared to 15.86% recorded in the previous year. The Bank's policy to increase Allowance for Impairment Loss in 2017, which increased the Bank's operational expense, resulted to generally lower of profitability ratio than in the previous year: ROE was realized at 6.21% and ROA achieved 0.83%. Based on the simulation scenario where the Bank booked an impairment in 2017, thus the Bank showed much better result of ROE and ROA at the levels of 17.56% and 2.35%, respectively. The ROA of 2.35% was recorded better than ROA of other banks in the BUKU 3 category and almost matches with the ROA of overall banking industry. Meanwhile, the ROE of 17.56% is higher than ROE of banks in the of BUKU 3 category and of the overall banking industry. The Bank also improved its NPL Gross Ratio to 2.84% from the previous 3.08% recorded in 2016.

Rasio Keuangan Utama
Key Financial Ratio

Komponen Component	2017	2016	% YoY 2017-2016
CAR	17,72	15,86	1,86
ROE	6,21	16,13	(9,92)
ROA	0,83	1,61	(0,78)
NIM	2,99	3,24	(0,25)
BOPO	89,42	81,01	8,41
LDR	105,89	135,17	(29,28)
NPL Gross	2,84	3,08	(0,18)
NPL Net	1,95	2,09	(0,03)

KOLEKTABILITAS

Di tahun 2017, Bank berupaya untuk terus meningkatkan kualitas aset dari waktu ke waktu. Hal ini dapat dilihat dari penurunan rasio NPL dari 3,08% di tahun 2016 menjadi 2,90% di tahun 2017. Adapun, sektor ekonomi dengan kategori kolektibilitas "macet" didominasi oleh portofolio kredit dari sektor ekonomi pengolahan (74,16%) diikuti oleh sektor ekonomi Transportasi, Pergudangan Dan Komunikasi (11,05%). Sedangkan, Menurut jenis penggunaannya, sebagian besar kualitas kredit yang buruk dari Pinjaman Modal Kerja yang mencapai 53,33% dan diikuti oleh Pinjaman Investasi sebesar 46,67% dari total NPL Bank.

Dalam upaya menurunkan angka kredit macet Bank melakukan sejumlah inisiatif antara lain; melakukan penagihan kembali sebesar IDR257,3 miliar; melakukan upgrade terhadap portofolio kredit macet sebesar IDR222,9 miliar serta pemulihan write-off sebesar IDR98,4 miliar. Dari sisi pencegahan, Bank berupaya untuk meningkat kredit sebesar 4,83% dengan fokus pada pemberian kredit pada Nasabah-Nasabah dengan tingkat risiko rendah seperti perusahaan-perusahaan bluechip dan BUMN.

COLLECTIBILITY

In 2017, the Bank continued to strive in increasing the quality of assets. This can be seen from the decrease in NPL ratio from 3.08% in 2016 to 2.90% in 2017. In fact, economic sector with the category of "Loss" collectability is dominated by loan portfolio from manufacturing and processing economic sector (74.16%), followed by economic sectors of Transportation, Warehouse and Communication (11.05%). According to the type of use, most of the NPLs are coming from Working Capital Loans that reach 53.33%, followed by Investment Loans at 46.67% of the Bank's total NPL.

In an effort to decrease the number of portfolio categorized as "Loss", the Bank has taken some initiatives, among others by means of rebilling at IDR257.3 billion, upgrading the non-performing credit portfolio amounted to IDR222.9 billion, and conducting write-off in the amount of IDR98.4 billion. As a prevention measure, the Bank strive to increase credit by 4.83% focusing on providing loan to low risk customers, such as blue-chip corporations and SOEs.

STRUKTUR PERMODALAN

Kebijakan Manajemen atas Struktur Modal

Pengelolaan permodalan Bank dilakukan untuk mempertahankan posisi modal yang kuat guna mendukung pertumbuhan usaha, memastikan struktur permodalan yang efisien dan memenuhi ketentuan permodalan dari Regulator dengan mempertahankan target CAR minimum sebesar 8%. Kebijakan Bank dalam pengelolaan modal adalah menjaga modal yang kuat untuk menjaga kepercayaan investor, deposan, kreditur dan pasar, dan untuk mendukung perkembangan usaha serta mempertimbangkan tingkat pengembalian modal yang optimal bagi Pemegang Saham, menjaga keseimbangan antara tingkat pengembalian yang tinggi dengan *gearing ratio* yang lebih memadai serta keamanan yang diperoleh dari posisi modal yang kuat.

CAPITAL STRUCTURE

Management Policy on Capital Structure

The capital management of the Bank is conducted to maintain strong capital position toward supporting business growth, ensuring efficient capital structure and fulfilling capital requirements from Regulators by maintaining a minimum CAR target of 8%. The Bank's policy on capital management is to uphold strong capital to uphold the trust of investors, depositors, debitors and markets and to support business development as well as to consider the optimal rate of return for the Shareholders, to maintain a balance between high returns with adequate gearing ratio and security gained from strong capital position.

Komponen Modal

Bank senantiasa menganalisa Rasio Kecukupan Permodalan (CAR) dengan menggunakan rasio permodalan yang diwajibkan Regulator untuk memantau permodalan. Pengukuran rasio permodalan tersebut menunjukkan bahwa modal Bank diatas minimum kecukupan modal yang ditetapkan Bank Indonesia sebesar 8%, berdasarkan profil risiko sebesar 9% - <10%, maupun berdasarkan kerangka Basel III sebesar 12,5%.

Posisi permodalan Bank dihitung berdasarkan Peraturan Bank Indonesia No.15/12/PBI/2013 dan Peraturan Otoritas Jasa Keuangan No.6/POJK.3/2015, dimana modal yang diwajibkan dianalisa dalam dua tier yaitu:

- Modal Inti (Tier 1) yang meliputi: modal ditempatkan dan disetor penuh, tambahan modal disetor, cadangan umum, laba tahun-tahun lalu dan periode/tahun berjalan (100%), penghasilan komprehensif lainnya berupa potensi keuntungan/kerugian yang berasal dari perubahan nilai wajar aset keuangan dalam kelompok tersedia untuk dijual, selisih kurang dari penyisihan penghapusan aset produktif sesuai ketentuan peraturan yang berlaku dan CKPN Aset Produktif. Aset pajak tangguhan, aset tak berwujud (termasuk *goodwill*) dan penyertaan (100%) merupakan faktor pengurang Modal Inti Utama. Modal Inti Tambahan antara lain terdiri dari: saham preferen, Surat Berharga subordinasi dan pinjaman subordinasi dimana ketiganya bersifat non kumulatif setelah dikurangi pembelian kembali.
- Modal Pelengkap (Tier 2) antara lain meliputi Surat Berharga subordinasi dan pinjaman subordinasi serta penyisihan penghapusan aset produktif sesuai ketentuan peraturan yang berlaku. Pada tanggal 31 Desember 2017, posisi permodalan Bank sesuai peraturan tersebut dirangkum sebagai berikut:

Capital Components

The Bank continuously analyzes the Capital Adequacy Ratio (CAR) using the capital ratio required by the Regulators to monitor capital. The measurement of such capital ratio, indicates that the Bank's capital is above the minimum of capital adequacy stipulated by Bank Indonesia (8%); based on the risk profile is between 9% - <10%, and according to Basel III is 12.5%.

The Bank's capital position is calculated in accordance with the Bank Indonesia Regulation No. 15/12/PBI/2013 and the Financial Services Authority Regulation No.6/POJK.3/2015, by which the regulatory capital is analyzed into the following two tiers:

- Core Capital (Tier 1) consist of: issued and fully paid-up capital, additional paid-in capital, general reserve, profits for the current year the previous years (100%), other comprehensive income with gain/loss potential coming from the changes in fair value of financial assets classified as available-for-sale, shortfall between allowable amount of allowance for uncollectible account on earning assets based on requirements from prevailing regulations and allowance for impairment losses on earning assets. Deferred tax assets, intangible assets (including goodwill) and share investments (100%) are subject to be deducted from the Core Capital. Additional Core Capital, among others, consists of preferred shares, subordinated securities and subordinated debts; these three of which are non-cumulative after deducted from the buy back.
- Supplementary Capital (Tier 2), among others, include subordinated securities and subordinated debts, as well as allowance for uncollectible account on earning assets according to requirements from prevailing regulations. As of December 2017, the Bank's capital position based on such regulations is compiled as follows:

Struktur Permodalan
Capital Structure

IDR miliar | in IDR billion

Keterangan | Description	2017	2016	%-YoY 2017-2016
Modal Inti | Core Capital (Tier 1)	5.339,84	3.886,70	30,63
Modal Inti Utama | Equity Component of Core Capital (CET 1)	5.339,84	3.886,70	30,63
Modal Pelengkap | Supplementary Capital (Tier 2)	1.364,83	1.384,62	(4,59)
Total Modal | Total Capital	6.704,66	5.271,30	19,08
Aset Tertimbang Menurut Risiko | Risk-Weighted Assets			
Risiko Kredit | Credit Risk	35.400,42	31.281,46	6,94
Risiko Pasar | Market Risk	37,96	39,23	(69,74)
Risiko Operasional | Operational Risk	2.409,40	1.905,90	37,09
Risiko Kredit, Pasar, dan Operasional | Credit, Market, and Operational Risks	37.847,77	33.226,59	7,97

Rasio Penyediaan Modal
Capital Adequacy Ratio

%

Keterangan | Description	2017	2016	YoY 2017-2016
Rasio CET 1 | CET 1 Ratio	14,11	11,70	2,03
Rasio Tier 1 | Tier 1 Ratio	14,11	11,70	2,03
Rasio Tier 2 | Tier 2 Ratio	3,61	4,16	(0,55)
TOTAL	**17,72**	**15,86**	**1,48**

Posisi Permodalan

Perhitungan ATMR berdasarkan regulasi yang menjelaskan bahwa ATMR untuk ketiga jenis risiko Bank meningkat sebesar 7,97% menjadi IDR33,23 triliun pada 2016 dari IDR30,77 triliun pada 2015. ATMR untuk risiko kredit naik 6,94% (yoy) menjadi IDR31,28 triliun sedangkan ATMR risiko pasar naik tajam menjadi IDR39,23 miliar dari IDR129,66 miliar. Selain itu, ATMR untuk risiko operasional naik sebesar 37,09% menjadi IDR1,91 triliun.

Kebijakan Dividen

Bank senantiasa berusaha untuk menciptakan nilai bagi para Pemangku Kepentingan, dalam hal ini termasuk menyeimbangkan usaha-usaha untuk memaksimalkan nilai Pemegang Saham dengan pencapaian pertumbuhan bisnis yang berkelanjutan. Kebijakan dividen Bank senantiasa mempertimbangkan berbagai faktor, termasuk tingkat kesehatan, keadaan keuangan, kebutuhan modal, rencana pertumbuhan kedepan dan ketaatan terhadap ketentuan dari Regulator dengan keputusan akhir berada pada Rapat Umum Pemegang Saham. Para Pemegang Saham menyetujui untuk tidak membagikan dividen atas laba yang dibukukan pada lima tahun terakhir untuk memperkuat permodalan Bank setiap tahunnya.

Capital Position

The calculation of Risk Weighted Assets (RWA) based on the regulation explains that RWA for the three types of the Bank's risks increased by 7.97% to IDR33.23 trillion in 2016 from IDR30.77 trillion in 2015. RWA for the credit risk rose 6.94% (yoy) to IDR31.28 trillion. Meanwhile, RWA for the market risk sharply increased to IDR39.23 billion from IDR129.66 billion. In addition, RWA for operational risk increased by 37.09% to IDR1.91 trillion.

Dividend Policy

The Bank always strives to create values for its Stakeholders, including balancing efforts to maximize the value of Shareholders by means of achieving sustainable business growth. The Bank's dividend policy takes into consideration of various factors, including the level of financial soundness, financial condition, capital requirements, future growth plan, and compliance with the provision of Regulators, with the final decision rests on the General Meeting of Shareholders. The Shareholders have agreed not to distribute dividends from profits booked for the last 5 years, so as to strengthen the Bank's capital each year.

PERBANDINGAN TARGET DAN REALISASI

Total Aset Bank pada akhir 2017 mencapai IDR56,04 triliun, atau 1,33% di atas proyeksi Rencana Bisnis Bank yang sebesar IDR55,30 triliun yang ditopang oleh peningkatan kredit sebesar IDR2,23 triliun atau sebesar 6,65% dibandingkan akhir tahun 2016. Sementara dari sisi Liabilitas berada diatas target sebesar 1,96% dengan kontribusi terbesar berasal dari penghimpunan DPK yang mencakup 65,75% dari Total Liabilitas atau tumbuh 33,52% di bandingkan akhir tahun 2016. Bank menutup akhir tahun 2017 dengan pencapaian Laba Sebelum Pajak sebesar IDR428,53 miliar. Pencapaian tersebut dipengaruhi oleh upaya Bank dalam mengalokasikan cadangan untuk menanggulangi rasio NPL yang kurang baik dengan meningkatkan Impairment menjadi IDR783,42 miliar atau naik 106,08% dibandingkan tahun 2016. Namun Bank mampu mempertahankan Laba Sebelum Pajak dan CKPN sebesar IDR1,21 triliun atau lebih tinggi 10,34% dari rencana bisnis.

Dari sisi NPL gross Bank berupaya terus menekan angka kredit macet hingga berada pada angka 2,90% pada 2017 yang lebih baik daripada tahun 2016 di angka 3,08%. Hal ini sejalan dengan komitmen Bank untuk melakukan penyelesaian NPL baik melalui restrukturisasi terhadap beberapa akun debitur yang mengalami penurunan kualitas serta dengan melakukan *write-off*. Ratio kecukupan modal (CAR) Bank pada akhir 2017 meningkat serta tercatat pada angka 17,72%.

Balance Sheet vs Rencana Bisnis Bank

Jumlah pemberian Kredit pada akhir 2017 mencapai IDR35,66 triliun atau 3,11% di bawah proyeksi sebesar IDR36,81 triliun. Pencapaian kredit yang masih di bawah proyeksi dipengaruhi oleh banyaknya pelunasan yang terjadi oleh debitur. Komposisi pemberian Kredit masih didominasi oleh Kredit Valas yang mencapai IDR20,98 triliun atau sekitar 58,87% dari total kredit. Di akhir tahun 2017, Bank bekerja sama dengan ICBC Group dalam memberikan komitmen untuk mendukung perkembangan ekonomi Indonesia melalui pembiayaan proyek-proyek BUMN dengan plafon sebesar IDR14,8 triliun dan sudah dibukukan oleh Bank sebesar IDR6,4 triliun atau 18,35% dari total kredit Bank. Rincian kredit menurut jenis penggunaannya dapat dilihat dari tabel berikut:

COMPARISON OF TARGET AND REALIZATION

The Bank's total assets at the end of 2017 reached IDR56.04 trillion, or 1.33% above the projection of the Bank's Business Plan of IDR55.30 trillion, bolstered by the increase in loans by IDR2.23 trillion or 6.65% compared to 2016. Meanwhile, Liabilities was above the target of 1.96% with the biggest contribution from TPF that include 65.75% of the Total Liability or grow 33.52% compared to the end of 2016. The Bank closed the year of 2017 with the Profit Before Tax of IDR428.53 billion. This achievement was due to the Bank's effort to allocate reserve to improve NPL ratio by increasing impairment to IDR783.42 billion or up 106.08% compared to 2016. Yet, the Bank was able to maintain its Profit Before Tax and Allowance for Impairment Loss at IDR1.21 trillion or 10.34% higher from the business plan.

In terms of NPL gross, the Bank continued to strive to reduce the number of non-performing loan to the level of 2.90% in 2017, which was better than in 2016 with 3.08%. This is in line with the Bank's commitment to handle NPL through restructuring to some debtors' accounts experiencing the decrease in quality and to conduct write-off. The Bank's Capital Adequacy Ratio (CAR) at the end of 2017 increased as it was recorded at the level of 17.72%.

Balance Sheet vs Bank Business Plan

Total loans at the end of 2017 reached IDR35.66 trillion or 3.11% under the projection of IDR36.81 trillion. The credit outstanding achievement which is below the projection is mainly due to many repayments by debtors. Composition of loans is still dominated by Foreign Exchange Loan that reached IDR20.98 trillion or around 58.87% of the total loans. At the end of 2017, the Bank collaborated with ICBC Group to commit in supporting the development of Indonesian economy through financing SOE projects with the total loan of IDR14.8 trillion, of the amount the Bank has booked IDR6.4 trillion or 18.35% of the Bank's total loans. The detail of the loans according to the use is shown in the following table:

Proyeksi dan Realisasi Kredit Menurut Jenis Penggunaannya
Loan Projection and Realization by Type of Use

IDR miliar | in IDR billion

Komponen Component	Proyeksi* Projection*	Realisasi Realization	Deviasi % Deviasi
Modal Kerja | Working Capital	19.616	18.516	(5,61)
Investasi | Investment	16.612	16.559	(0,32)
Konsumsi | Consumption	581	590	1,53
TOTAL	**36.810**	**35.664**	**(3,11)**

* Berdasarkan Revisi Rencana Bisnis Bank 2017, Saldo Kredit tidak termasuk penyisian kerugian penurunan nilai.
Based on the Bank's Business Plan Revision 2017, Credit Balance does not include allowance for impairment losses.

Menurut jenis penggunaannya, kredit modal kerja sebagai komposisi terbesar yaitu 51,95% dari total kredit, terealisasi sebesar IDR18,52 triliun atau 5,61% dibawah proyeksi. Sementara itu, kredit investasi dan konsumsi berkontribusi sebesar 46,06% dan 1,65% terhadap total kredit Bank.

Pada akhir tahun 2017, Bank memiliki sumber pendanaan yang dikontribusi dari DPK sebesar 65,75% dari total liabilitas Bank. Adapun Pinjaman Dari Bank Lain dan liabilitas lainnya termasuk dari ICBC Group masing-masing berkontribusi sebesar 9,78% dan 24,47% terhadap total liabilitas Bank.

Based on the usage, working capital loan makes the biggest composition, namely 51.95% of the total loan, realized in the amount of IDR18.52 trillion or 5.61% under the projection. Meanwhile, investment and consumption loan contributed 46.06% and 1.65%, respectively to the Bank's total loans.

At the end of 2017, the Bank has a source of funding contributed from the TPF of 65.75% of the Bank's total liabilities. Loans from Other Banks and other liabilities including from ICBC Group amounted to 9.78% and 24.47%, respectively to total liabilities of the Bank.

Proyeksi dan Realisasi Dana Pihak Ketiga
Third Party Funds Projection and Realization

IDR miliar | in IDR billion

Komponen Component	Proyeksi* Projection*	Realisasi Realization	Deviasi % Deviation %
Rupiah | IDR	16.739	19.762	18,06
• Giro | Current Accounts	1.595	1.645	3,16
• Tabungan | Savings Accounts	641	610	(4,89)
• Deposito | Deposits	14.503	17.507	20,72
Valas | Foreign Exchange	12.280	13.283	8,16
• Giro | Current Account	3.377	3.561	5,44
• Tabungan | Savings Accounts	585	311	(46,85)
• Deposito | Deposits	8.318	9.411	13,14
TOTAL	**29.019**	**33.045**	**13,87**

* Berdasarkan Revisi Rencana Bisnis Bank 2017 | Based on the Bank's Business Plan 2017

Pada akhir 2017, total DPK yang dihimpun mencapai IDR33,05 triliun atau 13,87% di atas proyeksi Bank. Kontribusi DPK Bank didominasi oleh deposito valas dan IDR yang masing-masing mencapai IDR9,41 triliun dan IDR17,51 triliun. Komposisi dana dari Giro dan Tabungan pada akhir 2017 masing-masing mencapai 15,75% dan 2,79% terhadap total DPK.

At the end of 2017, the total TPF gathered by the Bank reached IDR33.05 trillion or 13.87% above the Bank's projection. TPF's contribution dominated by forex and IDR deposit and which reached IDR9.41 trillion and IDR 17.51 trillion, respectively. The Saving and Current account composition at the end of 2017 reached 15.75% and 2.79 of the total TPF respectively.

Proyeksi dan Realisasi Profitabilitas
Profitability Projection and Realization

IDR miliar | in IDR billion

Komponen Component	Proyeksi* Projection*	Realisasi Realization	Deviasi % Deviation %
Pendapatan Bunga Bersih | Net Interest Income	1.314	1.295	(1,46)
Pendapatan Bunga | Interest Income	3.002	3.017	0,51
Beban Bunga | Interest Expense	1.688	1.723	2,05
Pendapatan Operasional Lain | Other Operating Income	558	453	(18,80)
Beban Operasional Lain | Other Operating Expense	1.082	1.319	21,94
Laba Sebelum Pajak | Income Before Tax	768	429	(44,22)
LABA BERSIH | NET PROFIT	**576**	**311**	**(45,95)**

Laba sebelum pajak mencapai IDR429,53 miliar atau terealisasi 44,22% di bawah proyeksi yang sebesar IDR768,19 miliar. Pencapaian tersebut dipengaruhi oleh upaya Bank dalam mengalokasikan cadangan untuk menanggulangi rasio NPL yang kurang baik dengan meningkatkan impairment menjadi IDR760,42 miliar atau naik 95,26% dibandingkan kuartal ketiga 2017 yang hanya sebesar IDR389,44 miliar.

Profit before tax reached IDR429.53 billion or realized at 44.22% under the projection of IDR768.19 billion. This achievement was due to the Bank's effort in allocating reserve to handle NPL by increasing impairment to IDR760.42 billion or up 95.26% compared to the third quarter of 2017 with only IDR389.44 billion.

Pendapatan Bunga terealisasi sebesar IDR3,02 triliun atau 0,51% di atas proyeksi. Sementara itu, Beban Bunga terealisasi sebesar IDR1,72 triliun atau 2,05% lebih tinggi dari proyeksi yang sebesar IDR1,69 triliun. Dengan demikian Pendapatan Bunga Bersih pada tahun 2017 mencapai IDR1,30 triliun, sedikit dibawah proyeksi 1,46% dari IDR1,31 triliun.

Interest Income was realized at IDR3.02 trillion or 0.51% above the projection. Meanwhile, Interest Expense was realized at IDR1.72 trillion or 2.05% higher than projected at IDR1.69 trillion, Thus, Net Interest Income in 2017 reached IDR1.30 trillion, slightly below the projection of 1.46% from IDR1.31 trillion.

Proyeksi dan Realisasi Profitabilitas
Profitability Projection and Realization

%

Rasio-Rasio Ratios	Proyeksi* Projection*	Realisasi Realization	Deviasi Deviasion
CAR	18,57	17,72	-1,00
ROE	11,62	6,21	-4,92
ROA	1,47	0,83	-0,59
NIM	2,88	2,99	0,10
BOPO	78,79	89,42	9,97
LDR	122,12	105,89	-16,18
NPL gross	2,82	2,84	0,08
NPL net	1,33	1,95	0,73

Pada akhir tahun 2017 rasio kecukupan modal Bank mencapai 17,72% atau di bawah proyeksi yang sebesar 18,57% namun jauh lebih tinggi dari akhir 2016 yang sebesar 15,86%. Pada akhir 2017, total permodalan Bank yang terdiri dari modal inti serta modal pelengkap untuk mengantisipasi Risiko Kredit, Pasar dan Operasional mencapai IDR6,67 triliun. Rasio rentabilitas secara umum cukup baik, ROE terealisasi sebesar 6,21% atau masih di bawah proyeksi. Sedangkan ROA mencapai 0,83% atau 0,59% di bawah proyeksi.

Pencapaian kedua rasio tersebut dipengaruhi oleh pencapaian laba Bank yang menurun. Sementara pencapaian NIM sebesar 2,99% atau 0,10% di atas proyeksi. Pada akhir 2017, pencapaian BOPO sebesar 89,42% atau lebih besar 9,97% terhadap proyeksi awal yang disebabkan adanya peningkatan CKPN. LDR pada akhir 2017 berada di posisi 105,89% atau relatif di bawah proyeksi yang ditetapkan sebesar 122,12%.

Realisasi Penggunaan Dana Hasil Penawaran Umum

Sampai akhir 2017 Bank belum pernah melakukan penawaran umum atau *go public* yang sahamnya tercatat di Bursa Efek Indonesia atau bursa manapun. Dengan demikian, tidak ada informasi yang dapat disajikan mengenai realisasi penggunaan dana hasil penawaran umum.

Informasi Material Mengenai Investasi, Ekspansi, Divestasi, Akuisisi dan Restrukturisasi Utang/Modal

Terdapat penambahan modal pada bulan Mei 2017 dari Pemegang Saham Mayoritas, ICBC Ltd. sebesar IDR999,80 miliar dan dari Pemegang Saham Minoritas, PT Intidana Wijaya sebesar IDR14,10 miliar.

Informasi dan Fakta Material yang Terjadi Setelah Tanggal Laporan Akuntan

Tidak terdapat informasi dan fakta material yang terjadi setelah tanggal laporan akuntan dilaporkan dalam laporan keuangan audit terkini Bank.

Informasi Transaksi Material yang Mengandung Benturan Kepentingan

Tidak ada informasi transaksi material yang mengandung benturan kepentingan

At the end of 2017, the CAR reached 17.72% or under the projection of 18.57%, but far higher than at the end of 2016 with 15.86%. At the end of 2017, the Bank's total capital that consists of core capital and supplementary capital to anticipate Credit, Market and Operational Risks reached IDR6.67 trillion. Profitability ratio is generally quite good, ROE was realized at 6.21% or still under the projection. Meanwhile, ROA reached 0.83% or 0.59% under the projection.

The achievement of both ratios was due to the Bank's decreased profit achievement. Meanwhile, the NIM achievement was 2.99% or 0.10% above the projection. At the end of 2017, BOPO achievement was 89.42% or 9.97% higher than the initial projection. This was due to the increase in Impairment. LDR ratio at the end of 2017 was at the level of 105.89% or relative still under the projection set at 122.12%.

Realization of the Use of the Proceeds from Public Offering

As of the end of 2017, The Bank has not conducted public offering or go public with its shares recorded at Indonesia Stock Exchange or other exchanges. Thus, no information can be provided on the realization of the use of the proceeds from public offering.

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

There was capital injection in May 2017 amounted to IDR999.80 billion from the majority Shareholders, ICBC Ltd; and IDR14.10 billion from the minority Shareholders, PT Intidana Wijaya.

Information and Subsequent Events after Audited Financial Statement Date

There was no information and subsequent events reported after the recent audited financial statement of the Bank.

Information on Material Transactions Containing Conflict of Interest

There is no available material transaction information containing conflict of interest.

Informasi Transaksi Material yang Mengandung Transaksi dengan Pihak Afiliasi

Fungsi utama Bank adalah menyalurkan dana kepada masyarakat dalam bentuk pinjaman. Bank selalu memperhatikan prinsip-prinsip kehati-hatian dalam menyalurkan dana pinjaman tersebut. Untuk menjamin jalannya fungsi utama tersebut dan menjamin kepercayaan masyarakat, Bank telah membuat kebijakan dan ketentuan dalam bertransaksi dengan pihak-pihak terafiliasi dengan Bank. Adapun transaksi dengan pihak terafiliasi pada tahun 2017 dan 2016 adalah sebagaimana ditampilkan dalam tabel di bawah ini.

Information on Material Transactions Containing Transactions with Affiliated Parties

The main function of the Bank is to channel funds to the public by providing loan. The Bank always pays attention to prudence principles in disbursing loan funding. To ensure the running of the Bank's function and the public trust, The Bank has set policies and terms of transactions with the Bank's affiliated parties. The transactions with affiliated parties in 2017 and 2016 are shown in the tables below.

Transaksi dengan Pihak Terafiliasi
Provision of Funds to Affiliated Parties

IDR miliar | in IDR billion

	2017	2016
Industrial and Commercial Bank of China, Ltd. China	110.82	30.15
Bank of China Ltd. China	42.65	2.87
Bank of Communication, Co. Ltd. China	23.57	-
Industrial and Commercial Bank of China, Ltd. Amsterdam	-	110.48
Agricultural Bank of China, China	18.18	-
Industrial and Commercial Bank of China, Ltd. Netherlands	171.57	-
China Construction Bank, China	16.46	-
TOTAL	**383.25**	**143.50**

Program Kepemilikan Saham oleh Manajemen atau Karyawan

Sampai dengan tahun 2017, Bank tidak memiliki program kepemilikan saham oleh karyawan dan/atau Manajemen (ESOP/MSOP).

Share Ownership Program by Management or Employees

As of the end of 2017, The Bank does not have share ownership by employees and/or Management (ESOPO/MSOP).

Informasi dan Fakta Material yang Terjadi Setelah Tanggal Laporan Akuntan

Tidak ada informasi dan fakta material yang terjadi setelah tanggal laporan akuntan.

Material Information and Facts After Date of Account Report

No material information and facts occurred after the date of the accountant's report.

Informasi Keuangan yang Mengandung Kejadian yang Bersifat Luar Biasa

Tidak ada informasi keuangan yang mengandung kejadian yang bersifat luar biasa.

Financial Information Containing Extraordinary Events

There is no financial information that contains extraordinary events.

Perubahan Peraturan Perundang-Undangan yang Berpengaruh Signifikan Terhadap Bank

Terdapat 4 (empat) ketentuan/peraturan baru dan 4 (empat) perubahan ketentuan/peraturan yang berpengaruh signifikan terhadap Bank, sebagai berikut:

Amendment of Regulations with Significant Impact to Bank

There are 4 (four) new regulations and 4 (four) amendments of regulations with significant impact to the Bank, as follow:

Peraturan Baru | New Regulation	Pengaruh terhadap Bank | Impact to the Bank
Peraturan Bank Indonesia No. 19/8/PBI/2017 tentang Gerbang Pembayaran Nasional (GPN)	Bank wajib untuk: terhubung ke gerbang pembayaran nasional (GPN) dengan menjadi anggota pada paling sedikit 2 (dua) Lembaga Switching; mengimplementasikan kartu debit nasional termasuk penggantian kartu eksisting dengan kartu berlogo debit nasional; mematuhi ketentuan mengenai kebijakan skema harga; menyediakan fitur layanan untuk transaksi pembayaran yang diproses melalui GPN (NPG) dan mematuhi ketentuan kebijakan skema harga.
Bank Indonesia Regulation No. 19/8/PBI/2017 on the National Payment Gateway (GPN)	Banks are required to connect to the national payment gateway (NPG) by becoming a member of at least 2 (two) Switching Bodies; implementing the card national debit that includes replacement of existing card with national debit logo card; complying with the provisions concerning the pricing policy; providing service features for payment transactions processed through NPG, and complying with the terms of pricing policy.
Peraturan Bank Indonesia No. 19/5/PBI/2017 tentang Sertifikasi Tresuri Dan Penerapan Kode Etik Pasar	Bank wajib untuk: menerapkan mekanisme kode etik pasar dan keanggotaan asosiasi dalam kebijakan internal; menetapkan mekanisme sertifikasi treasury dalam kebijakan internal; mendaftarkan sertifikat treasury yang diterbitkan dari lembaga training luar Negeri kepada LSP yang ditunjuk Bank Indonesia (BI); menyelenggarakan program training sertifikasi treasury; menyampaikan laporan daftar Direksi atau Pegawai yang diberhentikan karena melanggar kode etik (jika ada); mendaftar keanggotaan asosiasi
Bank Indonesia Regulation No. 19/5/PBI/2017 on Treasury Certification and Implementation of Market Code of Conduct	Banks are required to implement market mechanisms of ethics and association membership in internal policy; establish the mechanism of treasury certification in the internal policy; register for treasury certification issued from overseas training institutions to LSP and appointed by Bank Indonesia (BI); organize training program on treasury certification; submit reports on the list of Directors or Employees dismissed for violating the code of conduct (if any); register for association membership.
Peraturan Otoritas Jasa Keuangan No. 50/POJK.03/2017 tentang Kewajiban Pemenuhan Rasio Pendanaan Stabil Bersih Bagi Bank Umum	Bank wajib untuk mengembangkan sistem perhitungan dan pemantauan Net Stable Funding Ratio (NSFR)
Financial Services Authority No.50/POJK.03/2017 on Obligation of Fulfilling Clean and Stable Funding Ratio for Commercial Bank	Bank is required to develop system of calculation and monitoring of Net Stable Funding Ration (NSFR).
Peraturan Otoritas Jasa Keuangan No. 51/POJK.03/2017 tentang Penerapan Keuangan Berkelanjutan Bagi Lembaga Jasa Keuangan, Emiten, dan Perusahaan Publik	Pada tahun 2018, Bank setiap tahunnya wajib untuk: menyampaikan Rencana Aksi Keuangan Berkelanjutan (RAKB) dan Laporan Keberlanjutan (realisasi RAKB); mempublikasikan Laporan Keberlanjutan dengan batas waktu sesuai POJK; menuangkan secara komprehensif dalam bentuk kebijakan dan strategi Bank untuk beberapa konsep keuangan berkelanjutan yang telah dijalankan oleh Bank.
Financial Services Authority No.51/POJK.03/2017 on Implementation of Sustainable Financial for Financial Service Institutions and Public Companies.	In 2018, the Bank is required to submit Sustainable Financial Action Plan (RAKB) and Sustainable Report (realization of RAKB) in annual basis; publish Sustainable Report with the due date according to POJK requirement; elaborate comprehensively in the form of policy and strategy of the Bank for some sustainable financial concepts that have been executed by the Bank.

Perubahan Peraturan | New Regulation	Pengaruh terhadap Bank | Impact to the Bank
Peraturan Otoritas Jasa Keuangan No. 12/POJK.01/2017 tentang Penerapan Program Anti Pencucian Uang Dan Pencegahan Pendanaan Terorisme Di Sektor Jasa Keuangan Financial Services Authority Regulation No.12/POJK.01/2017 on Implementation of Anti Money Laundering Program and Terrorism Funding Prevention in Financial Service Sector	Bank wajib menerapkan program APU-PPT serta melakukan penyesuaian pada ketentuan internal Bank. The Bank is required to implement APU-PPT program and conduct the adjustment to the Bank's internal provisions.
Peraturan Otoritas Jasa Keuangan No. 18/POJK.03/2017 tentang Pelaporan Dan Permintaan Informasi Debitur Melalui Sistem Layanan Informasi Keuangan Financial Services Authority Regulation No.18/POJK.03/2017 on Reporting and Request of Debtor Information through Financial Information Service System	Bank wajib melaporkan SLIK dengan timeline sesuai POJK. The Bank is required to report SLIK with timeline according to POJK.
Peraturan Bank Indonesia No. 19/6/PBI/2017 tentang Giro Wajib Minimum Bank Umum Dalam IDR Dan Valuta Asing Bagi Bank Umum Konvensional Bank Indonesia Regulation No.19/6/PBI/2017 on Minimum Requirement of Commercial Bank's Current Accounts in IDR and Foreign Exchange for Conventional Commercial Bank	Bank wajib menyesuaikan sistem yang digunakan dalam perhitungan Giro Wajib Minimum untuk menghasilkan data sesuai ketentuan perhitungan dan pelaporan yang baru. The Bank is required to adjust the system used in calculating the minimum requirement of current accounts to earn data based on the new provision of calculation and reporting.
Peraturan Otoritas Jasa Keuangan No. 46/POJK.03/2017 tentang Pelaksanaan Fungsi Kepatuhan Bank Umum Financial Services Authority Regulation No.46/POJK.03/2017 on Implementation of Commercial Bank's Compliance Function	Bank wajib memastikan agar kebijakan, ketentuan, sistem dan prosedur serta kegiatan usaha yang dilakukan oleh Bank telah sesuai dengan ketentuan OJK dan ketentuan peraturan perundang-undangan. The Bank is required to ensure that the policy, provision, system and procedure as well as business activity conducted by the Bank have been in accordance with the provision of the Financial Services Authority and Legislation.

Dampak Perubahan Tingkat Suku Bunga Terhadap Kinerja Bank

Tidak ada dampak signifikan perubahan tingkat suku bunga terhadap kinerja Perusahaan. Dikarenakan perjanjian Kredit dengan Debitur/Nasabah, Bank berhak mengubah besaran suku bunga sewaktu-waktu atas dasar pertimbangan Bank, kecuali untuk kredit-kredit tertentu yang sudah di tetapkan jangka waktu *repricing*.

Impact of Interest Rate to the Bank's Performance

There was no significant impact due to change in the interest rate to the Bank's performance. Due to the credit agreement with debtors/customers, the Bank has the right to change the interest rate at any time in the basis of the Bank's consideration, except for certain credits whose repricing period has been set.

Perubahan Kebijakan Akuntansi

Berikut ini adalah standar dan perubahan yang berlaku efektif tanggal 1 Januari 2017 dan relevan terhadap laporan keuangan Bank:

- Amandemen PSAK No. 1 tentang "Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan"
- PSAK No. 3 (Penyesuaian 2016) tentang "Laporan Keuangan Interim"
- PSAK No. 24 (Penyesuaian 2016) tentang "Imbalan Kerja"
- PSAK No. 58 (Penyesuaian 2016) tentang "Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan"
- PSAK No. 60 (Penyesuaian 2016) tentang "Instrumen Keuangan: Pengungkapan"
- ISAK No. 32 tentang "Definisi dan Hierarki Standar Akuntansi Keuangan"

Changes in Accounting Policies

The following are the standards and changes effective on January 1, 2017 and are relevant to the Bank's financial statements:

- Andment of PSAK No. 1 on "Presentation of Financial Statements on Disclosure Initiatives"
- PSAK No. 3 (Adjustment in 2016) on "Interim Financial Report"
- PSAK No. 24 (Adjustment in 2016) on "Employee Benefits"
- PSAK No. 58 (Adjustment in 2016) on "Non-current Assets Held for Sale and Discontinued Operations"
- PSAK No. 60 (Adjustment in 2016) on "Financial Instruments: Disclosures"
- ISAK No. 32 on "Definition and Hierarchy of Financial Accounting Standards"

Investasi Barang Modal

Terdapat kenaikan aset tetap terutama yang berasal dari inventaris kantor sebesar 12,35% yoy menjadi IDR168,25 miliar. Selain itu, terdapat pula penurunan prasarana sebesar 0,15% yoy menjadi IDR87,23 miliar di tahun 2017.

Investment of Capital Goods

There was an increase in fixed assets primarily from office inventory by 12.35% (yoy) to IDR168.25 billion. In addition, there was a decrease in infrastructure investment by 0.15% (yoy) to IDR87.23 billion in 2017.

Kontribusi Kepada Negara

Bank telah melakukan pembayaran pajak usaha kepada pemerintah di 2017 sebesar IDR 332,49 miliar yang naik 7,22% dari IDR 310,11 miliar pada tahun 2016. Selain itu, Bank juga berkomitmen untuk mendukung pembangunan infrastruktur Indonesia dengan menyiapkan plafon sebesar IDR21,49 triliun untuk pembiayaan proyek-proyek BUMN terutama yang berkaitan dengan pembangunan infrastruktur Indonesia dan sudah dibukukan oleh Bank sebesar IDR8,01 triliun atau 23,94% dari total kredit Bank selama tahun 2016.

Contribution to the State

The Bank has paid business tax to the Government in 2017 amounted to IDR332.49 billion, an increase of 7.22% from IDR310.11 billion in 2016. In addition, the Bank has committed to support the development of Indonesian infrastructure through the provision of credit facilities of IDR21.49 trillion for financing SOE projects, particularly those related to the development of Indonesian infrastructure. Of the amount, the Bank has booked IDR8.01 trillion or 23.94% of the Bank's total credit in 2016.

PROSPEK USAHA

Memasuki tahun 2018, International Monetary Fund (IMF) menggarisbawahi beberapa risiko mengingat implementasi pengetatan moneter global, potensi proteksionisme, dan ketidakpastian politik di beberapa negara. Di sisi lain, pemotongan pajak di Amerika Serikat (AS) diharapkan dapat menstimulasi aktivitas global ke depannya. Beberapa analisis memproyeksikan, momentum pertumbuhan perekonomian yang mencapai 3,7% di tahun 2017 diperkirakan dapat terus berlanjut di 2018 dan 2019, masing-masing pada tingkat 3,9% untuk tahun-tahun tersebut, dikoreksi naik sebesar 0,2% dari perkiraan IMF di bulan Oktober 2017, yang menunjukkan momentum pertumbuhan dunia yang lebih tinggi.

BUSINESS PROSPECTS

Entering 2018, the International Monetary Fund (IMF) has outlined several risks given the implementation of global monetary tightening, potential for protectionism, and political uncertainty in some countries. On the other hand, tax cuts in the United States (US) are expected to stimulate global activity in the future. Some analysts project that the economic growth momentum of 3.7% in 2017 is expected to continue in 2018 and 2019 at 3.9% for those years, with an up correction by 0.2% according to IMF forecasts in October 2017, which shows a momentum of higher world growth.

Kebijakan moneter AS yang menaikkan tingkat *federal funds rate* di akhir tahun 2017 memberikan signal yang positif terhadap pemulihan ekonomi dan antisipasi kebijakan fiskal ekspansif-nya. Kedepannya, proses normalisasi suku bunga the Fed masih akan berlanjut dengan laju yang bertahap sesuai dengan kondisi fundamental makroekonomi domestik dan eksternal. Proyeksi *median fed dot plot* menunjukkan kemungkinan *fed fund rate* meningkat sebanyak 3 (tiga) kali di tahun 2018, seiring ekspektasi perbaikan ekonomi AS. Selain itu, pengurangan neraca Amerika Serikat juga telah dimulai pada Oktober 2017.

US monetary policy that raised the federal funds rate at the end of 2017 provided a positive signal on economic recovery and an anticipation of expansionary fiscal policy. Going forward, the Fed's normalization of interest rates will continue at a gradual pace in keeping with domestic and external macroeconomic fundamentals. The median projection of the fed dot plot suggests the possibility of a fed fund rate rising as much as 3 (three) times in 2018, in line with expectations of improvement in the US economy. In addition, the US balance reduction has also begun in October 2017.

Proyeksi Indikator Utama Makroekonomi Indonesia 2017-2019
Projection of Indonesia's Macroeconomy Primary Indicator 2017-2019

	2017	2018F	2019F
Real GDP (%)	5,1	5,3	5,5
CPI inflation (%, eop)	3,6	3,6	3,9
CPI inflation (%, avg)	3,8	3,3	3,9
CAD (% of GDP)	-1,7	-1,8	-2,2
IDR/USD (eop)	13.588	13.598	13.575
IDR/USD (avg)	13.380	13.544	13.556
7-day repo rate	4,25	4,25	4,75

Sumber: dikompilasi dari berbagai sumber
Source: compiled from various sources

Di tingkat domestik, momentum pertumbuhan ekonomi diperkirakan akan berlanjut. Pertumbuhan ekonomi Indonesia diproyeksikan dapat meningkat ke 5,3% di tahun 2018. Dari segi komponen, konsumsi rumah tangga diproyeksikan untuk meningkat sejalan dengan naiknya pengeluaran untuk aktivitas politik. Selain itu, Ramadhan dan Idul Fitri juga akan jatuh pada bulan yang sama dengan Pemilu regional. Belanja pemerintah juga akan difokuskan untuk meningkatkan daya beli masyarakat pada tahun ini.

Pada sisi investasi, secara historis investasi akan sedikit melambat di tahun politik. Namun mengingat pembangunan infrastruktur yang masih secara konsisten dilakukan Pemerintah, secara agregat investasi masih dapat mendukung pertumbuhan. Dari sisi eksternal, impor akan tumbuh lebih tinggi dari ekspor, sejalan dengan akselerasi pertumbuhan ekonomi. Defisit neraca berjalan diperkirakan akan melebar menjadi 1,8% dari Produk Domestik Bruto (PDB) di tahun 2018, dari 1,7% di 2017.

Selain itu, transmisi moneter yang masih terbatas di 2017 akan mulai meningkat dampaknya di 2018. Dari sisi risiko ekonomi domestik, risiko fiskal merupakan yang terbesar, salah satunya disebabkan pajak yang harus tumbuh 20% untuk mencapai target Pemerintah tahun ini. Oleh karena itu, defisit anggaran Pemerintah diproyeksikan berpotensi lebih besar dari -2,2% terhadap PDB di 2018.

At the domestic level, the momentum of economic growth is expected to continue. Indonesia's economic growth is projected to increase to 5.3% in 2018. In terms of components, household consumption is projected to increase in line with rising spending on political activity. In addition, Ramadhan and Eid Festive will also fall in the same month as regional elections. Government spending will also be focused on increasing people's purchasing power this year.

On the investment side, historically investment will slow slightly in the political year. However, given the infrastructure development that is consistently carried out by the Government, aggregate investment can still support growth. From the external side, imports will grow higher than exports, in line with the acceleration of economic growth. The current account deficit is expected to widen to 1.8% of Gross Domestic Product (GDP) in 2018, from 1.7% in 2017.

In addition, the limited monetary transmission in 2017 will begin to increase its impact in 2018. In terms of domestic economic risks, fiscal risk is the largest, one of which is due to taxes that must grow 20% to achieve the Government's target this year. Therefore, the Government's budget deficit is projected to be greater than -2.2% of the GDP in 2018.

Inflasi di tahun 2018 diestimasikan relatif sama dengan tahun 2017, yang berada di level 3,6%. Probabilitas kenaikan harga barang-barang yang diatur Pemerintah (*administered price*) cenderung kecil, terutama fokus Pemerintah pada tahun 2018 adalah meningkatkan daya beli masyarakat. Pemerintah juga telah memastikan bahwa harga bahan bakar bersubsidi dan tarif listrik, termasuk untuk industri tidak akan dinaikkan hingga Maret 2018. Selain itu, di tahun 2017 terdapat efek *high base* yang disebabkan peningkatan tarif listrik sehingga dapat menunjang rendahnya inflasi di Semester I 2018.

Volatilitas pasar keuangan dunia yang diperkirakan lebih tinggi di tahun 2018 akan mempengaruhi pasar dalam negeri. Diperkirakan kurs akhir tahun 2018 akan berada di posisi IDR13.598/USD, sedikit terdepresiasi dibandingkan dengan posisi akhir tahun 2017. Defisit neraca transaksi berjalan diestimasikan akan sedikit melebar ke -1,8% dari PDB di tahun 2018 dari sebelumnya -1,7% dari PDB di 2017, dengan ekspektasi impor akan meningkat seiring naiknya permintaan domestik dan kemungkinan naiknya impor minyak.

Sementara itu, risiko pada sisi *financial account* dengan adanya normalisasi kebijakan moneter di negara-negara maju, termasuk Amerika Serikat, dimungkinkan terjadi. Tahun 2018 telah diawali oleh arus modal keluar di pasar keuangan, obligasi pemerintah masih mencatat modal masuk dari investor asing sebesar USD0,9 triliun meskipun mengalami *outflow* di bulan Februari dan Maret, sementara pasar saham mencatat modal asing keluar sebesar USD0,63 triliun. Lebih lanjut, defisit perdagangan Januari yang cukup tinggi, mencapai IDR556 triliun di bulan Januari, telah memberikan tekanan terhadap Rupiah. Akan tetapi, risiko terhadap Rupiah dari risiko arus modal keluar akan dipengaruhi pula oleh 2 (dua) hal.

Inflation in 2018 is estimated to be relatively the same as in 2017, which was at the level of 3.6%. The probability of rising prices of administered goods tends to be small, especially considering that the Government's focus in 2018 is to increase people's purchasing power. The Government has also ensured that the price of subsidized fuel and electricity tariffs, including for industry, will not be raised until March 2018. In addition, in 2017 there was a high base effect caused by the increase in electricity tariffs so as to support low inflation in the first half of 2018.

The volatility of world financial markets that is estimated to be higher in 2018 will affect the domestic market. It is estimated that the exchange rate at the end of 2018 will be in the position of IDR13.598/USD, slightly depreciated compared to its position at the end of 2017. The current account deficit will be widened to -1.8% of GDP in 2018 from -1,7% of GDP in 2017, with expectations of imports rising as domestic permits increase and possibly rising oil imports.

Meanwhile, the risk on the financial account side with the normalization of monetary policy in developed countries, including the United States, is possible. The year 2018 has been initiated by capital outflows in financial markets, with Governments bonds still recording capital inflows from foreign investors amounting to USD0.9 trillion despite outflows in February and March, while stock markets recorded foreign capital of USD0.63 trillion outflow. Furthermore, the high January trade deficit, reaching IDR556 trillion in January, has put pressure on the Rupiah. However, the risk to the Rupiah from the risk of capital outflow will be affected also by 2 (two) things.

Pertama, prospek pertumbuhan domestik Indonesia yang diperkirakan akan tetap meningkat diperkuat oleh pengeluaran dari Pemilihan Umum, reformasi struktural yang tetap berlanjut dan terjaganya inflasi. Kedua, perkembangan ekonomi Amerika yang meskipun cukup positif di awal tahun, memiliki risiko yang cukup tinggi akibat *twin deficit*, yaitu defisit perdagangan dan defisit fiskal. Jika prospek Amerika tidak setinggi yang diharapkan di awal tahun, tentu hal ini akan mempengaruhi sentimen investasi.

Untuk suku bunga, Bank Indonesia (BI) diprediksikan akan mempertahankan suku bunga acuan. Suku bunga 7-*day reverse repo rate* dipertahankan pada tingkat 4,25% di bulan Februari 2018 dan demikian halnya dengan tingkat suku bunga fasilitas simpanan (FASBI) dan fasilitas pinjaman sebesar 3,5% dan 5,0%. BI dinilai akan menahan suku bunga acuan sebagai antisipasi terhadap pengetatan dan normalisasi kebijakan moneter di negara-negara maju serta risiko inflasi dari naiknya harga minyak global.

Pertumbuhan kredit juga tidak terlalu signifikan, yakni tumbuh 8,2% YoY di tahun 2017 dari 7,9% YoY di tahun 2016. Secara keseluruhan, terlihat bahwa ruang penurunan suku bunga acuan sudah terbatas kedepan. Sebagai pengganti penurunan suku bunga acuan, BI akan lebih menekankan implementasi kebijakan makroprudensial untuk meningkatkan intermediasi perbankan.

First, Indonesia's domestic growth prospects that are forecasted to keep rising are reinforced by spending from the General Election, ongoing structural reforms and subdued inflation. Secondly, the development of the American economy which, although quite positive at the beginning of the year, has a considerable risk due to twin deficits, namely trade deficits and fiscal deficits. If the prospect of America is not as high as expected at the beginning of the year, this will certainly affect the investment sentiment.

For the interest rate, Bank Indonesia (BI) is predicted to maintain its benchmark interest rate. The 7-day reverse repo rate is maintained at the level of 4.25% in February 2018 and so are the deposit facility interest rate (FASBI) and the loan facility of 3.5% and 5.0%. BI is seen to hold the benchmark interest rate in anticipation of tightening and normalizing monetary policy in developed countries as well as inflation risks from rising global oil prices.

Credit growth is also less significant, growing 8.2% YoY in 2017 from 7.9% YoY in 2016. Overall, it is seen that the interest rate reduction room is already limited. Instead of reducing the benchmark interest rate, BI will emphasize the implementation of macro-prudential policy to improve bank intermediation.

ASPEK PEMASARAN

Sebagai Bank yang masih relatif baru dengan pertumbuhan yang cepat, Bank bertekad untuk menerapkan strategi yang tidak hanya mampu menangkap potensi pasar, tetapi juga meningkatkan daya saing serta mengembangkan peluang perbaikan internal. Penetapan ulang target sebagai bagian dari inisiatif transformasi Bank dipercaya mampu memperbesar pangsa pasar yang sejalan dengan *risk appetite* dan *risk tolerance* Bank.

Di segmen korporasi, Bank berorientasi kepada BUMN, perusahaan *blue-chips*, dan perusahaan terkemuka yang melakukan perdagangan lintas batas dengan Tiongkok. Pada segmen ritel, Bank membidik konsumen segmen menengah ke atas. Manajemen Bank percaya bahwa ini adalah pendekatan yang tepat untuk meningkatkan pangsa pasar Bank.

Sebagai anak usaha dari Bank terbesar di dunia, yaitu ICBC Ltd., Bank memiliki akses untuk beradaptasi pada teknologi ICBC Ltd. dan menerapkannya dalam memberikan layanan terbaik kepada Nasabah. Bank akan terus memanfaatkan keunggulan ini dan menyesuaikannya pada produk dan layanan yang sesuai dengan karakteristik lokal.

Tidak kalah pentingnya, Bank selalu melaksanakan penilaian secara berkala terhadap efektivitas dan kesempatan perbaikan dari jalur distribusi yang ada, termasuk kapabilitas penjualan dan jangkauan pasar. Sebagaimana tahun sebelumnya, jaringan Bank di akhir 2016 terdiri dari 21 jaringan kantor cabang dan kantor kas di tujuh kota, akan tetapi demi meningkatkan akses konsumen, pelayanan juga efektivitas dan efisiensi jaringan kantor cabang, Bank telah menggabungkan Kantor Cabang Pucang dengan Kantor Cabang Coklat, Surabaya. Sehingga pada akhir 2017, Bank memiliki 20 jaringan kantor cabang.

Selain itu, Bank menitikberatkan konsep *cross-selling* untuk memperdalam hubungan Nasabah yang pada akhirnya memperkuat retensi dan loyalitas Nasabah. Bank senantiasa memperkuat citra Bank melalui promosi dan publisitas secara aktif, serta melalui kontribusi positif dalam berbagai kegiatan sosial kebudayaan. Pada akhirnya, Bank bertujuan membangun *brand* yang diakui karena kekuatan fundamental dan kualitas pelayanan prima guna menjalankan misi sebagai jembatan ekonomi, finansial, dan budaya antara Indonesia dan Tiongkok.

MARKETING ASPECTS

As a relatively new Bank with fast growth, The Bank is committed to implementing strategies that not only capture market potential, but also enhance competitiveness and develop internal improvement opportunities. The Bank believes that target resetting as part of the Bank's transformation initiative will enlarge its market share in line with Bank's risk appetite and risk tolerance.

In the corporate segment, the Bank is oriented to state-owned enterprises, blue-chip companies, and leading companies doing cross-border trade with China. In the retail segment, the Bank is targeting middle and upper segment consumers. The Bank's management believes that this is the right approach to increase the Bank's market share.

As a subsidiary of the world's largest bank, ICBC Limited, The Bank has access to adapt to the sophisticated technology of ICBC Limited and apply it in providing the best service to customers. Banks will continue to take advantage of these benefits and adapt them to products and services that suit local characteristics.

Equally important, the Bank always conducts periodic assessments of the effectiveness and improvement opportunities of existing distribution channels, including sales capabilities and market reach. As in previous years, the Bank's network at the end of 2016 consisted of 21 branches and cash offices network in seven cities, but in order to improve consumer access, services as well as the effectiveness and efficiency of the branch network, the Bank has merged the Pucang Branch Office with the Coklat Branch Office, Surabaya. As such, at the end of 2017, the Bank has 20 branch network offices.

In addition, the Bank emphasizes the concept of cross selling to deepen customer relationships that ultimately strengthen customer retention and loyalty. The Bank continues to strengthen the Bank's image through active promotion and publicity, and through positive contributions in various social and cultural activities. Ultimately, The Bank aims to build a recognized brand because of its fundamental strength and excellent service quality to carry out its mission as an economic, financial, and cultural bridge between Indonesia and China.

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PRINSIP UMUM TATA KELOLA PERUSAHAAN YANG BAIK

GENERAL PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Dengan berkembangnya dunia usaha dari masa ke masa, reputasi sebuah bank tidak lagi hanya dipandang dari segi finansial, melainkan juga dari segi non-finansial, mencakup etika bisnis dan bentuk komitmen serta pertanggungjawaban sebuah perusahaan dalam melakukan kegiatan bisnisnya kepada publik secara luas. Praktik Tata Kelola Perusahaan yang Baik atau *Good Corporate Governance* (GCG) memberikan alat dan metode bagi entitas usaha khususnya perbankan untuk mengembangkan aspek non-finansial, yang pada akhirnya akan membentuk kepercayaan publik kepada industri perbankan.

GCG merupakan prinsip-prinsip yang mendasari proses dan mekanisme pengelolaan bank berlandaskan kepatuhan terhadap peraturan perundang-undangan serta cerminan dunia usaha yang memiliki etika. Pada konsep pembangunan berkelanjutan, atau *sustainability development*, GCG merupakan salah satu pilar utama yang diharapkan mampu membentuk pondasi iklim investasi yang sehat. Lebih jauh, GCG telah menjadi salah satu faktor fundamental bagi investor dalam menilai kinerja bank yang berkelanjutan.

With the business world development from time to time, the reputation of a bank is no longer only viewed in terms of financial, but also in terms of non-financial, includes business ethics and the form of commitment and accountability of a company in conducting its business activities to the public at large. Good Corporate Governance (GCG) practices provide tools and methods for business entities, especially banks, to develop non-financial aspects, which will ultimately shape public confidence in the banking industry.

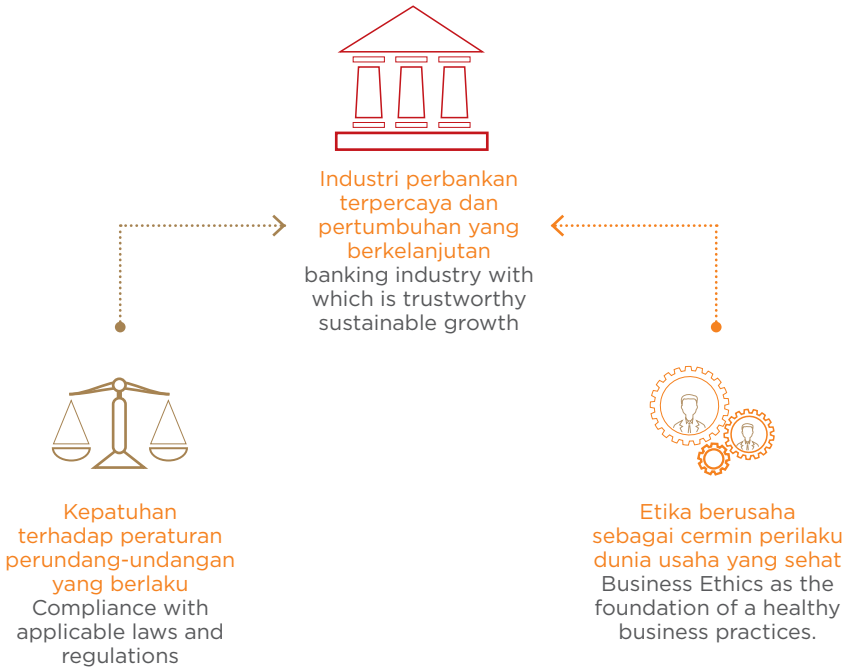
GCG are principles that underlie Bank's management processes and mechanisms based on regulatory compliance and reflection of the ethical business world. In the concept of sustainability development, GCG is one of the main pillars that are expected to form the foundation of a healthy investment climate. Furthermore, GCG has become one of the fundamental factors for investors in assessing sustainable bank performance.

PENDEKATAN TATA KELOLA PERUSAHAAN YANG BAIK

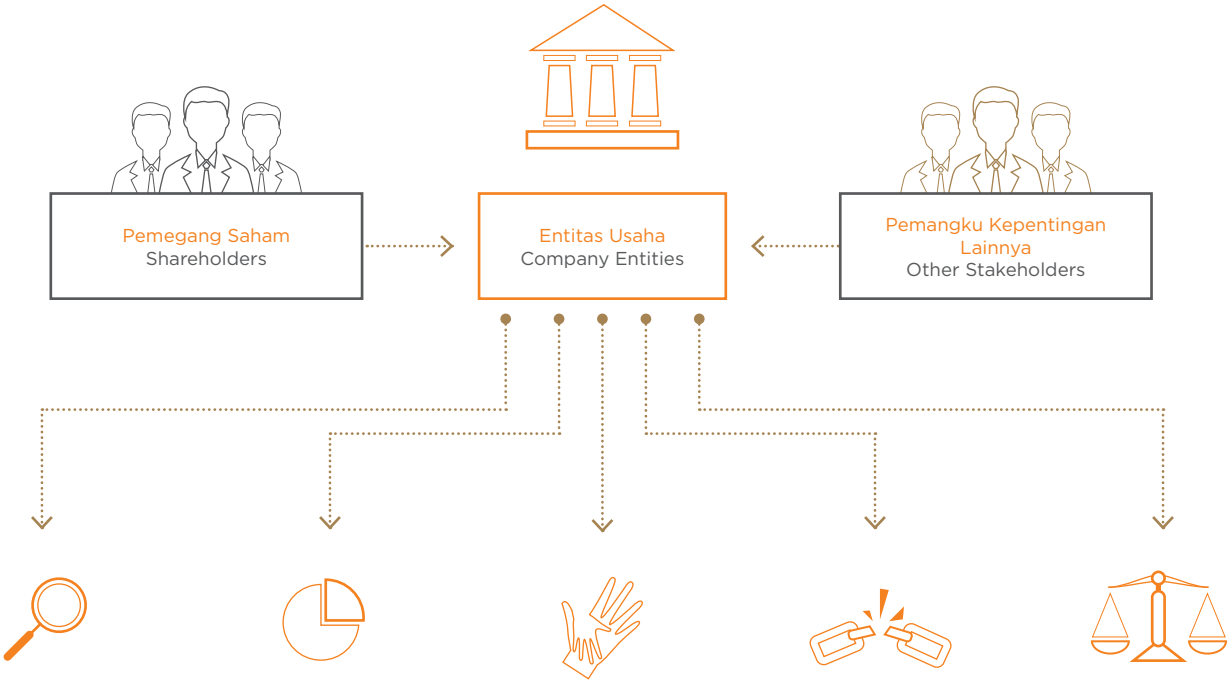
Di Indonesia, Regulator bersama-sama dengan Pemangku Kepentingan lainnya memberikan penegasan yang kuat atas pentingnya hubungan yang harmonis antara entitas usaha dan Pemangku Kepentingan. Melalui hubungan yang harmonis ini, diharapkan akan terbentuk dunia usaha yang menghindari cara-cara menciptakan keuntungan sesaat, tetapi mampu berkontribusi dalam jangka panjang bagi dimensi sosial dan lingkungan di sekitarnya.

GOOD CORPORATE GOVERNANCE APPROACH

In Indonesia, the Regulators together with other Stakeholders provide a strong affirmation of the importance of harmonious relationships between business entities and Stakeholders. Through this harmonious relationship, it is attempted to create business culture which hinder the prctice of short term profit seeking, yet are able to contribute in the long term for the surrounding social and environmental dimensions.



Harmonisasi Entitas Usaha dengan Pemegang Saham dan Pemangku Kepentingan
Company Entities Harmony with Shareholder and other Stakeholders



Transparansi
Transparency

Keterbukaan dalam melaksanakan proses pengambilan keputusan dan dalam mengemukakan informasi materiil yang relevan mengenai Bank, sehingga seluruh Pemangku Kepentingan mampu memahami kinerja dan tindakan Bank.

Transparency in carrying out the decision-making process and openness in disclosing material and relevant information regarding the Bank. Bank ICBC Indonesia applies principles of transparency by providing effective and responsive means of communication for acquiring information regarding the Bank. Hence, all stakeholders understand the Bank's performance and actions.

Akuntabilitas
Accountability

Kejelasan fungsi, pelaksanaan dan pertanggungjawaban organ sehingga pengelolaan Bank terlaksana secara efektif. Bank menerapkan prinsip akuntabilitas dengan mengoptimalkan kinerja dan peran setiap individu sehingga seluruh aksi dan kegiatan Bank berjalan dengan efektif dan efisien.

Clarity of functions and accountability within the Bank's organs, so as to carry out the management effectively. The Bank applies the principle of accountability by optimizing the performance and role of each individual. Thus, all actions and activities of the Bank run effectively and efficiently.

Responsibilitas
Responsibility

Tanggung jawab kepatuhan dalam pengelolaan Bank terhadap peraturan perundang-undangan yang berlaku dan prinsip korporasi yang sehat. Bank menerapkan prinsip pertanggungjawaban terhadap masyarakat dan lingkungan, mematuhi peraturan yang berlaku, serta menghindari segala transaksi yang dapat merugikan pihak lain.

Compliance in the Bank's management of applicable laws and regulations, as well as sound corporate principles. The Bank applies the principle of responsibility by behaving in a responsible manner towards the community and the environment, by complying with applicable regulations, and by avoiding all forms of harmful transactions from third parties or different parties beyond the agreed-upon terms.

Independensi
Independence

Pengelolaan secara profesional dan mandiri tanpa benturan kepentingan dan pengaruh/tekanan dari pihak manapun yang tidak sesuai dengan peraturan perundang-undangan yang berlaku, prinsip korporasi, serta prinsip tata nilai perusahaan.

Bank is managed in a professional and independent without conflict of interest and influence/pressure from any party that is not in accordance with applicable laws and regulations, corporate principles, and principles of corporate values.

Kewajaran
Fairness

Keadilan dan kesetaraan dalam memenuhi hak Pemangku Kepentingan yang timbul berdasarkan perjanjian dan peraturan perundang-undangan yang berlaku secara adil, namun tetap memperhatikan kaidah dan peraturan Bank.

Imparsial treatment and equality in fulfilling the right of stakeholders arising pursuant to the prevailing agreement and law regulation fairly, but still pay attention to Bank rules and regulations.

PERKEMBANGAN PENERAPAN TATA KELOLA PERUSAHAAN YANG BAIK
DEVELOPMENT OF GOOD CORPORATE GOVERNANCE IMPLEMENTATION

DASAR PENERAPAN TATA KELOLA PERUSAHAAN YANG BAIK

Dasar Hukum

Penerapan GCG di Bank mengacu kepada beberapa ketentuan, peraturan, serta perundang-undangan yang berlaku, yaitu:

- Undang-Undang Republik Indonesia No. 40 Tahun 2007 tentang Perseroan Terbatas.
- Undang-Undang No. 25 Tahun 2007 tentang Penanaman Modal.
- Undang-Undang Republik Indonesia No. 7 Tahun 1992 tentang Perbankan sebagaimana telah diubah dengan Undang-Undang Republik Indonesia No. 10 Tahun 1998.
- Peraturan Otoritas Jasa Keuangan No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum.
- Peraturan Otoritas Jasa Keuangan No. 46/POJK.03/2017 tentang Pelaksanaan Fungsi Kepatuhan Bank Umum.
- Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum.

Prinsip-prinsip Dasar

Dalam menerapkan prinsip-prinsip Tata Kelola Perbankan yang Baik, Bank mengacu pada 5 (lima) prinsip dasar yaitu: *Transparency*, *Accountability*, *Responsibility*, *Independence*, dan *Fairness*, sebagaimana telah dirilis dalam Pedoman Umum *Good Corporate Governance* yang dikeluarkan oleh Komite Nasional Kebijakan *Governance* (KNKG).

FOUNDATION OF CORPORATE GOVERNANCE IMPLEMENTATION

Governing Law

Implementation of good corporate governance (GCG) at The Bank is dictated by a number of different rules and regulations that include:

- Law of the Republic of Indonesia No. 40 Year 2007 on Limited Liability Bank.
- Law of the Republic of Indonesia No. 25 Year 2007 on Capital Investment.
- Law of the Republic of Indonesia No. 7 Year 1992 on Banking, as amended by Law of the Republic of Indonesia No. 10 Year 1998.
- Financial Service Authority (OJK) Regulation No. 55/POJK.03/2016 on the Application of Good Corporate Governance for Commercial Banks.
- Financial Service Authority (OJK) Regulation No. 46/POJK.03/2017 on Implementation of Commercial Bank Compliance Function.
- Financial Service Authority (OJK) Circulation Letter No. 13/SEOJK.03/2017 on Implementation of Good Corporate Governance for Commercial Banks.

Basic Principles

In applying the principles of Good Banking Governance, the Bank refers to 5 (five) basic principles: Transparency, Accountability, Responsibility, Independence and Fairness, as released in the General Guidelines of Good Corporate Governance issued by the National Committee on Policy Governance (KNKG).

INFRASTRUKTUR DAN *SOFT STRUCTURE* TATA KELOLA PERUSAHAAN YANG BAIK

Berdasarkan Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas, infrastruktur keorganisasian sebuah Perseroan Terbatas mencakup kepentingan Pemegang Saham yang dituangkan melalui Rapat Umum Pemegang Saham (RUPS); Direksi dengan tugasnya untuk pengurusan usaha; serta Dewan Komisaris yang berfungsi melakukan pengawasan. Sistem pengelolaan Perseroan Terbatas di Indonesia menganut model 2 (dua) badan (*two tier system*), yaitu Dewan Komisaris dan Direksi, yang memiliki wewenang dan tanggung jawab yang jelas sesuai fungsinya masing-masing sebagaimana diamanahkan dalam peraturan dan perundang-undangan.

Bank telah memiliki ketiga organ utama tersebut, baik RUPS, Dewan Komisaris dan Direksi. Dengan dibantu oleh perangkat organ pendukungnya, Dewan Komisaris dan Direksi memiliki tanggung jawab untuk memelihara kesinambungan usaha Bank dalam jangka panjang.

Agar infrastruktur berjalan dengan baik, diperlukan *soft structure* atau perangkat kebijakan yang akan memberikan definisi batas-batas tugas, peran dan tanggung jawab dari masing-masing organ. Bank memiliki beberapa perangkat kebijakan sebagai berikut:

- *Code of Conduct*
- GCG *Policy*
- Pedoman dan Tata Tertib Kerja Direksi
- Pedoman dan Tata Tertib Kerja Dewan Komisaris
- Piagam Kepatuhan
- Piagam Internal Audit
- Piagam Komite Audit

INFRASTRUCTURE AND SOFT STRUCTURE GOOD CORPORATE GOVERNANCE

Based on Law no. 40 Year 2007 regarding Limited Liability Company, the organizational infrastructure of a Limited Liability Company covers the interest of Shareholders as outlined in the General Meeting of Shareholders (GMS); Board of Directors with duty to manage business; as well as the Board of Commissioners that performs supervisory functions. The management system of the Limited Liability Company in Indonesia is a two tier system model, namely the Board of Commissioners and the Board of Directors, which has clear authority and responsibility according to their respective functions as mandated in the regulations and legislation.

The Bank already has the three main organs, both GMS, Board of Commissioners and Board of Directors. Assisted by the supporting organ of the organization, the Board of Commissioners and the Board of Directors have the responsibility to maintain the sustainability of The Bank's business in the long term.

In order for the infrastructure to run properly, soft structures or policy tools that will define the boundaries of duties, roles and responsibilities of each organ are required. The Bank has several policy tools as follows:

- Code of conduct
- GCG Policy
- Guidelines and Code of Conduct of the Board of Directors
- Guidelines and Code of Conduct of the Board of Commissioners
- Compliance Charter
- Internal Audit Charter
- Charter of the Audit Committee

Perkembangan Tata Kelola Perusahaan yang Baik di Tahun 2017

Pada tahun 2017, Divisi Kepatuhan Bank telah menyampaikan Laporan GCG semester I dan II tahun 2017 secara tepat waktu. Selain itu, Bank juga melakukan *self-assessment* GCG untuk periode semester I dan II tahun 2017, dengan catatan pencapaian *rating* 2 yang mengindikasikan bahwa penerapan GCG Bank terkategori "Baik". *Self-assessment* ini dilakukan sesuai dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum.

Development of Good Corporate Governance in 2017

In 2017, the Bank's Compliance Division has submitted GCG Reports first and second semesters of 2017 in a timely manner. In addition, The Bank also conducted GCG self-assessment for the first and second semester of 2017, with a record of rating 2 indicating that the implementation of GCG of The Bank is categorized as "Good". This self-assessment shall be conducted in accordance with the period of assessment of Risk-Based Bank Rating (RBBR) conducted every semester as referred to in Circular Letter of the Financial Services Authority No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

Pelaksanaan GCG telah menjadi salah satu perhatian utama Manajemen Bank, sebagai proses berkesinambungan yang terutama bertujuan untuk:

- Meningkatkan kinerja Bank;
- Melindungi kepentingan para Pemangku Kepentingan; dan
- Meningkatkan kepatuhan terhadap peraturan perundangan dan nilai-nilai etika yang berlaku secara umum pada industri perbankan.

The implementation of GCG has become one of the main concerns of Bank Management, as a continuous process that primarily aims to:

- Improve the performance of the Bank;
- Protect the interests of Stakeholders; and
- Increase compliance with prevailing laws and ethical values generally in the banking industry.

Bank telah berusaha untuk menerapkan prinsip-prinsip utama dari GCG, termasuk pengelolaan Bank secara profesional berdasarkan prinsip *Transparency*, *Accountability*, *Responsibility*, *Independence*, dan *Fairness*. Aktualisasi GCG sebagai sebuah sistem dilakukan dengan melibatkan Dewan Komisaris, Direksi dan seluruh Karyawan.

The Bank has attempted to fully apply the main principles of GCG, including professional management of the Bank based on the principles of Transparency, Accountability, Responsibility, Independence, and Fairness. Actualization of GCG as a system is done by involving the Board of Commissioners, Board of Directors and all Employees.

Sosialisasi Kebijakan Tata Kelola Perusahaan yang Baik

Bank sejauh ini telah meletakkan dasar yang kokoh untuk pelaksanaan GCG, dengan memenuhi semua ketentuan yang ditetapkan oleh Regulator, yang turut dibuktikan dengan hasil *self-assessment* atas pelaksanaan GCG yang memuaskan. Hal tersebut menunjukkan komitmen Bank dalam melaksanakan prinsip-prinsip dan ketentuan GCG. Untuk meningkatkan kesadaran karyawan terhadap GCG, Bank senantiasa melakukan pelatihan kepada Karyawannya secara rutin baik itu di kantor pusat maupun di kantor cabang. Selama tahun 2017 Bank telah melakukan sosialisasi terkait GCG sebanyak 7 (tujuh) kali yaitu pada 9 Maret 2017, 22 Maret 2017, 4 April 2017, 6 Mei 2017, 5 Agustus 2017, 29 Agustus 2019 serta 31 Agustus 2017.

Socialization of Good Corporate Governance Policy

The Bank has so far laid a solid foundation to the implementation of GCG, meeting all the requirements stipulated by the Regulator, as evidenced by the self-assessment results of satisfactory GCG implementation. It shows the Bank's commitment to implement GCG principles. To increase employee awareness of GCG, the Bank continuously conducts regular training of its Employees at both the head office and the branch office. During 2017, the Bank has conducted 7 GCG related socialization on March 9, 2017; March 22, 2017; April 4, 2017; May 6, 2017; August 5, 2017; August 29, 2019; and August 31, 2017.

Bank menyadari bahwa pelaksanaan GCG tidak hanya untuk memenuhi ketentuan yang ditetapkan oleh Regulator, namun juga untuk mencapai tujuan bisnisnya sehingga menghasilkan yang terbaik bagi Pemegang Saham, Nasabah, Karyawan, Regulator, dan Masyarakat dimana Bank beroperasi. Untuk selanjutnya, Bank akan terus meningkatkan pelaksanaan GCG yang telah berjalan selama ini.

The Bank recognizes that the implementation of GCG is not only to meet the requirements stipulated by the Regulator, but also to achieve its business objectives so as to produce the best for the Shareholders, Customers, Employees, Regulators, and Communities where the Bank operates. Furthermore, the Bank will continue to improve the implementation of GCG which has been running.

PENILAIAN: EVALUASI, PEMANTAUAN, DAN PENINGKATAN PENERAPAN TATA KELOLA PERUSAHAAN YANG BAIK

Acuan dan Metode Penilaian

Bank melakukan *self-assessment* terhadap pelaksanaan GCG sesuai periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum.

Berdasarkan acuan tersebut, Bank melakukan *self-assessment* secara berkala terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG, yaitu:

1. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris.
2. Pelaksanaan tugas dan tanggung jawab Direksi.
3. Kelengkapan dan pelaksanaan tugas Komite.
4. Penanganan benturan kepentingan.
5. Penerapan fungsi kepatuhan.
6. Penerapan fungsi audit internal.
7. Penerapan fungsi audit eksternal.
8. Penerapan manajemen risiko termasuk sistem pengendalian internal.
9. Penyediaan dana kepada pihak terkait (*related party*) dan penyediaan dana besar (*large exposures*).
10. Transparansi kondisi keuangan dan non-keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal.
11. Rencana strategis Bank.

Penilaian faktor GCG menjadi penilaian terhadap kualitas manajemen Bank atas pelaksanaan prinsip GCG, dengan memperhatikan signifikansi atau materialitas suatu permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik dan kompleksitas usaha Bank. Penilaian dikelompokkan dalam suatu *governance system* yang terdiri dari 3 (tiga) aspek *governance*, yaitu: *Governance Structures* atau Struktur Tata Kelola, *Governance Process*, dan *Governance Outcomes*.

ASSESSMENT: EVALUATION, MONITORING, AND IMPROVEMENT OF GOOD CORPORATE GOVERNANCE APPLICATION

References and Assessment Methods

The Bank conducts self-assessment of GCG implementation in accordance with the period of Risk-Based Bank Rating (RBBR) assessment conducted every semester as referred to in Circular Letter of the Financial Services Authority No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks.

Based on these references, The Bank conducts periodic self-assessment of 11 (eleven) GCG implementation assessment factors, namely:

1. Implementation of duties and responsibilities of the Board of Commissioners.
2. Implementation of duties and responsibilities of the Board of Directors.
3. Comprehensiveness and implementation of the Committee's duties.
4. Conflict of interest handling.
5. Implementation of compliance functions.
6. Implementation of internal audit functions.
7. Implementation of external audit function.
8. Implementation of risk management including internal control system.
9. Provision of funds to related parties and large exposures.
10. Transparency of Bank's financial and non-financial condition, report on GCG implementation and internal reporting.
11. The Bank's strategic plan.

Evaluating of GCG factors represents an assessment of the quality of Bank management on the implementation of GCG principles, taking into account the problem significance or materiality on the implementation of GCG on a bank-wide basis, according to the scale, characteristics and complexity of the Bank's business. Assessment is grouped into a governance system consisting of 3 (three) aspects of governance, namely: Governance Structures, Governance Process, and Governance Outcomes.

Hasil Penilaian Periode Tahun 2016 dan Tindak Lanjutnya

Bank telah melaksanakan *Self-Assessment* GCG untuk periode semester II tahun 2016 dengan hasil akhir penilaian 2 yang terkategori "Baik". Berdasarkan hasil pencapaian terhadap 11 (sebelas) kriteria/indikator dapat dilihat pada tabel berikut:

Result and Follow Up of 2016 Assessment

The Bank has implemented GCG Self-Assessment for the period of second semester of 2016 with the final result of assessment 2 which is categorized as "Good". Based on the results of the achievement of 11 (eleven) criteria /indicators which are shown in the following table:

Faktor Penilaian Pelaksanaan GCG GCG Assessment Factor	Skor Score
Pelaksanaan tugas dan tanggung jawab Dewan Komisaris Implementation of duties and responsibilities of the Board of Commissioners.	1
Pelaksanaan tugas dan tanggung jawab Direksi Implementation of duties and responsibilities of the Board of Directors.	2
Kelengkapan dan pelaksanaan tugas Komite Comprehensiveness and implementation of the Committee's duties.	2
Penanganan benturan kepentingan Conflict of interest handling.	1
Penerapan fungsi kepatuhan Implementation of compliance functions.	2
Penerapan fungsi audit intern Implementation of internal audit functions.	1
Penerapan fungsi audit ekstern Implementation of external audit function.	1
Penerapan manajemen risiko termasuk sistem pengendalian intern Implementation of risk management including internal control system.	2
Penyediaan dana kepada pihak terkait (*related party*) dan penyediaan dana besar (*large exposures*) Provision of funds to related parties and large exposures.	2
Transparansi kondisi keuangan dan non keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal Transparency of Bank's financial and non-financial condition, report on GCG implementation and internal reporting.	1
Rencana strategis Bank The Bank's strategic plan.	2
***Rating* GCG**	**2**

Berikut adalah rekomendasi dan tindak lanjut yang dilakukan oleh Bank:

The following are recommendations and follow-up actions performed by the Bank:

Aspek Negatif/Rekomendasi Negative Aspects / Recommendations	Telah/Belum Ditindaklanjut Have been / Yet to be Followed up	Bentuk Tindak Lanjut Follow Up Action
Governance Structure		
Meskipun rasio *Non Performing Loan* (NPL) Bank sudah berhasil diturunkan, Bank tetap berupaya untuk menyempurnakan kebijakan/ prosedur perkreditan dalam rangka menghindari peningkatan rasio NPL debitur. Despite successfully reducing the Bank's Non- Performing Loan (NPL) ratio, the Bank is still working on refining its credit policies/ procedures to prevent the increase in debtors' NPL ratio.	●	Bank sudah menyempurnakan sebagian kebijakan/prosedur terkait dengan kredit dan akan selesai seluruhnya pada semester I tahun 2018. The Bank has perfected a portion of policies / procedures related to credit and will be completed entirely in the first half of 2018.

● = telah ditindaklanjuti | Has been followed up , ○ = belum ditindaklanjuti | Has not been followed up

Aspek Negatif/Rekomendasi Negative Aspects / Recommendations	Telah/Belum Ditindaklanjut Have been / Yet to be Followed up	Bentuk Tindak Lanjut Follow Up Action
Bank masih dalam proses menyusun rencana tindak lanjut (*action plan*) untuk memindahkan *Data Centre/Data Recovery Centre* (DC/DRC) guna memenuhi ketentuan yang berlaku. The Bank is still in the process of arranging an action plan for moving its Data Center/ Data Recovery Center (DC/DRC) in order to comply with prevailing regulations.	●	Bank sudah menindaklanjuti dengan mengirimkan surat kepada OJK terkait IT action Plan untuk DC dan DRC pada 10 Januari 2018. The Bank has conducted a follow up by sending a letter to OJK about IT action plan for DC and DRC on January 10, 2018.
Sejalan dengan Rencana Bisnis Bank, Bank berencana untuk memperkuat permodalan yaitu melalui penambahan modal. Hal ini sejalan dengan rencana Bank untuk meningkatkan status Bank menjadi BUKU 3 pada akhir 2017. In line with its Bank Business Plan, the Bank plans to strengthen its capital through the capital increase. This plan is in accordance with the Bank's plan of improving its status to become "BUKU 3" status by the end of 2017.	●	Saat ini Bank sudah menjadi Bank BUKU 3 pada Oktober 2017. The Bank is now part of Bank BUKU 3 in October 2017.
Bank memberikan perhatian khusus untuk senantiasa memastikan agar *governance structure* terkait struktur organisasi dan penempatan karyawan dilakukan sejalan dengan tata kelola perusahaan yang baik. The Bank gives special attention to always ensure that governance structures involving the organization structure and employee placement are in line with good corporate governance.	○	Bank masih dalam proses pemenuhan dokumen dimaksud dan akan disampaikan kepada OJK pada April 2018. The Bank is still in the process of fulfilling the document and will be submitted to OJK by April 2018.
Governance Process		
Bank telah memiliki kebijakan, prosedur dan penetapan limit risiko yang memadai, namun proses *stress-* dan *back-testing* yang telah dilaksanakan perlu divalidasi oleh pihak independen. The Bank has policies, procedures and adequate risk limits set. Nevertheless, there is a stress and back- testing process that has been done, yet it has not been validated by an independent party.	●	Proses *stress-* dan *back-testing* telah divalidasi oleh pihak independen. The process of stress- and backtesting has been validated by an independent party.
Dalam rangka menghindari peningkatan rasio NPL, Bank terus berupaya untuk menyalurkan kredit sesuai dengan prinsip kehati-hatian dan meningkatkan pengawasan kredit, termasuk mengadakan rapat *(overdue meeting)* untuk membahas kredit yang dikategorikan "dalam perhatian khusus" dan "diragukan". To avoid an NPL ratio increase, the Bank is constantly working to channel credit in accordance with principles of prudence and has also increased its credit supervision, especially for customers categorized as "under special supervision" and "uncertain" through overdue meetings.	●	Rapat *(overdue meeting)* rutin dilakukan oleh departemen terkait untuk membahas kredit yang masuk "dalam perhatian khusus" dan "diragukan". The overdue meeting is routinely conducted by relevant departments to discuss credits "listed in special attention" and "doubtful."
Governance Outcome		
Meskipun tidak terdapat pelanggaran terhadap peraturan *prudential banking* yang berlaku, namun masih terdapat kesalahan administratif dalam pelaporan kepada Regulator yang didominasi oleh keterlambatan penyampaian atau koreksi pada laporan LBU, LKPBU, LHBU, DHN, SID. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa. Despite having no violations of applicable prudential banking regulations, there have still been administrative mistakes made in reporting to regulators dominated by tardiness in delivering LBU, LKPBU, LHBU, DHN, SID reports. Improving this process and the accuracy of the reports need to be done in order to avoid similar incidents.	●	Bank telah melakukan *refreshment training* terkait pelaporan Bank serta perbaikan proses untuk meningkatkan kecepatan dan akurasi pelaporan. Bank has conducted refreshment training related to Bank reporting as well as process improvement to improve reporting time and accuracy.
Berdasarkan realisasi RBB 2016, terdapat pencapaian yang baik yaitu pendapatan. Namun demikian, terdapat beberapa indikator yang tidak mencapai target misalnya Dana Pihak Ketiga, Kredit, dan Total Aset. Based on the realization of the Bank Business Plan (RBB) 2016, there have been good accomplishments in earnings. However, on the whole, there are indicators that did not reach their targets, such as Third Party Funding, credit and total assets.	●	Pencapaian rencana kerja Bank sampai dengan Desember 2017 pada umumnya telah tercapai. The achievement of the Bank's work plan until December 2017 has generally been achieved.
Bank masih dalam proses menyusun rencana korporasi Bank jangka panjang. The Bank is still in the process of arranging its long- term corporation plan.	○	Bank masih dalam proses penyusunan rencana korporasi jangka panjang dan akan disampaikan kepada OJK. The Bank is still in the process of preparing long-term corporate plans and will be submitted to OJK.

● = telah ditindaklanjuti | Has been followed up , ○ = belum ditindaklanjuti | Has not been followed up

Penilaian Periode Tahun 2017

Untuk tahun 2017, Bank melaksanakan *Self-assessment* GCG untuk periode semester II tahun 2016 dengan hasil akhir penilaian 2 (dua) yang terkategori "Baik". Dibandingkan dengan periode Semester I tahun 2017, pada Semester II tahun 2017 terdapat perbedaan *rating* pada GCG pilar Audit Internal dan Transparansi. Pada pilar Audit Internal telah terjadi perbaikan *rating* yang pada periode sebelumnya berada pada *rating* 2 (dua) dan pada periode Semester II tahun 2017 berada pada *rating* 1 (satu). Hal ini disebabkan karena Audit Internal telah melaksanakan seluruh jadwal pemeriksaannya serta menyelesaikan seluruh pelatihan yang dipersyaratkan untuk Audit Internal. Terkait dengan Transparansi terjadi penurunan nilai dimana pada periode sebelumnya berada pada *rating* 1 (satu) sedangkan pada periode semester II tahun 2017 berada pada *rating* 2 (dua) yang disebabkan oleh Bank masih harus melengkapi kebijakan dan prosedur terkait produk Bank.

Assessment Period Year 2017

In 2017, The Bank conducts Self-assessment GCG for the second semester of 2017 with 2 (two) categorized "Good" results. Compared to the period of First Semester of 2017, in the second semester of 2017 there is a rating improvement on the GCG pillars of Internal Audit and Transparency. On the Internal Audit pillar, there has been an improvement in the rating which in the previous period was 2 (two) and in the second semester of 2017 was in the 1 (one) rating. This was due to the Internal Audit has carried out its entire examination schedule and completed all the training required for Internal Audit. In relation to transparency, there was a decrease in rating which in the previous period was in the rating of 1 (one) while in the second semester of 2017 was in the 2 (two) rating caused by the Bank still has to complete the policies and procedures related to Bank's products.

Berdasarkan hasil dari *assessment* terhadap 11 kriteria/indikator hasil penilaian *rating* GCG tahun 2017, dapat disimpulkan sebagai berikut:

Based on the results of the assessment of the 11 criteria/indicators of GCG rating assessment results in 2017, it can be concluded as follows:

Faktor Penilaian Pelaksanaan GCG GCG Scoring Implementation Factor	Skor Score
Pelaksanaan tugas dan tanggung jawab Dewan Komisaris Implementation of duties and responsibilities of the Board of Commissioners.	1
Pelaksanaan tugas dan tanggung jawab Direksi Implementation of duties and responsibilities of the Board of Directors.	2
Kelengkapan dan pelaksanaan tugas Komite Comprehensiveness and implementation of the Committee's duties.	1
Penanganan benturan kepentingan Conflict of interest handling.	1
Penerapan fungsi kepatuhan Implementation of compliance functions.	2
Penerapan fungsi audit internal Implementation of internal audit functions.	1
Penerapan fungsi audit eksternal Implementation of external audit function.	1
Penerapan manajemen risiko termasuk sistem pengendalian internal. Implementation of risk management including internal control system.	2
Penyediaan dana kepada pihak terkait (*related party*) dan penyediaan dana besar (*large exposures*) Provision of funds to related parties and large exposures.	2
Transparansi kondisi keuangan dan non keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal. Transparency of Bank's financial and non-financial condition, report on GCG implementation and internal reporting.	2
Rencana strategis Bank. The Bank's strategic plan.	2
***Rating* GCG**	**2**

Berdasarkan analisis terhadap seluruh kriteria/ indikator penilaian tersebut di atas, dapat disimpulkan beberapa hal sebagai berikut:

Struktur Tata Kelola

Faktor-faktor positif aspek Struktur Tata Kelola:

- Seluruh anggota Direksi memiliki integritas, kompetensi dan reputasi keuangan yang memadai.
- Seluruh Komisaris Independen tidak memiliki hubungan keuangan, kepengurusan, kepemilikan dan hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Mayoritas atau hubungan dengan Bank, yang dapat mempengaruhi kemampuannya untuk bertindak secara independen.
- Dewan Komisaris dan Direksi memiliki sarana mekanisme komunikasi melalui BOC – BOD *Communication Meeting* yang dilaksanakan secara berkala. Pada pertemuan tersebut, dibahas hal-hal terkini yang berkaitan dengan perkembangan perusahaan maupun permasalahan yang dihadapi.
- Bank telah menyempurnakan kebijakan internal. Bank telah mempertimbangkan perubahan struktur organisasi untuk mengakomodasi aspek *accountability* dan *independency* sesuai GCG
- Saat ini Bank telah menindak-lanjuti sebagian besar temuan audit OJK dan temuan audit internal yang berpengaruh pada penilaian RBBR dan GCG secara keseluruhan.
- Bank sedang menyusun rencana korporasi jangka panjang yang akan diserahkan pada tahun 2018.

Faktor negatif aspek Struktur Tata Kelola:

- Aktivitas perkreditan serta pelaporan Bank masih perlu ditingkatkan. Bank perlu menyempurnakan kebijakan/prosedur perkreditan serta melaksanakan prinsip kehati-hatian dalam pemberian dan pasca pemberian kredit kepada Nasabah.
- Terkait dengan pelaporan, masih terdapat keterlambatan dalam melakukan koreksi dan kesalahan pelaporan.
- Bank masih dalam upaya implementasi proses *onshoring* DC/DRC (*Data Centre/Data Recovery Centre*) guna memenuhi ketentuan yang berlaku sesuai dengan *action plan* yang telah diserahkan ke OJK .
- Bank memberikan perhatian khusus untuk senantiasa memastikan agar *governance structure* terkait struktur organisasi dan *staff grading* dilakukan sejalan dengan tata kelola perusahaan yang baik.

Based on the analysis of all criteria / indicators of the above assessment, it can be concluded as follows:

Governance Structure

Positive factors of Governance Structure aspect:

- All members of the Board of Directors have integrity, competence and financial reputation.
- All Independent Commissioners have no financial, management, ownership and family relationships with other members of the Board of Commissioners, Board of Directors and / or Majority Shareholders or any relationship with the Bank, which may affect their ability to act independently.
- The Board of Commissioners and the Board of Directors have the means of communication mechanism through the BOC-BOD Communication Meeting which is conducted periodically. At the meeting, it was discussed the latest things related to the development of the company and the problems encountered.
- The Bank has revamped its internal policies. The Bank has considered structural changes.
- organization to accommodate the accountability and independency aspects of GCG.
- Currently the Bank has followed up most of the OJK audit findings and internal audit findings that impact on the overall assessment of RBBR and GCG.
- The Bank is preparing a long-term corporate plan to be submitted by 2018.

Negative factors to the Governance Structure aspect:

- Credit activities and Bank reporting still need to be improved. The Bank needs to improve the credit policies/procedures and implement prudential principles in disbursing and post-disbursing loan to the Customer.
- Associated with reporting, there are still delays in correcting and reporting errors.
- The Bank is still in the process of implementing the DC/DRC (Data Center/Data Recovery Center) onshoring process to comply with the applicable requirements in accordance with the action plan submitted to OJK.
- The Bank takes special care to ensure that the governance structure is relevant organizational structure and staff grading is done in line with good corporate governance.

Proses Tata Kelola

Faktor-faktor positif aspek Proses Tata Kelola:

- Seluruh Komite telah menjalankan tugasnya dengan baik dalam membantu Dewan Komisaris untuk memantau risiko yang mungkin terjadi.
- Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab Direksi secara berkala maupun sewaktu-waktu, serta memberikan nasihat kepada Direksi.
- Dewan Komisaris tidak terlibat dalam pengambilan keputusan kegiatan operasional Bank, kecuali dalam hal penyediaan dana kepada pihak terkait dan hal-hal lain yang ditetapkan dalam Anggaran Dasar Bank dan/atau peraturan perundangan yang berlaku dalam rangka melaksanakan fungsi pengawasan.
- Direksi telah memberikan perhatian yang sangat serius terhadap tindak lanjut temuan hasil pemeriksaan OJK dan memastikan tindak lanjut tersebut dipenuhi sesuai komitmen.
- Dalam rangka menghindari peningkatan rasio NPL, Bank terus berupaya untuk menyalurkan kredit sesuai dengan prinsip kehati-hatian dan meningkatkan pengawasan kredit, termasuk mengadakan rapat (*overdue meeting*) untuk membahas kredit yang dikategorikan "dalam perhatian khusus" dan "diragukan".

Faktor-faktor negatif aspek Proses Tata Kelola:

- Bank telah memiliki kebijakan, prosedur dan penetapan limit risiko yang memadai, namun demikian ada proses *stress*-dan *back-testing* yang telah dilaksanakan namun belum divalidasi oleh pihak independen.
- Penetapan kualitas kredit dan pelaksanaan restrukturisasi terhadap beberapa debitur belum sepenuhnya sesuai dengan ketentuan yang berlaku, yaitu PBI No. 14/15/PBI/2012 tentang Penilaian Kualitas Aset Bank Umum.

Governance Process

Positive factors of Governance Process aspect:

- The entire Committees has performed their duties well in assisting the Board of Commissioners to monitor possible risks.
- The Board of Commissioners has conducted supervision on the implementation of duties and responsibilities.
- Board of Directors in a regular basis or at any time, and provide advice to the Board of Directors.
- The BoC was not involved in the decision making of the Bank's operational activities, except in the case of provision of funds to related parties and other matters stipulated in the Bank's Articles of Association and / or the prevailing laws and regulations in order to carry out the oversight function.
- The Board of Directors has paid serious attention to the follow-up to the findings of OJK examination results and ensures that follow-up is fulfilled as per commitment.
- In order to avoid an increase in the NPL ratio, the Bank continues its efforts to disburse credits in accordance with prudential principles and to improve credit monitoring, including overdue meetings to discuss credits categorized as "in special interest" and "in doubt".

Negative factors aspects of Governance Process:

- The Bank already has adequate policies, procedures and risk limits, however there is a stress-and back-testing process that has been implemented but has not been validated by an independent party.
- Determination of credit quality and the implementation of restructuring of several borrowers has not fully complied with prevailing regulations, namely PBI No. 14/15/PBI/2012 on Assessment Quality of Commercial Bank Assets.

Hasil Tata Kelola

Faktor-faktor positif aspek Hasil Tata Kelola:

- Transparansi laporan telah dilakukan secara tepat waktu dengan cakupan sesuai ketentuan yang berlaku termasuk telah mencantumkannya pada situs Bank.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada Regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Direksi telah mengungkapkan kebijakan-kebijakan Bank yang bersifat strategis di bidang kepegawaian melalui media yang mudah diakses.

Faktor-faktor negatif aspek Hasil Tata Kelola:

- Masih terdapat kesalahan administratif dalam pelaporan kepada Regulator yang didominasi oleh keterlambatan penyampaian atau koreksi pada beberapa laporan. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa.
- Berdasarkan realisasi RBB semester dua 2017, terdapat pencapaian yang baik. Namun demikian, indikator NPL tetap perlu mendapat perhatian Bank secara khusus.

Governance Outcome

Positive factors of Governance Outcome aspect:

- Transparency of reports has been conducted in a timely manner with coverage in accordance with applicable provisions which has included as well on the Bank's website.
- Reports required by Bank Indonesia/OJK have been submitted to Regulators or other parties in accordance with applicable regulations.
- The Board of Directors has disclosed Bank policies that are strategic in the relation with employment affairs through accessible media.

Negative factors to Governance Outcome aspect:

- There are still administrative errors in reporting to the Regulator that is dominated by delays in the delivery or correction of some reports. Process improvements and reporting accuracy should be undertaken to avoid similar errors.
- Based on the realization of RBB second semester 2017, there is a good achievement. However, NPL indicators still need to get the Bank's special attention.

Perkembangan Penilaian dan Hasilnya

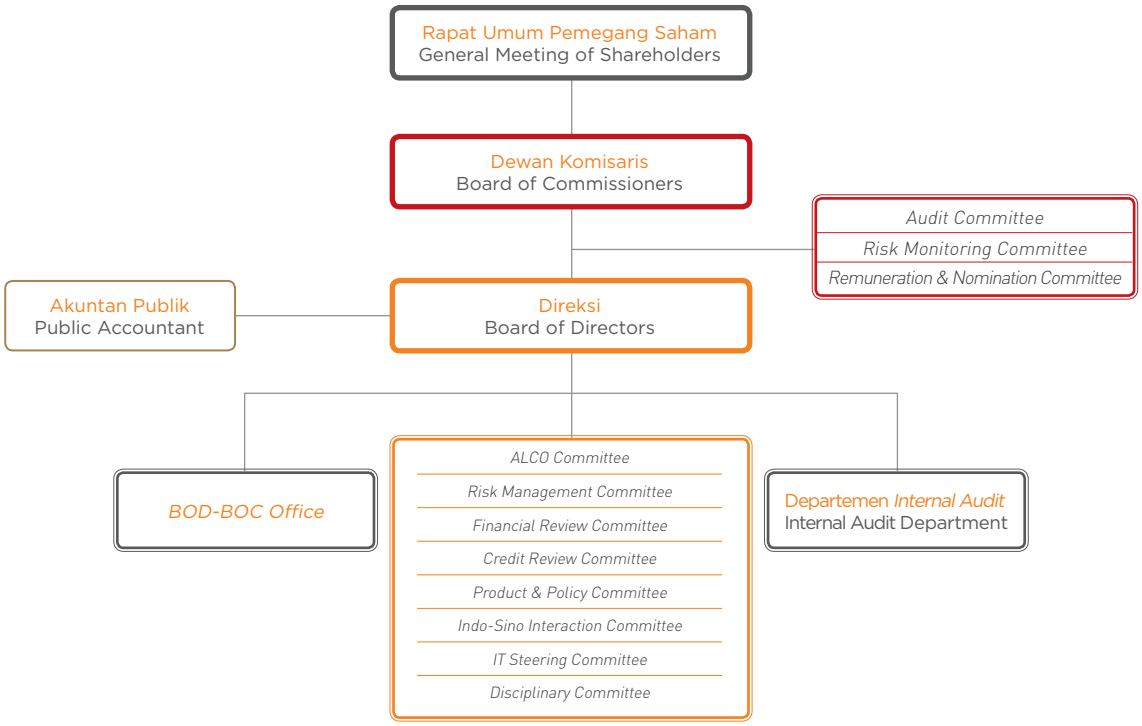
Bank secara berkala melakukan penilaian dengan tujuan melakukan pemantauan, evaluasi, serta perbaikan terhadap penerapan praktik GCG di lingkup Bank. Bank mendapatkan *rating* 2 selama 5 (lima) tahun terakhir. Dari pencapaian *rating* tersebut, dapat disimpulkan bahwa penerapan praktik GCG di lingkup Bank berjalan dengan baik dan memiliki kesinambungan yang konsisten.

Evaluation Progress and Results

The Bank regularly conducts assessments with the aim of monitoring, evaluating and improving the implementation of GCG practices within the scope of The Bank. The Bank received a rating of 2 over the last 5 (five) years. From the achievement of the rating, it can be concluded that the implementation of GCG practice in the scope of The Bank runs well and has consistent sustainability.

STRUKTUR TATA KELOLA PERUSAHAAN YANG BAIK
GOOD CORPORATE GOVERNANCE STRUCTURE

STRUKTUR TATA KELOLA PERUSAHAAN
GOOD CORPORATE GOVERNANCE STRUCTURE



RAPAT UMUM PEMEGANG SAHAM (RUPS)

Pemegang Saham dan Informasi tentang Pemegang Saham Mayoritas

Pemegang Saham Mayoritas Bank adalah ICBC Ltd. dengan kepemilikan sebesar 98,61%. Sedangkan, Pemegang Saham Minoritas adalah PT Intidana Wijaya dengan kepemilikan sebesar 1,39%. Sebagai Pemegang Saham Mayoritas, ICBC Ltd. telah memenuhi persyaratan kemampuan, kepatutan, dan kepatuhan terhadap regulasi yang ditetapkan oleh OJK, Bank Indonesia, serta perundang-undangan terkait perbankan yang berlaku di Indonesia.

GENERAL MEETING OF SHAREHOLDERS (GMS)

Shareholders and information in regards to Majority Shareholder

Majority Shareholder at The Bank is ICBC Ltd. With owned shares amounting 98.61%. Meanwhile, minority Shareholder is PT. Intidana Wijaya with owned share of 1.39%. As the controlling shareholder for The Bank, ICBC Limited has fulfilled the requirements of ability, propriety and compliance established by Financial Services Authority (OJK), Bank Indonesia and applicable banking related legislation in Indonesia.

Hak Pemegang Saham

Pemegang Saham memiliki hak diantaranya sebagai berikut:

- Menghadiri dan memberikan suara dalam suatu RUPS, berdasarkan ketentuan 1 (satu) saham memberi hak kepada pemegangnya untuk mengeluarkan satu suara.
- Memperoleh informasi material secara tepat waktu dan teratur sehingga memungkinkan bagi Pemegang Saham untuk membuat keputusan.
- Menerima bagian keuntungan dari Bank dalam bentuk dividen dan bentuk pembagian keuntungan lainnya.
- Menyelenggarakan RUPS dalam hal Direksi dan/atau Dewan Komisaris lalai menyelenggarakan RUPS Tahunan dan/atau RUPS Luar Biasa, setelah mendapat izin dari Ketua Pengadilan Negeri setempat.
- Atas nama Bank, Pemegang Saham yang mewakili paling sedikit 1/10 (satu per sepuluh) bagian dari jumlah seluruh Saham dengan hak suara dapat mengajukan gugatan melalui Pengadilan Negeri terhadap Anggota Direksi dan/atau Dewan Komisaris yang karena kesalahan atau kelalaiannya menimbulkan kerugian pada Bank.
- Setiap Pemegang Saham berhak mengajukan gugatan terhadap Bank ke Pengadilan Negeri apabila dirugikan karena tindakan Bank yang dianggap tidak adil dan tanpa alasan wajar sebagai akibat keputusan RUPS, Direksi, dan/atau Dewan Komisaris.
- Meminta secara tertulis untuk penyelenggaraan Rapat Dewan Komisaris, Rapat Direksi dan RUPS Luar Biasa bila dipandang perlu.

Shareholder Rights

Shareholders have the following rights:

- Attending and voting in a General Meeting of Shareholders (GMS), under the condition that one share entitles the holder to issue one vote;
- Receiving material information in a timely and orderly manner so as to enable Shareholders to make informed decisions;
- Receiving a share of the Bank's profits in the form of dividends and other forms of profit sharing;
- Organizing a GMS in the event that the Board of Directors and/or the Board of Commissioners fails to hold an Annual GMS and/or an Extraordinary GMS, after obtaining a permission from the local District Court Chairman;
- On behalf of the Bank, a Shareholder representing at least 1/10 (one-tenth) of the total number of Shares with voting rights may file a lawsuit through the District Court against a member of the Board of Directors and/or the Board of Commissioners whose fault or negligence incurs a loss to the Bank;
- Each Shareholder is entitled to file a lawsuit against the Bank to the District Court if they are impaired by the Bank's actions deemed unfair and unreasonable as a result of the resolutions of the GMS, the Board of Directors and/or the Board of Commissioners;
- Requesting in writing for the holding of a Board of Commissioners Meeting, a Board of Directors Meeting and an Extraordinary GMS if deemed necessary.

Rapat Umum Pemegang Saham (RUPS)

Rapat Umum Pemegang Saham (RUPS) merupakan pemegang kekuasaan tertinggi di dalam Perseroan Terbatas dan memegang segala wewenang yang tidak diserahkan kepada Direksi dan/atau Dewan Komisaris. Bank selalu menjamin pemenuhan hak-hak Pemegang Saham dan menerapkan kesetaraan perlakuan terhadap seluruh Pemegang Saham tanpa terkecuali. Anggaran Dasar Bank menyatakan bahwa pelaksanaan RUPS sekurang-kurangnya 1 (satu) kali dalam setahun dan harus diselenggarakan paling lambat 6 (enam) bulan setelah berakhirnya tahun buku.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) holds the highest authority in a company and has the rights not possessed by the Board of Directors and/or the Board of Commissioners. The Bank always guarantees the fulfillment of Shareholders' rights and applies equal treatment to all Shareholders without exception. The Bank's Articles of Association state that the GMS is to be held at least once a year and shall be held no later than six months after the end of the fiscal year.

Wewenang RUPS

RUPS memiliki wewenang, antara lain untuk:

- Memutuskan perubahan Anggaran Dasar Bank.
- Memutuskan perubahan modal Bank dan/atau pengeluaran saham-saham yang masih disimpan untuk keperluan modal Bank.
- Memberikan persetujuan atau menolak pemindahan hak atas saham Bank.
- Memutuskan penggabungan, peleburan, dan pengambilalihan serta pembubaran Bank.
- Memutuskan untuk mengalihkan, menjadikan jaminan hutang, melepaskan hak atas seluruh atau sebagian besar harta kekayaan Bank dalam satu tahun buku.
- Menyetujui atau menolak Rencana Jangka Panjang Bank (RJPB).
- Menyetujui atau menolak Rencana Kerja dan Anggaran Bank (RKAB).
- Mengangkat dan memberhentikan Direksi dan Dewan Komisaris.
- Menilai kinerja Dewan Komisaris dan Direksi.
- Mendelegasikan kepada Dewan Komisaris tentang pembagian tugas dan wewenang setiap anggota Direksi.
- Mengesahkan laporan tahunan dan perhitungan tahunan yang diajukan Direksi.
- Memutuskan penggunaan laba bersih Bank termasuk menentukan jumlah penyisihan untuk cadangan.
- Menetapkan auditor eksternal berdasarkan usulan yang diterima dari Dewan Komisaris.
- Menetapkan remunerasi (gaji dan/atau tunjangan) Dewan Komisaris dan Direksi.
- Wewenang lainnya sebagaimana diatur dalam peraturan perundang-undangan.

Tata Cara Pelaksanaan RUPS

Tata cara penyelenggaran RUPS telah diatur dalam Anggaran Dasar Bank, sebagai berikut:

- RUPS diadakan di tempat kedudukan Bank.
- Diselenggarakan dengan pemanggilan terlebih dahulu kepada para Pemegang Saham dengan surat tercatat.
- Pemanggilan dilakukan paling lambat 14 (empat belas) hari sebelum RUPS diadakan dengan tidak memperhitungkan tanggal pemanggilan dan tanggal RUPS.
- Dalam pemanggilan harus dicantumkan acara, waktu dan tempat penyelenggaraan RUPS.
- Pemanggilan RUPS tidak diperlukan jika semua Pemegang Saham menyetujui agenda rapat dan keputusan disetujui dengan suara bulat.
- RUPS dipimpin oleh Presiden Komisaris.

GMS Authority

The GMS has the authority to do the following:

- Deciding on amendments to the Bank's Articles of Association;
- Deciding on changes in Bank capital and/or expenditures of shares held for the Bank's capital requirements;
- Approving or rejecting the transfer of rights to the Bank's shares;
- Making decisions involving merger, consolidation, acquisition and dissolution of the Bank;
- Deciding to transfer, make debt guarantees, waive rights to all or most of the Bank's assets within a fiscal year;
- Approving or rejecting the Bank's Long Term Plan (RJKB);
- Approving or rejecting the Bank's Work Plan and Budget (RKAB);
- Appointing and dismissing the Board of Directors and Board of Commissioners;
- Assessing the performance of the Boards of Commissioners and Directors;
- Delegating to the Board of Commissioners on the distribution of duties and authority of each member of the Board of Directors;
- Approving the annual report and calculations submitted by the Board of Directors;
- Deciding on the use of the Bank's net income, including determining the amount of allowance for reserves;
- Establishing an external auditor based on proposals received from the Board of Commissioners;
- Establishing remuneration (salary and/or allowances) for the Boards of Commissioners and Directors;
- Other powers as regulated in legislation.

GMS Implementation Procedure

The procedure for implementing the GMS has been arranged in the Articles of Association of the Bank, as follows:

- The GMS is to be held in the domicile of the Bank;
- It is to be organized by calling Shareholders through registered mail;
- The call shall be made no later than 14 (fourteen) days before the GMS is held, not taking into account the date of the summon and date of the GMS;
- The summon shall include the event, time and place of the GMS;
- A GMS call is not required if all Shareholders agree on the agenda of the meeting and the decision is approved unanimously;
- The GMS is chaired by the President Commissioner;

- Jika Presiden Komisaris tidak hadir atau berhalangan, RUPS dipimpin oleh salah seorang anggota Komisaris yang hadir, apabila seluruh anggota Dewan Komisaris tidak hadir, RUPS dipimpin oleh Presiden Direktur. Dalam hal Presiden Direktur tidak hadir, RUPS dipimpin oleh salah satu anggota Direksi yang hadir.
- Jika semua Direksi tidak hadir, RUPS dipimpin oleh salah seorang yang dipilih diantara mereka yang hadir dalam rapat.
- RUPS dapat dilangsungkan apabila kuorum kehadiran sesuai undang-undang Bank Terbatas telah dipenuhi.
- Pemungutan suara mengenai diri orang dilakukan dengan surat tertutup dan mengenai hal lain dilakukan secara lisan.
- Suara blanko (*abstain*) tidak dihitung.

- If the President Commissioner is absent or not present, the GMS is to be chaired by one of the members of the Board of Commissioners present. If all members of the Board of Commissioners are absent, the GMS is to be chaired by the President Director. In the event that the President Director is absent, the GMS is to be chaired by one of the members of the Board of Directors present;
- If all the Directors are absent, the GMS is to be presided over by one elected among those present at the meeting;
- A GMS may be held if the quorum required by the law on Limited Liability Bank has been fulfilled;
- The voting of a person is by a closed letter and on other matters done orally;
- Abstained votes are not counted.

Hasil Keputusan RUPS Tahun 2016 dan Realisasinya oleh Manajemen

Di tahun 2016, Bank melaksanakan 3 (tiga) kali RUPS, bertempat di ICBC Tower, Jakarta. Berikut disampaikan hasil keputusan RUPS tahun 2016 serta realisasinya oleh manajemen Bank.

GMS results in 2016 and Management's realization

In 2016, The Bank conducted GMS in 3 (three) occasions, held in ICBC Tower, Jakarta. Followings are the GMS result in 2016 and the realization by the Management.

RUPS Tanggal 24 Februari 2016 | GMS Dated 24 February 2016

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menerima pengunduran diri anggota Dewan Komisaris Bank berikut ini: Ibu Hou Qian sebagai Presiden Komisaris Accepting the resignation of the following members of the Bank's Board of Commissioners: Ms. Hou Qian as President Commissioner Menerima pengunduran diri anggota Direksi Bank berikut ini: Bapak Leonard Auly sebagai Direktur terhitung sejak 27 Juli 2015 Accepting the resignation of the following members of the Bank's Board of Directors: Mr. Leonard Auly as Director Menunjuk anggota Dewan Komisaris Bank yang baru, sebagai berikut: Bapak Ma Xiangjun, sebagai Presiden Komisaris Ibu Christina Harapan, sebagai Komisaris Independen Appointing new members of the Board of Commissioners of the Bank, as follows: Mr. Ma Xiangjun, as President Commissioner Miss Christina Harapan, as Independent Commissioner Menunjuk anggota Direksi Bank yang baru,sebagai berikut: Bapak Thomas Arifin, sebagai Direktur Appointing new members of the Board of Directors of the Bank, as follows: Mr. Thomas Arifin, as Director	●	Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 135 tanggal 22 Februari 2016. All changes of the Bank's Key Management have been made and legalized-formalized through Deed No. 135 dated February 22, 2016.

● = telah ditindaklanjuti | Has been followed-up ○ = belum ditindaklanjuti | Has not been follow-up

RUPS Tanggal 3 Juni 2016 | GMS Dated 3 June 2016

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menerima pengunduran diri anggota Direksi Bank berikut ini: Bapak Zhang Lei sebagai Direktur, terhitung sejak 30 Maret 2016 Accepting the resignation of the following members of the Bank's Board of Directors: Mr. Zhang Lei as Director Menunjuk anggota Direksi Bank yang baru,sebagai berikut: Bapak Liang Qinjun, sebagai Direktur Appointing new members of the Board of Directors of the Bank, as follows: Mr. Liang Qinjun, as Director	●	Pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 21 tanggal 3 Juni 2016. All changes of the Bank's Key Management have been made and legalized-formalized through Deed No. 21 June 3, 2016.

● = telah ditindaklanjuti | Has been followed-up ○ = belum ditindaklanjuti | Has not been follow-up

RUPS Tanggal 27 Oktober 2016 | GMS Dated 27 October 2016

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menyetujui perubahan terhadap beberapa ketentuan dalam pasal 11.3 mengenai Tugas dan Wewenang Direksi dari Anggaran Dasar Bank, sebagai berikut: Approving the amendment to several provisions in article 11.3 regarding the Duties and Powers of the Board of Directors of the Bank's Articles of Association, as follows: Pasal 11.3.(c) Semula: Memesan atau membeli saham atau efek bersifat hutang pada perusahaan lain. Menjadi: Membeli saham pada perusahaan lain. Article 11.3 (c) Before: Ordering or buying shares or securities serve as debts to other companies. After: Buying shares in another company. Pasal 11.3.(f) Semula: Mengikat diri pada setiap transaksi dengan pihak ketiga didalam atau diluar kegiatan bisnis sehari-hari dengan nilai lebih besar dari IDR200.000.000.000,- (dua ratus miliar IDR). Menjadi: Diluar Otorisasi Operasional dan Manajemen mengikatkan diri pada setiap transaksi dengan pihak ketiga dengan nilai lebih besar dari IDR200.000.000.000,- (dua ratus miliar IDR). Article 11.3 (f) Before: Binding oneself to any transactions with third parties inside or outside of daily business activities with a value greater than IDR200,000,000,000 (two hundred billion IDR). After: Excluding Operational and Management Authorizations, binding oneself to any transactions with third parties with a value greater than IDR 200,000,000,000 (two hundred billion IDR). Pasal 11.3.(g) Semula: Mengubah kebijakan akuntansi yang diterapkan Perseroan. Menjadi: Mengubah kebijakan akuntansi yang diterapkan Perseroan, kecuali yang terkait dengan ketentuan hukum dan perundang-undangan. Article 11.3 (g) Before: Change the accounting policies applied by the Bank. After: Change the accounting policies adopted by the Bank, except those relating to the provisions of law and legislation. Pasal 11.3.(h) Semula: Setiap penghapusan atau pembaharuan ijin. Menjadi: Penghapusan ijin, kecuali untuk perpanjangan. Article 11.3 (h) Before: Any deletion or renewal of the Bank's permit. After: Removal of the Bank's permit, except for extensions.	●	Keputusan RUPS tersebut telah dilaksanakan dan dituangkan melalui Anggaran Dasar Bank terakhir dengan Akta No. 76 tanggal 14 November 2016. The resolution of this GMS has been implemented and is in the latest Articles of Association of the Bank via Deed No. 76 dated November 14, 2016.

● = telah ditindaklanjuti | Has been followed-up ○ = belum ditindaklanjuti | Has not been follow-up

Pelaksanaan dan Hasil Keputusan RUPS Tahun 2017

Di sepanjang tahun 2017, Bank melaksanakan 3 (tiga) kali RUPS, bertempat di ICBC Tower, Jakarta. Agenda dan hasil keputusan RUPS serta realisasi dan/atau rencana realisasi oleh manajemen Bank disampaikan pada tabel di bawah.

GMS results in 2017 and Management's realization

In 2016, The Bank conducted GMS in 3 (three) occasions, held in ICBC Tower, Jakarta. Followings are the GMS result in 2017 and the realization by the Management.

RUPS Tanggal 13 April 2017 | GMS Dated 13 April 2017

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menetapkan telah berakhirnya kontrak penugasan Ibu Bati Lestari sebagai Komisaris Independen, terhitung sejak tanggal 16 April 2016 Establishing the termination of Mrs. Bati Lestari's assignment contract as Independent Commissioner, starting from April 16, 2016	●	Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 71 tanggal 13 April 2017. All changes of the Bank's Key Management have been made and legalized-formalized through Deed No. 71 of April 13, 2017.
Menunjuk anggota Direksi Bank yang baru sebagai berikut: Ibu Ir. Fransisca Nelwan Mok sebagai Direktur, Ibu Xin Haiyan sebagai Direktur Appointing new members of the Board of Directors of the Bank as follows: Mrs. Ir. Fransisca Nelwan Mok as Director, Mrs. Xin Haiyan as Director		

● = telah ditindaklanjuti | Has been followed-up ○ = belum ditindaklanjuti | Has not been follow-up

RUPS Tanggal 21 June 2017 | GMS Dated 21 June 2017

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menyetujui peningkatan modal Bank dari semula IDR2.692.250.000.0000 (dua triliun enam ratus Sembilan puluh dua miliar dua ratus lima puluh juga IDR) menjadi sebesar IDR3.706.150.000.000 (tiga triliun tujuh ratus enam miliar seratus lima puluh juta IDR). Approving the increase of Bank capital from IDR2,692,250,000 (two billion six hundred ninety two million two hundred and fifty thousand IDR) to IDR3,692,050,000 (three billion six hundred ninety two million two hundred and fifty thousand IDR)	●	Tambahan modal tersebut dimasukkan ke dalam Modal inti Bank yang secara total menjadi lebih dari IDR5 (lima) trilyun The additional capital is incorporated into the Bank's core capital totaling more than IDR5 (five) trillion.

● = telah ditindaklanjuti | Has been followed-up ○ = belum ditindaklanjuti | Has not been follow-up

RUPS Tanggal 12 Desember 2017 | GMS Dated 21 December 2017

Hasil Keputusan Decisions	Sudah Terlaksana Followed-up on	Realisasi oleh Manajemen Follow-up by Management
Menerima pengunduran diri Bapak Ma Xiangjun sebagai Presiden Komisaris. Menerima pengunduran diri anggota Direksi Bank: Bapak Shen Xiaoqi sebagai Presiden Direktur terhitung sejak tanggal 31 Oktober 2017. Ibu Ir. Rolytha Sayuli M. sebagai Direktur terhitung sejak tanggal 31 Mei 2017. Accepting the resignation of Mr. Ma Xiangjun as President Commissioner. Accepting the resignation of members of the Board of Directors of the Bank: Mr. Shen Xiaoqi as President Director as of October 31, 2017. Mrs. Ir. Rolytha Sayuli M. as Director as of May 31, 2017.	●	Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 108 tanggal 13 Desember 2017. All changes of the Bank's Key Management have been made and legalized-formalized through Deed No. 108 dated December 13, 2017.
Menunjuk Bapak Wang Kun sebagai Presiden Komisaris. Menunjuk Bapak Zhang Jinxing sebagai Presiden Direktur yang berlaku efektif sejak diperolehnya persetujuan/perijinan sesuai ketentuan yang berlaku. Appointing Mr. Wang Kun as President Commissioner. Appointing Mr. Zhang Jinxing as President Director effective since obtaining an approval/permit in accordance with applicable provisions.		

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DEWAN KOMISARIS
BOARD OF COMMISSIONERS

Dewan Komisaris merupakan organ Bank yang bertugas melakukan pengawasan terhadap kinerja Direksi dan memberi nasihat dalam pengelolaan Bank. Dewan Komisaris tidak turut serta dalam pengambilan keputusan operasional. Kedudukan setiap anggota Dewan Komisaris termasuk Presiden Komisaris adalah setara. Dewan Komisaris memiliki lebih dari satu orang anggota yang setiap anggota bertindak atas keputusan bersama dan mewakili Dewan Komisaris.

SYARAT UNTUK MENJADI ANGGOTA DEWAN KOMISARIS RANGKAP JABATAN DEWAN KOMISARIS

Persyaratan minimum untuk Dewan Komisaris adalah:

- Dewan Komisaris terdiri dari paling sedikit 3 (tiga) orang dan paling banyak sama dengan jumlah anggota Direksi.
- Dari seluruh anggota Dewan Komisaris, paling sedikit 1 (satu) orang wajib berdomisili di Indonesia.
- Dewan Komisaris wajib dipimpin oleh Presiden Komisaris atau Komisaris Utama.
- Dewan Komisaris wajib terdiri dari Komisaris Independen dan Komisaris Non Independen.
- Komisaris Independen wajib paling sedikit berjumlah 50% (lima puluh persen) dari jumlah anggota Dewan Komisaris
- Mantan anggota Direksi atau Pejabat Eksekutif Bank atau pihak-pihak yang mempunyai hubungan dengan Bank, yang dapat mempengaruhi kemampuan yang bersangkutan untuk bertindak independen wajib menjalani masa tunggu (*cooling off*) paling singkat 1 (satu) tahun sebelum menjadi Komisaris Independen pada Bank yang bersangkutan.
  - Ketentuan tersebut tidak berlaku bagi mantan anggota Direksi yang membawahkan fungsi pengawasan atau Pejabat Eksekutif yang melakukan fungsi pengawasan pada Bank tersebut.

The Board of Commissioners is an organ of the Bank tasked with overseeing the work performance of the Board of Directors and providing advice on managing the Bank. The Board of Commissioners does not take part in making operational decisions. The status of each member of the Board, including the Chief Commissioner, is equal. Each individual member acts on a joint decision and represents the Board.

REQUIREMENTS TO BE MEMBER OF BOARD OF COMMISSIONERS INTERLOCKING DIRECTORATE

The minimum requirements for the Board of Commissioners are:

- At the very least Board of Commissioners shall consist of three (3) members and at the most equivalent to the members of Board of Directors.
- At least 1 (one) member of the Board must be domiciled in Indonesia.
- The Board of Commissioners have to be lead by President Commissioner.
- The Board of Commissioners consist of Independent Commissioner and Non-Independent Commissioner.
- Independent Commissioners must at the very least occupy 50% (fifty percent) of the total members of the Board of Commissioners.
- Former member to the Bank's Board of Directors or Executive Members or other parties which have relationship witht the Bank, who have the ability to act as an Independent requires to undergo through a cooling off period at the very least 1 (one) year before appointed to be Independent Commissioner by the subjected Bank.
  - The above rules is ruled out for former member to the Board of Director who responsible for monitoring function or Executive members whose duties is to perform monitoring function.

- Komisaris Non Independen dapat beralih menjadi Komisaris Independen setelah memenuhi persyaratan sebagai Komisaris Independen.
- Komisaris Non Independen yang akan beralih menjadi Komisaris Independen wajib menjalani masa tunggu (cooling off) paling singkat 6 (enam) bulan.
- Peralihan dari Komisaris Non Independen menjadi Komisaris Independen wajib memperoleh persetujuan Otoritas Jasa Keuangan (OJK).
- Komisaris Independen yang telah menjabat selama 2 (dua) periode masa jabatan berturut-turut dapat diangkat kembali pada periode selanjutnya sebagai Komisaris Independen dalam hal:
  - Rapat Anggota Dewan Komisaris menilai bahwa Komisaris Independen tetap dapat bertindak independen;
  - Komisaris Independen menyatakan dalam RUPS mengenai independensi yang bersangkutan.
- Pernyataan independensi Komisaris Independen wajib diungkapkan dalam laporan pelaksanaan tata kelola.
- Setiap usulan pengangkatan dan/atau penggantian anggota Dewan Komisaris kepada RUPS harus memperhatikan rekomendasi Komite Remunerasi dan Nominasi.
- Anggota Komite remunerasi dan nominasi yang memiliki benturan kepentingan (*conflict of interest*) dengan usulan yang direkomendasikan wajib mengungkapkan dalam usulan yang direkomendasikan.
- Anggota Dewan Komisaris harus memenuhi persyaratan penilaian kemampuan dan kepatutan sesuai POJK mengenai Penilaian Kemampuan dan Kepatutan bagi Pihak Utama Lembaga Jasa Keuangan.
- Mayoritas anggota Dewan Komisaris dilarang saling memiliki hubungan keluarga sampai dengan derajat kedua dengan sesama anggota Dewan Komisaris dan/atau anggota Direksi.
- Anggota Dewan Komisaris dilarang melakukan rangkap jabatan sebagai anggota Direksi, anggota Dewan Komisaris atau Pejabat Eksekutif:
  - Pada lembaga keuangan atau perusahaan keuangan, baik bank maupun bukan bank;
  - Pada lebih dari 1 (satu) lembaga bukan keuangan atau perusahaan bukan keuangan, baik yang berkedudukan di dalam maupun di luar negeri.

- Non-Independent Commissioners can be functioned as Independent Commissioners after fulfilling the requirements to be Independent Commissioners.
- Non Independent Commissioners who will be positioned as Independent Commissioners are required to go through cooling off period at the very least in a period of 6 (six) months.
- The transition from Non Independent Commissioners to Independent Commissioners requires an approval from OJK.
- Independent Commissioner who have held the position for 2 (two) office terms consecutively can be appointed again in the next period as Independent Commissioner in conditions of:
  - Board of Commissioners' meeting concludes Independent Commissioner can act independently.
  - Independent Commissioners stated in GMS on the independency of the subjects.
- The independency statements of Independent Commissioners are required to be disclosed in the GCG report.
- Every opinion on the appointment and/or changes in the members of Board of Commissioners to GMS has to consider the recommendation from Remuneration and Nomination Committee.
- Members of Remuneration and Nomination Committee who have conflict of interest with the inputs which recommended have to be disclosed in the inputs which recommended.
- Members of Board of Commissioners have to fulfill the capability requirements in accordance to POJK on the ability and competency scoring as the main party to financial institutions.
- Majority of Board of Commissioners are prohibited to have family relations to the second degree within the Board of Commissioners and/or Board of Directors.
- Members of Board of Commissioners are prohibited to have an interlocking position as member of Board of Director, member of Board of Commissioner and Executive Members:
  - At financial institutions or financial companies, Bank or non-Bank;
  - At more than 1 (one) non financial institution or non financial company, both located domestically and overseas.

- Tidak termasuk rangkap jabatan dalam hal:
  - Anggota Dewan Komisaris menjabat sebagai anggota Direksi, anggota Dewan Komisaris atau Pejabat Eksekutif yang melaksanakan fungsi pengawasan pada 1 (satu) perusahaan anak bukan bank yang dikendalikan oleh Bank;
  - Komisaris Non Independen menjalankan tugas fungsional dari pemegang saham Bank yang berbentuk badan hukum pada kelompok usaha Bank; dan/atau
  - Anggota Dewan Komisaris menduduki jabatan pada organisasi atau lembaga nirlaba.

- Conditions which do not fall as interlocking positions:
  - Board of Commissioners member which positioned as Member to the Board of Director, Member to the Board of Commissioners or Executive Members who are functioned in the monitoring function in 1 (one) subsidiary company which is not controlled by Bank;
  - Non-Independent Commissioners whose assume functional responsibility from Bank's Shareholders in the form of limited liability in Bank business group; and/or
  - Board of Commissioners Member who assume position in an organization or non-profit organization.

Pengangkatan dan Pemberhentian Dewan Komisaris

Berikut ini adalah mekanisme serta prosedur pengangkatan Dewan Komisaris Bank:

Board of Commissioners Appointments and Dismissals

The following are the mechanisms and procedures for appointing members of the Bank's Board of Commissioners:

1	Dewan Komisaris atau Pemegang Saham akan memberikan proposal kandidat anggota Dewan Komisaris kepada Komite Remunerasi dan Nominasi yang akan memproses kandidat lebih lanjut.	The Board of Directors, the Board of Commissioners or the Shareholders will submit candidate proposals for Commissioners or Directors to the Remuneration and Nomination Committee that will process the candidates further
2	Sebelum diajukan kepada Pemegang Saham melalui Dewan Komisaris, kandidat akan menjalani proses seleksi berikut: • Semua CV yang masuk akan di-*review* dan dievaluasi oleh Komite Remunerasi dan Nominasi. Mayoritas anggota Komite Remunerasi dan Nominasi harus setuju untuk nominasi tersebut sebelum kandidat mengikuti proses seleksi berikutnya. Kandidat yang telah memenuhi kriteria selanjutnya akan diwawancara. • Kandidat yang lulus wawancara, akan dicek latar belakangnya oleh pihak eksternal dan secara internal perusahaan akan mengecek kandidat pada daftar SID Bank Indonesia. Proses ini tidak berlaku bagi kandidat yang direkomendasikan oleh ICBC Ltd. karena pengecekkan dilakukan oleh ICBC Ltd.	Prior to being submitted to the Shareholders through the Board of Commissioners, candidates will undergo the following selection process • All incoming CVs will be reviewed and evaluated by the Remuneration and Nomination Committee. The majority of the Remuneration and Nomination Committee members must agree to the nomination before the candidate follows the next selection process. Candidates who have met the next criteria will be interviewed. • Candidates who pass the interview will be background checked by external parties. Internally, the company will check candidates on the SID lists of Bank Indonesia. This process does not apply to candidates recommended by ICBC Limited. Checks will have already been made by ICBC Limited.
3	Setelah melakukan beberapa proses seleksi di atas, kandidat yang terpilih akan dinominasikan oleh Komite Remunerasi & Nominasi kepada Dewan Komisaris, yang kemudian akan mengajukan kepada RUPS.	After conducting the above selection process, the chosen candidate will be nominated by the Remuneration and Nomination Committee to the Board of Commissioners, who will then subsequently submit to the GMS.
4	Setelah menerima persetujuan awal dari Pemegang Saham, kandidat akan diatur untuk menjalani tes Uji Kemampuan dan Kepatutan oleh Regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan oleh Pemegang Saham maupun Bank ICBC Indonesia.	Upon receiving the preliminary approval of the Shareholders, candidates will be governed to undergo a Feasibility Test, as well as a test of their regulatory abilities, alongside medical tests and other forms of inspection that will be conducted by Shareholders or PT Bank ICBC Indonesia.

5	Kandidat yang telah lolos Poin 4 akan diusulkan oleh Dewan Komisaris dan Direksi untuk ditunjuk oleh Pemegang Saham. Proposal akan termasuk didalamnya paket remunerasi untuk kandidat anggota Dewan Komisaris.	Candidates who have passed the procedure described in Point 4 will be proposed by the Board of Commissioners and the Board of Directors to be appointed by the Shareholder. The proposal will include a remuneration package for candidates for members of the Boards of Commissioners and Directors.
6	Berdasarkan persetujuan dari Pemegang Saham Departemen Sumber Daya Manusia akan memberikan penawaran kepada kandidat anggota Dewan Komisaris atau Direksi.	Based on approval from the Shareholders, the Human Resources Department will provide bidding offers to potential Board of Commissioners or Board of Directors members.
7	Setelah meninjau proposal dari Dewan Komisaris dan persetujuan penawaran dari kandidat anggota Dewan Komisaris, kemudian RUPS akan memutuskan secara formal anggota baru dan komposisi baru dari anggota Dewan Komisaris termasuk di dalamnya persetujuan paket remunerasi untuk anggota Dewan Komisaris yang baru. Persetujuan akan berupa Keputusan Pemegang Saham atau Risalah rapat dari RUPS atau cara lain yang diatur dalam anggaran dasar.	After reviewing the proposal from the Board of Commissioners and approval of the bidding offers from the potential candidates of the Board of Commissioners or the Board of Directors, the GMS will subsequently formally decide the new membership status and composition of the Board of Commissioners or the Board of Directors members. This includes approving remuneration package agreement for these new Board of Commissioners or Board of Directors members. The agreement will be based on the decisions of Shareholders or the Minutes of the Meeting of the GMS or based on other methods stipulated within the Articles of Association of the Bank.
8	Berdasarkan keputusan tersebut di atas, Departemen Sumber Daya Manusia akan mempersiapkan surat pemberitahuan kepada Supervision/Regulator mengenai perubahan komposisi dari Dewan Komisaris.	Based on the aforementioned decision, the Human Resources Department will prepare a notification letter to Supervisors/ Regulators regarding changes in the composition of the Board of Commissioners or the Board of Directors.
8	Untuk kandidat yang berasal dari Pemegang Saham atau dari internal (pejabat eksekutif Bank), proses seleksi secara umum akan berlaku sama, kecuali untuk beberapa poin yang mungkin tidak berlaku untuk kandidat yang berasal dari ICBC Ltd. seperti disebutkan di atas.	For candidates coming from Shareholders or from internal (executive officers of the Bank), the same general selection process applies, except for some points which may not apply to candidates from ICBC Limited, as mentioned above.

Susunan dan Komposisi Dewan Komisaris Tahun 2017

Susunan Dewan Komisaris Bank pada 31 Desember 2017 terdiri dari 1 (satu) orang Presiden Komisaris dan 2 (dua) orang Komisaris Independen. Kedua Komisaris Independen berdomisili di Indonesia. Dengan demikian, komposisi Dewan Komisaris Bank telah memenuhi Peraturan OJK tentang Pelaksanaan GCG bagi Bank Umum.

Board of Commissioners Composition in 2017

The composition of the Board of Commissioners of The Bank as of 31 December 2017 consists of 1 (one) President Commissioner and 2 (two) Independent Commissioners. The two Independent Commissioners are domiciled in Indonesia. As such, the composition of the Board has complied with Bank Indonesia Regulations on GCG Implementation for Commercial Banks.

Kronologi Susunan Dewan Komisaris di Sepanjang Tahun 2017

01 January 2017- 12 December 2017	13 December 2017- 31 December 2017	Keterangan | Detail
Ma Xiangjun Presiden Komisaris President Commissioner		Ma Xiangjun mengundurkan diri sebagai Presiden Komisaris pada 12 Desember 2017 Ma Xiangjun resigned as President Commissioner on 12 December 2017
	Wang Kun Presiden Komisaris President Commissioner	Wang Kun diangkat sebagai Presiden Komisaris pada 13 Desember 2017 Akta pengangkatan Presiden Komisaris Wang Kun is appointed as President Commissioner on 13 December base on Deed of appointment of President Commissioner No. 108.13.12.2017 tanggal 13 Desember 2017
Hendra Widjojo Komisaris Independen Independent Commissioner	**Hendra Widjojo** Komisaris Independen Independent Commissioner	Akta pengangkatan Komisaris Deed of appointment of Commissioner No. 024.19.09.2007 tanggal 19 September 2007
Christina Harapan Komisaris Independen Independent Commissioner	**Christina Harapan** Komisaris Independen Independent Commissioner	Akta pengangkatan Komisaris Deed of appointment of Commissioner No. 135.22.02.2016 tanggal 22 Februari 2016

Profil seluruh anggota Dewan Komisaris dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

Uji Kemampuan dan Kepatutan

Uji Kemampuan dan Kepatutan bagi Dewan Komisaris dilakukan setelah menerima persetujuan awal dari Pemegang Saham. Kandidat akan diatur untuk menjalani tes Uji Kemampuan dan Kepatutan oleh Regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan baik oleh Pemegang Saham maupun Bank.

Seluruh anggota Dewan Komisaris Bank telah lulus Uji Kemampuan dan Kepatutan oleh Regulator melalui keputusan di bawah ini:

- Ma Xiangjun (Presiden Komisaris), Surat No. SR-14/D.03/2016 tertanggal 27 Januari 2016.
- Wang Kun (Presiden Komisaris), Surat No. KEP-203/D.03/2017 tertanggal 3 November 2017.
- Hendra Widjojo (Komisaris Independen), Surat No. 9/9/DPIP/Prz/Sb/Rahasia tertanggal 7 November 2007.
- Christina Harapan (Komisaris Independen), Surat No. SR-176/D.03/2015 tertanggal 15 September 2016.

The profiles of all members of the Board of Commissioners can be seen in the Company Profile chapter in this annual report.

Fit and Proper Test

The Feasibility Test of the Board of Commissioners shall be conducted upon receiving of the initial approval from the Shareholders. The candidate will be required to undergo the Feasibility and Capability Test by regulators. Medical tests and other forms of inspection will also be performed by both Shareholders and The Bank.

All Board of Commissioners at The Bank has passed feasibility and capability test from the regulator through the decision below:

- Ma Xiangjun (President Commissioner), Letter No. SR-14/D.03/2016 dated 27 January 2016.
- Wang Kun (President Commissioner), Letter No. KEP-203/D.03/2017 dated 3 November 2017.
- Hendra Widjojo (Independent Commissioner), Letter No. 9/9/DPIP/Prz/Sb/Confidential dated 7 November 2007.
- Christina Harapan (Independent Commissioner), Letter No. SR-176/D.03/2015 dated 15 September 2016.

Program Orientasi dan Pengenalan Dewan Komisaris Baru

Bank memiliki program orientasi dan pengenalan bagi anggota Dewan Komisaris dan Komite di bawah Dewan Komisaris yang baru bergabung dengan tujuan untuk memberikan pengetahuan dan pemahaman tentang Bank dan lingkup pekerjaannya yang dipresentasikan oleh Presiden Direktur dan Direksi lainnya yang meliputi: visi dan misi Bank; Kode Etik Bank; struktur organisasi Bank; pedoman dan tata tertib kerja Dewan Komisaris dan Komite-Komite; informasi tentang segmen/bidang yang ada di Bank, yang disampaikan oleh masing-masing Direktur bidang; serta peraturan-peraturan terkait lainnya.

Di tahun 2017, Bank telah memberikan program orientasi dan pengenalan kepada Wang Kun yang menjabat sebagai Presiden Komisaris yang baru.

Pelatihan dan Pengembangan Kompetensi

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Dewan Komisaris, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Dewan Komisaris dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

Pedoman Kerja

Dewan Komisaris Bank bekerja berdasarkan pedoman dan tata tertib kerja Dewan Komisaris, yang telah diperbaharui pada tanggal 10 Oktober 2017, yang antara lain mengatur: Tugas dan Tanggung Jawab serta Wewenang Dewan Komisaris; Etika atau Pedoman Berperilaku; Waktu Kerja Dewan Komisaris; Kategori Rapat; serta Tata Tertib Rapat.

Pedoman Perilaku

Dewan Komisaris telah bertindak profesional dan menghindari segala bentuk potensi benturan kepentingan secara langsung maupun tidak langsung, menjamin keamanan dan kerahasiaan informasi penting perusahaan.

Board of Commissioners' Orientation and Introduction Program

The Bank has an orientation and introductory program for newly appointed Board of Commissioner members as well as for Committees under the Board of Commissioners. The purpose is to provide knowledge and understanding of the Bank and the scope of its work. This information is to be presented by the President Directors and Board of Directors members and covers; ææ The Bank's Vision and Mission; The Bank's Code of Conduct; The Bank's Organizational Structure; Working Guidelines and Work Order of the Board of Commissioners and Committees; Information on segments/ fields present in the Bank, submitted by each Director of the field; and other related regulations.

In 2017, Bank has provided orientation program and introduction to Mr. Wang Kun who is assigned as the new President Commissioner.

Training and Competency Development

The Bank has policies related to the development and enhancement of Board of Commissioners, which are conducted through trainings and the cost associated to the development is handled of The Bank. Related to the trainings and development of the Board of Commissioners can be referred to the Company Profile section in this annual report.

Working Guidelines

The Board of Commissioners of The Bank is working under the Board Charter which contains guidelines and work rules, which have been updated on October 10, 2017, and among others regulate: Duties and Responsibilities, and the authority of the Board of Commissioners; Ethics or Code of Conduct; Working Time of the Board of Commissioners; Meeting Category; and the rules of the meeting.

Code of Conduct

The Board of Commissioners has acted professionally and avoided any form of potential conflict of interest directly or indirectly, ensuring the security and confidentiality of key corporate information.

Interaksi antara Dewan Komisaris dengan Pemegang Saham terjadi, antara lain ketika:

- Memberikan pendapat dan saran saat RUPS mengenai Rencana Jangka Panjang Perusahaan, Anggaran dan Rencana Kerja Perusahaan yang diusulkan Direksi.
- Mengawasi pengelolaan perusahaan, serta memberikan pendapat dan saran kepada RUPS mengenai setiap masalah yang dianggap penting.
- Melaporkan dengan segera kepada RUPS apabila terjadi gejala penurunan kinerja perusahaan.

Sementara itu, interaksi Dewan Komisaris dan Direksi antara lain terjadi ketika:

- Meneliti dan menelaah laporan berkala dan laporan tahunan yang disiapkan Direksi, serta menandatangani laporan tahunan.
- Melakukan pengawasan dan memberikan pendapat atas pengelolaan perusahaan.
- Melakukan penilaian atas kinerja Direksi.

Tugas dan Tanggung Jawab

Tugas dan tanggung jawab Dewan Komisaris antara lain:

- Melaksanakan pengawasan terhadap Direksi Bank dalam penerapan dan pelaksanaan kebijakan Bank, tugas-tugas dan tanggung jawabnya sesuai dengan Keputusan RUPS maupun semua ketentuan yang berlaku.
- Memberikan nasihat kepada Direksi mengenai hal-hal strategis yang berhubungan dengan kegiatan usaha Bank. Nasihat-nasihat yang dapat diberikan oleh Dewan Komisaris kepada Direksi tersebut misalnya berkaitan dengan penerbitan produk perbankan yang baru, strategi perluasan pasar, pembukaan jaringan kantor, strategi pengembangan untuk memperoleh bisnis perbankan yang baru, termasuk pula nasihat-nasihat dalam hal Bank mengalami kesulitan yang serius.
- Membuat dan menyampaikan laporan adanya pelanggaran terhadap undang-undang dan/atau ketentuan di bidang keuangan dan perbankan, keadaan atau perkiraan keadaan yang dapat membahayakan kelangsungan usaha Bank kepada pihak berwenang yang terkait. Laporan tersebut harus ditandatangani oleh Dewan Komisaris dan disampaikan kepada Regulator dalam waktu 7 (tujuh) hari kerja sejak ditemukannya pelanggaran.

Interaction between the Board of Commissioners and Shareholders occurs, among others, when they are:

- Providing opinions and suggestions during the GMS on the Company's Long Term Plan, Budget and Business Plan proposed by the Board of Directors.
- Supervising the management of the company, and providing opinions and suggestions to the General Meeting of Shareholders regarding any issues that are considered important.
- Reporting immediately to the GMS in case of symptoms of decline in company performance.

Meanwhile, the interaction of the Board of Commissioners and the Board of Directors, among others, occurred when they are:

- Examining and reviewing the annual reports and annual reports prepared by the Board of Directors, and signing these annual reports.
- Conducting supervision and giving opinions on the management of the company.
- Assessing the performance of the Board of Directors.

Duties and Responsibilities

The duties and responsibilities of the Board of Commissioners are as follows:

- Implement supervision on the Board of Directors of the Bank in the application and implementation of the Bank's policies, and on the application and implementation of its duties and responsibilities, on whether the board is in accordance with the Resolutions of the General Meeting of Shareholders or all applicable regulations.
- Advise the Directors on strategic matters relating to the Bank's business activities. Advice to be given by the Board of Commissioners to the Board of Directors is related to the issuance of new banking products, market expansion strategies, the opening of office networks, development strategies to acquire new banking business, as well as advice in case of the Bank experiencing serious difficulties.
- Create and submit reports for violations of laws and/or regulations in the financial and banking fields, and for circumstances or estimates of circumstances that may compromise the Bank's business continuity to the relevant authorities. The report shall be signed by the Board of Commissioners and shall be submitted within 7 (seven) working days after the discovery of the violation.

- Melaksanakan pengawasan terhadap rencana bisnis bank yang dilakukan Direksi dan melaporkannya kepada Otoritas Jasa Keuangan (OJK) beserta tanggapannya per semester.
- Mengevaluasi pertanggungjawaban Direksi atas pelaksanaan kebijakan Manajemen Risiko Bank. Dewan Komisaris dibantu oleh Komite Pemantau Risiko yang mempersiapkan *draft* hasil evaluasi dimaksud berikut rekomendasi kepada Dewan Komisaris. Setelah itu Dewan Komisaris mendiskusikan hasil evaluasi dimaksud dan selanjutnya menyampaikan hasil evaluasi tersebut kepada Direksi untuk diketahui dan/atau ditindaklanjuti.
- Dewan Komisaris harus memahami, memantau, dan selanjutnya melaporkan kepada Otoritas Jasa Kuangan mengenai:
  - Persetujuan pengangkatan dan pemberhentian kepala Satuan Kerja Audit Internal SKAI), yaitu dilaporkan 14 hari kerja setelah pengangkatan/pemberhentian yang bersangkutan.
  - Pelaksanaan audit internal Bank serta pokok-pokok hasil temuan audit internal (per semester, yaitu Juni and Desember).
  - Laporan terhadap realisasi bisnis Bank yang disampaikan selambat-lambatnya 2 (dua) bulan setelah bulan laporan (akhir Februari dan Agustus).
- Melakukan *review* atas perencanaan audit dan pelaksanaannya serta pemantauan atas tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal, termasuk kecukupan proses pelaporan keuangan.
- Memberikan laporan tentang tugas pengawasan yang telah dilakukan selama tahun buku yang baru lampau kepada Rapat Umum Pemegang Saham/RUPS.
- Mengevaluasi laporan tahunan yang telah diaudit untuk diajukan dalam Rapat Umum Pemegang Saham Tahunan.
- Melakukan pengawasan terhadap pelaksanaan fungsi kepatuhan Bank dengan:
  - Mengevaluasi pelaksanaan fungsi kepatuhan Bank paling kurang 2 (dua) kali dalam 1 (satu) tahun.
  - Memberikan saran-saran dalam rangka meningkatkan kualitas pelaksanaan fungsi kepatuhan Bank.
- Memastikan terselenggaranya pelaksanaan Tata Kelola Perusahaan yang Baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi.

- Implement supervision of the Bank's business plan by the Board of Directors and report it to the Financial Services Authority (OJK) and its response per semester.
- Evaluate the Board of Directors' accountability for the implementation of the Bank's Risk Management policy. The Board of Commissioners is assisted by the Risk Monitoring Committee for preparing the draft of the evaluation result and recommendations to the Board of Commissioners. Thereafter the Board of Commissioners is to discuss the results of the evaluation and subsequently submit the evaluation results to the Board of Directors in order for it to be known and/or acted upon.
- The Board of Commissioners shall understand, monitor, and subsequently report to the Financial Services Authority on:
  - Approval of the appointment and dismissal of the Internal Audit Working Unit, which is to be reported 14 working days after the appointment/termination .
  - Implementation of the Bank's internal audit as well as the main findings of internal audit findings (per semester, June and December).
  - Reports are to be submitted to Bank Indonesia no later than 2 (two) months after the reporting month (end of February and August).
- Reviewing the audit planning and implementation process as well as the monitoring of follow-ups of audit results in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
- Provide reports on supervisory duties that have been conducted during the past financial year to the General Meeting of Shareholders/GMS.
- Evaluate audited annual reports for submission in the Annual General Meeting of Shareholders.
- Monitor the implementation of Bank's compliance function by:
  - Evaluate the implementation of the Bank's compliance function at least 2 (two) times in 1 (one) year.
  - Provide suggestions in order to improve the quality of the Bank's compliance function.
- Ensure the implementation of Good Corporate Governance in every business activity of the Bank at all levels of the organization.

- Memastikan bahwa Direksi Bank telah menindaklanjuti temuan audit dan rekomendasi dari Satuan Kerja Audit Internal Bank (SKAI), auditor eksternal, hasil pengawasan Regulator.
- Memastikan bahwa Komite Audit, Komite Pemantau Risiko serta Komite Remunerasi dan Nominasi telah menjalankan tugasnya secara efektif.
- Menjamin SKAI dapat melaksanakan tugasnya secara independen.
- Dalam kaitannya dengan Penyelenggaraan Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT), Dewan Komisaris harus melakukan pengawasan aktif yang mencakup:
  - Persetujuan atas kebijakan dan prosedur penerapan program APU dan PPT.
  - Pengawasan atas pelaksanaan tanggung jawab Direksi terhadap program APU dan PPT.
- Dalam kaitannya dengan pelaksanaan kegiatan alih daya pada Bank, Dewan Komisaris harus melakukan hal-hal sebagai berikut:
  - Menyetujui dan mengevaluasi kebijakan alih daya termasuk penyempurnaannya.
  - Mengevaluasi pertanggungjawaban Direksi atas penerapan Manajemen Risiko pada Alih Daya.
- Dalam kaitannya dengan penyelenggaraan manajemen Teknologi Informasi, tanggung jawab Dewan Komisaris meliputi hal-hal sebagai berikut:
  - Mengarahkan, memantau dan mengevaluasi rencana strategis Teknologi Informasi dan Kebijakan Bank terkait dengan penyelenggaraan Teknologi Informasi.
  - Mengevaluasi pertanggung jawaban Direksi atas penerapan Manajemen Risiko dalam penggunaan Teknologi Informasi.
  - Melakukan evaluasi terhadap perencanaan dan pelaksanaan audit, memastikan audit dilaksanakan dengan frekuensi dan lingkup yang memadai serta melakukan pemantauan atas tindak lanjut hasil audit.
  - Melakukan evaluasi terhadap pengelolaan pengamanan yang handal dan efektif atas Informasi Teknologi guna menjamin ketersediaan, kerahasiaan dan keakuratan informasi.
- Memelihara dan memantau Tingkat Kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan Tingkat Kesehatan Bank.

- Ensure that the Board of Directors of the Bank has followed-up on audit findings and recommendations of the Bank Internal Audit Work Unit, external auditors, the results of supervision by Bank Indonesia or other authorities.
- Ensure that the Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee have performed their duties effectively.
- Ensure that the Internal Audit Unit can carry out its duties independently.
- In relation to the Implementation of Anti Money Laundering and Terrorism Financing Prevention (PPT), the Board of Commissioners shall exercise active supervision which includes:
  - Approval of APU and PPT program policies and procedures.
  - Supervision over the implementation of Board of Directors' responsibilities to APU and PPT programs.
- In relation to the implementation of outsourcing activities at the Bank, the Board of Commissioners shall do the following:
  - Approve and evaluate outsourcing policies including improvements.
  - Evaluate the responsibility of the Board of Directors on the implementation of Risk Management on Outsourcing.
- In relation to the management of Information Technology, the responsibility of the Board of Commissioners covers the following matters:
  - Direct, monitor and evaluate the strategic plan of Information Technology and Bank Policy related to the implementation of Information Technology.
  - Monitor and evaluate the suitability of policies with the application of risk management in the use of Information Technology.
  - Evaluate the planning and execution of audits, ensure that audits are carried out with adequate frequency and scope, and monitor the follow-ups of audit results.
  - Evaluate the reliable and effective management of Information Technology to ensure the availability, confidentiality and accuracy of information.
- Maintain and monitor the Bank's Health Level and take measures that are necessary to maintain and/or increase the sound level of the Bank.

- Sendiri dan/atau bersama-sama dengan Direksi dan/atau Pemegang Saham Pengendali wajib menyampaikan rencana tindakan *(action plan)* kepada OJK yang memuat langkah-langkah perbaikan yang wajib dilaksanakan oleh Bank dalam rangka mengatasi permasalahan yang signifikan yang dihadapi oleh Bank beserta target waktu penyelesaiannya, apabila hasil penilaian Tingkat Kesehatan Bank menunjukkan: (i) Peringkat Faktor Tingkat Kesehatan Bank ditetapkan 4 (empat) atau 5 (lima); (ii) Peringkat Komposit Tingkat Kesehatan Bank ditetapkan 3 (tiga) namun terdapat permasalahan signifikan yang perlu diatasi agar tidak mengganggu kelangsungan usaha Bank. Rencana tindakan sebagaimana dimaksud antara lain meliputi:
  - Memperbaiki penerapan manajemen risiko Bank dengan langkah-langkah perbaikan yang nyata disertai dengan target waktu penyelesaiannya. Sebagai contoh, pada Bank dengan tingkat Risiko Kredit yang tinggi, Bank dapat menurunkan Risiko Kredit dengan memperbaiki kelemahan dalam kualitas Penerapan Manajemen Risiko Kredit dan/atau menurunkan eksposur risiko kredit inheren.
  - Memperbaiki penerapan GCG dengan langkah-langkah perbaikan yang nyata dan target waktu penyelesaiannya.
  - Memperbaiki kinerja keuangan Bank antara lain dengan meningkatkan efisiensi apabila Bank mengalami permasalahan rentabilitas.
  - Menambah modal secara tunai dari Pemegang Saham Bank dan/atau pihak lainnya apabila Bank mengalami permasalahan kekurangan permodalan.
- Melakukan pengawasan aktif terhadap penerapan manajemen risiko dalam kegiatan keagenan produk keuangan luar negeri;
- Memantau dan memberikan persetujuan kepada Direksi untuk menetapkan kebijakan dan prosedur tentang transparansi penggunaan data pribadi Nasabah serta kebijakan dan prosedur tentang transparansi informasi produk Bank.

- Alone and/or together with the BoD and Controlling Shareholders, it must submit action plans to the Financial Services Authority that contain remedial measures that must be performed by the Bank in order to address the significant problems faced by the Bank and its established time targets completion. This is to be done if the result of the Bank's Health Rating indicates: (i) The Bank's Soundness Factor is determined to be 4 (four) or 5 (five); (ii) Bank Composite Rating is set at 3 (three) but there are significant issues that need to be addressed so as not to disrupt the business continuity of the Bank. The action plans referred to among others includes:
  - Improving the implementation of Bank Risk Management with concrete improvement measures accompanied by an established target completion time. For example, at a Bank with a credit risk level, these measures can include correcting the weakness in the quality of Credit Risk Management Implementation and/or lowering the exposure to inherent credit risk.
  - Improving GCG implementation with real improvement measures and target completion times.
  - Improving the financial performance of the Bank, among others, by improving efficiency if the Bank experiences problems of profitability.
  - Increasing capital in cash from the Shareholders of the Bank and/or other parties if the Bank suffers from a lack of capital.
- Conduct active oversight of the implementation of risk management in the activities of foreign financial product agency;
- Monitor and give approval to the Board of Directors to establish policies and procedures on transparent use of customer personal data and policies, as well as on procedures on the transparency of information for the Banks products.

Kewajiban

Kewajiban Dewan Komisaris adalah sebagai berikut:

- Anggota Dewan Komisaris wajib dengan itikad baik dan penuh tanggung jawab menjalankan tugasnya untuk kepentingan Bank.
- Anggota Dewan Komisaris wajib melaksanakan tugas dan tanggung jawabnya secara independen (obyektif, bebas dari tekanan dan kepentingan pihak manapun). Dalam hal terjadi benturan kepentingan yang tidak dapat dihindari harus diungkapkan secara wajar dan terbuka.

Obligations

The obligations of the Board of Commissioners are as follows:

- Members of the Board of Commissioners shall in good faith and with full responsibility perform their duties in the interest of the Bank.
- Members of the Board of Commissioners shall carry out their duties and responsibilities independently (objectively, free from any pressure and interest of any party). In the event of an unavoidable clash of interests, this should be expressed fairly and openly.

- Anggota Dewan Komisaris wajib menyediakan waktu yang cukup untuk melaksanakan tugas dan tanggung jawabnya secara optimal.
- Anggota Dewan Komisaris wajib mengungkapkan:
  - Kepemilikan sahamnya yang mencapai 5% (lima persen) atau lebih pada Bank dan/atau pada perusahaan lainnya.
  - Hubungan keuangan, hubungan keluarga, dengan anggota Dewan Komisaris, Direksi dan/atau Pemegang Saham Bank.
- Anggota Dewan Komisaris wajib menghormati keputusan organ perusahaan (RUPS, Dewan Komisaris, Direksi sesuai fungsi masing-masing).
- Anggota Dewan Komisaris wajib menjaga informasi Bank yang bersifat rahasia.
- Anggota Dewan Komisaris wajib menjunjung tinggi integritas dan kejujuran sebagai nilai tertinggi.
- Anggota Dewan Komisaris menjalankan tugas, tanggung jawab, dan wewenang berdasarkan amanah/kepercayaan.

Hak dan Wewenang

Dewan Komisaris memiliki hak dan wewenang sebagai berikut:

- Dewan Komisaris memberikan persetujuan atas Rencana Bisnis Bank.
- Menyetujui dan mengevaluasi kebijakan manajemen risiko sekurang-kurangnya sekali dalam setahun.
- Menyetujui pengangkatan dan pemberhentian Kepala Satuan Kerja Audit Internal.
- Membentuk Komite Audit, Komite Pemantau Risiko, serta Komite Remunerasi dan Nominasi serta merekomendasikan anggota Komite tersebut dalam rapat Dewan Komisaris untuk selanjutnya ditetapkan Direksi.
- Terkait dengan penyelenggaraan Batas Maksimum Pemberian Kredit, Komisaris harus memastikan bahwa penyediaan dana kepada pihak terkait tidak melanggar ketentuan Batas Maksimum Pemberian Kredit sebelum memberikan persetujuan terhadap penyediaan dana kepada pihak terkait.
- Menjalin komunikasi dan menerima serta memeriksa pelaporan dari unit atau fungsi Bank yang bertugas menangani penerapan strategi anti *fraud* dalam organisasi Bank.
- Dalam kaitannya dengan pengelolaan kualitas aset, Dewan Komisaris wajib melakukan hal-hal sebagai berikut:
  - Menyetujui kebijakan mengenai Aset Produktif dalam bentuk surat berharga serta melakukan pengawasan secara aktif terhadap pelaksanaan kebijakan tersebut.

- Members of the Board of Commissioners shall provide sufficient time to perform their duties and responsibilities optimally.
- Members of the Board of Commissioners shall disclose:
  - Share ownership of 5% (five percent) or more in the Bank and/or other Banks/companies.
  - Financial relationships, family relationships, with members of the Board of Commissioners, Board of Directors and/or Shareholders of the Bank.
- Members of the Board of Commissioners shall respect the decisions of corporate organs (GMS, Board of Commissioners, and Board of Directors as per their respective functions).
- Members of the Board of Commissioners shall maintain confidential Bank information.
- Members of the Board of Commissioners shall uphold integrity and honesty as the highest value.
- Members of the Board of Commissioners shall carry out duties, responsibilities, and authority based on trust.

Rights and Authority

The Board of Commissioners has the following rights and authority:

- Approving the Bank's Business Plan.
- Approving and evaluating risk management policies at least once a year.
- Approving the appointment and dismissal of the Head of Internal Audit Working Unit.
- Establishing an Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee and deciding on the appointment of such committee members in the Board of Commissioners meeting to be determined by the Board of Directors.
- In relation to the provision of the Legal Lending Limit, the Commissioner shall ensure that the provision of funds to related parties does not violate the provisions of the Legal Lending Limit before approving the provision of funds to the parties concerned.
- Establishing communication and receive and check the reporting of the unit or function of the Bank in charge of implementing anti-fraud strategies within the Bank organization.
- In relation to asset quality management, the Board of Commissioners is obliged to undertake the following:
  - Approving the policy concerning Earning Assets in the form of securities and conducting active supervision of the implementation of the policy.

- Menyetujui kebijakan mengenai restrukturisasi kredit dan melakukan pengawasan secara aktif terhadap pelaksanaan kebijakan tersebut.
- Menyetujui kebijakan mengenai hapus buku dan hapus tagih serta melakukan pengawasan aktif terhadap pelaksanaan kebijakan tersebut.

• Kewenangan lain sebagaimana diatur dalam Anggaran Dasar Bank.

Laporan Pelaksanaan Tugas Dewan Komisaris Tahun 2017

Dewan Komisaris telah melakukan pengawasan terhadap pelaksanaan Rencana Bisnis yang dijalankan oleh Direksi tahun 2017. Pengawasan dilakukan terhadap aspek-aspek penting antara lain:

- Penilaian Dewan Komisaris tentang aspek kualitatif maupun kuantitatif dari realisasi Rencana Bisnis, termasuk penilaian faktor-faktor eksternal yang mempengaruhi operasional Bank.
- Hasil penilaian Dewan Komisaris tentang faktor faktor yang mempengaruhi kinerja Bank.
- Pendapat Dewan Komisaris mengenai upaya untuk meningkatkan kinerja Bank.

Dewan Komisaris telah aktif berperan dalam hal pengawasan operasional Bank. Di tahun 2017, Dewan Komisaris telah mengadakan rapat Dewan Komisaris, dimana terdapat 11 (sebelas) proposal utama yang telah dibahas. Rapat Komite Pemantau Risiko dan Komite Audit yang berada di bawah Dewan Komisaris telah dilaksanakan dengan 40 (empat puluh) topik yang menjadi perhatian utama telah dibahas dan ditinjau. Rapat Komite Remunerasi dan Nominasi yang berada di bawah Dewan Komisaris juga telah dilaksanakan. Selain itu, untuk memantau masalah-masalah penting di Bank secara tepat, Dewan Komisaris telah mengadakan beberapa pertemuan lainnya seperti penyelesaian NPL, kemajuan migrasi DC/DRC, dan beberapa pembahasan lainnya. Untuk lebih memperkuat komunikasi dan koordinasi antara Direksi dan Dewan Komisaris, diselenggarakan Rapat Komunikasi Direksi dan Dewan Komisaris.

- Approving the policy on credit restructuring and conducting active oversight of the implementation of the policy.
- Approving policies on write off and collecting off and exercising active oversight of the implementation of this policy (Article 13 of Bank Indonesia Regulation No. 14/15/PBI/2012).

• Other authorities as regulated in Article 14 of the Bank's Articles of Association.

Report on the Implementation of Duties of the Board of Commissioners of 2017

The Board of Commissioners has supervised the implementation of the Business Plan run by the Board of Directors in 2017. Supervision is carried out on important aspects such as:

- Assessment of the Board of Commissioners on the qualitative and quantitative aspects of the realization of the Bank Business Plan, including the assessment of external factors affecting the Bank's operations.
- The results of the Board of Commissioners' assessment of the factors affecting the Bank's performance.
- The opinion of the Board of Commissioners on efforts to improve the performance of the Bank.

The Board of Commissioners has been actively involved in the supervision of the Bank's operations. In 2017, the Board of Commissioners held the Board of Commissioners meeting, during which 11 (eleven) main proposals were discussed. The meeting of the Risk Oversight Committee and the Audit Committee under the Board of Commissioners has been implemented with 40 (forty) topics of major concern being discussed and reviewed. The Remuneration and Nomination Committee meeting under the Board of Commissioners has also been implemented. In addition, to monitor important issues at the Bank appropriately, the Board of Commissioners has held several other meetings such as NPL settlement, DC-DRC migration progress, and several other discussions. To further strengthen communication and coordination between Directors and Board of Commissioners, a Communication Meeting of the Board of Directors and Board of Commissioners has also been held.

Penilaian Kinerja Komite di Bawah Dewan Komisaris

Berdasarkan Peraturan OJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, Komite telah melaporkan hasil kinerja setiap kuartal kepada Dewan Komisaris dan sudah diterima dengan baik oleh Dewan Komisaris.

Selama tahun 2017, Dewan Komisaris dan anggota Komite di bawah Dewan Komisaris melakukan beberapa kegiatan, sebagai berikut:

Performance Assessment of the Committee under the Board of Commissioners

In accordance with Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, Committees have reported their working results every quarter to the Board of Commissioners and have been well received the Board of Commissioners.

During 2017, the Board of Commissioners and committee members under the Board of Commissioners conducted several activities, as follows:

Tanggal Date	Aktivitas Activity	Dewan Komisaris dan Komite Audit Board of Commissioners and Audit Committee	Tempat Venue
22 February 2017	Kunjungan ke Kantor Cabang Mangga Dua, Jakarta Visit to the Mangga Dua, Jakarta Branch Office.	**Ma Xiangjun** Presiden Komisaris President Commissioner **Hendra Widjojo** Komisaris Independen | Independent Commissioner **Christina Harapan** Komisaris Independen | Independent Commissioner	Kantor Cabang Mangga Dua, Jakarta Mangga Dua, Jakarta Branch Office
	Kunjungan ke Kantor Cabang Pluit, Jakarta Visit to the Pluit, Jakarta Branch Office.		Kantor Cabang Pluit, Jakarta Pluit, Jakarta Branch Office
06 July 2017	Kunjungan ke Kantor Cabang Bandung Visit to the Bandung Branch Office.	**Christina Harapan** Komisaris Independen | Independent Commissioner	Kantor Cabang Bandung Bandung Branch Office
16 September 2017	Kepesertaan dalam *Workshop Internal Audit* Participation in the Internal Audit Workshop	**Ricky Dompas** Anggota Komite Audit | Audit Committee Member **Waldy Gutama** Anggota Komite Audit | Audit Committee Member	Discovery Hotel, Jakarta

KOMISARIS INDEPENDEN

Berdasarkan Peraturan OJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, Komisaris Independen adalah anggota Dewan Komisaris yang tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain dan/atau Pemegang Saham pengendali, atau hubungan dengan Bank yang dapat mempengaruhi kemampuan yang bersangkutan untuk bertindak independen. Keberadaan Komisaris Independen ditujukan untuk menciptakan lingkungan kerja yang lebih obyektif dan wajar bagi semua Pemangku Kepentingan, termasuk Pemegang Saham minoritas.

INDEPENDENT COMMISSIONERS

In accordance to Financial Services Authority Regulation No. 55 /POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, Independent Commissioners are members of the Board of Commissioners who have no financial, management, share ownership and/or family relationships with members of the Board of Directors, other members of the Board of Commissioners and/or controlling shareholders, or relationships with the Bank that may affect the ability to act independently. The existence of an Independent Commissioner is aimed at creating a more objective and reasonable work environment for all Stakeholders, including minority shareholders.

Peraturan tersebut juga mensyaratkan bahwa setidaknya 50% (lima puluh persen) dari anggota Dewan Komisaris adalah Komisaris Independen, dengan ketentuan masa jabatan 2 (dua) periode masa jabatan berturut-turut dan dapat diangkat kembali pada periode selanjutnya sebagai Komisaris Independen dengan ketentuan sebagai berikut:

- Rapat Dewan Komisaris menilai bahwa Komisaris Independen tetap dapat bertindak independen.
- Komisaris Independen menyatakan dalam RUPS mengenai independensi yang bersangkutan.

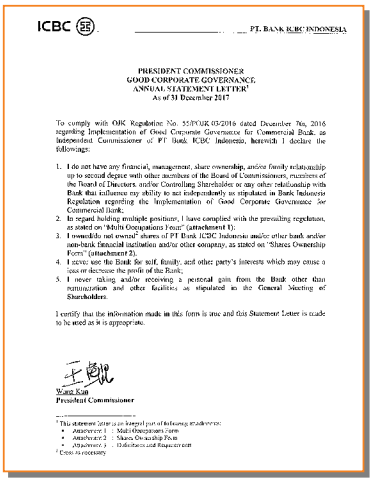
The regulation also requires that at least 50% (fifty percent) of the members of the Board of Commissioners be Independent Commissioners, subject to the term of office of 2 (two) periods of consecutive terms and may be reappointed in the following period as Independent Commissioners with the following provisions:

- The Board of Commissioners' meeting believes that the Independent Commissioner in question can still act independently.
- An Independent Commissioner makes a declaration during a GMS concerning the independence of the person in question.

Bank telah memenuhi peraturan di atas, dimana komposisi keanggotaan Komisaris Independen berjumlah 2 (dua) orang, atau 66,67% (enam puluh enam koma enam puluh tujuh persen) dari jumlah keseluruhan Dewan Komisaris yang sebanyak 3 (tiga) orang yaitu Hendra Widjojo dan Christina Harapan.

The Bank has complied with the above regulations. In which the composition of its membership of Independent Commissioners amounted to 2 (two) persons, or 66.67% (sixty six point sixty seven percent) of the total number of Board of Commissioners of 3 (three) persons, namely Hendra Widjojo and Christina Harapan.

Pernyataan Independensi Dewan Komisaris
Independence Statement of the Board of Commissioners



ICBC PT. BANK ICBC INDONESIA

PRESIDENT COMMISSIONER
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2017

To comply with OJK Regulation No. 55/POJK.03/2016 dated December 7th, 2016 regarding Implementation of Good Corporate Governance for Commercial Bank, as Independent Commissioner of PT Bank ICBC Indonesia, herewith I declare the followings:

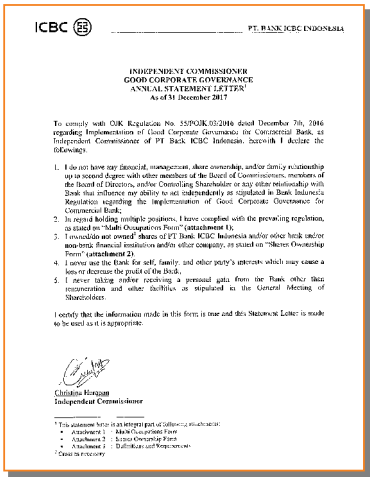
1. I do not have any financial, management, share ownership, and/or family relationship up to second degree with other members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholder or any other relationship with Bank that influence my ability to act independently as stipulated in Bank Indonesia Regulation regarding the Implementation of Good Corporate Governance for Commercial Bank;
2. In regard holding multiple positions, I have complied with the prevailing regulation, as stated on "Multi Occupations Form" (attachment 1);
3. I ownership not owned[2] shares of PT Bank ICBC Indonesia and/or other bank and/or non-bank financial institution and/or other company, as stated on "Shares Ownership Form" (attachment 2);
4. I never use the Bank for self, family, and other party's interests which may cause a loss or decrease the profit of the Bank;
5. I never taking and/or receiving a personal gain from the Bank other than remuneration and other facilities as stipulated in the General Meeting of Shareholders.

I certify that the information made in this form is true and this Statement Letter is made to be used as it is appropriate.

Wang Kun
President Commissioner

[1] This statement letter is an integral part of following attachments:
- Attachment 1 : Multi Occupations Form
- Attachment 2 : Shares Ownership Form
- Attachment 3 : Definition and Requirement

[2] Cross as necessary



ICBC PT. BANK ICBC INDONESIA

INDEPENDENT COMMISSIONER
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2017

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5. I never taking and/or receiving a personal gain from the Bank other than remuneration and other facilities as stipulated in the General Meeting of Shareholders.

I certify that the information made in this form is true and this Statement Letter is made to be used as it is appropriate.

Christina Harapan
Independent Commissioner

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- Attachment 2 : Shares Ownership Form
- Attachment 3 : Definition and Requirement

[2] Cross as necessary

DIREKSI
BOARD OF DIRECTORS

Direksi adalah Organ Bank yang berwenang dan bertanggung jawab penuh atas pengurusan Bank untuk kepentingan Bank, sesuai dengan maksud dan tujuan Bank serta mewakili Bank, baik di dalam maupun di luar pengadilan sesuai dengan ketentuan Anggaran Dasar.

Berkaitan dengan pelaksanaan tugas Direksi Bank mengacu pada Pedoman dan Tata Tertib Direksi berdasarkan Undang-Undang No. 40 Tahun 2007 tanggal 16 Agustus 2007 tentang Perseroan Terbatas; POJK No. 55/POJK.03/2016 tentang Penerapan Tata Kelola bagi Bank Umum; serta Anggaran Dasar Bank.

KRITERIA PENGANGKATAN DIREKSI

Kriteria atau persyaratan yang berlaku untuk dapat diangkat sebagai anggota Direksi Bank telah dituangkan dalam Buku Pedoman Kerja Direksi dimana anggota Direksi harus memenuhi persyaratan umum, persyaratan khusus serta persyaratan tambahan bagi Presiden Direktur, persyaratan tambahan bagi Direktur Kepatuhan.

Mekanisme Pengangkatan dan Pemberhentian Direksi

Mekanisme pengangkatan dan pemberhentian Direksi Bank melalui tahapan yang dimulai dari kajian Komite Remunerasi dan Nominasi. Hasil kajian tersebut disampaikan kepada Dewan Komisaris untuk dievaluasi dan disetujui nama-nama para calon Direksi yang telah diusulkan oleh Komite Remunerasi dan Nominasi. Dewan Komisaris menyeleksi nama-nama yang telah dinominasikan untuk kemudian disampaikan kepada Pemegang Saham. Pemegang Saham menyetujui nama-nama yang telah diajukan oleh Dewan Komisaris untuk kemudian disahkan dan/atau ditetapkan dalam RUPS.

The Board of Directors is the Bank's Organ that has the authority and is fully responsibility for managing the Bank for its interests, in line with the purposes and objectives of the Bank. The Board also represents the Bank, both inside and outside courts, in accordance with the Articles of Association.

In implementing its duties, the Board of Directors of The Bank refers to the Board's Guidelines and Procedures, which are based on Law No. 40/2007 dated 16 August 2007 on Limited Liability Bank; Financial Services Authority Regulation No. 55/POJK.03/2016 on GCG Implementation for Commercial Banks; and the Bank's Articles of Association.

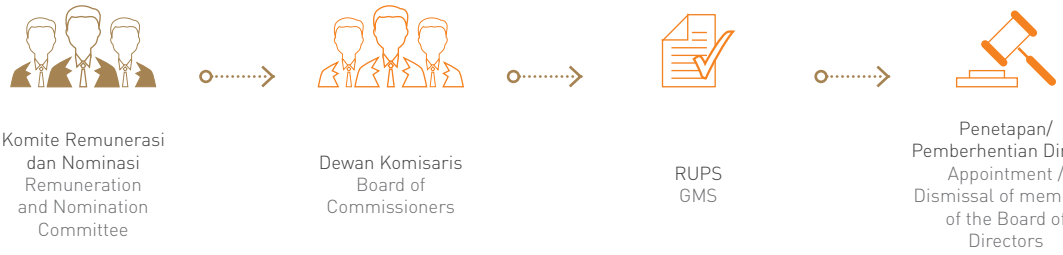
BOARD OF DIRECTORS' ELIGIBILITY CRITERIA

The criteria or requirements for being eligible to be appointed as a member of the Board of Directors of The Bank have been set forth in the Board of Directors' Handbook. Members of the Board of Directors must meet the general requirements, special requirements and additional requirements for being the President Director. There are additional requirements for being the Compliance Director.

The mechanism for the appointment and dismissal of the Board of Directors

The mechanism for the appointment and dismissal of members of the Board of Directors of The Bank works through phases that begin with a review from the Remuneration and Nomination Committee. The results of the review are submitted to the Board of Commissioners for evaluation and approval of the candidates proposed by the Remuneration and Nomination Committee. The Board of Commissioners selects the candidates to be submitted to the Shareholders. Upon the Shareholders' approval, the candidates are then ratified and/or stipulated in the GMS.

Proses Pengangkatan dan Pemberhentian Direksi
Process the Appointment and Dismissal of members of the Board of Directors



Susunan dan Komposisi Direksi Tahun 2017

Jumlah anggota Direksi Bank per 31 Desember 2017 sebanyak 7 (tujuh) orang dan masing-masing memiliki pengalaman yang baik di bidang perbankan. Seluruh anggota Direksi Bank berdomisili di Indonesia dan memiliki integritas serta kompetensi yang memadai sesuai dengan persyaratan Uji Kemampuan dan Kepatutan Regulator.

The Board of Directors Structure and Composition in 2017

The number of members of the Board of Directors of The Bank as of December 31, 2017 is 7 (seven) people and each has good experience in banking. All members of the Board of Directors of The Bank are domiciled in Indonesia and have adequate integrity and competence in accordance with Regulatory requirements and Regulatory requirements.

Kronologi Susunan Direksi di Sepanjang Tahun 2017 | Board of Directors Structure throughout 2017

01 January 2017- 11 April 2017	12 April 2017- 31 May 2017	01 June 2017- 31 October 2017	01 November 2017- 31 December 2017	Keterangan Details
Shen Xiaoqi Presiden Direktur President Director	**Shen Xiaoqi** Presiden Direktur President Director	**Shen Xiaoqi** Presiden Direktur President Director		Mengundurkan diri pada 31 Oktober 2017 Resigned on 31 October 2017
Yu Guangzhu Direktur| Director	**Yu Guangzhu** Direktur | Director	**Yu Guangzhu** Direktur | Director	**Yu Guangzhu** Direktur & Plt. Presiden Direktur Director & Acting President Director	Efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 Effectively served as Acting President Director on 1 November 2017
Jeff S.V. Eman Direktur| Director	**Jeff S.V. Eman** Direktur| Director	**Jeff S.V. Eman** Direktur| Director	**Jeff S.V. Eman** Direktur| Director	-
Liang Qinjun Direktur| Director	**Liang Qinjun** Direktur| Director	**Liang Qinjun** Direktur| Director	**Liang Qinjun** Direktur| Director	-
	Xin Haiyan Direktur| Director	**Xin Haiyan** Direktur| Director	**Xin Haiyan** Direktur| Director	Efektif menjabat posisi Direktur pada 13 April 2017 Effective served as Director on April 13, 2017
Thomas Arifin Direktur| Director	**Thomas Arifin** Direktur| Director	**Thomas Arifin** Direktur| Director	**Thomas Arifin** Direktur| Director	-
Sandy Tjipta Muliana Direktur| Director	**Sandy Tjipta Muliana** Direktur| Director	**Sandy Tjipta Muliana** Direktur| Director	**Sandy Tjipta Muliana** Direktur| Director	-
	Fransisca Nelwan Mok Direktur| Director	**Fransisca Nelwan Mok** Direktur| Director	**Fransisca Nelwan Mok** Direktur| Director	Efektif menjabat posisi Direktur pada 13 April 2017 Effective served as Director on April 13, 2017
Rolyta Manullang Direktur| Director	**Rolyta Manullang** Direktur| Director			Mengundurkan diri pada 31 Mei 2017 Resigned on May 31, 2017

Uji Kemampuan dan Kepatutan

Sebagai bentuk kepatuhan dan komitmen GCG, proses penetapan Direksi Bank dilakukan melalui Uji Kemampuan dan Kepatutan yang dilaksanakan oleh Otoritas Jasa Keuangan (OJK). Melalui pengajuan Bank dengan melengkapi *compliance checklist* pemenuhan persyaratan administratif kepada OJK yang ditandatangani oleh Direktur yang membawahi fungsi Kepatuhan.

Seluruh anggota Direksi Bank telah lulus Uji Kemampuan dan Kepatutan oleh Regulator melalui keputusan di bawah ini:

- Shen Xiaoqi (Presiden Direktur), Surat No. SR-138/D.03/2014 tertanggal 21 Agustus 2014
- Yu Guangzhu (Direktur-Kredit), Surat No. SR-48/D.03/2014 tertanggal 8 April 2014
- Jeff S.V. Eman (Direktur-*Global Market*), Surat No. SR-4/D.03/2015 tertanggal 05 Januari 2015
- Liang Qinjun (Direktur-Retail Banking & *Operation*), Surat No. SR-79/D.03/2016 tertanggal 09 Mei 2016
- Xin Haiyan (Direktur-*Marketing*), Surat No. SR-55/PB.12/2017 tertangal 24 Maret 2017)
- Thomas Arifin (Direktur-*Marketing*), Surat No. SR-190/D.03/2015 tertanggal 15 Oktober 2015
- Sandy TjiptaMuliana (Direktur-Kepatuhan), Surat No. 11/109/GBI/DPIP/Rahasia tertanggal 21 Agustus 2009
- Fransisca Nelwan Mok (Direktur-*Risk Management*), Surat No. SR-22/PB.12/2017 tertanggal 08 Februari 2017

Program Pengenalan Direksi Baru

Direksi yang baru ditunjuk wajib diberikan program pengenalan mengenai Bank dan dilakukan sesegera mungkin setelah pengangkatannya. Tanggung jawab untuk mengadakan program pengenalan bagi Direksi yang baru berada pada Presiden Direktur, atau jika Presiden Direktur berhalangan, maka tanggung jawab pelaksanaan program pengenalan tersebut berada pada Direksi yang ada. Program pengenalan ini dapat dilaksanakan dalam bentuk presentasi/seminar/*workshop*, pertemuan, kunjungan ke lokasi, pengkajian dokumen, atau bentuk lainnya yang dianggap sesuai.

Fit and Proper Test

As a form of compliance to and commitment towards GCG, The Bank's process of determining its Board of Directors' members is done through fit and proper test conducted by the OJK. This is done through the Bank's proposal that has filled out an administrative compliance checklist to the OJK signed by the Director in charge of the Compliance function.

All members of the Board of Directors of The Bank has passed the Fit and Proper Test by the regulator through the decision below:

- Shen Xiaoqi (President Director), Letter no. SR-138 / D.03 / 2014 dated August 21, 2014
- Yu Guangzhu (Director-Credit), Letter no. SR-48 / D.03 / 2014 dated April 8, 2014
- Jeff S.V. Eman (Director-Global Market), Letter no. SR-4 / D.03 / 2015 dated January 05, 2015 Check juga yang bahasa indonesia
- Liang Qinjun (Director-Retail Banking & Operation), Letter no. SR-79 / D.03 / 2016 dated May 9, 2016
- Xin Haiyan (Director-Marketing), Letter no. SR-55 / PB.12 / 2017 dated March 24, 2017)
- Thomas Arifin (Director-Marketing), Letter no. SR-190 / D.03 / 2015 dated October 15, 2015
- Sandy TjiptaMuliana (Director-Compliance), Letter no. 11/109 / GBI / DPIP / Secret dated August 21, 2009
- Fransisca Nelwan Mok (Director-Risk Management), Letter no. SR-22 / PB.12 / 2017 dated 08 February 2017

Board of Directors' Orientation

A newly appointed Board of Directors shall be given an introductory program concerning the Bank and shall be done as soon as possible after its appointment. Responsibility to hold an introductory program for a new member of Board of Directors lies with the President Director, or if the President Director is absent, then the responsibility for the implementation of the introductory program rest with the existing Directors. This introductory program can be carried out in the form of presentations/seminars/workshops, meetings, site visits, document review, or any other form deemed appropriate.

Program pengenalan kepada Direksi baru mencakup hal-hal sebagai berikut:

- Gambaran mengenai Bank berkaitan dengan visi dan misi, nilai dan budaya Bank, tujuan dan strategi Bank, kinerja keuangan dan operasi, rencana usaha jangka pendek dan jangka panjang, aplikasi teknologi informasi, manajemen risiko, kondisi persaingan usaha, dan masalah strategis lainnya.
- Penjelasan mengenai tugas dan tanggung jawab Dewan Komisaris, Direksi serta Komite di bawah Dewan Komisaris dan Komite dibawah Direksi.
- Penjelasan mengenai Pemangku Kepentingan utama Bank dan Tanggung Jawab Sosial Bank.
- Sistem pengendalian internal, sistem audit dan temuan audit yang belum ditindaklanjuti secara tuntas serta kasus hukum yang melibatkan Bank.
- Pelaksanaan GCG di lingkungan Bank.

Di tahun 2017, Bank melakukan program orientasi dan pengenalan kepada Direksi yang baru, yaitu Direktur Xin Haiyan dan Direktur Fransisca Nelwan Mok.

Pelatihan dan Pengembangan Kompetensi

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Direksi, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Direksi dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

Pedoman dan Tata Tertib Kerja Direksi

Direksi Bank bekerja berdasarkan Pedoman dan Tata Tertib Kerja Direksi, yang telah disahkan pada tanggal 30 Juni 2015.

The induction program to the new Board of Directors includes the following:

- Bank description regarding Bank's vision and mission, values and culture, Bank's goals and strategies, financial and operating performance, short-term and long-term business plans, information technology applications, risk management, business competition conditions and other strategic issues.
- A description of the duties and responsibilities of the Board of Commissioners, the Board of Directors and the Committees under the Board of Commissioners and Committees under the Board of Directors.
- A description of key Bank Stakeholders and the Bank's Social Responsibility.
- A system of internal controls, audit systems and audit findings that have not been fully acted upon and legal cases involving the Bank.
- Implementation of GCG within the Bank.

In 2017, the Bank conducted an orientation and induction program to the new Board of Directors, namely Director Xin Haiyan and Director Fransisca Nelwan Mok.

Competence Training and Development

The Bank has a policy related to the development and improvement of the competence of the Board of Directors, which is conducted through various training and education with funding entirely the responsibility of the The Bank. On the list of training and competence development can be seen in the chapter Board of Directors of the Company Profile in this annual report.

The Board of Directors' Directive

The Board of Directors of The Bank is working under the Board of Directors' Directive, which was ratified on June 30, 2015.

Tanggung Jawab Direksi

Direksi Bank harus bertanggung jawab dalam hal-hal sebagai berikut:

- Direksi bertanggung jawab penuh atas pelaksanaan kepengurusan Bank untuk kepentingan dan tujuan Bank.
- Direksi bertanggung jawab penuh atas pelaksanaan tugas kepada pemegang saham melalui RUPS.
- Direksi wajib mengelola Bank sesuai dengan kewenangan dan tanggung jawab Direksi sebagaimana diatur dalam anggaran dasar dan peraturan perundang-undangan.
- Direksi wajib menerapkan prinsip-prinsip Tata Kelola yang baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi. Dalam rangka menerapkan prinsip Tata Kelola yang baik, Direksi paling sedikit wajib membentuk:
  - Satuan Kerja Audit Intern;
  - Satuan Kerja Manajemen Risiko dan Komite Manajemen Risiko; dan
  - Satuan Kerja Kepatuhan.
- Dalam hal terkait dengan pelaksanaan Audit Intern, Direksi wajib menciptakan struktur pengendalian intern, menjamin terselenggaranya fungsi Audit Intern bank dalam setiap tingkatan manajemen dan menindaklanjuti temuan audit dan rekomendasi dari satuan kerja audit intern Bank, auditor ekstern, hasil pengawasan Otoritas Jasa Keuangan dan/atau hasil pengawasan otoritas lain. Direksi berkewajiban melaporkan kegiatan tersebut kepada Rapat Umum Pemegang Saham;
- Dalam hal terkait dengan pelaksanaan kepatuhan, tugas dan tanggung jawab Direksi yang membawahkan fungsi kepatuhan adalah sebagai berikut:
  - Merumuskan strategi guna mendorong terciptanya Budaya Kepatuhan pada semua tingkatan organisasi dan kegiatan usaha Bank;
  - Mengusulkan kebijakan kepatuhan atau prinsip-prinsip kepatuhan yang akan ditetapkan oleh Direksi;
  - Menetapkan sistem dan prosedur kepatuhan yang digunakan untuk menyusun ketentuan dan pedoman internal Bank;
  - Memastikan bahwa seluruh kebijakan, ketentuan, sistem, dan prosedur, serta kegiatan usaha yang dilakukan Bank telah sesuai dengan ketentuan Otoritas Jasa Keuangan dan ketentuan peraturan perundang-undangan;
  - Meminimalkan Risiko Kepatuhan Bank;

Responsibilities of Board of Directors (BOD)

BOD is responsible for the following matters:

- BOD is fully responsible for the execution of the Bank's management in the interests and objectives of the Bank.
- BOD is fully responsible for the performance of duties to shareholders through the GMS.
- BOD is responsible to manage the Bank in accordance with the authority and responsibilities of BOD as stipulated in the statutes and laws and regulations.
- BOD is responsible to apply the Good Governance Principles in each of the Bank's business activities at all levels of the organization. In order to apply the good Governance principles, BOD shall at least be required to establish:
  - Internal Audit Working Unit;
  - Risk Management Working Unit and Risk Management Committee;
  - Compliance Working Unit.
- In relation to the implementation of internal audit, BOD shall create internal control structures, ensure the implementation of the Bank's Internal Audit function at all levels of management and follow up the audit findings and recommendations of the Bank's internal audit work units, external auditors, the results of the supervision of the Financial Services Authority and/or the results of supervision of other authorities. BOD must report the activity to General Meeting of Shareholders;
- In relation to the implementation of compliance, the duties and responsibilities of BOD in charge of compliance functions are as follows:
  - Formulate strategies to encourage the creation of Compliance Culture at all levels of the organization and business activities of the Bank;
  - Propose compliance policies or compliance principles to be determined by the Board of Directors;
  - Establish compliance systems and procedures used to develop the Bank's internal rules and guidelines;
  - Ensure that all policies, regulations, systems, procedures and business activities conducted by the Bank are in compliance with the provisions of the Financial Services Authority and the provisions of the laws and regulations;
  - Minimize Bank Compliance Risk;

- Melakukan tindakan pencegahan agar kebijakan dan/atau keputusan yang diambil Direksi Bank tidak menyimpang dari ketentuan OJK dan peraturan perundang-undangan;
- Melakukan tugas lain yang terkait dengan Fungsi Kepatuhan.
- Sesuai dengan POJK No. 46/POJK.03/2017, Direktur yang membawahkan fungsi kepatuhan wajib melaporkan pelaksanaan tugas dan tanggung jawabnya kepada Presiden Direktur dengan tembusan kepada Dewan Komisaris, paling sedikit secara triwulanan. Sesuai dengan POJK No. 46/POJK.03/2016, Direktur yang membawahkan Fungsi Kepatuhan wajib menyampaikan laporan kepada Otoritas Jasa Keuangan (OJK) tentang pelaksanaan tugasnya, meliputi:
  * Rencana kerja kepatuhan yang dimuat dalam Rencana Bisnis Bank;
  * Laporan kepatuhan yang wajib ditandatangani oleh Direktur yang membawahkan Fungsi Kepatuhan, dan disampaikan kepada OJK secara semesteran dan diterima OJK paling lambat 1 (satu) bulan setelah periode pelaporan berakhir dengan tembusan kepada Dewan Komisaris dan Presiden Direktur; dan
  * Laporan khusus mengenai kebijakan dan/atau keputusan Direksi yang menurut Direktur yang membawahkan Fungsi Kepatuhan telah menyimpang dari ketentuan OJK dan/atau peraturan perundang-undangan yang berlaku sebagai bagian dari tugas Direktur yang membawahkan Fungsi Kepatuhan.

- Dalam hal terkait dengan pelaksanaan APU dan PPT, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Memastikan bahwa Bank memiliki kebijakan dan prosedur penerapan program APU dan PPT;
  - Mengusulkan kebijakan dan prosedur tertulis yang bersifat strategis mengenai penerapan program APU dan PPT kepada Dewan Komisaris;
  - Memastikan penerapan program APU dan PPT sesuai dengan kebijakan dan prosedur tertulis yang telah ditetapkan;
  - Membentuk unit kerja khusus dan/atau menunjuk pejabat yang bertanggung jawab terhadap penerapan program APU dan PPT;
  - Melakukan pengawasan atas kepatuhan unit kerja dalam menerapkan program APU dan PPT;

- Undertake precautions so that policies and/or decisions taken by the Board of Directors do not deviate from OJK regulations and prevailing laws and regulations;
- Perform other tasks related to the Compliance Function.
- In reference to POJK No. 46/POJK.03/2017, BOD in charge of compliance functions must report the execution of its duties and responsibilities to the President Director with copies to BOC, at least on a quarterly basis. According to POJK No. 46/POJK.03/2016, Compliance Director shall submit a report to Otoritas Jasa Keuagan (OJK) concerning the performance of its duties, including:
  * Compliance work plan contained in the Bank's business plan;
  * Compliance reports that must be signed by the Director in charge of the Compliance Function, and submitted to OJK on a semiannual basis and received by OJK no later than 1 (one) month after the reporting period ends with a copy to the Board of Commissioners and the President Director; and
  * A special report on the policies and/or decisions of the Board of Directors which, according to the Director in charge of the Compliance Function, has deviated from the provisions of OJK and/or the prevailing laws and regulations as part of the duties of the Director in charge of the Compliance Function.

- In relation to the implementation of AML and CFT, the duties and responsibilities of BOD in charge are as follows:
  - Ensure that Bank has policies and procedures for implementing AML and CFT programs;
  - Propose written policies and procedures that are strategic about the implementation of AML and CFT programs to the Board of Commissioners;
  - Ensure the implementation of AML and CFT programs is in accordance with established written policies and procedures;
  - Establish a special working unit and/or appointing officials responsible for the implementation of AML and CFT programs;
  - Supervise the compliance of work units in implementing AML and CFT programs;

- Memastikan bahwa kebijakan dan prosedur tertulis mengenai penerapan program APU dan PPT sejalan dengan perubahan dan pengembangan produk, jasa, dan teknologi di sektor jasa keuangan serta sesuai dengan perkembangan modus Pencucian Uang dan/atau Pendanaan Terorisme; dan
- Memastikan bahwa seluruh pegawai, khususnya pegawai dari satuan kerja terkait dan pegawai baru, telah mengikuti pelatihan yang berkaitan dengan penerapan program APU dan PPT secara berkala.

- Dalam hal terkait dengan alih daya, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menyusun dan menyempurnakan kebijakan Alih Daya;
  - Menetapkan prosedur Alih Daya;
  - Memantau, mengevaluasi, dan bertanggung jawab atas penerapan manajemen risiko atas Alih Daya;
  - Memantau dan mengevaluasi pelaksanaan Alih Daya secara keseluruhan.
- Dalam hal terkait dengan penerapan manajemen risiko dalam penggunaan teknologi informasi, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menetapkan Rencana Strategis Teknologi Informasi dan kebijakan Bank terkait penggunaan Teknologi Informasi;
  - Menetapkan kebijakan, standar, dan prosedur terkait penyelenggaraan Teknologi Informasi yang memadai dan mengomunikasikannya secara efektif, baik pada satuan kerja penyelenggara maupun pengguna Teknologi Informasi;
  - Memastikan bahwa:
    * Teknologi Informasi yang digunakan Bank dapat mendukung perkembangan usaha Bank, pencapaian tujuan bisnis Bank dan kelangsungan pelayanan terhadap Nasabah Bank;
    * Terdapat kegiatan peningkatan kompetensi sumber daya manusia yang terkait dengan penyelenggaraan dan penggunaan Teknologi Informasi;
    * Ketersediaan sistem pengelolaan pengamanan informasi (information security management system) yang efektif dan dikomunikasikan kepada satuan kerja pengguna dan penyelenggara Teknologi Informasi;

- Ensure that written policies and procedures concerning the implementation of AML and CFT programs are in line with the changes and development of products, services and technology in the financial services sector and in accordance with the development of the Money Laundering and/or Financing of Terrorism modes; and
- Ensure all employees, in particular employees of relevant work units and new employees, have attended regular training related to the application of the AML and CFT programs.

- In relation to the outsourcing, the duties and responsibilities of BOD in charge are as follows:
  - Draft and refine the Outsourcing policy;
  - Establish Outsourcing procedure;
  - Monitor, evaluate, and responsible for the implementation of risk management over Outsourcing; and
  - Monitor and evaluate the overall implementation of the Outsourcing.
- In relation to the implementation of risk management in the use of Information Technology, the duties and responsibilities of BOD in charge are as follows:
  - Establish the Information Technology Strategic Plan and the Bank's policy regarding the use of Information Technology;
  - Establish adequate policies, standards and procedures related to the administration of Information Technology and communicate it effectively to both the organizational unit and the users of Information Technology;
  - Ensure that:
    * Information Technology used by the Bank can support the Bank's business development, achievement of Bank business objectives and continuity of service to Bank customers;
    * There are activities to increase the competence of human resources related to the implementation and use of Information Technology;
    * The availability of an effective information security management system and communicated to the user's work units and IT providers;

* Penerapan proses manajemen risiko dalam penggunaan Teknologi Informasi dilaksanakan secara memadai dan efektif;
* Kebijakan, standar, dan prosedur Teknologi Informasi diterapkan secara efektif pada satuan kerja pengguna dan penyelenggara Teknologi Informasi;

- Terdapat sistem pengukuran kinerja proses penyelenggaraan Teknologi Informasi yang paling sedikit dapat:
  - Mendukung proses pemantauan terhadap implementasi strategi;
    * Mendukung penyelesaian proyek pengembangan Teknologi Informasi;
    * Mengoptimalkan pendayagunaan sumber daya manusia dan investasi pada infrastruktur; dan
    * Meningkatkan kinerja proses penyelenggaraan Teknologi Informasi dan kualitas layanan penyampaian hasil proses kepada pengguna Teknologi Informasi.
  - Memastikan tersedianya sumber daya manusia (SDM) yang cukup dan kompeten sesuai dengan kebutuhan;
  - Memastikan terdapat upaya peningkatan kompetensi SDM terkait penyelenggaraan TI diantaranya melalui program pendidikan atau pelatihan yang memadai untuk meningkatkan kesadaran atas pengamanan informasi;
  - Memastikan struktur organisasi manajemen proyek dari seluruh proyek terkait TI digunakan dengan maksimal;
  - Memastikan bahwa Bank memiliki kontrak tertulis yang mengatur peran, hubungan, kewajiban, dan tanggung jawab dari semua pihak yang terikat dengan kontrak tersebut, serta memiliki keyakinan bahwa kontrak tersebut merupakan perjanjian yang berkekuatan hukum dan melindungi kepentingan Bank, dalam hal Bank menggunakan jasa pihak lain.
- Dalam hal terkait dengan tingkat kesehatan Bank, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Memelihara dan memantau Tingkat Kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan Tingkat Kesehatan Bank.

* The implementation of risk management process in the use of Information Technology is carried out adequately and effectively;
* Policies, standards, and procedures of Information Technology are applied effectively to the user's work units and IT providers;

- There is a system of performance measurement process of Information Technology implementation that can at least:
  - Support the monitoring process of strategy implementation;
    * Support the completion of Information Technology development projects;
    * Optimize the utilization of human resources and investment in infrastructure; and
    * Improve the performance of Information Technology process and the quality of service delivery process to the users of Information Technology.
  - Ensure the availability of sufficient and competent human resources (HR) as required;
  - Ensure there are efforts to improve the competence of human resources related to IT administration such as through adequate education or training programs to increase awareness of information security;
  - Ensure the project management organization structure of all IT related projects is maximized; and
  - Ensure the Bank has a written contract that regulates the roles, relationships, obligations and liabilities of all parties with whom the contract is made, and has the confidence that the contract is a legally-binding agreement that protects the interests of the Bank, in case the Bank use the services of other parties.
- In relation to the Bank's soundness rating, the duties and responsibilities of BOD in charge are as follows:
  - maintain and monitor the Bank's Soundness Rating and taking necessary steps to maintain and/or improve Bank's Soundness Rating.

- Sesuai dengan POJK No. 4/POJK.03/2016, Direksi bersama-sama dengan Dewan Komisaris, dan/atau pemegang saham pengendali wajib menyampaikan rencana tindak (action plan) kepada OJK dalam hal:
  * Faktor Tingkat Kesehatan Bank yang ditetapkan dengan peringkat 4 atau peringkat 5;
  * Peringkat Komposit Tingkat Kesehatan Bank yang ditetapkan dengan peringkat 4 atau peringkat 5;
  * Peringkat Komposit Tingkat Kesehatan Bank yang ditetapkan dengan peringkat 3, namun terdapat permasalahan signifikan yang perlu diatasi agar tidak mengganggu kelangsungan usaha Bank.

- According to POJK No. 4/POJK.03/2016, BOD together with BOC and/or Controlling Shareholder must submit action plan to OJK in case of:
  * Any Bank's Rating factor is determined to be 4 or 5;
  * Composite Rating of Bank's Soundness is determined to be 4 or 5; and/or
  * Composite Rating of Bank's Soundness is determined to be 3, but there are significant issues that need to be addressed so as not to disrupt the business continuity of Bank.

- Dalam hal terkait dengan Prinsip Kehati-hatian dalam melaksanakan aktivitas keagenan produk keuangan luar negeri, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menetapkan rencana Bank untuk Aktivitas Keagenan Produk Keuangan Luar Negeri;
  - Menetapkan kebijakan dan prosedur Bank untuk Aktivitas Keagenan Produk Keuangan Luar Negeri; dan
  - Memantau dan mengevaluasi Aktivitas Keagenan Produk Keuangan Luar Negeri.
- Dalam hal terkait dengan Transparansi Informasi Produk Bank dan Penggunaan Data Pribadi Nasabah, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menetapkan kebijakan transparansi informasi produk Bank;
  - Menetapkan prosedur tertulis transparansi informasi produk Bank;
  - Menetapkan kebijakan transparansi penggunaan data pribadi Nasabah;
  - Prosedur tertulis transparansi penggunaan data pribadi Nasabah.
- Dalam hal terkait dengan Rencana Bisnis Bank, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menyusun dan melaksanakan Rencana Bisnis secara efektif;
  - Mengkomunikasikan Rencana Bisnis kepada pemegang saham Bank dan seluruh jenjang organisasi yang ada pada Bank.

- In relation to the Prudential Principle in carrying out agency activities related to overseas financial products, the duties and responsibilities of BOD in charge are as follows:
  - Establish the Bank's plan for agency activities related to overseas financial products;
  - Establish Bank's policies and procedures for agency activities related to overseas financial products; and
  - Monitor and evaluate on agency activities related to overseas financial products.
- In relation to the Transparency of Bank's Product Information and Use of Customer's Personal Data, the duties and responsibilities of BOD in charge are as follows:
  - Establish transparency policy of Bank's product information transparency;
  - Establish a written transparency procedure of Bank's product information;
  - Establish a transparency policy on the use of Customer's personal data;
  - Establish written transparency procedures for the use of Customer's personal data.
- In relation to the Bank's business plan, the duties and responsibilities of BOD in charge are as follows:
  - Prepare and implement the Business Plan effectively;
  - Communicate the Business Plan to the Bank's shareholders and all levels of the organization in the Bank.

- Dalam hal terkait dengan penerapan manajemen risiko, tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menyusun kebijakan dan strategi Manajemen Risiko secara tertulis dan komprehensif;
  - Bertanggung jawab atas pelaksanaan kebijakan Manajemen Risiko dan eksposur Risiko yang diambil oleh Bank secara keseluruhan;
  - Mengevaluasi dan memutuskan transaksi yang memerlukan persetujuan Direksi;
  - Mengembangkan budaya Manajemen Risiko pada seluruh jenjang organisasi;
  - Memastikan peningkatan kompetensi sumber daya manusia yang terkait dengan Manajemen Risiko;
  - Memastikan bahwa fungsi Manajemen Risiko telah beroperasi secara independen; dan
  - Melaksanakan kaji ulang secara berkala untuk memastikan:
    * Keakuratan metodologi penilaian risiko;
    * Kecukupan implementasi sistem informasi Manajemen Risiko;
    * Ketepatan kebijakan dan prosedur Manajemen Risiko serta penetapan limit risiko.
  - Mengevaluasi laporan sistem informasi Manajemen Risiko. Dalam rangka melaksanakan wewenang dan tanggung jawabnya, Direksi harus memiliki pemahaman yang memadai mengenai Risiko yang melekat pada seluruh aktivitas fungsional Bank dan mampu mengambil tindakan yang diperlukan sesuai dengan profil Risiko Bank.
- Direksi bersama-sama dengan Dewan Komisaris Bank wajib menumbuhkan budaya dan kepedulian anti Fraud pada seluruh jajaran organisasi Bank.
- Dalam hal terkait dengan kualitas asset, Direksi wajib menilai, memantau, dan mengambil langkah-langkah yang diperlukan agar kualitas aset senantiasa baik.
- Dalam hal terkait dengan pemberian remunerasi tugas dan tanggung jawab Direksi terkait adalah sebagai berikut:
  - Menyusun kebijakan remunerasi yang paling sedikit memuat:
    * Struktur remunerasi yang paling sedikit mencakup skala remunerasi berdasarkan tingkat dan jabatan, serta komponen remunerasi;
    * Metode dan mekanisme penetapan remunerasi.

- In relation to the implementation of risk management, the duties and responsibilities of BOD in charge are as follows:
  - Compose Risk Management policy and strategy comperehensively in writing;
  - Be responsible for the implementation of risk management policy and risk exposure taken by the Bank as a whole;
  - Evaluate and make decisions on transaction that needs BOD's approval;
  - Develop risk management policy to all organization levels;
  - Ensure the enhancement of human resource competencies related to Risk Management;
  - Ensure that the function of risk management has operated independently;
  - Carry out periodic review to ensure:
    * The accuracy of risk assessment method;
    * The adequacy of implementation of risk management information system;
    * The accuracy of Risk Management policies and procedures and the establishment of Risk limits.
  - Evaluate the Risk Management information system report. In carrying out the responsibilities and authorites, BOD shall have an adequate understanding of the Risks attached to all functional activities of the Bank and is capable of taking necessary actions in accordance with the Bank's Risk Profile.
- The Board of Directors together with the BOC of the Bank shall foster the culture of and concern for anti-fraud in all levels of the Bank's organization.
- In relation to the asset quality, BOD shall assess, monitor and take the necessary steps to ensure the quality of the assets is always good.
- In relation to the remuneration, the duties and responsibilities of BOD in charge are as follows:
  - Compose remuneration policy containing at least the following:
    * Remuneration structure which contain at least remuneration scale based on level and position, and remuneration component;
    * Method and mechanism for determining remuneration.

Wewenang Direksi

Dalam mengemban tugas dan tanggung jawabnya, Direksi diberikan kewenangan-kewenangan sebagai berikut:

- Dalam hal terkait dengan audit intern, Presiden Direktur berwenang untuk mengangkat dan memberhentikan Kepala SKAI dengan persetujuan dari Dewan Komisaris dan dilaporkan kepada OJK sesuai dengan PBI No. 1/6/PBI/1999.
- Dalam hal terkait dengan alih daya, Direksi berwenang untuk menyetujui rencana Bank untuk melaksanakan Alih Daya.
- Dalam hal terkait dengan kualitas aset, wewenang Direksi adalah sebagai berikut:
  - Menyetujui kebijakan dan prosedur tertulis mengenai Aset Produktif dalam bentuk Surat Berharga.
  - Menyetujui kebijakan dan prosedur tertulis mengenai Aset Produktif dalam bentuk Penempatan.
  - Menyetujui identifikasi dan penetapan terhadap Properti Terbengkalai yang dimiliki.
  - Menyetujui kebijakan dan prosedur tertulis mengenai Restrukturisasi Kredit.
  - Menyetujui kebijakan dan prosedur tertulis mengenai hapus buku dan hapus tagih.
- Dalam hal terkait dengan penerapan APU dan PPT, Direksi wajib menyetujui kebijakan, pengawasan, dan prosedur pengelolaan dan mitigasi risiko Pencucian Uang dan Pendanaan Terorisme agar Bank mampu mengelola dan memitigasi risiko yang telah diidentifikasi.

Authority of the Board of Directors

In conducting its duties and responsibilities, BOD is authorized on the followings:

- In relation to internal audit, President Director is authorized to appoint and dismiss head of SKAI with approval from Board of Commissioners and shall be reported to OJK according to PBI No. 1/6/PBI/1999.
- In relation to outsourcing, BOD is authorized to approve Bank's plan to implement outsourcing.
- In relation to asset quality, authorities of BOD are as follows:
  - Approve written policy and procedure regarding productive asset in the form of securities.
  - Approve written policy and procedure regarding productive asset in the form of placement.
  - Approve the identification and determination of owned, abandoned property.
  - Approve written policy and procedure regarding credit restructuring.
  - Approve written policy and procedure regarding write-off.
- In relation to the implementation of AML and CFT, BOD shall approve the policy, the monitoring and the procedures related to anti-money laundering and countering financing of terrorism management and risk mitigation in order for Bank to ably manage and mitigate any identified risks.

Hak Direksi

Direksi berhak mewakili Bank di dalam dan di luar Pengadilan dalam segala hal dan dalam segala kejadian, dan oleh sebab itu berhak untuk mengikat bank pihak lain dengan Bank, serta menjalankan segala tindakan dan kuasa, baik yang mengenai kepengurusan maupun kepemilikan, akan tetapi dengan pembatasan bahwa:

- Perubahan level gaji dan pendapatan yang di bayarkan kepada anggota Direksi dan Dewan Komisaris.
- Menyebabkan Pengeluaran Modal (*capital expenditure*) oleh Bank yang melebihi nilai IDR30.000.000.000,- (tiga puluh miliar IDR).
- Membeli saham perusahaan lain.

Board of Directors' Rights

The Board of Directors is authorized to represent the Bank inside and outside of court in all matters and in all events, and is therefore entitled to bind banks from other parties with The Bank, and to carry out all actions and authorities, both on management and ownership, but with the following restrictions:

- Changing the level of wages and salaries paid to members of the Board of Directors and Board of Commissioners;
- Causing the Bank's capital expenditure to exceed IDR 30,000,000,000 (thirty billion IDR);
- Buying shares securities in other companies;

- Memutuskan setiap keputusan strategis untuk menyebabkan perubahan material dalam tindakan dan cakupan yang dilakukan oleh Bank dalam bisnis, termasuk memasuki perusahaan patungan atau pengaturan kemitraan penting atau pengaturan apapun yang akan menyebabkan bisnis Bank atau bagian daripadanya dikontrol atau sebaliknya oleh Direksi, Dewan Komisaris, dan/atau Pemegang Saham Bank.
- Setiap penjualan atau pemindahan (termasuk *leasing* atau pemberian bisnis atau aset kepada pihak lain) atau pengambilalihan aset yang nilainya dari jumlah total IDR2.000.000.000,- (dua miliar IDR) dalam setiap tahun.
- Di luar Otoritas Operasional dan Manajemen mengikat diri pada setiap transaksi dengan pihak ketiga dengan nilai lebih besar dari IDR200.000.000.000,- (dua ratus miliar IDR).
- Mengubah kebijakan akuntansi yang diterapkan Bank, kecuali yang terkait dengan ketentuan hukum dan perundang-undangan;
- Penghapusan izin Bank, kecuali untuk perpanjangan.
- Tindakan-tindakan hanya dapat dilakukan dengan persetujuan tertulis sebelumnya dari Rapat Umum Pemegang Saham Bank dengan kuorum dan persyaratan *voting* seperti ditentukan dalam Pasal 22 dari Anggaran Dasar.

- Making strategic decisions that lead to material changes in the action and coverage made by the Bank in its business, including entering into a joint venture or partnership arrangement or any setting that would cause the Bank's business or part thereof to be controlled or otherwise by the Board of Directors, Board of Commissioners and/or Shareholders of the Bank;
- Any sale or transfer (including leasing or giving business or assets to a third party) or the acquisition of assets over IDR 2,000,000,000 (two billion) in a given year;
- Entering into any transaction with any third party within or outside of its daily business with a number larger than IDR 200,000,000,000 (two hundred billion IDR);
- Amending the Bank's accounting policies, except to that of related to laws and constitutions;
- Terminating the Bank's operating license except for extension purpose;
- These actions can be done only with the prior written approval of the GMS of the Bank with the quorum and voting requirements as specified in Article 22 of the Articles of Association.

Kewajiban Direksi

Direksi berkewajiban untuk melaksanakan prinsip-prinsip GCG dalam setiap kegiatan usaha Bank pada seluruh jenjang organisasi yang pelaksanaannya mencakup:

- Kelengkapan dan pelaksanaan tugas Komite-Komite dan Satuan kerja yang menjalankan fungsi pengendalian internal.
- Penerapan fungsi kepatuhan, audit internal, dan audit eksternal.
- Penerapan Manajemen Risiko, termasuk sistem pengendalian internal.
- Penyediaan dana kepada pihak terkait dan penyediaan dana besar.
- Rencana strategi Bank.
- Transparansi kondisi keuangan dan non-keuangan Bank.

Board of Directors' Obligations

The Board of Directors is obligated to implement the principles of GCG in the Bank's business activities at all levels of the organization, the implementations of which include:

- Completion and implementation of duties for the Committees and Working Units that serve the function of internal control;
- Implementation of compliance, of internal audits and of external audits;
- Implementation of Risk Management, including the internal control system
- Provision of funds to related parties and the provision of large funds;
- The Bank's strategic plan;
- Transparency of the Bank's financial and non-financial condition.

Pembagian Lingkup Tugas Antar Direksi

Dalam menjalankan tugasnya, setiap anggota Direksi memiliki lingkup tugas dan tanggung jawab masing-masing, yaitu:

Board of Directors Delegetion of Duties

In performing their duties, the members of the Board of Directors have their respective duties and responsibilities, as follows:

Nama Name	Lingkup Tugas dan Tanggung Jawab Scope of Duties and Responsibilities
Shen Xiaoqi Presiden Direktur | President Director[1]	*Internal Audit, Financial Management*
Yu Guangzhu Direktur & Plt. Presiden Direktur Director & Acting President Director[2]	*Credit Management, Corporate and Commercial Credit Review, SME and Retail Credit Review, Credit Support and Administration* *Internal Audit, Financial Management*
Jeff S.V. Eman Direktur | Director	*IT, Global Market and FI, Bills Center*
Liang Qinjun Direktur | Director	*Retail Banking, Operation Management, MI and Accounting, Service Quality, E-Banking, Settlement Center, Card Center*
Xin Haiyan Direktur | Director[3]	*Corporate Banking I*, Trade Finance, Greater China Business
Thomas Arifin Direktur | Director	*Corporate Banking II, Corporate Banking III*, CCB Surabaya, *Commercial Banking, SME Banking*
Sandy Tjipta Muliana Direktur | Director	*Compliance*, AML/CFT, HRD
Fransisca Nelwan Mok Direktur | Director[3]	*Risk Management, Special Asset Management*, Legal, *General Affair*, BOD-BOC *Office, Strategy Management & Transformation Office*
Rolyta Manullang Direktur | Director[4]	*Corporate Banking III, Commercial Banking, Corporate and Commercial Banking Surabaya, SME Banking*

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

TRANSPARANSI INFORMASI TENTANG DEWAN KOMISARIS DAN DIREKSI

Kebijakan Terkait Hubungan Kerja Antara Dewan Komisaris dan Direksi

Hubungan kerja Dewan Komisaris dan Direksi adalah hubungan *check and balances* untuk kemajuan dan kesehatan Bank. Dewan Komisaris dan Direksi sesuai dengan fungsinya masing-masing bertanggung jawab atas kelangsungan usaha Bank dalam jangka panjang. Hal yang harus dilakukan oleh Dewan Komisaris dan Direksi secara bersama-sama sesuai dengan fungsinya masing-masing, sehingga dapat dicapai kelangsungan usaha Bank dalam jangka panjang tercermin pada:

- Terlaksananya dengan baik *internal control* dan manajemen risiko.
- Tercapainya imbal hasil (*return*) yang wajar bagi Pemegang Saham.
- Terlindunginya kepentingan Pemangku Kepentingan secara wajar.
- Terlaksananya suksesi kepemimpinan dan manajemen di semua lini organisasi.
- Terpenuhinya pelaksanaan GCG.

INFORMATION TRANSPARENCY ABOUT BOARD OF COMMISSIONERS AND DIRECTORS

Policy of Working Relationships Between Board of Commissioners and Directors

The working relationship between the Board of Commissioners and the Board of Directors is the check and balances relationship for the Bank's progress and health. Board of Commissioners and Board of Directors in accordance with their respective functions are responsible for the continuity of the Bank's business in the long term. It should be done by the Board of Commissioners and Board of Directors jointly in accordance with their respective functions, in order to achieve continuity of the Bank's business in the long run be reflected in:

- Implementation of both internal control and risk management.
- Achieving reasonable returns for Shareholders.
- Fairly protecting the interests of Stakeholders.
- Implementation of leadership and management succession across all lines of the organization.
- Fulfillment of GCG implementation.

Assessment Penerapan GCG untuk Aspek Dewan Komisaris dan Direksi Tahun 2016 dan Tindak Lanjutnya

Seperti yang telah dijelaskan sebelumnya, Bank melakukan *self-assessment* terhadap pelaksanaan GCG tahun 2016 sesuai periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran OJK No. 13/SEOJK.03/2017 tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum. Berdasarkan acuan tersebut, Bank melakukan *Self-Assessment* secara berkala terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG, dimana 2 (dua) faktor diantaranya merupakan Dewan Komisaris dan Direksi, yaitu:

1. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris.
2. Pelaksanaan tugas dan tanggung jawab Direksi.

Hasil *assessment* tahun 2016 kepada kedua aspek di atas menunjukkan berfungsinya perangkat organ Dewan Komisaris dan Direksi, dengan hasil sebagai berikut:

Assessment of GCG Implementation for Aspects of Board of Commissioners and Board of Directors 2016 and Follow Up

As previously mentioned, The Bank conducts self-assessment of GCG implementation in 2016 in accordance with the period of Risk-Based Bank Rating (RBBR) assessment conducted every semester as referred to in OJK Circular Letter no. 13 / SEOJK.03 / 2017 on the Implementation of Good Corporate Governance for Commercial Banks. Based on these guidelines, the The Bank Self-Assessment perform regularly for 11 (eleven) GCG implementation assessment factors, of which two (2) factors, including the Board of Commissioners and Board of Directors, namely:

1. Implementation of duties and responsibilities of the Board of Commissioners.
2. Implementation of duties and responsibilities of the Board of Directors.

The results of the assessment in 2016 to the two aspects above show the proper functioning of the organ of the Board of Commissioners and the Board of Directors, with the following results:

Faktor Penilaian Pelaksanaan GCG Assessment Factor of GCG Implementation	Skor Score
Pelaksanaan tugas dan tanggung jawab Dewan Komisaris Implementation of duties and responsibilities of the Board of Commissioners	1
Pelaksanaan tugas dan tanggung jawab Direksi Implementation of duties and responsibilities of the Board of Directors	2

Remunerasi Dewan Komisaris dan Direksi

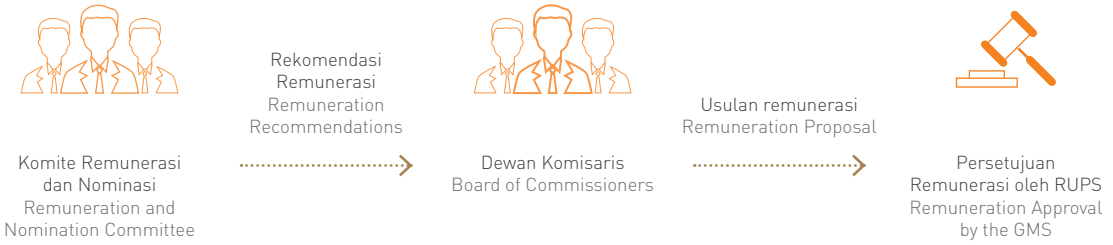
Prosedur dan Mekanisme Kebijakan Remunerasi untuk Dewan Komisaris dan Direksi

Remunerasi Dewan Komisaris dan Direksi direkomendasikan oleh Komite Remunerasi dan Nominasi, untuk kemudian diserahkan kepada Dewan Komisaris dan disampaikan kepada RUPS untuk mendapatkan persetujuan. Rekomendasi Komite Remunerasi dan Nominasi disampaikan kepada Dewan Komisaris, untuk mendapatkan persetujuan RUPS.

Remuneration of the Board of Commissioners and the Board of Directors

Remuneration Policy Procedures and Mechanisms for Board of Commissioners and Board of Directors

Remuneration of the Board of Commissioners and Board of Directors is recommended by the Remuneration and Nomination Committee, to be submitted to the Board of Commissioners and submitted to the General Meeting of Shareholders for approval. Recommendations of the Remuneration and Nomination Committee are submitted to the Board of Commissioners, to obtain the approval of the GMS.



Indikator Penetapan Remunerasi

Rekomendasi remunerasi oleh Komite Remunerasi dan Nominasi disusun berdasarkan formulasi remunerasi yang mengacu kepada kebijakan internal Bank, peraturan eksternal yang berlaku, komparasi industri serta mempertimbangkan kinerja Bank.

Penetapan besaran remunerasi Komisaris Independen didasarkan kepada kinerja masing-masing Komisaris Independen yang pelaksanaannya dilakukan oleh Presiden Komisaris. Komisaris Independen menerima paket remunerasi yang dibayarkan secara berkala, terdiri dari gaji, tunjangan Hari Raya, tunjangan cuti dan *tantiem*.

Sementara itu, penetapan remunerasi Direksi direkomendasikan oleh Komite Remunerasi dan Nominasi dengan mengacu kepada prinsip-prinsip remunerasi Bank dan hasil penilaian atas pencapaian target (*goal setting*), peraturan yang berlaku, komparasi industri dan kinerja Bank.

Indicator of Remuneration Determination

The remuneration recommendations by Remuneration and Nomination Committee are prepared based on the remuneration formulation referring to the Bank's internal policies, applicable external regulations, industry comparisons and consideration of the Bank's performance.

The determination of the remuneration of independent commissioners is based on the performance of each Independent Commissioner whose implementation is performed by the President Commissioner. Independent Commissioners receive remuneration packages paid periodically, consisting of salary, Holiday (Hari Raya) allowance, leave allowance and tantiem.

Meanwhile, the remuneration of the Board of Directors is recommended by the Remuneration and Nomination Committee with reference to the Bank's remuneration principles and the results of the assessment of the target setting, the applicable regulations, the industry's comparative and the Bank's performance.

Jumlah Diterima dalam 1 Tahun

Total Remunerasi per Orang dalam 1 Tahun Total Remuneration per Person in 1 Year	Jumlah Komisaris Number of Commissioners	Jumlah Direktur Number of Directors
diatas 2 miliar IDR above IDR2 billion	0	9
diatas 1 miliar s.d 2 miliar IDR above IDR1 billion up to IDR2 billion	2	0
diatas 500 juta s.d 1 miliar IDR above IDR500 million up to IDR1 billion	0	0
dibawah 500 juta IDR IDR500 million or less	0	0
TOTAL	**2**	**9**

Jumlah anggota direksi awal tahun adalah 9 (sembilan) dan pada akhir tahun menjadi 7 (tujuh) orang.
The number of Board of Directors' members earlier in the year is 9 (nine) and at the end of the year to 7 (seven).

Rasio Gaji

Rasio gaji tertinggi dan terendah dalam lingkup organisasi Bank adalah sebagai berikut:

Salary Ratio

The ratio of the highest and lowest salaries within the scope of the organization of The Bank are as follows:

Rasio Gaji Salary Ratio	2017	2016
Gaji Direktur tertinggi terhadap gaji Direktur paling rendah The highest salary of Directors compared to the lowest salary of Directors	1,32 : 1	2,07 : 1
Gaji Direktur tertinggi terhadap gaji Komisaris tertinggi The highest salary of Directors compared to the highest salary of Commissioners	3,58 : 1	5,59 : 1
Gaji Komisaris tertinggi terhadap gaji Komisaris paling rendah The highest salary of Commissioners compared to the lowest salary of Commissioners	1 : 1	1: 1
Gaji Direktur tertinggi terhadap gaji karyawan tertinggi The highest salary of Directors compared to the highest salary of employees	1,55 : 1	2,55 : 1
Gaji karyawan tertinggi terhadap gaji karyawan paling rendah The highest salary of employees compared to the lowest salary of employees	32,21 : 1	32,61 : 1
Gaji karyawan paling rendah terhadap Upah Minimum Provinsi (UMP) The lowest salary of employees compared to the Provincial Minimum Wage	1,10 : 1	1,11 : 1

Opsi Saham dan *Buy Back*

Hingga akhir tahun 2017, Bank tidak memiliki kebijakan mengenai Opsi Saham bagi Dewan Komisaris dan Direksi.

Stock Options and Buy Back

By the end of 2017, The Bank does not have a policy on stock options for the Board of Commissioners and Board of Directors.

RAPAT DEWAN KOMISARIS DAN DIREKSI

Rapat Dewan Komisaris

Keputusan rapat Dewan Komisaris diambil berdasarkan musyawarah untuk mufakat. Dalam hal keputusan secara musyawarah untuk mufakat tidak tercapai, maka keputusan diambil berdasarkan suara setuju lebih dari ½ (setengah) jumlah suara yang sah dalam rapat. Dalam hal suara yang setuju dan tidak setuju berimbang maka usul harus dianggap ditolak. Dewan Komisaris dapat pula mengambil keputusan yang sah tanpa mengadakan rapat Komisaris dengan ketentuan semua anggota Komisaris telah diberitahu secara tertulis dan semua anggota Komisaris memberikan persetujuan mengenai usul yang diajukan secara tertulis serta menandatangan persetujuan tersebut. Keputusan yang diambil dengan cara demikian mempunyai kekuatan yang sama dengan keputusan yang diambil dengan sah dalam rapat Komisaris. Keputusan Dewan Komisaris mengikat seluruh anggota Dewan Komisaris

Di sepanjang tahun 2017, Dewan Komisaris menyelenggarakan rapat sebanyak 4 (empat) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran Dewan Komisaris dalam rapat-rapat tersebut.

BOARD OF COMMISSIONERS AND DIRECTORS MEETING

Board of Commissioners Meeting

The decision of the Board of Commissioners' meeting is based on deliberations to reach consensus. In the event that a consensus decision is not reached, a decision is made on the basis of a vote agreeing to more than ½ (half) the number of valid votes in the meeting. In the case of votes agreeing and disagreeing then the proposal shall be deemed to be rejected. The Board of Commissioners may also make informed decisions without holding a Board of Commissioners meeting provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners agree on the proposal submitted in writing and sign the agreement. The decisions taken in this way have the same power as the decisions taken legitimately in the Board of Commissioners meetings. Decisions of the Board of Commissioners are binding to all members of the Board of Commissioners

Throughout 2017, the Board of Commissioners held 4 (four) meetings. The following are presented on the agenda and minutes of meetings, attendance, and recapitulation of the attendance of the Board of Commissioners in the meetings.

Risalah dan Kehadiran Rapat Dewan Komisaris
Minutes and Attendance of the Meetings of the Board of Commissioners

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants			
	Ma Xiangjun	Wang Kun	Hendra Widjojo	Christina Harapan
21 February 2017 • *Summary of previous BOC Meeting on 6 December 2016* • *Overview of Bank's Portofolio as of end of January 2017* - *Loan Portofolio Analysis* - *Customers Structure* • *Top 5 Debtors of ICBC Indonesia as of November 2016 – January 2017*	●		●	●
14 March 2017 *NPL Cases*	●		●	●
26 October 17 • *Realization of Bank Performance in Q3-2017* • *NPL Updates* • *AML and CFT Updates*	●		●	●
21 December 2017 • *DC-DRC Follow up and action plan* • *BOC and Committees working performance in 2017 and working plan in 2018* • *Pre-NPL Updates*		●	●	●

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○ : Lain-lain | Others

Rekapitulasi kehadiran anggota Dewan Komisaris pada Rapat Dewan Komisaris dapat dilihat di bawah ini:

The recapitulation of the attendance of members of the Board of Commissioners at the Meeting of the Board of Commissioners can be seen below.

Rekapitulasi Kehadiran Dewan Komisaris
Attendance Recapitulation for Members of the Board of Commissioners

Dewan Komisaris Board of Commissioners	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Attendance	% Kehadiran Attendance%
Ma Xiangjun Presiden Komisaris | President Commissioner[1]	3	3	100,00%
Wang Kun Presiden Komisaris | President Commissioner[2]	1	1	100,00%
Hendra Widjojo Komisaris Independen | Independent Commissioner	4	4	100,00%
Christina Harapan Komisaris Independen | Independent Commissioner	4	4	100,00%
RATA-RATA | AVERAGE			**100,00%**

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017.
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017.

Rapat Direksi

Direksi menggelar rapat untuk membahas berbagai hal strategis terkait pengelolaan Bank. Rapat Direksi minimal dilakukan 1 (satu) bulan sekali. Di sepanjang tahun 2017, Direksi menyelenggarakan rapat sebanyak 42 (empat puluh dua) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran Direksi dalam rapat-rapat tersebut.

Board of Directors Meeting

The Board of Directors held a meeting to discuss various strategic matters related to Bank management. Board of Directors meetings shall be conducted at least once every 1 (one) month. Throughout 2017, the Board of Directors held 42 meetings (forty-two) times. The following are presented on the agenda and minutes of meetings, attendance, and recapitulation of the attendance of the Board of Directors in these meetings.

Risalah dan Kehadiran Rapat Direksi
Minutes and Attendance of the Board of Directors Meeting

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants								
	Shen Xiaoqi[1]	Yu Guangzhu[2]	Jeff S.V. Eman	Liang Qinjun	Xin Haiyan[3]	Thomas Arifin	Sandy Tjipta Muliana	Fransisca Nelwan Mok[3]	Rolyta Manullang[4]
11 January 2017, Jakarta • *Bankwide Performance (Finance Management Department)* • *Departments and Branches Achievements (Management Information Accounting Departement)* • *2017 General Strategy (each director)* • OJK *Updates* (Sandy T. Muliana) • *External Audit Updates (Internal Audit Departement)* • *Annual Management Meeting and Staff New Year Party (BOD BOC Office)*	●	●	●	●		●	●		●
08 February 2017, Jakarta • *Business Plan Revision* • *NPL Updates*	●	○	●	○		●	●		●
20 February 2017, Jakarta *OP Reforming*	●	●	●	●		●	●		●
13 March 2017, Jakarta • *Bankwide February Financials* • *NPL Updates* • *Consumer Banking Updates* • *Corporate Banking Updates* • *Business Strategic and Work Plan 2017* • *SME and Commercial Banking Updates* • *OJK Audit Updates*	●	●	●	●		●	○		●
24 March 2017, Jakarta • *OJK Audit Update* • *New Capital Injection* • *Cinemaxx Account* • *Loan Pipeline*	●	●	○	●		●	●		○
06 April 2017, Jakarta • *E-banking and Card Business Updates from Parent Bank* • *Financial Report* • *NPL Updates* • *Cinemaxx Collateral Issue*	●	●	●	●		●	●		○
21 April 2017, Jakarta • Financial Performance 1st Quarter 2017 • KPI Monitoring Report 1st Quarter 2017 • Directions for 2nd Quarter • SUMMIT System • Salary Adjustment	●	○	●	●	○	●	●	●	○
08 Mei 2017, Jakarta • *Capital injection Realization and Follow-up* • *Summit System Updates*	○	○	●	●	●	○	○	●	○
17 Mei 2017, Jakarta • *Financials April 2017* • *Branch Ranking System* • *Digital Lounge* • *General Updates*	●	●	●	●	●	●	●	●	○
07 June 2017, Jakarta • *Financials as of May 2017* • *Liquidity Position as of June 2017* • *Achievement and Strategy (Business Units)* • *Possible Credit Card Fraud* • *KPI Achievements and Monitoring*	●	●	●	●	●	●	●	●	

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017 | President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on 13 April 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017 | Rolyta Manullang, Resigned on 31 May 2017.

Risalah dan Kehadiran Rapat Direksi
Minutes and Attendance of the Board of Directors Meeting

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants Shen Xiaoqi[1]	Yu Guangzhu[2]	Jeff S.V. Eman	Liang Qinjun	Xin Haiyan[3]	Thomas Arifin	Sandy Tjipta Muliana	Fransisca Nelwan Mok[3]	Rolyta Manullang[4]
13 June 2017, Jakarta • *Business Plan Revision by SMTO* • *OJK Audit Updates by Compliance Department* • *NPL Projection by SAM Department* • *Zero Tolerance Issue by Internal Audit Department*	●	●	●	●	●	●	●	●	
21 June 2017, Jakarta *NPL Cases*	●	●	○	●	●	●	○	○	
22 June 2017, Jakarta *NPL Cases*	●	●	●	●	○	●	●	○	
05 July 2017, Jakarta • *Follow-up on OJK Exit Meeting Result* • *Special Taskforce*	○	●	○	○	○	●	●	●	
06 July 2017, Jakarta • *Financials as of June 2017* • *Alternatives To Maintain Net NPL Under 5%*	●	●	○	○	○	●	●	●	
12 July 2017, Jakarta • *Employee Healthcare Insurance* • *NPL Updates* • *General Updates*	●	●	●	●	●	●	●	●	
20 July 2017, Jakarta *Utilization of Excess Fund*	○	●	●	●	○	●	●	●	
25 July 2017, Jakarta • *Preparation for OJK Meeting* • *NPL Updates*	●	●	●	●	●	●	●	●	
25 July 2017, Jakarta *Follow-up on OJK Meeting.*	●	●	●	○	○	●	●	●	
01 August 2017, Jakarta Post Meeting with OJK.	○	●	●	○	○	●	●	●	
21 August 2017, Jakarta • *Financial Report July 2017* • *KPI Achievement* • *Preparation for OJK Audit*	●	●	○	○	●	●	○	●	
22 August 2017, Jakarta *Simulations To Settle KAGUM Account*	●	●	○	○	●	●	○	●	
31 August 2017, Jakarta General updates	●	●	●	●	●	●	○	●	
15 September 2017, Jakarta • *Financial Performance as of Aug 2017* • *NPL Updates*	●	●	●	●	●	●	●	●	
22 September 2017, Jakarta *General Updates*	●	●	●	○	●	●	●	●	
26 September 2017, Jakarta *NPL Projection and Impairment*	○	●	●	○	●	●	●	●	
29 September 2017, Jakarta • *OJK Audit Updates* • *DC/DRC Updates*	●	●	●	○	●	●	●	●	

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017 | President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on 13 April 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017 | Rolyta Manullang, Resigned on 31 May 2017.

Risalah dan Kehadiran Rapat Direksi
Minutes and Attendance of the Board of Directors Meeting

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants								
	Shen Xiaoqi[1]	Yu Guangzhu[2]	Jeff S.V. Eman	Liang Qinjun	Xin Haiyan[3]	Thomas Arifin	Sandy Tjipta Muliana	Fransisca Nelwan Mok[3]	Rolyta Manullang[4]
12 October 2017, Jakarta • *Q3 Financials* • *NPL Updates* • *Business Plan 2018*	●	●	●	●	●	○	●	●	
19 October 2017, Jakarta • *Business Plan 2018 draft* • *Implementation of IFRS 9*	●	●	●	●	○	⊙	●	●	
26 October 2017, Jakarta • *Business Plan 2016 Draft 2*	⊙	●	●	●	⊙	●	●	●	
30 October 2017, Jakarta • *Impairment* • *HR Expenses* • *IT Expenses* • *Others*	⊙	●	●	⊙	⊙	⊙	●	●	
3 November 2017, Jakarta *DC DRC Relocation*	●	●	⊙	⊙	⊙	●	●	●	
6 November 2017, Jakarta • *General Updates* • *IT Letter To OJK Regarding DC-DRC Relocation* • *AML Report* • *PT Royal* • *Final Draft of Business Plan 2018*	●	●	●	⊙	⊙	●	●	●	
10 November 2017, Jakarta *DC-DRC Relocation*	●	●	●	⊙	⊙	●	●	●	
14 November 2017, Jakarta • IT Issues • *NPL and Potential NPL accounts* • *Business Plan 2018*	●	●	●	⊙	⊙	●	●	●	
20 November 2017, Jakarta • *Transfer of Several Potential NPL Account To SAM Department.* • *IT Procurement Issues.* • *Internal Fraud Case* • *Penalty from BI* • *Preparation for Data Migration.* • *General Updates.*	●	●	○	⊙	⊙	●	●	●	
29 November 2017, Jakarta *Restructure: PIB, Parex, GHCI Financials Projection Until End of 2017*	●	●	●	⊙	●	●	●	●	
04 December 2017, Jakarta *General Updates*	●	●	●	●	●	●	●	●	
11 December 2017, Jakarta • *Financial Projection as of December 2017* • *NPL Projection as of December 2017* • *Updates on Restructured Accounts*	●	●	●	●	●	●	●	●	
18 December 2017, Jakarta *Discussion*	●	●	●	●	●	●	●	●	
22 December 2017, Jakarta *Discussion*	●	●	●	○	⊙	●	●	●	
29 December 2017 ,Jakarta *Progress of Restructured Accounts*	●	●	●	●	⊙	○	●	○	

● : Hadir | Present ○ : Cuti | On Leave ⊙ : Perjalanan Bisnis | Business Trip ⊙ : Pelatihan | Training ⊙: Lain-lain | Others

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017 | President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017 | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017 | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on 13 April 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017 | Rolyta Manullang, Resigned on 31 May 2017.

Rekapitulasi kehadiran anggota Direksi pada Rapat Direksi dapat dilihat di bawah ini:

The attendance recapitulation of the Board of Directors' members at the Board of Directors' Meeting can be seen below:

Rekapitulasi Kehadiran Direksi
Attendance Recapitulation for Board of Directors members

Direksi Director	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Attendance	% Kehadiran Attendance%
Shen Xiaoqi Presiden Direktur | President Director[1]	31	24	77,42%
Yu Guangzhu Direktur & Plt. Presiden Direktur | Director & Acting President Director[2]	42	39	92,86%
Jeff S.V. Eman Direktur | Director	42	34	80,95%
Liang Qinjun Direktur | Director	42	24	57,14%
Xin Haiyan Direktur | Director[3]	36	17	47,22%
Thomas Arifin Direktur | Director	42	37	88,10%
Sandy Tjipta Muliana Direktur | Director	42	36	85,70%
Fransisca Nelwan Mok Direktur | Director[3]	36	33	91,67%
Rolyta Manullang Direktur | Director[4]	9	4	44,44%
RATA-RATA | AVERAGE			**76,71%**

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

Rapat Dewan Komisaris dan Direksi

Disamping rapat internal yang digelar secara eksklusif, Direksi juga melakukan rapat gabungan dengan Dewan Komisaris. Di sepanjang tahun 2017, rapat gabungan Dewan Komisaris dan Direksi diselenggarakan sebanyak 2 (dua) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran Dewan Komisaris dan Direksi dalam rapat-rapat tersebut.

Board of Commissioners and Board of Directors Meetings

In addition to the internal meetings held exclusively, the Board of Directors also held joint meetings with the Board of Commissioners. Throughout 2017, a joint meeting of the Board of Commissioners and Board of Directors held two (2) times. The following are presented on the agenda and minutes of meetings, attendance, and recapitulation of the attendance of the Board of Commissioners and the Board of Directors in these meetings.

Risalah dan Kehadiran Rapat Gabungan Dewan Komisaris dan Direksi
Minutes and Attendance of the Board of Commissioners and the Board of Directors Joint Meeting

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants											
	Ma Xiangjun	Hendra Widjojo	Christina Harapan	Shen Xiaoqi	Jeff S.V. Eman	Yu Guangzhu	Liang Qinjun	Xin Haiyan[1]	Thomas Arifin	Sandy T. Mulana	Fransisca Nelwan Mok	Rolyta Manullang
23 February 2017 Jakarta • *Summary of Previous BOD BOC Communication Meeting on 1 November 2016; BOD's Opinion of Commissioner Letter on 19 January 2017* • *Correction of Business Plan 2017* • *2017 Strategy To Handle 6 NPL Accounts (PIB, Royal, Kagum Group)* • *Financial Performance as of January 2017* • *Final Organization Structure as of December 2016; Reward and Punishment Program* • *IT Strategy for ICBC Indonesia, Including Update on DC DRC Relocation*	●	●	●	●	●	●	○	●	●	●	●	○
11 August 2017 Jakarta • *Projection of Business performance up to December 2017* - *By; Director, Thomas Arifin* - *By: Director, Jeff S.V Eman* • *Action Plan for DC-DRC; Blue Print IT and IT Pipeline Products, Especially Related To Bank's Business Development* • *Retail and Consumer Business Development Strategy.* • *Action Plan and Projection for NPL.* • *Follow-up Progress on Exit Meeting Result with OJK.* • *AML and CFT*	●	●	●	○	●	●	●	○	●	●	●	

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Xin Haiyan efektif dipromosikan untuk posisi Direktur pada 12 April 2017. Sebelumnya, Xin Haiyan menjabat sebagai *Group Head*. | Xin Haiyan was effectively promoted to the position of Director on April 12th, 2017. Previously, Xin Haiyan served as Group Head.

Rekapitulasi kehadiran anggota Dewan Komisaris dan Direksi pada Rapat Gabungan Dewan Komisaris dan Direksi dapat dilihat di bawah ini:

Recapitulation of members attendance of the Board of Commissioners and Board of Directors at the Joint Meeting can be seen below:

Rekapitulasi Kehadiran Rapat Gabungan
Attendance Recapitulation of Joint Meeting

Nama Name	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Attendance	% Kehadiran Attendance%
Dewan Komisaris | Board of Commissioners			
Ma Xiangjun Presiden Komisaris | President Commissioner[1]	2	2	100,00%
Wang Kun Presiden Komisaris | President Commissioner[2]	-	-	-
Hendra Widjojo Komisaris Independen | Independent Commissioner	2	2	100,00%
Christina Harapan Komisaris Independen | Independent Commissioner	2	2	100,00%

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017 | Ma Xiangjun ceased being President Commissioner since December 13rd, 2017
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017 | Wang Kun has been President Commissioner since December 13 rd, 2017

Rekapitulasi Kehadiran Rapat Gabungan
Attendance Recapitulation of Joint Meeting

Nama Name	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Attendance	% Kehadiran Attendance%
Direksi | Board of Directors			
Shen Xiaoqi Presiden Direktur | President Director[1]	2	1	50,00%
Yu Guangzhu Direktur & Plt. Presiden Direktur | Director & Acting President Director[2]	2	2	100,00%
Jeff S.V. Eman Direktur | Director	2	2	100,00%
Liang Qinjun Direktur | Director	2	1	50,00%
Xin Haiyan Direktur | Director[3]	1	0	0,00%
Thomas Arifin Direktur | Director	2	2	100,00%
Sandy Tjipta Muliana Direktur | Director	2	2	100,00%
Fransisca Nelwan Mok Direktur | Director[3]	1	1	100,00%
Rolyta Manullang Direktur | Director[4]	1	0	0,00%
RATA-RATA | AVERAGE			**80,95%**

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

Pengungkapan Hubungan Afiliasi antara Direksi, Dewan Komisaris, dan Pemegang Saham Mayoritas

Pemegang Saham Mayoritas, Dewan Komisaris dan Direksi saling menghormati pelaksanaan tugas, tanggung jawab, dan wewenang masing-masing sesuai peraturan perundang-undangan dan Anggaran Dasar. Pengungkapan hubungan afiliasi mencakup hubungan keluarga dan hubungan keuangan. Bentuk hubungan keuangan termasuk diantaranya hutang-piutang, kerjasama bisnis, dan sebagainya; sementara bentuk hubungan keluarga mencakup hubungan istimewa terutama yang disebabkan hubungan pertalian darah seperti suami/istri/anak/orang tua/saudara kandung/ipar, dan sebagainya.

Disclosure of Affiliate Relationships between Directors, Board of Commissioners, and Majority Shareholders

Majority Shareholders, Board of Commissioners and Board of Directors honor their respective duties, responsibilities, and authority in accordance with the laws and the Articles of Association. Disclosure of affiliation include family relationships and financial relationships. Forms of financial relations including debts, business cooperation, and so forth; while the form of family relationships includes special relationships primarily due to blood-related relationships such as spouses / children / parents / siblings / in-laws, and so on.

	Hubungan Keluarga dengan Family Relationships with			Hubungan Keuangan dengan Financial Relationships with		
	Dewan Komisaris Board of Commissioners	Direksi Board of Directors	ICBC Ltd. (Pemegang Saham Utama/ Pengendali) ICBC Ltd. (Key/ Controlling Shareholder)	Dewan Komisaris Board of Commissioners	Direksi Board of Directors	ICBC Ltd. (Pemegang Saham Utama/ Pengendali) ICBC Ltd. (Key/ Controlling Shareholder)
Dewan Komisaris | Board of Commissioners						
Ma Xiangjun Presiden Komisaris President Commissioner [1]	O	O	O	O	O	●
Wang Kun Presiden Komisaris President Commissioner [2]	O	O	O	O	O	●
Hendra Widjojo Komisaris Independen Independent Commissioner	O	O	O	O	O	O
Christina Harapan Komisaris Independen Independent Commissioner	O	O	O	O	O	O
Direksi | Board of Directors						
Shen Xiaoqi Presiden Direktur President Director[1]	O	O	O	O	O	O
Yu Guangzhu Direktur & Plt. Presiden Direktur Director & Acting President Director[2]	O	O	O	O	O	O
Jeff S.V. Eman Direktur | Director	O	O	O	O	O	O
Liang Qinjun Direktur | Director	O	O	O	O	O	O
Xin Haiyan Direktur | Director[3]	O	O	O	O	O	O
Thomas Arifin Direktur | Director	O	O	O	O	O	O
Sandy Tjipta Muliana Direktur | Director	O	O	O	O	O	O
Fransisca Nelwan Mok Direktur | Director[3]	O	O	O	O	O	O
Rolyta Manullang Direktur | Director[4]	O	O	O	O	O	O

● = Terdapat adanya hubungan | a relationship exist, O = Tidak terdapat adanya hubungan | No relation

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017. | Mr. Ma Xiangjun has resigned to be the President Commissioner since December 13, 2017.
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017. | Wang Kun has been the President Commissioner since December 13, 2017.
3) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
4) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
5) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
6) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

Pengungkapan Rangkap Jabatan Dewan Komisaris dan Direksi

Berikut ini tabel yang menunjukan hubungan kepengurusan Dewan Komisaris dan Direksi pada perusahaan/institusi lain dalam periode tahun 2017:

Disclosure of Concurrent Positions of Board of Commissioners and Board of Directors

The following table shows the relationship between Board of Commissioners and Board of Directors in other companies/institutions in the period of 2017:

	Kepengurusan pada Perusahaan/Institusi Lain Management of Other Companies/Institutions		
	Sebagai Anggota Dewan Komisaris As a Board of Commissioners Member	Sebagai Anggota Direksi As a Board of Directors Member	Jabatan Lainnya Other Positions
Dewan Komisaris | Board of Commissioners			
Ma Xiangjun Presiden Komisaris | President Commissioner [1]	○	○	○
Wang Kun Presiden Komisaris | President Commissioner [2]	○	○	●
Hendra Widjojo Komisaris Independen | Independent Commissioner	○	○	○
Christina Harapan Komisaris Independen | Independent Commissioner	○	●	○
Direksi | Board of Directors			
Shen Xiaoqi Presiden Direktur | President Director[1]	○	○	○
Yu Guangzhu Direktur & Plt. Presiden Direktur Director & Acting President Director[2]	○	○	○
Jeff S.V. Eman Direktur | Director	○	○	○
Liang Qinjun Direktur | Director	○	○	○
Xin Haiyan Direktur | Director[3]	○	○	○
Thomas Arifin Direktur | Director	○	○	○
Sandy Tjipta Muliana Direktur | Director	○	○	○
Fransisca Nelwan Mok Direktur | Director[3]	○	○	○
Rolyta Manullang Direktur | Director[4]	○	○	○

● = ada | yes, ○ = tidak ada | No

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017. | Mr. Ma Xiangjun has resigned to be the President Commissioner since December 13, 2017.
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017. | Wang Kun has been the President Commissioner since December 13, 2017.
3) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
4) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
5) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
6) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

Nama Name	Jabatan pada Perusahaan/Instansi Lain Positions in Other Companies/Institutions
Wang Kun Presiden Komisaris | President Commissioner	Deputy General Manager (International Department) ICBC Ltd
Christina Harapan Komisaris Independen | Independent Commissioner	Direktur | Director PT Artha Graha Network

Pengungkapan Kepemilikan Saham Dewan Komisaris dan Direksi

Transparansi kepemilikan saham Dewan Komisaris dan Direksi baik saham Bank maupun kepemilikan saham berjumlah 5% (lima persen) pada perusahaan lain diungkapkan pada tabel berikut ini.

Disclosure of Shares Ownership of Board of Commissioners and Board of Directors

Transparency of share ownership of both Board of Commissioners and Board of Directors, either The Bank's shares or 5% (five percent) shareholding in other companies are disclosed in the following table.

	Kepemilikan Saham Bank ICBC Indonesia Bank ICBC Indonesia Stock Ownership	Kepemilikan Saham Perusahaan Lain Lebih dari 5% Stock Ownership in Other Companies Exceeding 5%	
		Kepemilikan (%) Ownership (%)	Status Perusahaan Company Status
Dewan Komisaris | Board of Commissioners			
Ma Xiangjun Presiden Komisaris | President Commissioner [1]	○	○	○
Wang Kun Presiden Komisaris | President Commissioner [2]	○	○	○
Hendra Widjojo Komisaris Independen | Independent Commissioner	○	○	○
Christina Harapan Komisaris Independen | Independent Commissioner	○	●	Artha Graha General Insurance
		●	Jakarta International Hotel & Development
		●	Electronic City Indonesia
Direksi | Board of Directors			
Shen Xiaoqi Presiden Direktur | President Director[3]	○	○	○
Jeff S.V. Eman Direktur | Director	○	○	○
Yu Guangzhu Direktur | Director	○	○	○
Liang Qinjun Direktur | Director	○	○	○
Xin Haiyan Direktur | Director[4]	○	○	○
Thomas Arifin Direktur | Director	○	○	○
Sandy Tjipta Muliana Direktur | Director	○	○	○
Fransisca Nelwan Mok Direktur | Director[4]	○	○	○
Rolyta Manullang Direktur | Director[5]	○	○	○

● = ada | yes, ○ = tidak ada | No

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017. | Mr. Ma Xiangjun has resigned to be the President Commissioner since December 13, 2017.
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017. | Wang Kun has been the President Commissioner since December 13, 2017.
3) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31 Oktober 2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
4) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
5) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
6) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

KEBERAGAMAN KOMPOSISI DEWAN KOMISARIS & DIREKSI
DIVERSITY BOARD OF COMMISSIONERS & BOARD OF DIRECTORS

Keberagaman komposisi Dewan Komisaris dan Direksi merupakan bagian dari upaya Bank untuk mendorong proses pengambilan keputusan yang lebih obyektif, komprehensif, optimal, dan memiliki dampak positif terhadap pengawasan dan pengelolaan Bank. Keberagaman ini diharapkan dapat memperkaya sudut pandang dan kepentingan dalam proses pengambilan keputusan baik di tubuh Dewan Komisaris maupun Direksi, sehingga mampu memberikan nilai tambah bagi kegiatan Bank, serta penerapan Tata Kelola Perusahaan di lingkup Bank.

The diversity of the Board of Commissioners and the Board of Directors is part of the Bank's efforts to encourage a more objective, comprehensive, optimal and decision-making process that has a positive impact on Bank supervision and management. This diversity is expected to enrich the point of view and interest in the decision making process in both the Board of Commissioners and the Board of Directors, thereby providing added value for Bank activities, as well as the implementation of Good Corporate Governance within the scope of The Bank.

Keberagaman Komposisi Dewan Komisaris
Diversity Board of Commissioners

Nama dan Jabatan Name and Position	Latar Belakang Pendidikan Educational background	Pengalaman Kerja Work experience	Usia Age	Jenis kelamin Gender
Ma Xiangjun Presiden Komisaris[1)] President Commissioners	Ekonomi Economy	Bekerja di ICBC Ltd. sejak tahun 1994 Careers at ICBC Ltd. since 1994	45	Laki-laki Male
Wang Kun Presiden Komisaris[2)] President Commissioners	*English Education & Literature*	Bekerja di ICBC Ltd. sejak tahun 2002 Careers at ICBC Ltd. since 2002	40	Laki-laki Male
Hendra Widjojo Komisaris Independen Independent Commissioners	Ekonomi Economy	Menjabat manajemen kunci PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1989 Served the key management of PT Bank Halim Indonesia, the predecessor of Bank ICBC Indonesia, since 1989	54	Laki-laki Male
Christina Harapan Komisaris Independen Independent Commissioners	Bisnis Business	Perbankan dan industri keuangan lainnya Banking and other financial industries	39	Perempuan Female

1) Ma Xiangjun berhenti menjabat Presiden Komisaris sejak 13 Desember 2017. | Mr. Ma Xiangjun has resigned to be the President Commissioner since December 13, 2017.
2) Wang Kun resmi menjabat Presiden Komisaris sejak 13 Desember 2017. | Wang Kun has been the President Commissioner since December 13, 2017.

Keberagaman Komposisi Direksi
Diversity Board of Directors

Nama dan Jabatan Name and Position	Latar Belakang Pendidikan Educational background	Pengalaman Kerja Work experience	Usia Age	Jenis kelamin Gender
Shen Xiaoqi Presiden Direktur[1)] President Director	Administrasi Bisnis, Akuntansi, Sejarah dan Budaya Business Administration, Accounting, History and Culture	Berkarir di ICBC Ltd. sejak tahun 1979 Joined ICBC Ltd. since 1979	60	Laki-laki Male
Yu Guangzhu Direktur & Plt. Presiden Direktur[2)] Director & Acting President Director	*Geochemistry* & Administrasi Bisnis Geochemistry & Business Administration	Berkarir di ICBC Ltd. sejak tahun 1988 Joined ICBC Ltd. since 1988	51	Laki-laki Male
Jeff S.V. Eman Direktur Director	Akuntansi Accounting	Aktif di dunia perbankan. Bekerja di PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1990 Active in the banking world. Working at PT Bank Halim Indonesia, the predecessor of Bank ICBC Indonesia, since 1990	60	Laki-laki Male
Liang Qinjun Direktur Director	Keuangan, khususnya *Public & International Finance* Finance, especially Public & International Finance	Berkarir di ICBC Ltd. sejak tahun 1987 Joined ICBC Ltd. since 1987	55	Laki-laki Male
Xin Haiyan Direktur[3)] Director	Perdagangan Internasional & Administrasi International Trade & Administration	Berkarir di ICBC Ltd. sejak tahun 1995 Joined ICBC Ltd. since 1995	43	Perempuan Female
Thomas Arifin Direktur Director	Administrasi Bisnis dan Manajemen Business Administration and Management	Dosen, pernah menjabat sebagai Direksi pada beberapa bank besar di Indonesia Lecturer, has served as a Board of Directors at several major banks in Indonesia	56	Laki-laki Male
Sandy Tjipta Muliana Direktur Director	Ekonomi Manajemen Economic management	Berkarir di dunia perbankan di Indonesia sejak tahun 1989 Joint in the banking world in Indonesia since 1989	53	Laki-laki Male
Fransisca Nelwan Mok Direktur[3)] Director	Peternakan dan Keuangan Husbandry and Finance	Berkarir di dunia perbankan dan industri keuangan lainnya, pernah menjabat sebagai Direksi pada bank besar di Indonesia Joined the banking world and other financial industries, had served as the Board of Directors of major banks in Indonesia	61	Perempuan Female
Rolyta Manullang Direktur[4)] Director	Teknik Sipil Civil Engineering	Berkarir di dunia perbankan di Indonesia sejak tahun 1995 Started her banking career in Indonesia since 1995	46	Perempuan Female

1) Presiden Direktur, Shen Xiaoqi, mengundurkan diri pada 31Oktober2017.| President Director, Shen Xiaoqi, resigned on 31 October 2017.
2) Yu Guangzhu, efektif menjabat posisi Plt Presiden Direktur pada 1 November 2017. | Effectively served as Acting President Director's position on 1 November 2017.
3) Fransisca Nelwan Mok dan Xin Haiyan efektif menjabat posisi Direktur pada 13 April 2017. | Fransisca Nelwan Mok and Xin Haiyan Effective as Director position on April 13, 2017.
4) Rolyta Manullang, mengundurkan diri pada 31 Mei 2017. | Rolyta Manullang, Resigned on May 31, 2017.

ORGAN PENDUKUNG DEWAN KOMISARIS
BOARD OF COMMISSIONERS' SUPPORT ORGAN

SEKRETARIS DEWAN KOMISARIS

BOD/BOC Office menjalankan fungsi sebagai Sekretaris Perusahaan, dimana salah satu fungsi utamanya adalah sebagai Sekretaris Dewan Komisaris untuk membantu Dewan Komisaris dalam melaksanakan tugas dan tanggung jawabnya.

Tugas dan Tanggung Jawab Sekretaris Dewan Komisaris

Sekretaris Dewan Komisaris memiliki tugas dan tanggung jawab sebagai berikut:

- Berperan membantu Dewan Komisaris dan Direksi sebelum, selama, dan setelah-rapat atas segala sesuatu yang berkaitan dengan agenda rapat. Rapat terkait kegiatan tersebut termasuk penjadwalan, pengaturan agenda, koordinasi, persiapan, kehadiran, rekaman, risalah rapat dan distribusi material.
- Mengatur jadwal rapat dan membuat *draft* agenda untuk rapat Dewan Komisaris dan Komite selama setahun sekaligus memastikan kepatuhan dengan persyaratan eksternal dan internal, dan bekerja sama dengan Dewan Komisaris dan Komite dalam menciptakan, memelihara, dan merevisi agenda jika diperlukan;
- Mengkoordinasikan penyusunan dan penyebaran bahan rapat dalam bentuk *hard copy* atau *soft copy*, sekaligus memastikan kecukupan, konsistensi (dengan dokumen sebelumnya dan berikutnya), kemudahan penggunaan, dan kualitas bahan.
- Mendukung pemenuhan dokumen dari departemen terkait untuk rapat dan anggota Direksi dan Dewan Komisaris.
- Menghadiri rapat anggota Dewan Komisaris dan rapat Komite, mencatat dan mengedarkan risalah rapat yang mencakup antara lain, keputusan, informasi, tindakan, dan arahan.
- Laporan mengenai agenda yang tertunda mengambil tindakan untuk memastikan informasi diberikan kepada anggota Dewan Komisaris dan Komite pada waktu yang tepat.

SECRETARY OF BOARD OF COMMISSIONERS

BOD/BOC Office functions as Corporate Secretary, where one of its main functions is as Secretary of the Board of Commissioners to assist the Board of Commissioners in performing its duties and responsibilities.

Duties and Responsibilities of the Secretary of the Board of Commissioners

The Secretary of the Board of Commissioners has the following duties and responsibilities:

- Contribute to the Board of Commissioners and Board of Directors before, during, and after-meetings on all matters related to the meeting agenda. Meetings related to such activities include scheduling, agenda setting, coordination, preparation, attendance, recording, meeting minutes and material distribution.
- Arrange the schedule of meetings and draft an agenda for the Board of Commissioners and Committee meetings for a year while ensuring compliance with external and internal requirements, and working with the BoC and the Committee in creating, maintaining and revising the agenda as necessary;
- Coordinate the preparation and dissemination of meeting material in hard copy or soft copy, while ensuring sufficiency, consistency (with previous and subsequent documents), ease of use, and quality of materials.
- Support the fulfillment of documents from relevant departments for meetings and members of the Board of Directors and Board of Commissioners.
- Attend meetings of members of the Board of Commissioners and Committee meetings, record and circulate minutes of meetings that include among others, decisions, information, actions, and direction.
- Reports on pending agendas take action to ensure information is provided to members of the Board of Commissioners and the Committee at appropriate times.

- Melakukan aktivitas sekretarial, sistem pengarsipan, dan surat resmi masuk/keluar (aliran dokumen) yang sejalan dengan panduan yang ada untuk keperluan dalam memastikan keamanan dan kepatuhan dengan prosedur dan sistem yang telah ada.
- Bertanggung Jawab atas terselenggaranya dengan baik kegiatan korespondensi surat menyurat antara Dewan Komisaris dengan pihak internal maupun eksternal.
- Melakukan fungsi peninjauan dan pengecekkan untuk surat keluar resmi yang dikeluarkan oleh Dewan Komisaris dalam rangka untuk memastikan keakuratan informasi yang diberikan.
- Menyusun agenda kegiatan Dewan Komisaris dan Komite-Komite sesuai dengan instruksi yang diterima.
- Menyusun konsep laporan dan dokumen untuk keperluan tugas Dewan Komisaris sesuai dengan diskusi dan instruksi.
- Mengatur perjalanan dinas untuk Dewan Komisaris dan penyelesaian seluruh pengeluaran yang terjadi selama perjalanan dinas termasuk pemesanan tiket, hotel, aplikasi visa, dll.
- Turut mengambil bagian untuk melaksanakan kegiatan dan acara *bank-wide* dengan departemen terkait.
- Turut mengambil bagian dalam aktivitas pelaksanaan tanggung jawab sosial *bank-wide*.

Pelaksanaan Tugas Sekretaris Dewan Komisaris Tahun 2017

Sekretaris Dewan Komisaris telah melakukan berbagai kegiatan dalam mendukung pelaksanaan tugas pengawasan Dewan Komisaris dan menyampaikan laporan pelaksanaan tugasnya sepanjang tahun 2017, antara lain meliputi:

- Menyelenggarakan rapat Dewan Komisaris sebanyak 4 (empat) kali.
- Menyelenggarakan rapat gabungan Dewan Komisaris dan Direksi sebanyak 2 (dua) kali.
- Menyelenggarakan rapat Komite Audit dan Komite Pemantau Risiko sebanyak 10 kali.
- Menyelenggarakan rapat Komite Remunerasi dan Nominasi sebanyak 4 (empat) kali.
- Membuat, mendistribusikan, mengarsip risalah rapat dewan Komisaris, rapat gabungan Dewan Komisaris dan Direksi, serta rapat Komite-Komite.
- Membantu dalam menyusun laporan rutin pengawasan Dewan Komisaris, laporan eveluasi Komite Audit terhadap kinerja AP dan/atau KAP kepada OJK.

- Conducting secretarial activities, filing systems, and official incoming / outgoing forms (document flow) in line with existing guidelines for the purpose of ensuring security and compliance with existing procedures and systems.
- Responsible for the proper implementation of correspondence activities between the Board of Commissioners with internal or external parties.
- Conduct a review and check function for an official outgoing letter issued by the Board of Commissioners in order to ensure the accuracy of the information provided.
- Arrange the agenda of the activities of the Board of Commissioners and the Committees in accordance with the instructions received.
- Prepare the concept of reports and documents for the purposes of the Board of Commissioners in accordance with the discussions and instructions.
- Arrange official travel for the Board of Commissioners and the completion of all expenses incurred during official travel, including ticket bookings, hotels, visa applications, etc.
- Take part to carry out bank-wide activities and events with relevant departments.
- Participate in the implementation activities of bank-wide social responsibility.

Implementation of Duties of Secretary to the Board of Commissioners of 2017

The Secretary of the Board of Commissioners has undertaken various activities in support of the implementation of the supervisory duties of the Board of Commissioners and submits the report on the implementation of its duties throughout 2017, including the following:

- Holding Board of Commissioners meetings 4 (four) times.
- Holding a joint meeting of the Board of Commissioners and Board of Directors of two (2) times.
- Holding meetings of Audit Committee and Risk Monitoring Committee 10 times.
- Holding 4 (four) times of Remuneration and Nomination Committee meetings.
- Creating, distributing, filing minutes of Board of Commissioners meetings, joint meetings of the Board of Commissioners and Board of Directors, as well as meetings of the Committees.
- Assisting in preparing regular supervision reports of the Board of Commissioners, Audit Committee evaluation reports on AP and/or KAP performance to OJK.

- Menyusun laporan perubahan susunan anggota Komite kepada OJK serta perubahan susunan Dewan Komisaris dan Direksi kepada LPS.
- Membantu dalam menyusun dan mendistribusikan surat Dewan Komisaris terhadap Direksi mengenai rencana dan jadwal DC-DRC, serta evaluasi kinerja Bank pada paruh pertama 2017.
- Melengkapi GCG *Self-Assessment* dan *Risk Assessment* pada aspek yang terkait dengan tugas dan tanggung jawab Direksi, Dewan Komisaris, dan Komite-Komite.
- Mempersiapkan surat keputusan yang memerlukan persetujuan Dewan Komisaris dan Direksi.
- Menyusun pedoman dan tata tertib kerja Dewan Komisaris, Direksi, serta Komite-Komite yang berada di bawah Dewan Komisaris.

- Preparing a report on the changes of the members of the Committee to OJK and the change of the Board of Commissioners and Board of Directors to LPS.
- Assisting in the preparation and distribution of Board of Commissioners' letters to the Board of Directors regarding DC-DRC plans and schedules, and performance evaluation of Banks in the first half of 2017.
- Completing the GCG Self-Assessment and Risk Assessment on aspects related to the duties and responsibilities of the Board of Directors, the Board of Commissioners, and the Committees.
- Preparing a decision letter requiring approval from the Board of Commissioners and the Board of Directors.
- Preparing the guidelines and work order of the Board of Commissioners, the Board of Directors, and the Committees under the Board of Commissioners.

KOMITE AUDIT

Komite Audit Bank merupakan Komite yang membantu Dewan Komisaris dalam menjalankan fungsi pengawasan dan pengendalian. Komite ini terdiri dari seorang Ketua yang merupakan Komisaris Independen, 1 (satu) orang Komisaris dan 2 (dua) orang anggota. Ketua dan anggota-anggota Komite Audit memiliki latar belakang, kompetensi, dan pengalaman yang memadai.

Kriteria Anggota Komite Audit

Mereka yang ditunjuk sebagai Anggota Komite Audit Bank harus memenuhi kriteria sebagaimana telah ditetapkan yaitu:

- Berkewarganegaraan Indonesia.
- Sehat jasmani dan rohani.
- Memiliki integritas, komitmen, kemampuan, pengetahuan dan pengalaman yang memadai sesuai dengan latar belakang pendidikannya serta mampu berkomunikasi dengan baik.
- Salah seorang dari Anggota Komite Audit memiliki latar belakang pendidikan akuntansi atau keuangan.
- Memiliki pengetahuan yang cukup untuk membaca dan memahami laporan keuangan.

AUDIT COMMITTEE

The Audit Committee of The Bank assists the Board of Commissioners in carrying out supervisory and control functions. This Committee consists of a Chair who is an Independent Commissioner, 1 (one) Commissioner and 2 (two) members. The Chairman and members of the Audit Committee have adequate background, competence and experience.

Audit Committee Member Criteria

Those designated as Members of the Bank's Audit Committee shall meet the criteria as set forth defined are:

- Indonesian citizenship.
- Physically and mentally healthy.
- Have the integrity, commitment, ability, knowledge and experience adequate in accordance with educational background and able to communicate well.
- A member of the Audit Committee has an accounting or financial education background.
- Have sufficient knowledge to read and understand financial statements.

- Bukan merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non audit, dan atau jasa konsultasi lain kepada Perusahaan dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris.
- Bukan orang yang mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir.
- Tidak mempunyai saham baik langsung maupun tidak langsung pada Bank.
- Tidak memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan.
- Tidak pernah ditetapkan menjadi terdakwa atas dugaan telah melakukan kesalahan/ kelalaian/kejahatan yang dapat diancam dengan hukuman penjara.
- Tidak mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horizontal maupun vertikal dengan Komisaris, Direksi atau Pemegang Saham utama Bank.
- Tidak memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank.

- Not an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing auditing services, non-audit services, and or other consulting services to the Company within the 1 (one) year prior to appointment by the Commissioner.
- Not a person having the authority and responsibility to plan, lead or control the Bank's activities within the last 1 (one) year.
- Not having any shares directly or indirectly to the Bank.
- Not taking office as a party official and / or candidate / legislative member and / or candidate for regional head / representative to the region, and other positions in accordance with laws and regulations that may create a conflict of interest.
- Has never been named a defendant for alleged wrongdoing / negligence / crime that could be punishable by imprisonment.
- Has no family relationship due to marriage and descent to second degree, either horizontally or vertically with the Commissioner, Board of Directors or major shareholders of the Bank.
- Has no direct or indirect business relationship related to the Bank's business activities.

Ketentuan Masa Jabatan

Ketua dan Anggota Komite diangkat dan diberhentikan oleh Presiden Komisaris. Masa kerja Ketua Komite Audit maksimal sama dengan masa jabatannya sebagai anggota Dewan Komisaris Bank. Sementara masa tugas bagi anggota Komite Audit adalah 1 (satu) tahun dan dapat dipilih kembali hanya untuk 1 (satu) periode berikutnya dengan tidak mengurangi hak Komisaris untuk memberhentikannya sewaktu - waktu.

Term of Tenure

The Chairman and Member of the Committee shall be appointed and dismissed by the President Commissioner. The tenure of the Chairman of the Audit Committee with the same maximum term of office as a member of the Board of Commissioners of The Bank. While tenure for members of the Audit Committee is one (1) year and may be reelected only for 1 (one) next period without prejudice to the right of the Commissioner to dismiss them.

Susunan dan Profil Komite Audit

Susunan Komite Audit Bank di tahun 2017 adalah sebagai berikut:

Structure and Profile of Audit Committee

The Audit Committee composition of The Bank in 2017 is as follows:

Kronologi Susunan Komite Audit
Chronology The Composition of the Audit Committee

01 January 2017 - 06 July 2017	07 July 2017 - 24 August 2017	25 August 2017 - 31 December 2017	Keterangan Details
Christina Harapan Ketua & Komisaris Independen Chairman & Independent Commissioner	**Christina Harapan** Ketua & Komisaris Independen Chairman & Independent Commissioner	**Christina Harapan** Ketua & Komisaris Independen Chairman & Independent Commissioner	Mengikuti masa jabatan sebagai Komisaris Independen Following a term as Independent Commissioner
Sumantri Supono Anggota | Member	**Sumantri Supono** Anggota | Member		Sumantri Supono resmi mengundurkan diri pada 24 Agustus 2017. Sumantri Supono officially resigned on August 24th, 2017.
Ricky Dompas Anggota | Member	**Ricky Dompas** Anggota | Member	**Ricky Dompas** Anggota | Member	Surat Keputusan Dewan Komisaris tanggal Board of Commissioners Decree dated November 18th, 2016
	Waldy Gutama Anggota | Member	**Waldy Gutama** Anggota | Member	Surat Keputusan Direksi tanggal 7 Juli 2017 No. 009A/KPTS.DIR/ICBC.IND/2017 Waldy Gutama was elected as Audit Committee Member on July 7th, 2017.

Profil Komite Audit per 31 Desember 2017 disampaikan berikut ini:

The Audit Committee Profile as of December 31, 2017 is submitted as follows:

Christina Harapan
Ketua Komite Audit & Komisaris Independen
Audit Committee Chairman/ Independent Commissioner

Profil Christina Harapan sebagai Ketua Komite Audit dapat dilihat pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini.

Christina Harapan's profile as Audit Committee Chairman can be seen in the Board of Commissioners Profile section in Company Profile of this annual report.

Ricky Dompas
Anggota Komite Audit
Audit Committee Member

Pengalaman Kerja/Jabatan

Sekjen dan Direktur Lembaga Sertifikasi Profesi Perbankan (LSPP) (2011-sekarang) *Senior Vice President, Head Internal Audit*/Kepala Satuan Kerja Audit Internal, *Head Compliance Monitoring*, and *Head Compliance* PT Bank Permata Tbk (2006-2011) *Vice President, Division Head Audit Support & Centralised Operations* PT Bank Danamon Indonesia Tbk (2001-2006) *Senior Vice President Asset Management Credit/AMC*, Badan Penyehatan Perbankan Nasional (IBRA) (1999-2001) *Assistant Vice President, Accounting & Reporting Manager*, The Chase Manhattan Bank, Jakarta (1990-1999) *Supervisor Internal Audit*, PT Huffco Indonesia, *a subsidiary of* Roy M. Huffington , Inc. (1984-1990).

Latar Belakang Pendidikan :

BSc. (Strata-1) *Business Administration* dari American University, Washington DC, Amerika Serikat (1983).

Work Experience

Secretary General and Director of the Banking Profession Certification Organization (LSPP) (2011-present), Senior Vice President, Head Internal Audit, Head Compliance Monitoring, and Head Compliance PT Bank Permata Tbk (2006-2011), Vice President, Division Head Audit Support & Centralized Operations PT Bank Danamon Indonesia Tbk (2001-2006), Senior Vice President Asset Management Credit/AMC, Indonesian Bank Restructuring Agency (IBRA) (1999-2001), Assistant Vice President, Accounting & Reporting Manager, The Chase Manhattan Bank, Jakarta (1990-1999), Supervisor Internal Audit, PT Huffco Indonesia, a subsidiary of Roy M. Huffington , Inc. (1984-1990).

Education

BSc. (Strata-1) Business Administration from American University, Washington DC, United States (1983)

Waldy Gutama
Anggota Komite Audit
Audit Committee Member

Pengalaman Kerja/Jabatan	Work experience
Komite Audit Bank Woori Saudara (BWS) (2015-sekarang), Komite Audit PT Bank Tabungan Negara (Persero) (2013-sekarang) Komite Audit Woory Bank (2012-2014) Berkarir di Bank Indonesia sejak 1981 hingga 2011, dengan tugas terakhir sebagai Pengawas Bank Senior, tim 2.4 Direktorat Pengawasan Bank 2	Audit Committee of Bank Woori Brothers (BWS) (2015-present), Audit Committee of PT Bank Tabungan Negara (Persero) (2013-present), Woory Bank Audit Committee (2012-2014), career at Bank Indonesia from 1981 to 2011, with the last position being a Senior Bank Supervisor of team 2.4 Directorate of Bank Supervision 2.
Latar Belakang Pendidikan :	**Education**
Sarjana (S1) Administrasi Negara dari Sekolah Tinggi Administrasi Negara Republik Indonesia (STIA-LAN RI), Jakarta (1988), dan Magister (S2) Manajemen bidang studi Konsentrasi Keuangan dan Manajemen dari Sekolah Tinggi Ilmu Ekonomi–Institut Pengembangan Wiraswasta Indonesia, Jakarta (2000).	Bachelor of State Administration from State Administration High School of the Republic of Indonesia (STIA-LAN RI), Jakarta (1988), and Master Degree in Management of Finance and Management Concentration from Sekolah Tinggi Ilmu Ekonomi-Institute for Entrepreneurship Development Indonesia, Jakarta (2000).

Independensi

Sesuai kriteria yang telah ditetapkan Bank dan regulasi yang berlaku, Komite Audit wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepengurusan Bank. Berikut disampaikan transparansi independensi Komite Audit.

Independence

In accordance to the criteria established by the Bank and applicable regulations, the Audit Committee shall have their independence over several aspects relating to the Bank's management. The following contains the details of the Audit Committee's independence:

Independensi Komite Audit
Audit Committee Independence

Aspek Independensi Independence Aspects	Komite Audit Audit Committee			
	Christina Harapan	Sumantri Supono	Ricky Dompas	Waldy Gutama
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non audit, dan atau jasa konsultasi lain kepada Perusahaan dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and or other consulting services to the Company within the 1 (one) year prior to appointment by the Commissioner.	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control the Bank's activities within the last 1 (one) year.	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Own shares directly or indirectly to the Bank.	○	○	○	○
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, accordance with laws and regulations.	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horizontal maupun vertikal dengan Komisaris, Direksi atau Pemegang Saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Commissioner, Board of Directors or the main Shareholders of the Bank.	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to the Bank's business activities.	○	○	○	○

● = ada | yes, ○ = tidak ada | no

Piagam Komite Audit

Dalam melaksanakan tugasnya, Komite Audit Bank mengacu kepada Piagam Komite Audit yang telah disahkan dan diperbaharui pada 6 September 2017.

Tugas dan Tanggung Jawab

Dalam melaksanakan fungsinya, Komite Audit memiliki tugas dan tanggung jawab sebagai berikut:

- Melakukan pemantauan dan evaluasi atas perencanaan dan pelaksanaan audit serta pemantauan atas tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal termasuk kecukupan proses pelaporan keuangan.
- Dalam rangka melaksanakan tugas pada butir tersebut di atas dan guna memberi rekomendasi kepada Dewan Komisaris, Komite Audit melakukan pemantauan dan evaluasi terhadap:
  - Pelaksanaan tugas Satuan Kerja Audit Internal (SKAI);
  - Kesesuaian pelaksanaan audit oleh Kantor Akuntan Publik dengan Standar Audit yang berlaku;
  - Memberikan pendapat independen dalam hal terjadi perbedaan pendapat antara manajemen dan Kantor Akuntan Publik atas jasa yang diberikannya;
  - Pelaksanaan tindak lanjut oleh Direksi atas hasil temuan SKAI, Akuntan Publik, Bank Indonesia dan hasil pengawasan Otoritas Jasa Keuangan (OJK).
- Melakukan penelaahan atas informasi keuangan lainnya yang akan dikeluarkan Bank kepada publik dan/atau pihak otoritas seperti proyeksi, dan laporan lainnya terkait dengan informasi keuangan Bank.
- Melakukan penelahaan atas kepatuhan Bank terhadap peraturan perundang-undangan di bidang perbankan dan peraturan perundang-undangan lainnya.
- Memberikan rekomendasi kepada Dewan Komisaris mengenai penunjukkan Kantor Akuntan Publik, yang didasarkan pada independensi, ruang lingkup penugasan dan *fee* untuk disampaikan kepada Pemegang Saham melalui Dewan Komisaris.
- Menelaah dan melaporkan kepada Dewan Komisaris atas pengaduan yang berkaitan dengan proses akuntansi dan pelaporan keuangan Bank.
- Melakukan penelahaan dan pemantauan atas implementasi Good Corporate Governance yang efektif dan berkelanjutan.

Audit Committee Charter

In carrying out its duties, the Bank's Audit Committee uses as a reference point the Audit Committee Charter, which has been ratified and updated on September 6th, 2017.

Duties and Responsibilities

In performing its functions, the Audit Committee has the following duties and responsibilities:

- Monitor and evaluate the planning and execution of audits, and monitoring follow-up of audit results in order to assess the adequacy of internal control, including financial reporting process.
- In order to carry out the tasks mentioned above and to provide recommendations to the Board of Commissioners, the Audit Committee shall monitor and evaluate:
  - The implementation of the Internal Audit Unit's (SKAI) tasks.
  - Compliance of audit conducted by Public Accounting Firm with applicable Audit Standards.
  - Provide an independent opinion in the event of a opinion differences between management and a Public Accounting Firm for its services.
  - Implementation of follow-up by the Board of Directors on findings made by the SKAI, Public Accountants, Bank Indonesia, as well as of the supervision results from OJK.
- Reviewing other financial information to be issued to the public and/or authorities such as projections, and other reports relating to the Bank's financial information.
- Reviewing the Bank's compliance with laws and regulations in the banking sector and other laws and regulations.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm. This recommendation is based on the independence, scope of the assignment and costs to be submitted to the Shareholders through the Board of Commissioners.
- Review and report to the Board of Commissioners for complaints relating to the Bank's accounting and reporting process.
- Review and monitor the effectiveness and sustainability of GCG implementation.

- Menjalankan tugas-tugas lain yang relevan dengan fungsi Komite Audit atas permintaan Dewan Komisaris serta peraturan Otoritas Jasa Keuangan dan Bank Indonesia.

Kewenangan

Dalam melaksanakan tugasnya, Komite Audit mempunyai wewenang sebagai berikut:

- Mengakses dokumen, data, dan informasi Bank tentang karyawan, dana, aset, dan sumber daya Bank yang diperlukan.
- Melakukan komunikasi langsung dengan karyawan, termasuk Direksi dan pihak yang menjalankan fungsi audit internal, manajemen risiko, akuntansi dan sistem informasi, unit kerja terkait dan akuntan publik terkait tugas dan tanggung jawab Komite Audit.
- Jika diperlukan, melibatkan pihak independen di luar anggota Komite Audit yang diperlukan untuk membantu pelaksanaan tugasnya.
- Melakukan kewenangan lain yang diberikan oleh Dewan Komisaris.

Pembagian Tugas dan Tanggung Jawab Dalam Keanggotaan Komite Audit

Komite Audit diketuai oleh seorang Komisaris Independen dan beranggotakan 2 (dua) pihak independen sebagai berikut:

- Christina Harapan, sebagai ketua sekaligus mewakili peran Komisaris Independen dalam Komite Audit.
- Sumantri Supono[1)], berperan sebagai pihak independen yang memiliki keahlian dalam bidang perbankan.
- Ricky Dompas, berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.
- Waldy Gutama[2)], berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

1) Efektif per tanggal 24 Agustus 2017 mengundurkan diri sebagai Anggota Komite Audit.
2) Efektif bergabung menjadi Anggota Komite Audit pada 7 Juli 2017.

Pelatihan dan Pengembangan Kompetensi

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Audit, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Komite Audit dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

- Carry out other tasks relevant to the functions of the Audit Committee at the request of the Board of Commissioners and the regulations of the Financial Services Authority and Bank Indonesia.

Authority

In performing its duties, the Audit Committee has the following authorities:

- Accessing documents, data, and Bank's information about its employees, funds, assets, and resources required.
- The ability to communicate directly with employees, including the Board of Directors and parties performing internal audit functions, risk management, accounting and information system, related work units and public accountants related to the Audit Committee's duties and responsibilities.
- Where necessary, the committee may involve independent parties from outside of the Audit Committee members which required to assist the committee in performing its duties.
- To exercise other powers granted by the Board of Commissioners.

Division of Duties and Responsibilities Between Member of the Audit Committee

The Audit Committee is chaired by an Independent Commissioner and consist of 2 (two) independent parties as follows:

- Christina Harapan, as chairman as well as representing the role of Independent Commissioner in Audit Committee.
- Sumantri Supono[1)], acting as an independent party with an expertise in banking.
- Ricky Dompas, acting as an independent party with an expertise in finance.
- Waldy Gutama[2)], acting as an independent party with an expertise in finance.

1) Effective as of August 24th, 2017, resigned as member of the Audit Committee.
2) Effectively joined as member of the Audit Committee on July 7th, 2017.

Training and Competency Development

The Bank has policies related to the development and the competency of the Audit Committee, conducted through various full funding training and education programs being the responsibility of the Bank. List of training and competency development programs for the Audit Committee can be seen in its respective chapter within the Company Profile in this annual report.

Rapat Komite Audit

Rapat Komite Audit diselenggarakan sesuai dengan kebutuhan Bank, sekurang-kurangnya 4 (empat) kali dalam 1 (satu) tahun. Selama tahun 2017, Komite Audit menyelenggarakan rapat sebanyak 10 kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran anggota Komite Audit dalam rapat-rapat tersebut.

Audit Committee Meetings

Audit Committee Meetings are held in accordance to the needs of the Bank, at least 4 (four) times annually. Throughout 2017, the Audit Committee held 10 meetings. The following are the details of the agenda and minutes of meetings, attendance, and recapitulation of the attendance of Audit Committee members in its meetings.

Risalah dan Kehadiran Rapat Komite Audit
Minutes and Attendance of Audit Committee Meetings

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants			
	Christina Harapan	Ricky Dompas	Sumantri Supono[1]	Waldy Gutama[2]
18 January 2017, Jakarta • *Internal Audit Activity Report in December 2016.* • *Review of SPFAIB by KPMG* • *Financial Audit Progress by KPMG.*	●	●	●	
21 February 2017, Jakarta • *Internal Audit Strategic Plan 2017; Zero Tolerance Concept.* • *Internal Audit Activity Report as of 31 January 2017; Internal Audit Semi-Annual Report to OJK.*	●	●	●	
22 March 2017, Jakarta • *OJK Audit Findingsin Makassar and Surabaya Branches* • *Internal Audit Activity Report as of February 2017.* • *Audit Progress by KPMG.*	●	●	●	
25 April 2017, Jakarta • *ORS Application Progress, Asset Sales To OAC and Fee Recognition.* • *Internal Audit Activity Report* • *Special Review on 6 Potential NPL (Royal, PIB, Kagum Group).*	●	●	●	
31 May 2017, Jakarta • *Internal Audit Activity Report* • *Progress on OJK Audit Findings*	●	●	●	
19 June 2017, Jakarta • *Progress and Timeline of ZTI Implementation* • *Internal Audit Plan on Credit* • *Internal Audit Activity Report*	●	●	●	
20 July 2017, Jakarta • Internal Audit Activity Report • *Appointment of Public Accountant Office* • *Pending KPMG Audit 2015* • *Financial Report* • *Compliance Activities and Findings as of First Semester 2017*	●	●	●	●
27 September 2017, Jakarta *Audit Activity Report*	●	●		○
26 October 2017, Jakarta • *Entry Meeting with KPMG* • *Internal Audit Activity Report* • *PSAK 71/IFRS 9 Implementation*	●	●		●
27 November 2017, Jakarta *Internal Audit Activity Report*	●	●		●

● : Hadir | Present ● : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Sumantri Supono resmi mengundurkan diri pada 24 Agustus 2017 | Sumantri Supono officially resigned on August 24th, 2017
2) Waldy Gutama diangkat sebagai anggota Komite Audit pada 7 Juli 2017 | Waldy Gutama was appointed as a member of the Audit Committee on July 7th, 2017

Rekapitulasi kehadiran anggota Komite Audit pada rapat dapat dilihat di bawah ini:

The attendance recapitulation of Audit Committee members at meetings can be seen below:

Rekapitulasi Kehadiran Komite Audit pada Rapat
Recapitulation of Audit Committee Presence at the Meeting

Komite Audit Audit Committee	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Number of Meeting Attended	Kehadiran % Attendance %
Christina Harapan Ketua & Komisaris Independen Chairman & Independent Commissioner	10	10	100,00
Sumantri Supono Anggota[1)] Member	7	7	100,00
Ricky Dompas Anggota Member	10	10	100,00
Waldy Gutama Anggota[2)] Member	4	3	75,00
RATA-RATA			**93,75**

1) Sumantri Supono resmi mengundurkan diri pada 24 Agustus 2017 | Sumantri Supono officially resigned on August 24th, 2017.
2) Waldy Gutama diangkat sebagai anggota Komite Audit pada 7 Juli 2017 | Waldy Gutama was appointed as a member of the Audit Committee on July 7th, 2017.

Laporan Singkat Pelaksanaan Kegiatan Komite Audit Tahun 2017

Komite Audit telah menjalankan program kerja pada 2017, antara lain sebagai berikut:

- Mengawasi dan mengevaluasi Kebijakan, Prosedur, Program dan Penerapan SKAI.
- Mengawasi dan mengevaluasi tindakan manajemen atas hasil temuan SKAI, audit eksternal, dan OJK.
- Memberikan rekomendasi kepada Dewan Komisaris mengenai penunjukan Kantor Akuntan Publik.

A Brief Report on the Implementation of the Activities of the Audit Committee in 2017

The Audit Committee has carried out its work program in 2017 of the following:

- Monitor and evaluate SKAI Policies, Procedures, Programs and Implementation.
- Monitor and evaluate action from management on the findings of SKAI, external audit, and the OJK.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm.

KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi dibentuk untuk melakukan evaluasi dan rekomendasi atas kebijakan remunerasi yang berlaku bagi Dewan Komisaris, Direksi dan Karyawan Bank. Selain itu, Komite ini juga bertugas memberikan rekomendasi kepada Dewan Komisaris atas tindak lanjut temuan audit internal dan/atau audit eksternal serta hasil pengawasan OJK tentang kebijakan di bidang manajemen SDM.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee was established to conduct evaluation and recommendation on the remuneration policies applicable to the Board of Commissioners, Board of Directors and Employees of the Bank. Additionally, the committee is also tasked with providing recommendations to the Board of Commissioners on follow-up for internal and/or external audit findings and OJK supervision in the field of HR management.

Susunan dan Profil Komite Remunerasi dan Nominasi

Susunan Komite Remunerasi dan Nominasi Bank di tahun 2017 adalah sebagai berikut:

Structure and Profile of the Remuneration and Nomination Committee

The composition of the Remuneration and Nomination Committee of the Bank in 2017 is as follows:

Kronologi Susunan Komite Remunerasi dan Nominasi
Arrangement Chronology of the Remuneration and Nomination Committee

01 January 2017 - 29 August 2017	30 August 2017- 31 December 2017	Keterangan | Detail
Hendra Widjojo Ketua & Komisaris Independen Chairman & Independent Commissioner	**Christina Harapan** Ketua & Komisaris Independen Chairman & Independent Commissioner	Mengikuti masa jabatan sebagai Komisaris Independen Following a term as Independent Commissioner
	Christina Harapan Ketua & Komisaris Independen Chairman & Independent Commissioner	Mengikuti masa jabatan sebagai Komisaris Independen Following a term as Independent Commissioner
Fransisca Agustine Anggota | Member		Fransisca Agustine resmi mengundurkan diri pada 29 Agustus 2017 Francisca Agustine officially resigned on August 29th, 2017
Margaret Harnos Anggota | Member		Margaret Harnos resmi mengundurkan diri pada 29 Agustus 2017 Margaret Harnos officially resigned on August 29th, 2017
	Josephine Sambajon Anggota | Member	Josephine Sambajon diangkat sebagai anggota pada 29 Agustus 2017 Josephine Sambajon was officially appointed as a member on August 29th, 2017

Profil Komite Remunerasi dan Nominasi per 31 Desember 2017 disampaikan berikut ini:

The profiles of Remuneration and Nomination Committee members as of December 31st, 2017 can be seen in the following:

Hendra Widjojo
Ketua Komite Remunerasi dan Nominasi/Komisaris Independen
Remuneration and Nomination Committee Chairman/Independent Commissioner

Profil Hendra Widjojo sebagai Ketua Komite Remunerasi dan Nominasi dapat dilihat pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini.	The profile of Hendra Widjojo as Chairman of Remuneration and Nomination Committee can be seen in the Board of Commissioners Profile section in the Company Profile chapter of this annual report.

Christina Harapan
Anggota Komite Remunerasi dan Nominasi/Komisaris Independen
Member of the Remuneration and Nomination Committee/Independent Commissioner

Profil Christina Harapan sebagai Anggota Komite Remunerasi dan Nominasi dapat dilihat pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini.	The profile of Christina Harapan as a Member of the Remuneration and Nomination Committee can be seen in the Board of Commissioners Profile section in the Company Profile chapter of this annual report.

Josephine Sambajon
Anggota Komite Remunerasi dan Nominasi
Member of the Remuneration and Nomination Committee

Profil Josephine Sambajon sebagai Anggota Komite Remunerasi dan Nominasi dapat dilihat pada bagian Profil Pejabat Executive dalam bab Profil Perusahaan di laporan tahunan ini.	The profile of Josephine Sambajon as a Member of the Remuneration and Nomination Committee can be seen in the Executive Officer Profile section in the Company Profile chapter of this annual report.

Independensi

Sesuai kriteria yang telah ditetapkan Bank dan regulasi yang berlaku, Komite Remunerasi dan Nominasi wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepengurusan Bank. Berikut disampaikan transparansi independensi Komite Remunerasi dan Nominasi.

Independence

In accordance with the criteria established by the Bank and applicable regulations, the Remuneration and Nomination Committee shall have independence on several aspects relating to the management of the Bank. Below is an outline of the independence of the Remuneration and Nomination Committee.

Independensi Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee Independence

Aspek Independensi Independence Aspect	Komite Remunerasi dan Nominasi Remuneration and Nomination Committee				
	Hendra Widjojo	Christina Harapan	Fransisca Agustine	Margaret Harnos	Josephine Sambajon
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non audit, dan atau jasa konsultasi lain kepada Perusahaan dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and or other consulting services to the Company within the 1 (one) year prior to appointment by the Commissioner.	○	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control the Bank's activities within the last 1 (one) year.	○	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Owns shares directly or indirectly to the Bank.	○	○	○	○	○
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, accordance with laws and regulations.	○	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horizontal maupun vertikal dengan Komisaris, Direksi atau Pemegang Saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Board Commissioners, Board of Directors or the main Shareholder of the Bank.	○	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to the Bank's business activities.	○	○	○	○	○

● = ada | yes - ○ = tidak | no

Pedoman Komite Remunerasi dan Nominasi

Komite Remunerasi dan Nominasi bekerja berdasarkan Pedoman dan Tata Tertib Kerja Komite Remunerasi dan Nominasi yang telah diperbaharui pada tanggal 6 September 2017.

Guidelines of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee is operating under the Working Guidelines of the Remuneration and Nomination Committee that were updated on September 6th, 2017.

Tugas dan Tanggung Jawab Komite Remunerasi dan Nominasi

Tugas dan tanggung jawab Komite Remunerasi dan Nominasi sebagaimana diatur dalam pasal 49 POJK No. 55/POJK.03/2016 paling sedikit meliputi:

- Terkait dengan kebijakan remunerasi wajib:
  - Melakukan evaluasi terhadap kebijakan remunerasi yang didasarkan atas kinerja, risiko, kewajaran dengan *peer group*, sasaran, dan strategi jangka panjang Bank, pemenuhan cadangan sebagaimana diatur dalam peraturan perundang-undangan dan potensi pendapatan Bank pada masa yang akan datang;
  - Menyampaikan hasil evaluasi dan rekomendasi kepada Dewan Komisaris mengenai:
    * Kebijakan remunerasi bagi Direksi dan Dewan Komisaris untuk disampaikan kepada RUPS; dan
    * Kebijakan remunerasi bagi pegawai secara keseluruhan untuk disampaikan kepada Direksi.
  - Memastikan bahwa kebijakan remunerasi telah sesuai dengan ketentuan; dan
  - Melakukan evaluasi secara berkala terhadap penerapan kebijakan remunerasi;
- Terkait dengan kebijakan nominasi wajib:
  - Menyusun dan memberikan rekomendasi mengenai sistem serta prosedur pemilihan dan/atau penggantian anggota Direksi dan anggota Dewan Komisaris kepada Dewan Komisaris untuk disampaikan kepada RUPS;
  - Memberikan rekomendasi mengenai calon anggota Direksi dan/atau calon anggota Dewan Komisaris kepada Dewan Komisaris untuk disampaikan kepada RUPS; dan
  - Memberikan rekomendasi mengenai Pihak Independen yang akan menjadi anggota Komite kepada Dewan Komisaris.

Duties and Responsibilities of the Remuneration and Nomination Committee

As stipulated in Article 49 POJK No. 55/POJK.03/2016, Remuneration and Nomination Committee shall perform at least:

- In relation to remuneration policies:
  - Performs an evaluation of the remuneration policy based on performance, risks, fairness with peer group, target, and Bank's long-term strategies, the fulfillment of reserves as regulated in legislation and future revenue of the Bank;
  - Submit evaluation result and recommendation to Board of Commissioners regarding:
    * Board of Commissioners and Board of Directors remuneration policies to be submitted to the GMS; and
    * Employee remuneration policies to be submitted to Board of Directors.
  - Ensure remuneration policy is in accordance with the provision; and
  - Conduct periodic evaluation of the implementation of remuneration policy;
- In relation to nomination policies:
  - Prepare and give recommendation on the system and procedure in selecting and/or replacing members of Board of Directors and Board of Commissioners to Board of Commissioners to be submitted to GMS;
  - Submit a recommendation on candidate members of Board of Directors and/or Board of Commissioners to Board of Commissioners to be submitted to GMS;
  - Submit a recommendation on Independent Parties to be committee's candidate to Board of Commissioners .

Pembagian Tugas dan Tanggung Jawab Dalam Keanggotaan Komite Remunerasi dan Nominasi

Komposisi Komite Remunerasi dan Nominasi adalah sebagai berikut:

- Hendra Widjojo, sebagai ketua yang juga mewakili peranan Komisaris Independen dalam Komite.
- Christina Harapan, sebagai anggota Komite yang juga merupakan Komisaris.
- Josephine Sambajon[1], berperan sebagai anggota Komite yang merupakan pejabat eksekutif yang membawahi bagian sumber daya manusia Bank.
- Fransisca Agustine[2] berperan sebagai anggota Komite yang merupakan pejabat eksekutif yang membawahi bagian sumber daya manusia Bank.
- Margaret Harnos[2] berperan sebagai anggota Komite yang bertanggung jawab di bidang sumber daya manusia Bank.

1) Resmi diangkat pada 29 Agustus 2017
2) Resmi berhenti pada 29 Agustus 2017

Division of Duties and Responsibilities Between the Member of the Remuneration and Nomination Committee

The composition of the Remuneration and Nomination Committee is as follow:

- Hendra Widjojo, as chairman, who also represents the role of Independent Commissioner in the Committee.
- Christina Harapan, as a committee member who is also a Commissioner.
- Josephine Sambajon[1] serves as a committee member who is an executive officer in charge of the Bank's human resources.
- Fransisca Agustine[2] serves as a member of the committee who is an executive officer in charge of the Bank's human resources.
- Margaret Harnos[2] serves as a member of the committee who oversees the Bank's human resources.

1) Officially appointed on August 29th, 2017
2) Officially resigned on August 29th, 2017

Pelatihan dan Pengembangan Kompetensi

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Remunerasi dan Nominasi, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Komite Remunerasi dan Nominasi dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

Training and Competence Development

The Bank has its own policy related to the development and improvement of the competency of Remuneration and Nomination Committee. This is done through various full funding training and education programs being the responsibility of the Bank. The list of training and competency development programs for Remuneration and Nomination Committee can be seen in its respective chapter within the Company Profile in this annual report.

Rapat Komite Remunerasi dan Nominasi

Rapat Komite Nominasi dan Remunerasi diselenggarakan sesuai dengan kebutuhan Bank, sekurang-kurangnya 4 (empat) kali dalam 1 (satu) tahun. Selama tahun 2017, Komite Remunerasi dan Nominasi menyelenggarakan rapat sebanyak 4 (empat) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran anggota Komite Remunerasi dan Nominasi dalam rapat-rapat tersebut.

Meetings of the Remuneration and Nomination Committee

The Nomination and Remuneration Committee's meetings are held in accordance with the needs of the Bank, at least 4 (four) times annually. Throughout 2017, the Remuneration and Nomination Committee held 4 (four) meetings. The following are the details of the agenda and minutes of meetings, attendance, and recapitulation of the attendance of Remuneration and Nomination Committee members in its meetings.

Risalah dan Kehadiran Rapat Komite Remunerasi dan Nominasi
Minutes and Attendance of the Remuneration and Nomination Committee

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants				
	Hendra Widjojo	Christina Harapan	Francisca Agustine[1]	Margaret Harnos[1]	Josephine Sambajon[2]
22 March 2017, Jakarta • *Total Bonus Advance Payment 2016 for BOC and BOD.* • *Total Performance Bonus Pool 2016 for Staff.*	●	○	●	●	
05 May 2017, Jakarta • *Salaries Increase for Employees and Total BOD Salary with 2 New BOD* • *HR Program.*	●	●	●	●	
29 August 2017, Jakarta • *Bonus 2016 for BOC and BOD.* • *Salary of BOC and BOD.* • *New Candidate of President Commissioner* • *Resignation of Head of Compliance and AML; New Temporary of PIC for Compliance* • *Changes of Remuneration & Nomination Committee Member Structure.*	●	○	●	●	
09 November 2017, Jakarta • *Nomination of Zhang Jinxing as President Director of ICBC Indonesia.* • *Material Risk Taker.* • *HR People Dashboard - September 2017.* • *The PIC of Board Secretary.*	●	●			●

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Francisca Agustine dan Margaret Harnos tidak lagi menjabat sebagai anggota sejak 29 Agustus 2017
Francisca Agustine dan Margaret Harnos has resigned as members of the committee since August 29th, 2017
2) Josephine Sambajon diangkat sebagai anggota pada 29 Agustus 2017 | Josephine Sambajon was appointed as a member on August 29th, 2017

Rekapitulasi kehadiran anggota Komite Remunerasi dan Nominasi pada rapat dapat dilihat di bawah ini:

The attendance recapitulation of Remuneration and Nomination Committee members at meetings can be seen below:

Rekapitulasi Kehadiran Komite Remunerasi dan Nominasi pada Rapat
Attendance Recapitulation of Remuneration and Nomination Committee Meetings

Komite Remunerasi dan Nominasi Remuneration and Nomination Committee	Jumlah Wajib Rapat Number of Compulsory Meeting	Jumlah Kehadiran Number of Meeting Attended	Kehadiran % Attendance %
Hendra Widjojo Ketua & Komisaris Independen | Chairman & Independent Commissioner	4	4	100,00
Christina Harapan Anggota & Komisaris Independen | Member & Independent Commissioner	4	2	50,00
Francisca Agustine[1] Anggota | Member	3	3	100,00
Margaret Harnos[1] Anggota | Member	3	3	100,00
Josephine Sambajon[2] Anggota | Member	1	1	100,00
RATA-RATA | AVERAGE			**86,67**

1) Francisca Agustine dan Margaret Harnos tidak lagi menjabat sebagai anggota sejak 29 Agustus 2017
Francisca Agustine dan Margaret Harnos has resigned as members of the committee since August 29th, 2017
2) Josephine Sambajon diangkat sebagai anggota pada 29 Agustus 2017 | Josephine Sambajon was appointed as a member on August 29th, 2017

Laporan Singkat Pelaksanaan Kegiatan Komite Remunerasi dan Nominasi

Di sepanjang tahun 2017, Komite Remunerasi dan Nominasi melaksanakan tugas sebagai berikut:

- Mengevaluasi kebijakan remunerasi Dewan Komisaris dan Direksi.
- Memberikan rekomendasi kepada Dewan Komisaris untuk pengangkatan calon Direktur, calon Komisaris, calon anggota Komite serta calon pejabat eksekutif baru.
- Mengevaluasi kebijakan pembayaran bonus karyawan Bank.

A Brief Summary of the Activities of the Remuneration and Nomination Committee

Throughout 2017, the Remuneration and Nomination Committee performed the following tasks:

- Evaluate the remuneration policy of the Board of Commissioners and the Board of Directors.
- Provide recommendations to the Board of Directors for the appointment of candidates for Directors, Commissioners, prospective members of Committees, and candidates for executive officers.
- Evaluate the bonus payment policy of employees of the Bank.

Kebijakan Mengenai Suksesi Direksi

Suksesi Direksi Bank diatur berdasarkan *Board of Directors and Commissioners Nomination Policy* No. HR/POL/020 tanggal 24 Maret 2014 tentang Penggantian dan Pengangkatan Direksi. Tidak hanya terbatas untuk Direksi, kebijakan ini termasuk mengatur suksesi bagi Dewan Komisaris, termasuk persyaratan jika nominasi berasal dari pejabat eksekutif internal Bank dan pejabat dari ICBC Ltd sebagai Pemegang Saham Mayoritas. Kebijakan ini juga mengatur secara rinci terkait prosedur pengusulan untuk Dewan Komisaris dan Direksi jika berasal dari kalangan internal.

Policy Concerning the Succession of the Board of Directors

The succession of the Board of Directors of the Bank is governed by Board of Directors and Commissioners Nomination Policy No. HR/POL/020 dated March 24, 2014 regarding Replacement and Appointment of the Board of Directors. This policy not only limited to the Board of Directors, it also regulates the succession of the Board of Commissioners, including the requirements if the candidate are from the Bank's internal executive officers and officials of ICBC Ltd., as the majority Shareholders. This policy also regulates in detail the procedure for proposals for the Board of Commissioners and the Board of Directors if the members are from internal.

KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko bertugas untuk membantu Dewan Komisaris dalam mengawasi pelaksanaan manajemen risiko di lingkungan Bank. Komite ini diketuai oleh Komisaris Independen dengan 3 (tiga) orang anggota yang berasal dari pihak independen yang memiliki keahlian pada bidang keuangan dan manajemen risiko.

RISK MONITORING COMMITTEE

The Risk Monitoring Committee is in charge of assisting the Board of Commissioners in overseeing the implementation of risk management within the Bank. The committee is chaired by an Independent Commissioner, with 3 (three) members from independent parties with expertise in the field of finance and risk management.

Susunan dan Profil Komite Pemantau Risiko

Susunan Komite Pemantau Risiko Bank di tahun 2017 adalah sebagai berikut:

Structure and Profile of the Risk Monitoring Committee

The composition of the Risk Monitoring Committee of the Bank in 2017 is as follows:

Kronologi Susunan Komite Pemantau Risiko
Chronology Arrangement of the Risk Monitoring Committee

01 January 2017 - 12 April 2017	13 April 2017 - 31 December 2017	Keterangan | Detail
Hendra Widjojo Ketua & Komisaris Independen Chairman & Independent Commissioner	**Hendra Widjojo** Ketua & Komisaris Independen Chairman & Independent Commissioner	Mengikuti masa jabatan sebagai Komisaris Independen Following the term as Independent Commissioner
Sukarwan Anggota | Member	**Sukarwan** Anggota | Member	Surat Keputusan Dewan Komisaris tanggal 3 Februari 2016 Board of Commissioners Decree on February 3rd, 2016
Fransisca Nelwan Mok Anggota | Member		Fransisca Nelwan Mok dipercaya untuk menjabat posisi Direktur sejak 13 April 2017 Fransisca Nelwan Mok has been entrusted with the position of Director since April 13th, 2017
Lando Simatupang Anggota | Member	**Lando Simatupang** Anggota | Member	-

Profil Komite Pemantau Risiko per 31 Desember 2017 disampaikan berikut ini:

Profiles of each member of the Risk Monitoring Committee as of December 31st, 2017, can be seen in the following:

Hendra Widjojo
Ketua Komite Pemantau Risiko/Komisaris Independen
Risk Monitoring Committee Chairman/Independent Commissioner

Profil Hendra Widjojo sebagai Ketua Komite Pemantau Risiko dapat dilihat pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini.

The profile of Hendra Widjojo as Risk Monitoring Committee Chairman can be seen in the Board of Commissioners Profile section in the Company Profile chapter of this annual report.

Sukarwan
Anggota Komite Pemantau Risiko
Risk Monitoring Committee Member

Pengalaman Kerja/Jabatan
Berkarir di Bank Indonesia sejak 1976-1998; Pernah menjabat sebagai Direktur Direktorat Perizinan dan Informasi Perbankan (1999-2000); Komisaris PT Bank Danamon Tbk (1998-1999).

Latar Belakang Pendidikan :
Sarjana (S1) Ekonomi dari Universitas Sriwijaya, Palembang (1973); Master di bidang Business Management dari Asian Institute of Management di Manila, Filipina (1981).

Work experience:
Start his career at Bank Indonesia from 1976-1998, including serving as Director of the Directorate of Bank Licensing and Information (1999-2000); served as a Commissioner of PT Bank Danamon, Tbk. (1998-1999).

Education:
Bachelor Degree (S1) in Economics from Sriwijaya University, Palembang (1973); and a Master's Degree in the field of Business Management from the Asian Institute of Management in Manila, the Philippines (1981).

Lando Simatupang
Anggota Komite Pemantau Risiko
Risk Monitoring Committee Member

Pengalaman Kerja/Jabatan
Anggota Komite Manajemen Risiko Bank BNP Paribas Indonesia (2008-sekarang); Anggota Komite Manajemen Risiko Bank Ganesha (2008-sekarang); Anggota Komite Audit dan Komite Manajemen Risiko Bank Finconesia (2007-2008); Anggota Komite Manajemen Risiko Bank Agris (2008-2009); Anggota Komite Audit dan Komite Manajemen Risiko Bank UOB Indonesia (2008-2010).

Latar Belakang Pendidikan :
Sarjana (S1) Ekonomi bidang studi keuangan dan perbankan dari Universitas Sumatera Utara (1989); MBAT bidang Perbankan dan Keuangan dari Institut Teknologi Bandung (2000).

Work experience:
Member of the Risk Management Committee of Bank BNP Paribas Indonesia (2008-present), member of the Bank Ganesha Risk Management Committee (2008-present), member of the Audit Committee and Risk Management Committee of Bank Finconesia (2007-2008), member of the Risk Management Committee of Bank Agris (2008- 2009), and member of the Audit Committee and Risk Management Committee of Bank UOB Indonesia (2008-2010).

Education:
Bachelor Degree (S1) in Economics majoring in finance and banking from North Sumatra University (1989); and a MBAT in the field of Banking and Finance from the Bandung Institute of Technology (2000).

Independensi

Sesuai kriteria yang telah ditetapkan Bank, Komite Pemantau Risiko wajib memiliki independensi atas beberapa aspek yang berhubungan dengan kepengurusan Bank. Berikut disampaikan transparansi independensi Komite Pemantau Risiko.

Independence

In accordance with the criteria established by the Bank, the Risk Monitoring Committee shall have independence over several aspects relating to the management of the Bank. The following is a transparency on the independence of the Risk Monitoring Committee.

Independensi Komite Pemantau Risiko
Independence of the Risk Monitoring Committee

Aspek Independensi Independence Aspect	Komite Pemantau Risiko Risk Monitoring Committee			
	Hendra Widjojo	Sukarwan	Fransisca Nelwan Mok	Lando Simatupang
Merupakan orang dalam Kantor Akuntan Publik, Kantor Konsultan Hukum, atau pihak lain yang memberi jasa audit, jasa non audit, dan atau jasa konsultasi lain kepada Perusahaan dalam waktu 1 (satu) tahun terakhir sebelum diangkat oleh Komisaris. Is an insider in a Public Accounting Firm, Legal Consultant Office, or any other party providing audit services, non-audit services, and or other consulting services to the Bank within the 1 (one) year prior to appointment by the Commissioner.	○	○	○	○
Mempunyai wewenang dan tanggung jawab untuk merencanakan, memimpin atau mengendalikan kegiatan Bank dalam waktu 1 (satu) tahun terakhir. Is a person having the authority and responsibility to plan, lead or control the Bank's activities within the last 1 (one) year.	○	○	○	○
Mempunyai saham baik langsung maupun tidak langsung pada Bank. Owns shares directly or indirectly to the Bank.	○	○	○	○
Memangku jabatan sebagai pengurus partai politik dan/atau calon/anggota legislatif dan/atau calon kepala daerah/wakil kepada daerah, dan jabatan lain sesuai dengan peraturan perundang-undangan yang dapat menimbulkan benturan kepentingan. Has taken office as a party official and/or candidate/legislative member and/or candidate for regional head/representative to the region, and other positions that may create a conflict of interest, accordance with laws and regulations.	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horizontal maupun vertikal dengan Komisaris, Direksi atau Pemegang Saham utama Bank. Has a family relationship due to marriage and descent to the second degree, either horizontally or vertically, with the Board of Commissioners, Board of Directors or the main shareholder of the Bank.	○	○	○	○
Memiliki hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank. Has a direct or indirect business relationship related to the Bank's business activities.	○	○	○	○

● = Ada | Yes , ○ = Tidak Ada | No

Pedoman Komite Pemantau Risiko

Dalam menjalankan tugasnya, Komite Pemantau Risiko memiliki Pedoman dan Tata Tertib Kerja yang telah disahkan dan diperbaharui pada tanggal 25 Agustus 2017.

Guidelines of the Risk Monitoring Committee

In performing its duties, the Risk Monitoring Committee has a Guidelines and Code of Conduct that has been ratified and updated on August 25th, 2017.

Tugas dan Tanggung Jawab

Sebagaimana diatur dalam pasal 48 POJK No. 55/POJK.03/2016, Komite Pemantau Risiko wajib melakukan paling sedikit:

- Evaluasi tentang kesesuaian antara kebijakan dengan pelaksanaan kebijakan manajemen risiko dari bank;
- Pemantauan dan evaluasi pelaksanaan tugas Komite Manajemen Risiko dan Satuan Kerja Manajemen Risiko (SKMR).

Hasil dari evaluasi yang telah disebutkan di atas wajib disampaikan dan memberikan rekomendasi kepada Dewan Komisaris. Laporan hasil evaluasi tersebut wajib disampaikan secara triwulanan setiap tahun.

Prioritas tugas Komite Pemantau Risiko adalah sebagai berikut:

- Mengevaluasi proposal kebijakan manajemen risiko termasuk strategi dan kerangka manajemen risiko, serta memberikan rekomendasi dan masukan kepada Dewan Komisaris terhadap proposal kebijakan tersebut.
- Meninjau notulen rapat Komite Manajemen Risiko secara berkala, mengusulkan saran independen dan memberikan rekomendasi untuk memperkuat panduan manajemen risiko Bank.
- Mengadakan rapat dengan SKMR dan departemen terkait paling sedikit sebulan sekali mengenai pengendalian risiko, risk appetite dan risk tolerance. Memberikan panduan mengenai potenial risiko bisnis dan isu-isu manajemen risiko
- Memberikan perhatian kepada peringkat kesehatan Bank serta memberikan rekomendasi praktisnya.
- Dalam setiap triwulan progres kerja, apabila ada temuan yang muncul sekiranya perlu memberikan rekomendasi dan tindak lanjut dari rekomendasi tersebut serta memberikan laporan kepada Dewan Komisaris.

Pembagian Tugas dan Tanggung Jawab Dalam Keanggotaan Komite Pemantau Risiko

Komite Pemantau Risiko diketuai oleh Hendra Widjojo selaku Komisaris Independen dan beranggotakan sebagai berikut:

- Sukarwan, berperan sebagai pihak yang memiliki keahlian dalam bidang manajemen risiko.
- Fransisca Nelwan Mok[1], berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.
- Lando Simatupang, berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

1) Fransisca Nelwan Mok dipercaya untuk menjabat posisi Direktur sejak 13 April 2017.

Duties and Responsibilities

As stipulated in Article 48 POJK No. 55/POJK.03/2016, Risk Monitoring Committee shall perform at least:

- Evaluate the conformity between bank's risk management policy and implementation;
- Monitor and evaluate the implementation of the duties of Risk Management Committee and Risk Management Unit (RMU).

The result of evaluation mentioned above to be submitted to Board of Commissioners along with its recommendation. The report on evaluation result shall be submitted quarterly every year.

Risk Monitoring Committee priority tasks are as follow:

- Evaluate risk management policy proposals including risk management strategies and frameworks, and provide recommendations and input to the Board of Commissioners on those policy proposals.
- Review minutes of meeting of Risk Management Committee regularly, propose independent advice and recommendation to strengthen guidance of the Bank's risk management.
- Conduct a meeting at least once a month with RMU and other related departments regarding risk control, risk appetite and risk tolerance. To give guidance on potential business risks and risk management issues.
- Pay attention to Bank's soundness rating and give practical recommendation.
- During work progress every 3 months, if there are any findings, it is necessary to give recommendation and follow-up of the recommendation and report to Board of Commissioners.

Division of Duties and Responsibilities Between Member of the Risk Monitoring Committee

The Risk Monitoring Committee is chaired by Hendra Widjojo as Independent Commissioner and has the following members:

- Sukarwan, acting as a party with an expertise in risk management.
- Fransisca Nelwan Mok[1], acting as an independent party with an expertise in finance.
- Lando Simatupang, acting as an independent party with an expertise in finance.

1) Fransisca Nelwan Mok has been entrusted with the role of Director since April 13th, 2017.

Pelatihan dan Pengembangan Kompetensi

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Komite Pemantau Risiko, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Komite Pemantau Risiko dapat dilihat pada bab Profil Perusahaan laporan tahunan ini.

Training and Competence Development

The Bank has its own policy related to the development and improvement of the competency of Risk Monitoring Committee. This is done through various full funding training and education programs being the responsibility of the Bank. The list of training and competence development programs for Risk Monitoring Committee can be seen in its respective chapter within the Company Profile in this annual report.

Rapat Komite Pemantau Risiko

Komite Pemantau Risiko mengadakan rapat sesuai dengan ketentuan internal Bank yang mensyaratkan penyelenggaraan rapat paling kurang 4 (empat) kali dalam setahun.

Risk Monitoring Committee Meetings

The Risk Monitoring Committee's meetings are held in accordance with the needs of the Bank, at least 4 (four) times annually.

Selama tahun 2017, Komite Pemantau Risiko menyelenggarakan rapat sebanyak 10 (sepuluh) kali. Berikut disampaikan agenda dan risalah rapat, kehadiran, serta rekapitulasi tingkat kehadiran anggota Komite Pemantau Risiko dalam rapat-rapat tersebut.

Throughout 2017, the Risk Monitoring Committee held 10 (ten) meetings. The following are the details of the agenda and minutes of meetings, attendance, and recapitulation of the attendance of Risk Monitoring Committee members in its meetings.

Risalah dan Kehadiran Rapat Komite Pemantau Risiko
Minutes and Attendance of Risk Monitoring Committee Members

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants			
	Hendra Widjojo	Sukarwan	Fransisca Nelwan Mok[1]	Lando Simatupang
18 January 2017, Jakarta • *Financial Performance as of 31 December 2016* • *NPL Updates* • *Risk Management Plan and Quality of Risk Management Implementation*	●	●	●	●
21 February 2017, Jakarta *NPL Updates and Potential NPL*	●	●	●	●
22 March 2017, Jakarta • *NPL Updates and Write Off Plan* • *Loan Portofolio Analysis* • *Top 10 Debtors that hasn't been presented in previous meeting* - *Lombok Energy Dynamics* - *Mugie Bali Indah* - *Metropolis Propertindo Utama* - *Alam Sutera Realty Tbk*	●	●	●	●
25 April 2017, Jakarta • *Risk Profile Report Q1, RMD Plan and Policies Updates* • *NPL Updates*	●	●		●
31 May 2017, Jakarta *NPL Updates*	●	●		○
19 June 2017, Jakarta • *Potential NPL as of 31 May 2017* - Marinatama Gemanusa - Bangun Sarana Baja *and* Mulcindo - The First National Glassware, Indorimagas Lestari - PIB, Kagum, Jagakarsa, Bima Multifinance - Royal, Pandita Manggala - PT Haiyin	●	○		●

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Fransisca Nelwan Mok dipercaya untuk menjabat posisi Direksi sejak 13 April 2017 | Fransisca Nelwan Mok has been entrusted with the position of Director since April 13th, 2017

Risalah dan Kehadiran Rapat Komite Pemantau Risiko
Minutes and Attendance of Risk Monitoring Committee Members

Agenda Rapat Meeting Agenda	Peserta Rapat Meeting Participants			
	Hendra Widjojo	Sukarwan	Fransisca Nelwan Mok[1]	Lando Simatupang
26 July 2017, Jakarta • *RBBR Assessment Semester I – 2017* • *Follow-up on Risk Management Implementation* • *Evaluation on Risk Management Policy, Risk Appetite and Risk Tolerance.*	●	○		●
27 September 2017, Jakarta • *Haiyin* • *NPL Progress* • *Full Analysis on Impact of BOOK III*	●	●		●
26 October 2017, Jakarta • *Risk Profile Report in Q2 and Q3* • *Progress on Working Plan of Risk Management.*	●	●		●
27 November 2017, Jakarta *NPL Progress*	●	●		●

● : Hadir | Present ○ : Cuti | On Leave ○ : Perjalanan Bisnis | Business Trip ○ : Pelatihan | Training ○: Lain-lain | Others

1) Fransisca Nelwan Mok dipercaya untuk menjabat posisi Direksi sejak 13 April 2017 | Fransisca Nelwan Mok has been entrusted with the position of Director since April 13th, 2017

Rekapitulasi kehadiran anggota Komite Pemantau Risiko pada rapat dapat dilihat di bawah ini:

Attendance recapitulation for members of the Risk Monitoring Committee throughout their meetings can be seen in the following:

Rekapitulasi Kehadiran Komite Pemantau Risiko pada Rapat
Attendance Recapitulation of the Risk Monitoring Committee Members in Meetings

Komite Pemantau Risiko Risk Monitoring Committee	Jumlah Wajib Rapat Compulsory Meeting Number	Jumlah Kehadiran Number of Meetings Attended	% Kehadiran Attendance %
Hendra Widjojo Ketua & Komisaris Independen | Chairman & Independent Commissioner	10	10	100,00
Sukarwan Anggota | Member	10	8	80,00
Fransisca Nelwan Mok Anggota | Member[1]	3	3	100,00
Lando Simatupang Anggota | Member	10	9	90,00
RATA-RATA | AVERAGE			**93,50**

1) Fransisca Nelwan Mok dipercaya untuk menjabat posisi Direksi sejak 13 April 2017 | Fransisca Nelwan Mok has been appointed as a Director since April 13th, 2017

Laporan Singkat Pelaksanaan Kegiatan Komite Pemantau Risiko Tahun 2017

Sepanjang tahun 2017, Komite Pemantau Risiko telah bekerja guna membantu Dewan Komisaris yang mencakup hasil evaluasi mengenai tugas dan tanggung jawab beserta dengan rekomendasinya. Adapun kegiatan yang telah dilaksanakan Komite ini sampai Desember 2017 adalah sebagai berikut:

- Melakukan pemantauan dan evaluasi pelaksanaan tugas Komite Pemantau Risiko dan Satuan Kerja Manajemen Risiko (SKMR).
- Melakukan evaluasi terhadap rencana kerja SKMR.
- Melakukan evaluasi Kualitas Penerapan Manajemen Risiko (KPMR) pada *Risk-Based Bank Rating* (RBBR).
- Melakukan evaluasi terhadap Laporan Profil Risiko Bank per 3 bulan, serta kecukupan kebijakan dan prosedur Bank.
- Melakukan pemantauan dan evaluasi pelaksanaan tugas Departemen Special Asset Management dalam mengatasi masalah kredit macet.

A Brief Summary of the Activities of the Risk Monitoring Committee of 2017

Throughout 2017, the Risk Monitoring Committee has assisted the Board of Commissioners, which includes helping them with the results of evaluations of duties and responsibilities along with recommendations. The activities that have been carried out by this Committee until December 2017 are as follows:

- To monitor and evaluate the implementation of the duties of the Risk Monitoring Committee and Risk Management Unit (SKMR).
- To evaluate the work plan of the Risk Management Unit.
- Evaluate the quality of Risk Management Implementation (KPMR) in Risk-Based Bank Rating (RBBR).
- Evaluate the Bank's risk profile report every quarter, as well as the adequacy of Bank policies and procedures.
- Monitor and evaluate the implementation of the tasks of the Special Asset Management Department in overcoming the problem of non-performing loans.

ORGAN PENDUKUNG DIREKSI
SUPPORTING ORGANS OF THE BOARD OF DIRECTORS

KOMITE-KOMITE EKSEKUTIF

Bank memiliki Komite-Komite eksekutif yang bertugas membantu Direksi dalam melakukan pengawasan dan pengelolaan operasional. Masing-masing Komite beranggotakan Direktur dan para Pejabat Eksekutif Bank. Seluruh Komite bertanggung jawab dan melapor kepada Direksi.

EXECUTIVE COMMITTEES

The Bank has executive committees in charge of assisting the Board of Directors in conducting operational oversight and management. Each committee consists of management and executive officers of the Bank. All committees have responsibility and reporting to Board of Directors.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Assets and Liabilities Committee (ALCO) bertugas untuk membantu Direksi dalam mengelola aset, liabilitas, dan ekuitas Bank, termasuk menetapkan suku bunga deposito, pinjaman, dan pinjaman antar bank, serta memeriksa kebijakan dan peraturan yang berkaitan dengan nilai dari aset dan liabilitas Bank.

Disamping itu, Komite ini juga bertugas untuk memastikan tingkat likuiditas Bank dalam tingkat yang sehat dan memenuhi persyaratan yang ditetapkan oleh Bank Indonesia. Dalam hal pengelolaan aset, liabilitas dan ekuitas Bank, ALCO memiliki wewenang untuk mengeluarkan dan mengevaluasi kebijakan yang terkait dengan aset, liabilitas, dan ekuitas Bank. Selama tahun 2017, ALCO telah mengadakan rapat sebanyak 12 (dua belas) kali.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

The Assets and Liabilities Committee (ALCO) is responsible for assisting the Board of Directors in managing The Bank's assets, liabilities and equity, including setting interest rates on deposits, loans and interbank loans, and checking policies and regulations relating to the value of Bank assets and liabilities.

In addition, the Committee is also tasked with ensuring that the Bank's liquidity level is at a healthy level and meets the requirements set by Bank Indonesia. In terms of asset management, liability and equity of The Bank, ALCO has the authority to issue and evaluate policies related to The Bank's assets, liabilities and equity. Throughout 2017, ALCO has held meetings 12 (twelve) times.

RISK MANAGEMENT COMMITTEE

Tugas utama Risk Management Committee adalah memantau risiko-risiko yang dihadapi Bank. Selain itu, Komite ini juga berwenang untuk membuat kebijakan, strategi, dan menerapkan panduan manajemen risiko bagi departemen-departemen terkait. Komite Manajemen Risiko juga berperan dalam proses keputusan bisnis dalam skala besar dengan memberikan informasi mengenai risiko bisnis, sekaligus analisis pasar yang terkait risiko. Selama tahun 2017, Komite Manajemen Risiko mengadakan rapat sebanyak 4 (empat) kali.

RISK MANAGEMENT COMMITTEE

The main task of the Risk Management Committee is to monitor the risks faced by the Bank. In addition, the Committee is also authorized to develop policies, strategies and implement risk management guidelines for relevant departments. The Risk Management Committee also plays a role in the business decision process on a large scale by providing information on business risks, as well as risk-related market analysis. Throughout 2017, the Risk Management Committee conducted 4 (four) meetings.

FINANCIAL REVIEW COMMITTEE (FRC)

Tugas Komite ini adalah mengawasi, memeriksa dan mengevaluasi kebutuhan pengeluaran dana dalam jumlah besar yang persetujuannya berada di luar wewenang Direksi pengajuan penggunaan dana diatas IDR300 juta). Bank mewajibkan penggunaan dana diatas nilai tertentu harus mendapat persetujuan para Pemegang Saham dalam Rapat Umum Pemegang Saham. Biaya-biaya yang menggunakan dana dalam jumlah besar harus diperiksa sesuai dengan standar dan prosedur yang berlaku dan harus melalui rapat FRC sebelumnya. Selama 2017, FRC mengadakan rapat sebanyak 35 (tiga puluh lima) kali.

FINANCIAL REVIEW COMMITTEE (FRC)

The duties of this Committee are to oversee, examine and evaluate the need for large expenditures of funds whose approval is beyond the authority of the Board of Directors. The Bank requires the use of substantial funds to be approved by the Shareholders in the General Meeting of Shareholders. Fees that use large amounts of funds should be checked in accordance with applicable standards and procedures and is to receive FRC approval before use. Throughout 2017, FRC convened 35 (thirty-five) times for meetings.

CREDIT REVIEW COMMITTEE

Credit Review Committee bertugas untuk memberikan rekomendasi atas usulan pinjaman yang memerlukan persetujuan Direksi. Dalam melaksanakan tugasnya, Komite *Credit Review* berkoordinasi dengan ALCO terkait dengan pembiayaan kredit. Selama 2017, Komite *Credit Review* mengadakan rapat sebanyak 55 (lima puluh lima) kali.

CREDIT REVIEW COMMITTEE

Credit Review Committee is tasked with providing recommendations on proposed loans that require the approval of the Board of Directors. In performin its duties, the Credit Review Committee coordinates with ALCO in relation to credit financing. Throughout 2017, the Credit Review Committee held 55 (fifty-five) meetings.

PRODUCT AND POLICY COMMITTEE (PPC)

PPC adalah komite yang bertugas membantu manajemen melaksanakan penerapan prinsip-prinsip *Good Corporate Governance* yang berkaitan dengan penerbitan kebijakan dan prosedur antara lain melalui:

- Memutuskan kebijakan dan prosedur yang akan diterbitkan maupun yang di amandemen.
- Memantau kebijakan dan prosedur Bank yang agar sesuai dengan peraturan internal dan eksternal, serta sesuai dengan kebutuhan Bank.
- Mengendalikan dan mengevaluasi kebijakan dan prosedur yang berlaku agar tidak terjadi konflik antara kebijakan dan prosedur.

PRODUCT AND POLICY COMMITTEE (PPC)

PPC is a committee whose duty is to assist management in implementing the principles of Good Corporate Governance related to the issuance of policies and procedures, among others through:

- Decide on the policies and procedures to be published as well as those amended.
- Monitoring policies and procedures of the Bank in order to comply with internal and external regulations, and in accordance with the needs of the Bank.
- Control and evaluate prevailing policies and procedures to avoid conflicts between policies and procedures.

INDO-SINO RELATIONS COMMITTEE

Indo-Sino Relations Committee bertugas sebagai pusat informasi tentang segala hal yang berkaitan dengan bisnis, keuangan dan investasi, terutama bagi Nasabah di Indonesia dan Tiongkok, serta jaringan ICBC Limited di seluruh dunia. Sesuai dengan misi Bank untuk menjadi jembatan ekonomi, keuangan dan budaya, komite ini juga aktif mempromosikan potensi bisnis, investasi dan budaya, khususnya antara Indonesia dan Tiongkok. Selain itu, *Indo-Sino Relations Committee* mengemban misi untuk menciptakan iklim yang kondusif bagi bisnis dan investasi di Indonesia dan Tiongkok.

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee bertugas untuk merancang rencana strategis teknologi informasi yang efisien dan efektif serta terintegrasi dengan rencana bisnis Bank. Untuk mencapai misinya, Komite membuat perencanaan dan implementasi teknologi informasi berdasarkan prioritas, kebutuhan, dan tujuan. *Information Technology Steering Committee* juga bertugas untuk memastikan implementasi teknologi informasi berjalan lancar sesuai dengan rencana. Selama 2017, *Information Technology Steering Committee* mengadakan rapat sebanyak 4 (empat) kali.

DISCIPLINARY COMMITTEE

Untuk menjamin kepercayaan masyarakat terhadap integritas Bank, maka Bank membentuk *Disciplinary Committee*. Komite ini memiliki Satuan kerja khusus, Tim Kerja Disiplin, yang bertugas untuk melakukan investigasi dan mengajukan sanksi kepada pelanggar peraturan dan kode etik Bank. Selama 2017, *Disciplinary Committee* mengadakan rapat sebanyak 12 (dua belas) kali.

INDO-SINO RELATIONS COMMITTEE

The Indo-Sino Relations Committee serves as an information center on everything related to business, finance and investment, especially for customers in Indonesia and China, as well as the ICBC Ltd. network around the world. In line with The Bank's mission to become an economic, financial and cultural bridge, the committee is also actively promoting business, investment and cultural potential, particularly between Indonesia and China. In addition, the Indo-Sino Relations Committee has a mission to create a favorable climate for business and investment in Indonesia and China.

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee is responsible for designing an efficient and effective information technology strategic plan integrated with The Bank's business plan. To achieve its mission, the committee makes planning and implementation of information technology based on priorities, needs, and objectives. The Information Technology Steering Committee is also tasked with ensuring the implementation of information technology runs smoothly in accordance with the plan. Throughout 2017, the Information Technology Steering Committee held 4 (four) meetings.

DISCIPLINARY COMMITTEE

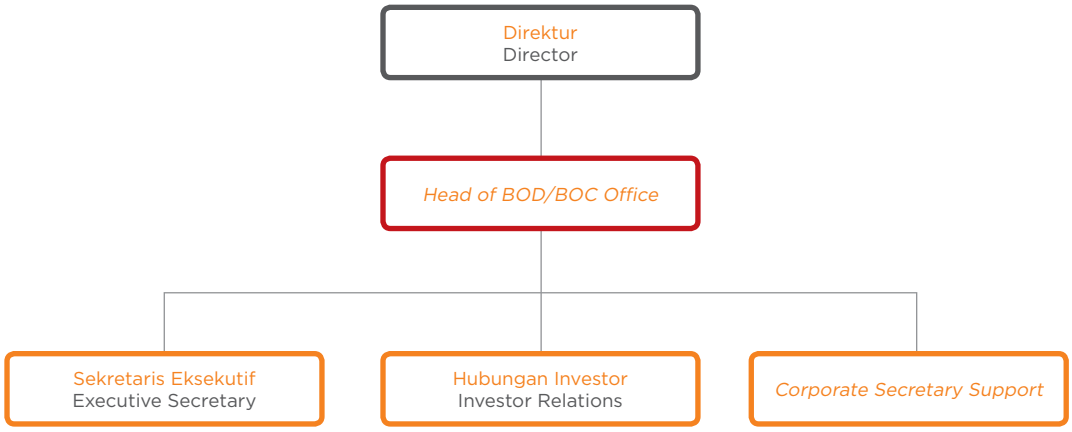
To ensure public trust in the integrity of The Bank, the Bank has established a Disciplinary Committee. The Committee has a special Working Unit, a Disciplinary Working Team, which is in charge of investigating and filing sanctions against violators of the Bank's rules and codes of ethics. Throughout 2017, Disciplinary Committee held 12 (twelve) meetings.

SEKRETARIS PERUSAHAAN
CORPORATE SECRETARY

Sekretaris Perusahaan merupakan salah satu organ pendukung yang berperan penting dalam memfasilitasi komunikasi antar organ Bank, hubungan antara Bank dengan Pemegang Saham, Regulator, dan Pemangku Kepentingan lainnya. Fungsi Sekretaris Perusahaan Bank diemban oleh *BOD/BOC Office.*

The Corporate Secretary is one the supporting organs playing an important role in facilitating the Bank's inter-organ communications, the relationship between the Bank and its Shareholders, Regulators, and other Stakeholders. The function of the Bank's Corporate Secretary is carried out by the BOD/BOC Office.

STRUKTUR ORGANISASI SEKRETARIS PERUSAHAAN
CORPORATE SECRETARY ORGANIZATIONAL STRUCTURE



Pejabat Fungsi Sekretaris Perusahaan
Functioning Officer of Corporate Secretary

Fungsi/Jabatan Function/Position	Nama Name
Pejabat Pelaksana Fungsi Sekretaris Perusahaan Functionary Officer of Corporate Secretary	**Yensen Aliamin**
Sekretaris Eksekutif Executive Secretary	**Fahleny Pingkan Lontah**
	Cindy Kusuma
	Jessica
Hubungan Investor Investor Relations	**Dewi Tjendra**
	Fiona Cindy
Corporate Secretary Support	**Sandra Dewinta**

Pejabat Pelaksana Fungsi Sekretaris Perusahaan

Berdasarkan Surat Keputusan Direksi No. 104A/KPTS.DIR/ICBC.IND/2016 tanggal 1 November 2016, Bank telah menunjuk Yensen Aliamin sebagai Pejabat Pelaksana Fungsi Sekretaris Perusahaan.

Executive in Charge of Corporate Secretary Function

Based on Board of Directors Decree No. 104A/KPTS.DIR/ICBC.IND/2016 dated November 1, 2016, The Bank has appointed Yensen Aliamin as Executive in Charge of Corporate Secretary.

Yensen Aliamin

Group Head of Strategy and Executive Administration & Pejabat Pelaksana Fungsi Sekretaris Perusahaan

Group Head of Strategy and Executive Administration & Executive in Charge of Corporate Secretary Function.

Profil Yensen Aliamin sebagai Pelaksana Fungsi Sekretaris Perusahaan dapat dilihat pada bagian profil Group Head dalam bab Profil Perusahaan di laporan tahunan ini.

Profile of Yensen Aliamin as Executive in Charge of Corporate Secretary Function can be seen in Group Heads profile in Company Profile chapter in this Annual Report.

Kualifikasi

Dalam melaksanakan tugasnya, Sekretaris Perusahaan wajib memiliki pengetahuan mengenai peraturan yang berkaitan dengan Bank, hubungan masyarakat, ketrampilan administratif, dan pengalaman yang mendukung pelaksanaan tugasnya.

Qualifications

In performing its duties, Corporate Secretary is required to have knowledge of Bank-related regulations, public relations, administrative skills, and experience that supports the implementation of their duties.

FUNGSI SEKRETARIS PERUSAHAAN

Sekretaris Perusahaan memiliki fungsi sebagai berikut:

- Bertindak sebagai penghubung antara Direksi dengan Dewan Komisaris, Pemegang Saham, masyarakat, dan media massa termasuk mewakili Bank dalam berkomunikasi dengan masyarakat, Regulator, lembaga atau asosiasi lain yang berkaitan dengan perusahaan.
- Bertindak sebagai administrator yang mengelola dokumen Bank.
- Mempersiapkan RUPS.
- Mengkoordinasikan dan menghadiri rapat Direksi dan rapat komunikasi antara Dewan Komisaris dengan Direksi.
- Mempersiapkan undangan, jadwal, agenda, materi dan menyusun risalah rapat.
- Mengelola dan menyiapkan dokumen yang terkait dengan kegiatan Bank meliputi dokumen RUPS, risalah rapat Direksi, risalah rapat gabungan antara Direksi dengan Komisaris, Daftar Pemegang Saham, Daftar Khusus perusahaan dan dokumen-dokumen penting Bank lainnya.

CORPORATE SECRETARY FUNCTIONS

Corporate Secretary has the following functions:

- As a liaison between the Board of Directors and the Board of Commissioners, Shareholders, the public, and mass media, including representing the Bank in communicating with the public, regulators, institutions or other associations relating to the company.
- As the administrator who manages the Bank's documents.
- Preparing the General Meeting of Shareholder (GMS).
- Coordinating and attending the Board of Directors meetings and communication meetings between the Board of Commissioners and the Board of Directors.
- Preparing invitations, schedules, agendas, materials, and drafting minutes of meetings.
- Managing and preparing documents related to the Bank's activities including GMS documents, minutes of the Board of Directors meetings, minutes of joint meetings between the Board of Directors and the Board of Commissioners, List of Shareholders, Company Registers, and other important documents.

- Mencatat daftar khusus berkaitan dengan Direksi dan keluarganya serta Komisaris dan keluarganya baik dalam perusahaan maupun afiliasinya yang mencakup kepemilikan saham, hubungan bisnis, dan peranan lain yang menimbulkan benturan kepentingan dengan kepentingan Bank.
- Menentukan kriteria mengenai jenis dan materi informasi yang dapat disampaikan kepada Pemangku Kepentingan, termasuk informasi yang dapat disampaikan sebagai dokumen publik.
- Memberikan informasi relevan yang dibutuhkan oleh Pemangku Kepentingan.
- Merencanakan dan melaksanakan kegiatan Bank yang melibatkan pihak eksternal yang bertujuan untuk membentuk citra Bank.
- Memelihara dan memperbarui informasi tentang Bank yang disampaikan kepada Pemangku Kepentingan baik melalui situs, dan media informasi lainnya.

TUGAS DAN TANGGUNG JAWAB FUNGSI SEKRETARIS PERUSAHAAN

Tugas dan tanggung jawab Sekretaris Perusahaan adalah sebagai berikut:

- Mengkoordinasikan kegiatan internal.
- Melakukan pembinaan hubungan dengan media.
- Mengkoordinasikan Rapat Dewan Komisaris dan Direksi bulanan.
- Mengkoordinasikan RUPS Tahunan dan RUPS Luar Biasa (LB).
- Mengkoordinasikan rapat kerja/rapat koordinasi Bank.
- Merencanakan dan melaksanakan kegiatan CSR Bank.
- Mengkoordinasikan penanganan legal Bank baik internal maupun eksternal.
- Menyiapkan Laporan Tahunan Bank 2017.
- Melaksanakan Aktivitas Investor Relationship.

- Recording a special register with regard to the Board of Directors and their families as well as the Commissioners and their families in both the company and its affiliates that include share ownership, business relationships and other roles that may create a conflict of interest with the Bank's interests.
- Defining criteria on the types and materials of information that can be submitted to Stakeholders, including information that may be disseminated as public documents.
- Providing relevant information needed by Stakeholders.
- Planning and executing the Bank's activities that involve external parties with the aim to establish the Bank's image.
- Maintaining and updating information about the Bank to be submitted to Stakeholders, both through the website and other information media.

DUTIES AND RESPONSIBILITIES OF THE CORPORATE SECRETARY

The duties and responsibilities of the Corporate Secretary are as follows:

- Coordinating internal activities.
- Conducting coaching on relationships with the media.
- Coordinating monthly meetings of the Board of Commissioners and the Board of Directors.
- Coordinating the Annual GMS and Extraordinary GMS.
- Coordinating the Bank's work/coordination meetings.
- Planning the Bank's CSR activities.
- Coordinating the Bank's internal and external legal handlings.
- Preparing for the Bank's 2017 Annual Report.
- Conducting Investor Relationship activities.

PENGANGKATAN DAN PEMBERHENTIAN SEKRETARIS PERUSAHAAN

Sekretaris Perusahaan diangkat dan diberhentikan oleh Direksi.

LAPORAN SINGKAT PELAKSANAAN TUGAS TAHUN 2017

Selama tahun 2017, Sekretaris Perusahaan telah melaksanakan tugas dan tanggung jawabnya, antara lain:

- Memfasilitasi pengiriman dan penerimaan lebih dari 1400 dokumen/informasi penting yang berkenaan dengan Pemegang Saham melalui *Overseas Administration Systems*.
- Menerjemahkan lebih kurang 1600 halaman dokumen dari bahasa asing ke bahasa Indonesia atau sebaliknya dengan tujuan menjembatani komunikasi antara para Pemangku Kepentingan.
- Melaksanakan tugas-tugas dalam 61 (enam puluh satu) rapat yang berkaitan dengan Direksi, Dewan Komisaris, dan Komite, dengan antara lain melakukan penjadwalan, pengaturan agenda, koordinasi, persiapan, kehadiran, rekaman, risalah rapat dan distribusi material.
- Memimpin inisiatif tanggung jawab sosial Bank dengan meluncurkan 3 (tiga) kegiatan.
- Menjadi mitra yang aktif dengan Direksi, Dewan Komisaris dan anggota Komite dalam pemenuhuan kewajiban tata kelola perusahaan (misalnya: kewajiban menghadiri jumlah tertentu dari rapat). Alhasil, *self-assessments* untuk parameter GCG yang dikelola BOD-BOC Office membaik dari tahun sebelumnya.
- Melakukan pengkinian terhadap 4 (empat) ketentuan yang bertujuan memperbaiki tata kelola perusahaan.

APPOINTMENT AND DISMISSAL OF CORPORATE SECRETARY

The Corporate Secretary is appointed and dismissed by the Board of Directors.

BRIEF REPORT OF DUTIES EXECUTION IN 2017

Throughout 2017, the Corporate Secretary has executed his duties and responsibilities, among others, by:

- Facilitating shipping and receiving more than 1400 documents/important information related to Shareholders through Overseas Administration Systems.
- Translating more or less 1600 pages of documents from foreign language to Bahasa Indonesia or vice versa, with the aim to bridge communications among Stakeholders.
- Executing duties in 61 (sixty one) meetings related to the Board of Directors, the Board of Commissioners, and Committees, among others by doing: scheduling, arranging agenda, coordination, attendance list, recording, minutes of meeting, and distributing materials.
- Taking the lead in the Bank's social responsibility initiatives by launching 3 (three) CSR activities.
- Becoming an active partner with the Board of Directors, the Board of Commissioners, and members of Committees in fulfilling corporate governance requirements (for instance: the requirement to attend certain number of meetings). As a result, self-assessments for GCG parameter managed by the BOD/BOC office has improved compared to the previous year.
- Updating 4 (four) provisions with aim to improve corporate governance.

PROGRAM KERJA SEKRETARIS PERUSAHAAN TAHUN 2018

Fungsi Sekretaris Perusahaan telah menyusun program kerja yang akan dilaksanakan di tahun 2018, antara lain:

- Menerbitkan ketentuan-ketentuan baru maupun mengkinikan peraturan-peraturan yang telah ada guna meningkatkan tata kelola perusahaan ke tingkat yang lebih baik lagi.
- Meluncurkan kegiatan tanggungjawab sosial sesuai rencana.
- Meningkatkan efektifitas pelaksanaan tugas dan tanggung jawab melalui perbaikan prosedur.
- Memastikan kelancaran komunikasi dengan para Pemangku Kepentingan.
- Melanjutkan pekerjaan yang telah dikerjakan pada 2017.

CORPORATE SECRETARY WORK PROGRAM IN 2018

The Corporate Secretary functions included preparing work programs to be implemented in 2018, among others:

- Issuing new provisions and updating existing regulations to reach the higher level of corporate governance.
- Launching CSR activities according to the plan.
- Increasing the effectiveness of executing duties and responsibilities by means of procedure improvement.
- Ensuring smooth communications with Stakeholders.
- Continuing tasks executed in 2017.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Sekretaris Perusahaan, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Sekretaris Perusahaan dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has its own policy related to the development and improvement of the competence of Corporate Secretary. This is done through various training and education programs with full funding being the responsibility of the Bank. The list of training and competence development programs for Company Secretary can be seen in the Company Profile chapter in this annual report.

Pendidikan dan/atau Pelatihan Sekretaris Perusahaan
Corporate Secretary Education and/or Training

Nama dan Jabatan Name and Position	Materi Pendidikan dan Pelatihan Education and Training Materials	Tempat/Tanggal Place/Date	Penyelenggara Organizer
Sandra Dewinta	Tiga Pilar Corporate Secretary dalam meningkatkan Reputasi Three Pillars of Corporate Secretary in Increasing Reputation	Jakarta 22-23 August 2017	Infobank
Cindy Kusuma	Exposure Training Program	China 3-14 November 2017	ICBC Limited

AUDIT INTERNAL
INTERNAL AUDIT

VISI
Menjadi Departemen *Internal Audit* yang profesional sesuai dengan PBI dan *best practice*, serta menjadi mitra Manajemen dalam pencapaian rencana bisnis Bank.

VISION
Being a professional Internal Audit Department in accordance with Bank Indonesia regulations and best practices, as well as being a Management partner in achieving the Bank's business plan.

MISI
Untuk memberikan keyakinan yang memadai dan jasa konsultasi, melalui aktivitas internal audit yang independen dan objektif yang dirancang untuk memberikan nilai tambah dan meningkatkan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, dengan memastikan kepatuhan Bank terhadap regulasi serta kebijakan & prosedur yang berlaku.

MISSION
To provide adequate confidence and consultancy services through an independent and objective internal audit activity designed to add value and improve the Bank's governance, risk management and control processes, by ensuring compliance with regulations and prevailing policies and procedures.

Audit internal merupakan proses audit yang dilakukan Bank melalui perangkat atau organ internal yang dimiliki. Proses audit internal Bank dilakukan oleh Departemen *Internal Audit* (SKAI) dan dipimpin oleh seorang Kepala Departemen.

The Internal Audit is an audit process conducted by the Bank through its own devices or internal organs. The Internal Audit process in the Bank is conducted by the Internal Audit Department (SKAI) and is lead by a Head of Department.

FUNGSI DEPARTEMEN INTERNAL AUDIT
Fungsi SKAI Bank bersifat independen dan bertanggung jawab langsung kepada Presiden Direktur, serta memiliki jalur komunikasi langsung kepada Dewan Komisaris melalui Komite Audit.

FUNCTIONS OF INTERNAL AUDIT DEPARTMENT
The Bank's Internal Audit Department has independent functions with direct responsibility to the President Director, and has direct communication channels to the Board of Commissioners through the Audit Committee.

Departemen *Internal Audit* memeriksa efektivitas sistem pengendalian internal, termasuk kepatuhan terhadap hukum dan peraturan yang berlaku, kecukupan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, serta memberikan rekomendasi untuk perbaikan.

The Internal Audit Department examines the effectiveness of the Bank's internal control system, including on compliance with prevailing laws and regulations, adequacy of governance processes, risk management, and the Bank's internal control system. It also provides recommendations for improvement.

Dalam melaksanakan tugas, SKAI berpedoman pada Piagam Audit Internal dan mengacu kepada Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) sesuai dengan peraturan Regulator. Rencana kerja SKAI 2017 disetujui oleh Presiden Direktur dan Komite Audit. Rencana tersebut dikaji ulang setiap tahun untuk memastikan relevansinya dengan kondisi dan risiko bisnis Bank.

In performing its duties, the Internal Audit Department is guided by the Internal Audit Charter and refers to the SKAI's Function Implementation Standards (SPFAIB) in accordance with regulations from regulators. SKAI's work programs in 2017 were approved by President Director and the Audit Committee. The plan is reviewed annually to ensure its relevance to the Bank's business conditions and risks.

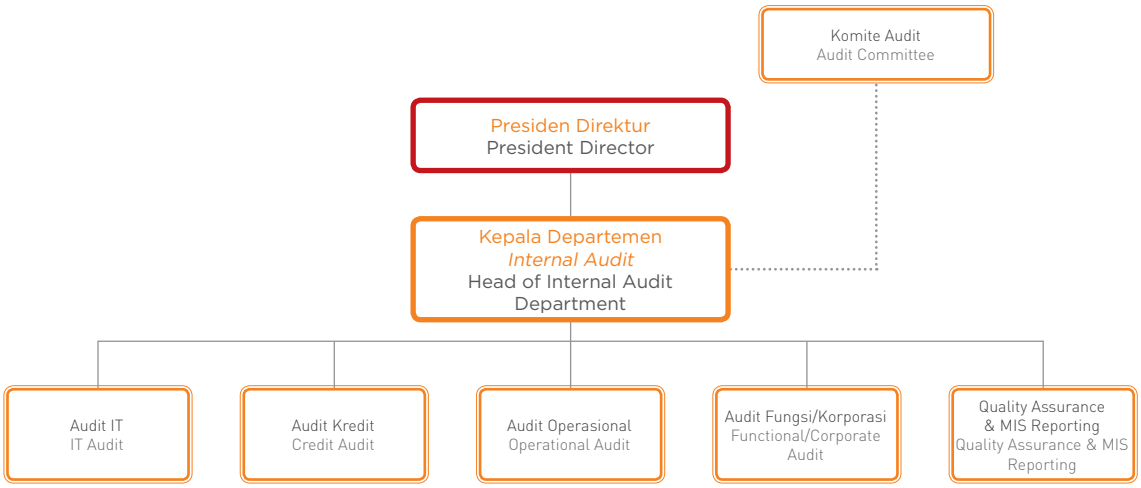
KEORGANISASIAN DEPARTEMEN INTERNAL AUDIT

Kepala Departemen *Internal Audit* melapor langsung kepada Presiden Direktur dan dapat berkomunikasi langsung dengan Dewan Komisaris melalui Komite Audit untuk menginformasikan hal-hal signifikan yang berhubungan dengan aktivitas audit internal. Struktur organisasi SKAI dapat dilihat pada diagram di bawah ini:

INTERNAL AUDIT DEPARTMENT ORGANIZATION

Head of the Internal Audit Department directly reports to President Director and can directly communicate with Board of Commissioners through the Audit Committee informing significant matters related with activities of the Internal Audit. SKAI's organizational structure can be seen in the diagram below:

STRUKTUR ORGANISASI DEPARTEMEN INTERNAL AUDIT
INTERNAL AUDIT DEPARTMENT ORGANIZATIONAL STRUCTURE



Per 31 Desember 2017, jumlah karyawan Departemen *Internal Audit* sebanyak 12 (dua belas) orang. Berikut disampaikan rincian karyawan Departemen *Internal Audit*:

As of December 31 2017, the number of the Internal Audit Department's employees was 12 (twelve). The following are the details of the employees:

Jabatan Position	Fungsi Function	Jumlah Orang Number of Person
Kepala Departemen Department Head	SKAI | Internal Audit Department	1
Ketua Tim Team Leader	Audit Teknologi Informasi | IT Audit	1
	Audit Kredit | Credit Audit	1
	Audit Operasional | Operational Audit	1
	Audit Fungsi Korporasi | Function of Corporate Audit	1
	Quality Assurance & MIS Reporting | Quality Assurance & MIS Reporting	1
Auditor Internal Internal Auditor	Audit Kredit | Credit Audit	2
	Audit Operasional | Operational Audit	3
	Quality Assurance & MIS Reporting | Quality Assurance & MIS Reporting	1
TOTAL		12

Pejabat Kepala Departemen Internal Audit

Berdasarkan Surat Keputusan Direksi No. 093/KPTS.DIR/ICBC.IND/2016 Bank telah menunjuk Indra Widjaja sebagai Kepala Departemen *Internal Audit*.

Head of Internal Audit Department

In accordance with Board of Directors Decree No. 093/KPTS.DIR/ICBC.IND/2016, the Bank has appointed Indra Widjaja as Head of Internal Audit Department.

Indra Widjaja
Kepala Departemen *Internal Audit* | Head of Internal Audit Department

Profil Indra Widjaja sebagai Kepala Departemen *Internal Audit* dapat dilihat pada bagian Profil Pejabat Eksekutif dalam bab Profil Perusahaan di laporan tahunan ini.

Profile of Indra Widjaja as the Head of the Internal Audit Department can be seen in the Executive Officers Profile in Company Profile chapter in this Annual Report.

Pengangkatan dan Pemberhentian Kepala Departemen Internal Audit

Kepala SKAI diangkat dan diberhentikan serta bertanggung jawab langsung kepada Presiden Direktur atas persetujuan Dewan Komisaris, dan selanjutnya dilaporkan kepada Otoritas Jasa Keuangan (OJK).

Appointment and Dismissal of Internal Audit Department Head

Head of the Internal Audit Department is appointed and dismissed and directly responsible to President Director upon approval by the Board of Commissioners, and subsequently reported to the Financial Services Authority (OJK).

Piagam Audit Internal

SKAI memiliki Piagam Audit Internal yang telah disahkan oleh Presiden Direktur, Presiden Komisaris, dan Komisaris Independen (Ketua Komite Audit) Bank dengan revisi terakhir pada 1 Desember 2015. Piagam ini merupakan pedoman antara lain mengenai tujuan, ruang lingkup, visi, misi, kedudukan, wewenang, tugas dan tanggung jawab Departemen *Internal Audit*. Kedudukan, kewenangan dan tanggung jawab yang dinyatakan secara formal dalam Piagam *Internal Audit* telah sesuai dengan Peraturan Bank Indonesia mengenai penerapan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) dan Peraturan Otoritas Jasa Keuangan (POJK) No. 56/POJK.04/2015 tentang Pembentukan dan Pedoman Penyusunan Piagam *Internal Audit* serta *best practice* yang mengacu pada *International Professional Practice Framework* (IPPF) oleh Institute of Internal Auditor (IIA).

Internal Audit Charter

Internal Audit Department (SKAI) has an Internal Audit Charter approved by President Director, President Commissioner and Independent Commissioner (Chairperson of the Audit Committee) of The Bank with the latest revision being on December 1, 2015. This Charter is a guideline, among others, concerning the purpose, scope, mission, position, authority, duties and responsibilities of the Internal Audit Department. The position, authority and responsibilities formally stated in the Internal Audit Charter are in conformity with Bank Indonesia Regulation on the application of Bank Internal Audit Function Standards (SPFAIB). It is also in conformity with Financial Services Authority (POJK) Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Formulation of the Internal Audit Charter as well as with best practices that refer to the International Professional Practice Framework (IPPF) by the Institute of Internal Auditors (IIA).

Wewenang, Tugas dan Tanggung Jawab Departemen Internal Audit

Departemen *Internal Audit* memiliki wewenang sebagai berikut:

- Memperoleh akses yang tidak terbatas pada seluruh fungsi, catatan, pembukuan, personil, serta aset dan kewajiban Bank, baik di kantor pusat maupun cabang.
- Mempunyai akses penuh kepada Dewan Komisaris melalui Komite Audit apabila diperlukan.
- Mengalokasikan sumber daya, menetapkan jadwal, memilih subyek, menentukan cakupan tugas, dan menerapkan teknik yang dibutuhkan untuk memenuhi tujuan audit.
- Memperoleh bantuan yang dibutuhkan dari unit organisasi yang diaudit, serta layanan khusus lainnya, baik dari dalam maupun luar organisasi.

Departemen *Internal Audit* tidak berwenang untuk:

- Melaksanakan tugas operasional Bank.
- Melaksanakan, menginisiasi, atau menyetujui transaksi akuntansi/operasional atau aktivitas non-operasional lainnya di luar audit yang dapat mempengaruhi independensi termasuk apabila aktivitas tersebut mensyaratkan persetujuan Departemen I*nternal Audit* sebelum dijalankan baik sementara maupun permanen.
- Mengarahkan aktivitas dari karyawan Bank yang tidak dipekerjakan oleh Departemen *Internal Audit*, kecuali karyawan tersebut telah ditugaskan sebagai tim pemeriksa atau diperbantukan di Departemen Internal Audit.

Departemen *Internal Audit* memiliki tugas antara lain:

- Membantu Presiden Direktur dan Dewan Komisaris dalam melakukan tugas pengawasan dengan cara menjabarkan perencanaan, pelaksanaan maupun pemantauan hasil audit.
- Membuat analisis dan penilaian di bidang keuangan, akuntansi, operasional dan kegiatan lainnya melalui pemeriksaan langsung dan pengawasan secara tidak langsung.
- Mengidentifikasi segala kemungkinan untuk memperbaiki dan meningkatkan efisiensi penggunaan sumber daya dan dana.
- Memberikan saran perbaikan dan informasi yang objektif tentang kegiatan yang diperiksa pada semua tingkatan manajemen.
- Menyampaikan laporan audit kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit dengan tembusan kepada Direktur Kepatuhan.

Authorities, Duties and Responsibilities of Internal Audit Department

Internal Audit Department has the following authorities:

- Acquiring unrestricted access to all functions, records, books, personnel, as well as assets and liabilities of the Bank, either at the head office or branch.
- Having full access to the Board of Commissioners through the Audit Committee if necessary.
- Allocating resources, setting schedules, selecting subjects, determining the scope of tasks, and applying the techniques required to meet audit objectives.
- Obtaining the required assistance from the organizational units to be audited, as well as other specialized services, both within and outside the organization.

Internal Audit Department is not authorized to:

- Carry out operational tasks of the Bank.
- Implement, initiate, or approve an accounting/operational transaction or other non-operational activity outside the audit that may affect independence, including if such activity requires the approval of the Internal Audit Department prior to its temporary or permanent execution.
- Direct the activities of the Bank's employees not employed by the Internal Audit Department, unless the employee has been assigned as a review team or seconded to the Internal Audit Department.

Internal Audit Department has the following tasks:

- Assist the President Director and the Board of Commissioners in conducting supervisory tasks by outlining the plan, implementation and monitoring of audit results.
- Make analysis and assessments in finance, accounting, operations and other activities through direct inspection and indirect supervision.
- Identify all possibilities to improve as well as improve the efficient use of resources and funds.
- Provide objective advice for improvements and information on the activities examined at all levels of management.
- Submit an audit report to the President Director and the Board of Commissioners through the Audit Committee with a copy to the Compliance Director.

- Memantau pelaksanaan tindak lanjut yang dilakukan oleh pihak yang di audit atas usulan langkah perbaikan yang telah disetujui.
- Membuat laporan pelaksanaan dan pokok-pokok hasil audit, termasuk informasi rahasia dari hasil audit. Laporan tersebut ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus dibuat untuk periode yang masing-masing berakhir pada 30 Juni dan 31 Desember, dan disampaikan kepada OJK paling lambat dua bulan sejak berakhirnya periode pelaporan.
- Segera membuat laporan khusus atas setiap temuan audit internal yang diperkirakan dapat membahayakan kelangsungan usaha Bank. Laporan tersebut harus ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus disampaikan segera ke OJK paling lambat 7 (tujuh) hari setelah adanya informasi temuan audit tersebut.

Tanggung Jawab Departemen *Internal Audit* adalah sebagai berikut:

- Membuat rencana audit yang fleksibel dengan menggunakan metodologi audit berbasis risiko, termasuk seluruh risiko dan masalah pengendalian yang teridentifikasi oleh manajemen dan menyampaikan rencana tersebut kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit untuk dikaji ulang dan disetujui, demikian pula dengan pengkiniannya secara periodik.
- Memberikan saran kepada Presiden Direktur langkah-langkah perbaikan yang perlu diambil oleh pihak yang diaudit, termasuk mengusulkan langkah korektif dan/atau usul pengenaan sanksi apabila perlu atas pelanggaran/penyimpangan yang dilakukan oleh pihak yang di audit.
- Memastikan kesesuaian fungsi dan aktivitas Departemen *Internal Audit* dengan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB).

- Monitor the implementation of follow-ups conducted by the party in the audit on the proposed approved remedial steps.
- Produce implementation reports and audit results, including confidential information from the audit results. The report is to be signed by the President Director and the Board of Commissioners. Reports shall be made for the periods ending on June 30 and December 31, and shall be submitted to the Financial Services Authority (OJK) no later than two months after the end of the reporting period.
- Immediately make a special report on any internal audit findings that are expected to harm the Bank's business continuity. The report must be signed by the President Director and the Board of Commissioners. The report should be submitted immediately to OJK no later than 7 (seven) days after the information of the audit findings.

Responsibilities of Internal Audit Department are as follows:

- Create a flexible audit plan using a risk-based audit methodology, including all risks and control issues identified by management and submit these plan to the President Director and the Board of Commissioners through the Audit Committee for review and approval, as well as periodic updating.
- Provide advice to the President Director of corrective actions that need to be taken by the audited parties, including suggesting corrective action and/or proposed sanctions if necessary for violations/irregularities committed by the party in the audit.
- Ensure the suitability of functions and activities of the Internal Audit Department with the Bank Internal Audit Function Implementation Standard (SPFAIB).

Ruang Lingkup Pekerjaan Departemen *Internal Audit*

Ruang lingkup pekerjaan Departemen *Internal Audit* mencakup pemeriksaan atas seluruh aspek operasional Bank yang secara langsung ataupun tidak langsung dapat membahayakan kepentingan Bank dan masyarakat. Ruang lingkup audit meliputi hal-hal sebagai berikut:

- Melakukan kajian dan penilaian atas kecukupan sistem pengendalian internal yang telah ditetapkan untuk memberikan keyakinan yang memadai bahwa tujuan dan sasaran Bank ICBC Indonesia dapat dicapai secara efisien dan efektif.
- Melakukan kajian dan penilaian atas efektivitas sistem manajemen risiko Bank yang meliputi aspek risiko operasional, risiko kredit, risiko pasar, risiko likuiditas, risiko hukum, risiko kepatuhan, risiko reputasi, dan risiko stratejik. Cakupan kerja juga mencakup pengkajian atas risiko pada bidang Teknologi Informasi.
- Melakukan kajian dan penilaian atas efektivitas penerapan prinsip dan praktik tata kelola perusahaan yang baik (GCG) di semua tingkatan manajemen serta untuk meyakinkan kepatuhan terhadap regulasi yang terkait dengan GCG.
- Melakukan kajian dan penilaian atas pencapaian strategi bisnis yang ditetapkan.

Ruang lingkup Departemen *Internal Audit* mencakup seluruh area di Kantor Pusat, Kantor Cabang, dan Teknologi Informasi. Prioritas penugasan audit internal dilaksanakan dengan pendekatan audit berbasis risiko. Selain itu, pelaksanaan audit insidentil dilaksanakan sesuai kebutuhan Bank.

Departemen *Internal Audit* memantau tindak lanjut yang dilakukan oleh manajemen dan *auditee* atas temuan hasil audit secara bulanan. Rangkuman kegiatan Departemen *Internal Audit* dan ringkasan hasil pemeriksaan telah disampaikan kepada Otoritas Jasa Keuangan pada setiap semester.

Internal Audit Department Scope of Work

The scope of work of the Internal Audit Department covers the examination of all aspects of the Bank's operations which may directly or indirectly compromise the interests of the Bank and the public. The scope of the audit includes the following:

- Review and assess the adequacy of the established internal control system to provide reasonable assurance that the goals and objectives of Bank ICBC Indonesia can be achieved efficiently and effectively.
- Review and assess the effectiveness of the Bank's risk management system including operational risk, credit risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, and strategic risk. The scope of work also includes an assessment of risks in the field of Information Technology.
- Review and evaluate the effectiveness of the application of good corporate governance principles (GCG) at all levels of management and to ensure compliance with GCG-related regulations.
- Conduct assessment and evaluation of the achievement of the Bank's defined business strategy.

The scope of the Internal Audit Department covers all areas of Head Office, Branch Offices, and Information Technology. The priority of internal audit assignments is carried out with a risk-based audit approach. In addition, the implementation of incidental audits is carried out according to the needs of the Bank.

The Internal Audit Department monitors the follow-ups conducted by the management and the audited parties on monthly audit findings. A summary of the activities of the Internal Audit Department and summary of inspection results have been submitted to the Financial Services Authority each semester.

KODE ETIK

Dalam menjalankan tugasnya Auditor Internal memiliki Kode Etik yang harus dipatuhi, yaitu:

- Integritas
  - Harus bekerja dengan jujur, sungguh-sungguh dan bertanggung jawab.
  - Harus mematuhi hukum dan membuat pengungkapan sesuai hukum dan profesi.
  - Tidak terlibat secara sadar dalam kegiatan ilegal, atau tindakan yang dapat mendiskreditkan profesi audit internal atau organisasi.
  - Harus menghormati dan berkontribusi pada tujuan yang etis dan telah ditetapkan oleh organisasi.
- Obyektivitas
  - Tidak terlibat di dalam aktivitas atau hubungan yang dapat merusak atau menggangu penilaian yang obyektif. Hal ini mencakup aktivitas atau hubungan yang bertentangan dengan kepentingan organisasi.
  - Tidak boleh menerima sesuatu dalam bentuk apapun yang dapat atau patut diduga mempengaruhi pertimbangan profesionalnya.
  - Harus mengungkapkan semua fakta-fakta penting yang diketahuinya, jika tidak dilakukan pengungkapan dapat mendistorsi laporan atas aktivitas yang dikaji.
- Kerahasiaan
  - Berhati-hati dalam penggunaan dan selalu menjaga informasi yang diperoleh selama menjalankan tugasnya.
  - Tidak menggunakan informasi untuk kepentingan pribadi atau kepentingan lain yang bertentangan dengan hukum atau yang dapat merugikan tujuan yang telah ditetapkan organisasi.
- Kompetensi
  - Hanya menjalankan penugasan yang sesuai dengan pengetahuan, keterampilan, dan pengalaman.
  - Memberikan jasa audit internal sesuai dengan *Standards for the Professional Practice of Internal Auditing*.
  - Harus meningkatkan kemampuan dan efektivitas serta kualitas jasa audit yang diberikan.

CODE OF CONDUCT

In carrying out its duties, the Internal Auditor has a Code of Conduct that must be complied, namely:

- Integrity
  - Must work honestly, sincerely and responsibly.
  - Must comply with the law and make disclosures in accordance with laws and professions.
  - Not consciously engaging in illegal activities, or actions that may discredit the profession or organization.
  - Must respect and give contributions to the ethical goals set by the organization.
- Objectivity
  - Not engaging in activities or relationships that may damage or disrupt objective judgments. This includes activities or relationships that conflict with the interests of the organization.
  - Must not accept anything in any form which can or should be reasonably suspected to affect an auditor's professional judgment.
  - Must disclose all important facts an auditor knows, otherwise a lack of disclosure may distort the report on the activity being reviewed.
- Confidentiality
  - Be cautious in the use of information and always keep the information obtained during the course of their work.
  - Not using information for personal or other interests that are contrary to law or which may prejudice the organization's intended purpose.
- Competency
  - Only execute assignments that are compatible with the auditor's knowledge, skills and experience.
  - Provide internal audit services in accordance with Standards for the Professional Practice of Internal Auditing.
  - Must improve the ability and effectiveness as well as quality of audit services provided.

LAPORAN PELAKSANAAN TUGAS DEPARTEMEN INTERNAL AUDIT

Hingga 31 Desember 2017, Departemen *Internal Audit* (SKAI) mencatat pencapaian 131% (seratus tiga puluh satu persen) dari Rencana Kerja Tahunan. Pencapaian ini merupakan pelaksanaan serangkaian penugasan *ad-hoc* bagi SKAI dalam tahun berjalan seiring dengan pertumbuhan bisnis dan profil risiko Bank.

SKAI melakukan penilaian terhadap kecukupan sistem pengendalian internal dan berpartisipasi dalam meningkatkan efektivitas sistem pengendalian internal terkait aktivitas operasional Bank. Proses penilaian dilakukan dengan metode yang diterbitkan oleh *Committee of Sponsoring Organization of the Treadway Commission* (COSO) dan kepatuhan terhadap regulasi yang berlaku. COSO terdiri dari 5 (lima) pilar yaitu lingkungan pengendalian, penilaian risiko, aktivitas pengendalian, informasi & komunikasi, dan *monitoring*.

Selain itu, SKAI mengembangkan dan memaksimalkan metodologi serta alat bantu audit sehingga pelaksanaan audit lebih efektif dan efisien secara berkesinambungan, yaitu:

- Mengimplementasikan *audit management system* untuk memastikan standar kualitas audit dan mendukung proses audit tanpa kertas.
- Mengimplementasikan teknik audit berbantuan komputer (*Computer-Assisted Audit Technique*/ CAAT) untuk mengekstrak data, menganalisa data, dan menghasilkan *exception report*.
- Mengkaji ulang, mengkonsolidasikan, dan mengkinikan kebijakan dan prosedur internal audit, yang bertujuan agar laporan hasil audit diselesaikan secara tepat waktu, dan proses penyelesaian temuan dilakukan lebih efektif.

SKAI secara rutin melakukan review *quality assurance* atas aktivitas audit internal. Tujuan pelaksanaan *review quality assurance* adalah:

- Memastikan proses audit telah sesuai dengan SPFAIB yang diatur dalam Peraturan Bank Indonesia No. 1/6/PBI/1999 tanggal 20 September 1999, dan metodologi audit yang berlaku.
- Memastikan pelaksanaan audit terdokumentasikan dengan baik dan temuan audit didukung dengan bukti yang cukup.
- Memastikan penggunaan *audit management system* dengan baik.

REPORT ON IMPLEMENTATION OF DUTIES OF INTERNAL AUDIT DEPARTMENT

As of December 31, 2017, the Internal Audit Department (SKAI) recorded a 131% (one hundred and thirty one percent) achievement of the Annual Work Plan. This achievement is the implementation of a series of ad-hoc assignments for SKAI in the current year in line with business growth and the Bank's risk profile.

The Internal Audit Department assesses the adequacy of the internal control system and participates in improving the effectiveness of the internal control system related to the Bank's operational activities. The assessment process is conducted by a method published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and through compliance with applicable regulations. COSO consists of 5 (five) pillars, namely, the control environment, risk assessment, control activities, information and communication, and monitoring.

In addition, the Internal Audit Department develops and maximizes the methodology and audit tools so that the implementation of audits is more effective and efficient on an ongoing basis. This means:

- Implementing an audit management system to ensure audit quality standards and supporting paperless auditing process.
- Implementing Computer-Assisted Audit Techniques (CAAT) to extract data, analyze data, and generate exception reports.
- Reviewing, consolidating, and updating internal audit policies and procedures. This is aimed at ensuring that audit reports are completed in a timely manner, and the process of completing the findings is more effective.

The Internal Audit Department regularly reviews quality assurance on internal audit activities. The purposes of implementing quality assurance reviews are:

- To ensure the audit process is in compliance with the SPFAIB as stipulated in Bank Indonesia Regulation No. 1/6/PBI/1999 dated September 20, 1999, and with applicable audit methodologies.
- To ensure that audits are properly documented and audit findings are supported with sufficient evidence.
- To ensure the proper use of audit management systems.

SERTIFIKASI DAN PELATIHAN

Departemen *Internal Audit* memberikan pelatihan dan ujian sertifikasi manajemen risiko kepada para Auditor Internal agar mematuhi regulasi yang berlaku. Untuk mendukung pertumbuhan bisnis, Departemen *Internal Audit* juga memberikan pelatihan kepada para Auditor Internal untuk meningkatkan pemahaman terhadap bidang usaha yang menjadi target Bank (seperti infrastruktur, energi, transportasi, dan lain-lain). Selain itu, Departemen *Internal Audit* juga memberikan pelatihan yang bersifat *soft-skills* maupun pelatihan untuk memperoleh sertifikasi profesi bagi para Auditor Internal.

CERTIFICATION AND TRAINING

The Internal Audit Department provides training and risk management certification examinations to Internal Auditors in order to comply with prevailing regulations. To support business growth, the Internal Audit Department also provides training to Internal Auditors to improve understanding of the areas of business targeted by the Bank (such as infrastructure, energy, transportation, etc.). In addition, the Internal Audit Department also provides soft-skills training and training for obtaining professional certification for Internal Auditors.

Berikut data sertifikasi profesi yang dimiliki oleh para Auditor Internal Bank:

The following is the certification data of the Internal Auditors of The Bank:

Sertifikasi | Certification	Nama | Name	Jabatan | Position
Certified Ethical Hacker (CEH)	**Herindra Nurbuana**	*Team Leader - IT Audit*
Certified Internal Auditor (CIA)	**Indra Widjaja**	*Head - Internal Audit*
Certified Information Security Manager (CISM)	**Indra Widjaja**	*Head - Internal Audit*
Certified Information System Auditor (CISA)	**Indra Widjaja**	*Head - Internal Audit*
	Herindra Nurbuana	*Team Leader - IT Audit*
Certified Risk Managemet Professional (CRMP)	**Indra Widjaja**	*Head - Internal Audit*
Enterprise Risk Management ISO 31000 certified Professional (ERMCP)	**Ardi Nanjaya**	*Team Leader - Corporate Functions Audit*
Certified Cobit 5 Foundation (Cobit5)	**Herindra Nurbuana**	*Team Leader - IT Audit*
Qualified Internal Auditor (QIA)	**Indra Widjaja**	*Head - Internal Audit*
	Deny Syahbani	*Team Leader - Operation Audit*
	Wahyuni Pangestuti	*Auditor - Quality Assurance & MIS Reporting*
Certified Bank Internal Auditor	**Deny Syahbani**	*Team Leader - Operation Audit*
	Sampe Tua Haryanto Sinambela	*Team Leader - Credit Audit*
	Lamtio Purba	*Team Leader - Quality Assurance & MIS Reporting*
	Taufiqqurrahman	*Auditor - Operation Audit*
	Susana	*Auditor - Operation Audit*
	Claudia Jessica Iskandar	*Auditor - Operation Audit*
	Jecica Yohana Baptista	*Auditor - Credit Audit*
	Dany Hermawan	*Auditor - Credit Audit*
	Wahyuni Pangestuti	*Auditor - Quality Assurance & MIS Reporting*

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Audit Internal, yang dilakukan melalui berbagai pelatihan dan pendidikan dengan pendanaan sepenuhnya menjadi tanggung jawab Bank. Tentang daftar pelatihan dan pengembangan kompetensi Audit Internal dapat dilihat pada bab Profil Perusahaan pada laporan tahunan ini.

The Bank has its own policy related to the development and improvement of the competency of Internal Auditors. This is done through various training and education programs with full funding being the responsibility of The Bank. The list of training and competence development programs for Internal Auditors can be seen in its respective chapter within the Company Profile in this annual report.

AKUNTAN PUBLIK
PUBLIC ACCOUNTANT

Akuntan publik merupakan organ eksternal Bank yang berfungsi memberikan opini terkait kesesuaian penyajian laporan keuangan Bank terhadap Pernyataan Standar Akuntansi Keuangan (PSAK) yang berlaku di Indonesia. Pelaksanaan audit eksternal Bank dilaksanakan oleh auditor eksternal yaitu Kantor Akuntan Publik yang telah ditunjuk oleh Dewan Komisaris berdasarkan usulan Komite Audit.

Public accountant is the Bank's external organ that provides opinions regarding the conformity of the presentation of the Bank's financial statements against applicable Indonesian Financial Accounting Standards (PSAK). The execution of the Bank's external audit shall be conducted by an external auditor, namely, a Public Accounting Firm appointed by the Board of Commissioners based on the proposals of the Audit Committee.

AKUNTAN PUBLIK TAHUN 2017

Berdasarkan FEM No.012/FEM/FM/ICBCINA/VII/2017, audit eksternal untuk tahun buku 2017 dilaksanakan oleh Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG).

PUBLIC ACCOUNTANT IN 2017

In accordance to FEM No.012/FEM/FM/ICBCINA/VII/2017, an external audit for the fiscal year 2017 was conducted by Public Accounting Firm Siddharta Widjaja & Rekan (KPMG).

Kantor Akuntan Publik | Public Accountant	Siddharta Widjaja & Rekan (KPMG)
Akuntan | Accountant	Susanto S.E., CPA
Tahun Audit | Audit Year	Tahun Buku | Fiscal Year 2017
Periode Penugasan | Assigned Period	Tahun Buku | Fiscal Year 2017
Jasa | Service	Audit Eksternal | External Audit
Jasa Lainnya | Other Services	-
Biaya | Fee	Rp1.149.120.000 (termasuk PPN | including value-added taxes)

AKUNTAN PUBLIK DAN BIAYA PERIODE 6 TAHUN TERAKHIR

Guna kebutuhan transparansi, berikut disampaikan daftar Kantor Akuntan Publik, Akuntan, jasa yang diberikan dan jasa lainnya, serta biaya dalam mengaudit laporan keuangan Bank selama 6 (enam) tahun terakhir.

PUBLIC ACCOUNTANT AND FEES FOR THE LAST 6 YEARS

In the name of transparency, the following submission is the list of Public Accountant Firms, accountants, services provided, other services, and costs in auditing the financial statements of The Bank for the last 6 (six) years.

Daftar Kantor Akuntan Publik 6 (Enam) Tahun Terakhir 2012-2017
List of Public Accounting Firms for the Last 6 (Six) Years 2012-2017

Tahun Buku Book Year	Kantor Akuntan Publik Public Accountant Office	Akuntan Accountant	Jasa yang Diberikan Services Provided	Jasa Lainnya Other Services	Biaya Fee
2017	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Eksternal External Audit	-	Rp1.149.120.000 (Termasuk Pajak | Including Taxes)
2016	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Eksternal External Audit	-	Rp1.149.120.000 (Termasuk Pajak | Including Taxes)
2015	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Eksternal External Audit	-	Rp925.000.000 (Tidak Termasuk Pajak | Not Including Taxes)
2014	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal External Audit	-	USD55.000 (Tidak Termasuk Pajak | Not Including Taxes)
2013	Siddharta Widjaja & Rekan (KPMG)	Susanto SE CPA	Audit Eksternal External Audit	-	USD49.500 (Tidak Termasuk Pajak | Not Including Taxes)
2012	Purwantono, Suherman & Surja (Ernst & Young)	Peter Surja	Audit Eksternal External Audit	-	Rp550.000.000 (Tidak Termasuk Pajak| Not Including Taxes)

MEKANISME PELAKSANAAN PEKERJAAN AUDIT

Audit dilaksanakan berdasarkan standar audit yang ditetapkan Ikatan Akuntan Indonesia (IAI) serta memperhatikan semua ketentuan OJK tentang bentuk dan susunan Laporan Keuangan. Tanggung jawab Auditor adalah pada pernyataan pendapat apakah laporan keuangan telah disajikan secara wajar, dalam semua hal yang material, posisi keuangan, hasil usaha serta arus kas.

Agar proses audit sesuai dengan Standar Profesional Akuntan serta perjanjian kerja dan ruang lingkup audit yang telah ditetapkan dan selesai sesuai dengan target waktu yang telah ditetapkan, secara rutin dilakukan pembahasan atas isu-isu yang signifikan.

Berikut disampaikan prosedur dan mekanisme penunjukan Akuntan Publik dan pelaksanaan audit eksternal di lingkup Bank.

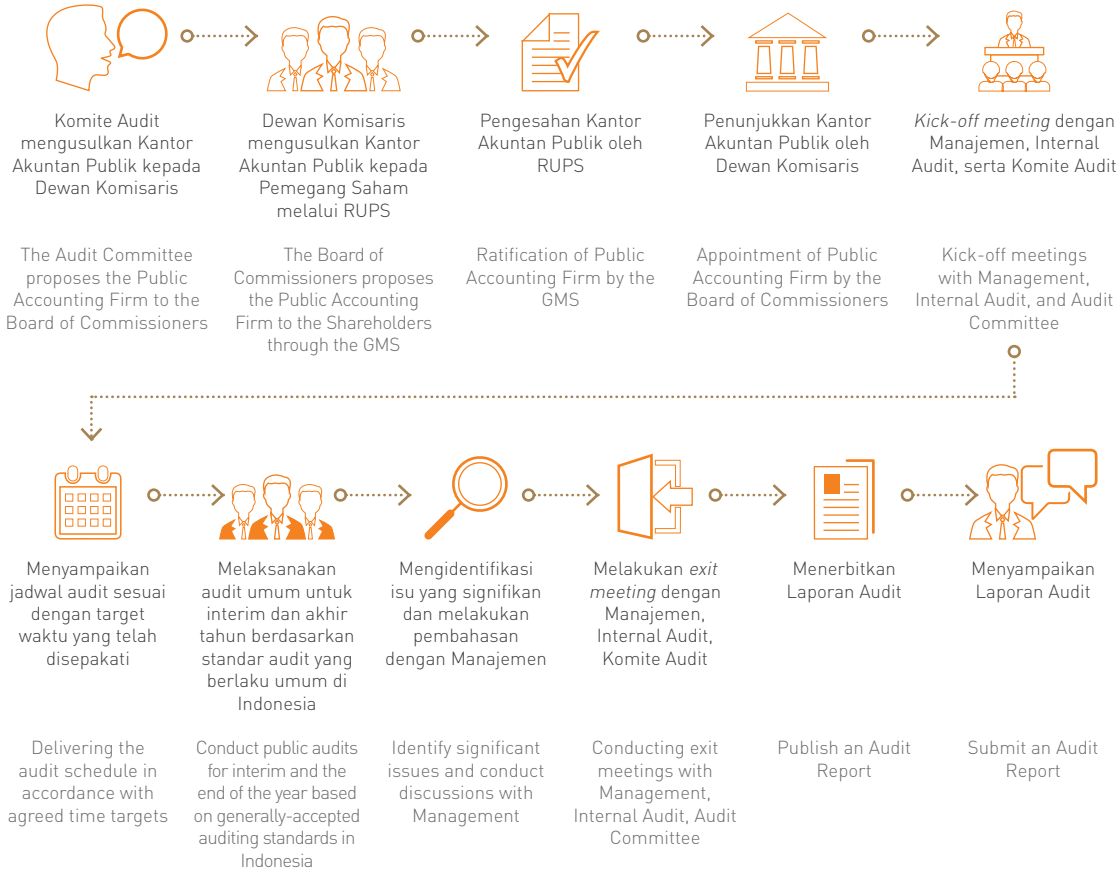
MECHANISM OF AUDITING IMPLEMENTATION

Auditing is implemented based on the auditing standard set by the Indonesia Accountants Association (IAI) with regard to all provisions of the Financial Services Authority on the form and arrangement of Annual Report. The responsibilities of an auditor are with the opinion statement whether the financial report has been presented in fair value, in all material aspects, financial position, business achievement, and cash flows.

In order that the auditing process is on par with the Standard of Professional Accountant as well as work agreement and auditing scope being set, and completed within the time frame, discussions on significant issues are routinely conducted.

The following are the procedure and mechanism of appointing Public Accountant and the implementation of external audit in The Bank.

Mekanisme Penunjukan Akuntan Publik dan Pelaksanaan Audit Eksternal
Mechanism of Appointing Public Accountant and Implementation of External Audit



Hubungan Auditor Eksternal dengan Departemen Internal Audit

Dalam melaksanakan tugasnya auditor eksternal bekerja sama dengan Departemen *Internal Audit* dalam hal mendukung kelancaran tugas-tugas auditor eksternal, bertanggung jawab untuk mengkoordinasikan kegiatannya dengan kegiatan auditor eksternal dan auditor dari Regulator agar tercapai hasil audit yang optimal dan komprehensif, antara lain melalui analisa cakupan audit, dan pertemuan periodik untuk membahas hal-hal penting terkait dengan kegiatan audit internal. Departemen *Internal Audit* juga melakukan *monitoring* atas tindak lanjut temuan audit eksternal.

Tindak Lanjut Temuan Audit Eksternal

Per 31 Desember 2017, Departemen *Internal Audit* telah memantau tindak lanjut temuan-temuan yang disampaikan oleh Auditor Eksternal. Seluruh temuan Auditor Eksternal telah diselesaikan.

External Auditor's Relationship with Internal Audit Department

In performing its duties the external auditor cooperates with the Internal Audit Department. Meanwhile, the Internal Audit Department of The Bank supports the smooth operations of the external auditor's duties. In this case the Internal Audit Department is responsible for coordinating its activities with the activities of the external auditor and the auditor of the regulator in order to achieve optimal and comprehensive audit results, including through the analysis of audit coverage, and periodic meetings to discuss important matters related to internal audit activities. The Internal Audit Department also monitors the follow-ups of external audit findings.

Follow-ups of External Audit Findings

As of December 31, 2017, the Internal Audit Department has monitored the follow-up of findings submitted by External Auditors. All the findings of the External Auditor have been followed-up-on and completed.

MANAJEMEN RISIKO
RISK MANAGEMENT

KERANGKA MANAJEMEN RISIKO

Kegiatan usaha Bank senantiasa menghadapi risiko-risiko yang terkait dengan fungsinya sebagai lembaga intermediasi keuangan, sehingga pengelolaan operasional bisnis tidak boleh menimbulkan kerugian yang melebihi kemampuan Bank.

Kerangka Manajemen Risiko yang diterapkan pada Bank, sesuai dengan Peraturan Otoritas Jasa Keuangan No. 18/POJK.03/2016 tentang Penerapan Manajemen Risiko bagi Bank Umum, merujuk kepada 4 (empat) pilar manajemen risiko:

RISK MANAGEMENT FRAMEWORK

The Bank's business activities continue to face risks associated with its function as a financial intermediary institution. As such, the management of business operations must not incur any losses that exceed the Bank's capabilities.

The Risk Management Framework applied to the Bank refers to 4 (four) management pillars, in accordance Financial Services Authority Regulation No. 18/POJK.03/2016 on the Application of Risk Management for Commercial Banks. They are:

Pengawasan aktif Direksi dan Dewan Komisaris	Kebijakan dan prosedur Manajemen Risiko serta penetapan limit risiko	Proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko, serta sistem informasi Manajemen Risiko	Sistem pengendalian internal yang menyeluruh
Active supervision of the Board of Directors and Board of Commissioners	Risk Management policies and procedures and the establishment of risk limit	The process of identifying, measuring, monitoring, and controlling risk, as well as a Risk Management information system	A comprehensive internal control system

Bank telah melakukan penilaian terhadap 8 (delapan) jenis risiko, yaitu: Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Hukum, Risiko Kepatuhan, Risiko Stratejik, dan Risiko Reputasi.

The Bank has assessed 8 (eight) types of risks, namely: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Compliance Risk, Strategic Risk and Reputation Risk.

KEBIJAKAN MANAJEMEN RISIKO

Kebijakan manajemen risiko Bank menjadi acuan dalam pemantauan dan/atau pengendalian internal pada semua tahapan dalam proses manajemen risiko dalam hubungannya dengan visi, misi, dan rencana strategis Bank:

- Sebagai panduan dalam menerapkan prinsip kehati-hatian dan GCG;
- Sebagai panduan untuk menetapkan dan memperjelas wewenang dan tanggung jawab semua pihak yang terkait dalam manajemen risiko;
- Merupakan alat pengawasan untuk mengendalikan risiko secara keseluruhan;
- Sebagai panduan untuk menjalankan semua aktivitas dalam limit risiko.

RISK MANAGEMENT POLICY

The Bank's risk management policy serves as a reference in internal monitoring and/or control at all stages of the risk management process in relation to the Bank's vision, mission and strategic plan. It serves the following purposes:

- As a guidance on applying prudential principles and GCG;
- As a guidance on establishing and clarifying the authority and responsibility of all parties involved in risk management;
- It is a monitoring tool to control overall risk;
- As a guidance to carry out all activities within risk limits.

TANGGUNG JAWAB DEWAN KOMISARIS DAN DIREKSI TERHADAP MANAJEMEN RISIKO

Dalam rangka memastikan penerapan fungsi manajemen risiko dan pengendalian internal yang baik, Bank telah membentuk struktur organisasi yang memadai dengan tingkat tanggung jawab yang berbeda. Pembagian wewenang dan tanggung jawab dalam organisasi dan fungsi manajemen risiko Bank adalah:

Dewan Komisaris

Wewenang dan tanggung jawab Komisaris Bank yang berkaitan dengan manajemen risiko meliputi hal-hal sebagai berikut:

- Menyetujui serta mengevaluasi kebijakan manajemen risiko Bank;
- Menyetujui dan mengevaluasi arah kebijakan dan strategi manajemen risiko Bank sekurang-kurangnya 1 (satu) tahun sekali atau sekiranya terjadi perubahan faktor-faktor yang mempengaruhi kegiatan usaha Bank secara signifikan;
- Mengevaluasi pertanggungjawaban Direksi dan memberikan arahan perbaikan atas pelaksanaan kebijakan manajemen risiko.

RESPONSIBILITY OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS ON RISK MANAGEMENT

In order to ensure the proper implementation of risk management and internal control functions, the Bank has established an adequate organizational structure with different levels of responsibility. The division of authority and responsibility in the organization and functions of risk management of the Bank is as follows:

Board of Commissioners

The authority and responsibilities of the Bank's Commissioners in relation to risk management include the following:

- Approving and evaluating the Bank's risk management policy;
- Approving and evaluating the direction of the Bank risk management policies and strategies at least once every 1 (one) year, in the event of any change in factors affecting the Bank's business activities significantly;
- Evaluating the accountability of the Board of Directors and providing direction for improvements in the implementation of risk management policies.

Direksi

Wewenang dan tanggung jawab Direksi Bank yang berkaitan dengan manajemen risiko sekurang-kurangnya meliputi:

- Menyusun kebijakan manajemen risiko Bank ICBC Indonesia berdasarkan rekomendasi dari Komite Manajemen Risiko, dan menyampaikan kebijakan tersebut kepada Dewan Komisaris untuk mendapatkan persetujuan;
- Menyusun, menetapkan, mengevaluasi dan/atau memperbaharui strategi manajemen risiko secara komprehensif yang sesuai dengan ketentuan yang berlaku, termasuk penetapan dan persetujuan limit risiko secara keseluruhan maupun per jenis risiko;
- Bertanggung jawab atas pelaksanaan kebijakan manajemen risiko dan eksposur risiko yang diambil oleh Bank ICBC Indonesia secara keseluruhan;
- Mengembangkan budaya manajemen risiko pada seluruh jenjang organisasi, yang meliputi komunikasi yang memadai kepada seluruh jenjang organisasi tentang pentingnya pengendalian internal yang efektif.

Board of Directors

The authority and responsibilities of the Board of Directors of The Bank in relation to risk management shall include, among other things:

- Establish the risk management policy of Bank ICBC Indonesia based on recommendations from the Risk Management Committee, and submitting these policies to the Board of Commissioners for approval;
- Establishing, maintaining, evaluating and/or updating a comprehensive risk management strategy in accordance with applicable provisions, including the establishment and approval of risks limits for overall situations and per type situations;
- Responsibility for implementing risk management policy and risk exposure taken by Bank ICBC Indonesia as a whole;
- Develop a risk management culture at all levels of the organization, including adequate communications to all levels of the organization on the importance of effective internal controls.

Komite Manajemen Risiko

Komite Manajemen Risiko adalah Komite yang bersifat non-struktural dalam manajemen risiko, berkedudukan di Kantor Pusat yang membantu Direksi dalam merumuskan kebijakan, mengawasi pelaksanaan kebijakan, memantau perkembangan dan kondisi profil risiko, dan memberikan saran-saran dan langkah perbaikan yang berkaitan dengan manajemen risiko. Komite Manajemen Risiko diketuai oleh Presiden Direktur, dengan anggota terdiri dari Direksi, Kepala Satuan Kerja Audit Internal, Kepala Departemen yang memimpin Satuan Kerja Manajemen Risiko (SKMR), dan Kepala Departemen terkait lainnya. Wewenang dan tanggung jawab Komite Manajemen Risiko antara lain:

- Menyusun kebijakan, strategi, dan pedoman pelaksanaan manajemen risiko, termasuk penetapan limit dan *contingency plan* dalam kondisi tidak normal;
- Memperbaiki atau menyempurnakan pelaksanaan manajemen risiko berdasarkan hasil evaluasi pelaksanaan yang dimaksud;
- Memantau, mengevaluasi, dan menilai perkembangan komposisi profil risiko dalam portofolio Bank ICBC Indonesia, penetapan dan pelaksanaan limit, kecukupan permodalan Bank ICBC Indonesia terhadap eksposur risiko sesuai ketentuan yang berlaku, dan memastikan efektivitas pelaksanaan manajemen risiko.

Risk Management Committee

The Risk Management Committee is a non-structural committee in risk management, domiciled in the Head Office. It assists the Board of Directors in formulating policies, overseeing policy implementation, monitoring the progress and conditions of risk profiles, and providing suggestions and remedial measures related to risk management. The Risk Management Committee is chaired by the President Director, with members consisting of the Board of Directors, the Head of the Internal Audit Unit, the Head of the Department who leads the Risk Management Working Unit, and other relevant Heads of Department. The authority and responsibilities of the Risk Management Committee include:

- Establishing policies, strategies and guidelines for the implementation of risk management, including the establishment of limits and contingency plans in abnormal conditions;
- Improving or enhancing the implementation of risk management based on the results of evaluations of the aforementioned implementations;
- Monitoring, evaluating and assesing the development of risk profile compositions in Bank ICBC Indonesia's portfolio, the establishing and execution of limits, the adequacy of capital of Bank ICBC Indonesia against risk exposure in accordance with applicable provisions, and ensuring the effectiveness of risk management implementation.

Departemen Manajemen Risiko

SKMR adalah unit kerja yang memiliki wewenang dan tanggung jawab dalam menjalankan proses manajemen risiko dan independen dari satuan kerja bisnis dan departemen lainnya yang menjalankan fungsi pengendalian internal. Wewenang dan tanggung jawab Departemen Manajemen Risiko antara lain meliputi:

- Memberikan masukan kepada Direksi dalam penyusunan kebijakan, strategi, dan kerangka manajemen risiko;
- Mengembangkan prosedur dan alat untuk mengidentifikasi, mengukur, memantau, dan mengendalikan risiko, serta mendesain dan menerapkan perangkat yang dibutuhkan dalam penerapan manajemen risiko;
- Memantau posisi risiko secara keseluruhan, maupun jenis posisi risiko tertentu serta melakukan *stress testing* untuk mengetahui dampak dari implementasi kebijakan dan strategi manajemen risiko terhadap portofolio atau kinerja Bank ICBC Indonesia secara keseluruhan;
- Melakukan kaji ulang secara berkala untuk memastikan kecukupan kerangka manajemen risiko, keakuratan metodologi penilaian risiko, dan kecukupan sistem informasi manajemen risiko;
- Memberikan rekomendasi kepada satuan kerja bisnis dan/atau Komite Manajemen Risiko terkait penerapan manajemen risiko, antara lain mengenai besaran atau eksposur risiko maksimum yang dapat dipelihara Bank.

KEGIATAN MANAJEMEN RISIKO

Bank telah melaksanakan beberapa program kerja penting dalam mengembangkan manajemen risiko, termasuk antara lain, namun tidak terbatas pada:

- Bank telah memiliki Komite-Komite yang secara aktif melakukan pemantauan atas pengelolaan risiko Bank, seperti Komite Manajemen Risiko dan Komite Pemantau Risiko. Komite-Komite tersebut telah melakukan evaluasi atas pelaksanaan manajemen risiko secara berkesinambungan;
- Kebijakan dan Prosedur terkait Manajemen Risiko dan Perkreditan antara lain:
  - Bank telah memiliki Kebijakan dan Prosedur yang komprehensif yang meliputi 8 (delapan) jenis risiko. Pada masing-masing area risiko, penyempurnaan Kebijakan dan Prosedur juga dilakukan agar sejalan dengan kondisi Bank dan peraturan terkini;

Risk Management Department

The Risk Management Department is a work unit that has the authority and responsibility for carrying out the risk management process and is independent of the business units and other departments that perform internal control functions. The authority and responsibilities of the Risk Management Department include the following:

- Providing input to the Board of Directors in formulating policies, strategies and risk management frameworks;
- Developing procedures and tools for identifying, measuring, monitoring, and controlling risks, and designing and implementing the tools required for the implementation of risk management;
- Monitoring overall risk positions, as well as specific types of risk positions, and performing stress testing to determine the impact of carrying risk management policies and strategies on the portfolio or performance of Bank ICBC Indonesia as a whole;
- Conducting periodic reviews to ensure adequate risk management framework, accuracy of risk assessment methodology, and adequacy of risk management information systems;
- Providing recommendations to the business unit and/or Risk Management Committee related to the implementation of risk management, among others, on matters concerning the amount or maximum risk exposure that can be maintained by the Bank.

RISK MANAGEMENT ACTIVITIES

The Bank has implemented several important work programs in developing risk management. This includes, among others, but is not limited to, the following:

- The Bank already has committees that actively monitor the Bank's risk management, such as the Risk Management Committee and the Risk Monitoring Committee. These committees have evaluated the implementation of risk management on an ongoing basis;
- Policies and Procedures related to Risk Management and Credit are:
  - The Bank has comprehensive policies and procedures covering 8 (eight) types of risk. In each risk area, improvements to the Policy and Procedures are also conducted in line with the Bank's current conditions and regulations;

- Bank juga telah menerapkan asas-asas perkreditan yang sehat sesuai dengan prinsip-prinsip kehati-hatian secara konsisten dan berkesinambungan, dimana secara komprehensif Bank telah memiliki kebijakan dan prosedur mengenai perkreditan dengan Kebijakan Perkreditan Bank sebagai payung kebijakan, yang senantiasa dilakukan penyempurnaan agar sejalan dengan kondisi Bank dan peraturan terkini;
- Dalam rangka menjaga kualitas kredit, Bank juga telah meningkatkan pengelolaan kredit bermasalah. Pengelolaan kredit bermasalah bertujuan untuk meminimalkan jumlah kredit bermasalah Bank serta memaksimalkan tingkat pengembalian kredit.

- *Risk Appetite*
  Pelaksanaan manajemen risiko yang efektif harus didukung oleh kerangka kerja manajemen risiko yang komprehensif, dimana salah satunya melalui kerangka kerja *Risk Appetite*, yang ditetapkan secara jelas sejalan dengan visi, misi, dan strategi bisnis Bank. *Risk Appetite Statement* memuat limit/target dan trigger limit/target atas indikator baik kuantitatif maupun kualitatif yang telah ditetapkan, yang dipantau secara berkala dan apabila diperlukan dikaji kembali untuk diselaraskan dengan rencana strategi dan permodalan Bank.
- Risiko Kredit
  Pada area Risiko Kredit, pelaksanaan kerangka kerja Risiko Kredit telah diterapkan melalui pengembangan proses Manajemen Risiko Kredit yang antara lain meliputi identifikasi Risiko Kredit pada produk/aktivitas baru, kecukupan kebijakan dan prosedur terkait proses perkreditan, pemantauan perkembangan portofolio pinjaman baik per mata uang, debitur, produk, segmentasi, lapangan usaha, industri, jangka waktu pembiayaan, penilaian profil Risiko Kredit, serta pelaksanaan *Stress Testing* Risiko Kredit secara berkala. Pencadangan penurunan nilai secara individual telah dilakukan tepat waktu yang didasarkan atas analisis kemampuan pembayaran dan arus kas debitur. Selain itu, sistem telah diimplementasikan untuk menghitung pencadangan penurunan nilai secara kolektif.

- The Bank has also adopted sound credit principles according to the prudential principles in a consistent and continuous manner, whereby the Bank has comprehensive policy and procedures on credit, with the Bank Credit Policy serving as an umbrella policy, which is constantly being refined to be in line with the Bank's conditions and current regulations;
- In order to maintain credit quality, the Bank has also improved the management of non-performing loans. The management of non-performing loans aims to minimize the number of problem loans of the Bank and to maximize the credit repayment rate.

- Risk Appetite
  The implementation of effective risk management must be supported by a comprehensive risk management framework. This includes through the use of a risk appetite framework that is clearly defined in line with the Bank's vision, mission and business strategy. The Risk Appetite Statement consist of the limit/target and trigger limit/target for both quantitative and qualitative indicators, which are monitored periodically and where necessary reviewed to align with the Bank's strategic plan and capital.

- Credit Risk
  In the area of Credit Risk, the implementation of a Credit Risk framework has been applied through the development of a Credit Risk Management process, which includes the identification of Credit Risk on new products/activities, the adequacy of policies and procedures related to the credit process, monitoring the development of loan portfolios by currency, debtors, product, segmentation, business sector, industry, financing period, Credit Risk profile assessment, and periodic Stress Testing. Individual impairment has been made on time based on analysis of payment ability and cash flow of the debtors. In addition, the system has been implemented to calculate the collective impairment.

- Risiko Pasar
  Dalam penerapan Manajemen Risiko Pasar, dengan mengacu kepada *Best Practice*, selain kaji ulang dan pemantauan atas limit-limit yang telah ada, yaitu *limit dealer*, *counterparty limit*, *stop loss limit*, limit PDN, Bank juga menerapkan faktor sensitivitas (PV01), *Management Action Triggers*, *stress testing*, faktor risiko (PSE risk factor) dalam penentuan *limit FX* untuk *counterparty*, serta memastikan bahwa transaksi yang dilakukan Bank sesuai dengan harga pasar (pemantauan *off market*). Selain itu, valuasi terhadap portofolio yang dimiliki Bank didasarkan pada sumber data pasar yang lazim digunakan. Dalam area Manajemen Risiko *Banking Book*, pengelolaan risiko suku bunga dilakukan melalui pendekatan faktor senstitivitas (PV01) dan *stress testing* baik dari perspektif pendapatan maupun perspektif nilai ekonomis. Hal ini akan membantu dalam melakukan pengukuran Risiko Suku Bunga di *Banking Book* dengan lebih tepat.
- Risiko Likuiditas
  Manajemen Risiko Likuiditas merupakan salah satu fungsi yang sangat penting di Bank. Pendekatan proaktif yang melibatkan Manajemen Bank dan departemen terkait melalui Komite *Asset & Liability* (ALCO) dalam mengoptimalkan dan memperkuat sumber pendanaan serta penggunaan dana bagi Bank akan terus dilakukan. *Stress testing* likuiditas bulanan dilakukan berdasarkan asumsi yang disetujui untuk memastikan kondisi pendanaan pada satu bulan pertama, pemantauan atas indikator peringatan dini, rasio aset likuid, dan likuiditas jangka pendek senantiasa disesuaikan dengan perkembangan yang ada. Dalam rangka penerapan Basel III, Bank menggunakan perhitungan *Liquidity Coverage Ratio* dan *Net Stable Funding Ratio* sebagai parameter pemantauan Risiko Likuiditas. Selain itu, Rencana Pendanaan Darurat (*Contingency Funding Plan*) telah disusun untuk mempersiapkan Bank jika terjadi krisis likuiditas, termasuk *stand by committed facility* dalam mata uang IDR dan USD dari bank lokal, dimana trigger Rencana Pendanaan Darurat (*Contingency Funding Plan*) dipantau secara berkala dan uji coba Rencana Pendanaan Darurat (*Contingency Funding Plan*) melalui *Liquidity Crisis Team* dilakukan satu tahun sekali.

- Market Risk
  In the implementation of Market Risk Management, with reference to best practices, in addition to reviewing and monitoring existing limits namely dealer limit, counterparty limit, stop loss limit, Net Open Position (NOP) limit, the Bank also applies a sensitivity factor (PV01), Management Action Triggers, stress testing and risk factors (PSE risk factor) in determining FX limit for counterparties, and ensuring that transactions conducted by the Bank is in accordance with market prices (off-market monitoring). In addition, the valuation of the Bank's portfolio is based on commonly used market data sources. In the Banking Book Risk Management area, interest rate risk management is performed through a sensitivity factor (PV01) and stress testing approach from both income perspectives and economic value perspectives. This should help in dimensioning Rate Risk in the Banking Book with better precision.
- Liquidity Risk
  Liquidity Risk Management is one of the most critical functions in the Bank. A proactive approach involving Bank Management and related departments through the Asset & Liability Committee (ALCO) in optimizing and strengthening the funding sources and use of funds for the Bank will continue to be implemented. Monthly stress testing is performed based on approved assumption to ensure funding conditions in the first month. The monitoring of early warning indicators, liquid asset ratios, and short-term liquidity are always adjusted to the existing developments. In implementing Basel III, the Bank uses Liquidity Coverage Ratio and Net Stable Funding Ratio as parameters of Liquidity Risk monitoring. In addition, the Contingency Funding Plan has been in place to prepare the Bank in the event of a liquidity crisis, including a stand-by committed facility in IDR and USD currency from a local bank, where the trigger of the Contingency Funding Plan is monitored periodically and testing of the Contingency Funding Plan through the Liquidity Crisis Team is conducted once a year.

- Risiko Operasional
  Sebagai bagian dari upaya Bank untuk meningkatkan pemantauan Risiko Operasional, Bank senantiasa melakukan penyesuaian cakupan dan penyempurnaan *Risk Control Self-Assessment* (RCSA) pada *risk taking units*, pemantauan pencatatan *Risk/Loss Event Database* (RLED), menempatkan *Risk Representative Officer* di Cabang sebagai kepanjangan tangan dari Departemen Manajemen Risiko, Departemen Kepatuhan, dan Departemen AML/CFT dalam mengidentifikasi dan memitigasi terjadinya Risiko Operasional dan Risiko Kepatuhan di Cabang, bersama dengan Departemen IT dalam kesiapan Rencana Kontinuitas Bisnis untuk meminimalkan risiko yang berhubungan dengan gangguan bisnis baik karena masalah internal maupun eksternal, yang diuji coba secara berkala paling kurang satu tahun sekali. Selain itu, untuk menguatkan pengendalian internal dalam rangka mengurangi paparan terhadap Risiko Operasional dan meningkatkan kemampuan dalam pencegahan dan deteksi atas tindakan penyimpangan yang menyebabkan kerugian baik bagi Bank maupun Nasabah, penilaian risiko *fraud* untuk departemen dan cabang senantiasa dilakukan.
- Risiko Hukum, Risiko Stratejik, Risiko Kepatuhan, dan Risiko Reputasi
  Kerjasama dengan departemen terkait, yaitu Departemen Hukum, Departemen Manajemen Strategis dan Transformasi, Departemen Kepatuhan dan Departemen Service Quality dalam melakukan pengelolaan maupun pengawasan Risiko Hukum, Risiko Stratejik, Risiko Kepatuhan, dan Risiko Reputasi secara komprehensif, baik melalui penilaian profil risiko secara triwulanan, sosialisasi dan pelatihan untuk meningkatkan *awareness* dan pemahaman karyawan, maupun melalui rapat-rapat Komite dan rapat-rapat Direksi.
- Analisa risiko atas usulan aktivitas dan/atau produk baru dilakukan untuk memastikan kemampuan Bank dalam mengelola aktivitas dan/atau produk baru termasuk kecukupan sumber daya manusia, kelengkapan kebijakan prosedur dan sistem.

- Operational Risk
  As part of the Bank's initiatives to improve Operational Risk Monitoring, the Bank continues to adjust its coverage and enhancement of Risk Control Self-Assessments (RCSA) on risk taking units, and monitoring of Risk/Loss Event Database (RLED) records, assigning Risk Representative Officers in branches as lenghtening arms of the Risk Management Department, the Compliance Department, and the AML/CFT Department in identifying and mitigating the occurrence of Operational Risk and Compliance Risk in the branches, together with the IT Department, as part of the Business Continuity Plan to minimize the risks associated with business interruption due to internal or external issues, which periodically tested at least once a year. In addition, to strengthen internal controls in order to reduce exposure to Operational Risk and improve capability in the prevention and detection of violation that cause harm to both the Bank and its customers, the fraud risk assessment for departments and branches is always being done.
- Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk
  Cooperation with relevant departments, namely Legal Department, Strategy Management and Transformation Office Department, Compliance Department and Service Quality Department to manage and supervise Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk comprehensively, either through a quarterly risk profile assessment, socialization and training to increase awareness and understanding of employees or through the committees' meetings and the Board of Directors' meetings.
- Risk analysis of proposed new activities and/or products is undertaken to ensure the Bank's ability to manage new activities and/or products. These include analysis of the adequacy of human resources, the completeness of policies and procedures, and systems.

- Budaya Manajemen Risiko
  Dalam hal meningkatkan budaya manajemen risiko, sosialisasi mengenai *awareness* Manajemen Risiko terus dilakukan, antara lain melalui program CARA (*Compliance*, AML/CFT, *Risk Management*, *Internal Audit*), forum diskusi dengan Cabang, *awareness* terkait Rencana Kontinuitas Bisnis, termasuk mengingatkan kembali pemahaman terhadap kebijakan dan prosedur yang ada dan yang akan diimplementasikan.

- Risk Management Culture
  In improvement of risk management culture, awareness of Risk Management is continuously conducted through CARA (Compliance, AML/CFT, Risk Management, Internal Audit) programs, discussion forums with branches, awareness related to the Business Continuity Plan, as well as through the refining the understanding of wishing policies and procedures that and which will be implemented in the future.

PROSES DAN PENILAIAN MANAJEMEN RISIKO

Proses manajemen risiko mencakup identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan dukungan sistem informasi manajemen yang memadai. Pelaksanaan penilaian risiko dilakukan oleh Departemen Manajemen Risiko yang dilaporkan pada setiap triwulan.

Penilaian risiko dilakukan berdasarkan penilaian risiko inheren dan kualitas penerapan manajemen risiko pada setiap risiko yang akan dinilai. Kualitas penerapan manajemen risiko meliputi tata kelola risiko, kerangka manajemen risiko, proses manajemen risiko, kecukupan sumber daya manusia, kecukupan sistem informasi manajemen, dan kecukupan sistem pengendalian risiko. Risiko yang wajib dikelola Bank seperti yang tercantum pada Kebijakan Manajemen Risiko adalah Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Hukum, Risiko Stratejik, Risiko Kepatuhan, dan Risiko Reputasi.

THE PROCESS AND ASSESSING OF RISK MANAGEMENT

The risk management process includes identification, measurement, monitoring, and risk control with the support of an adequate management information system. Implementation of risk assessment conducted by the Risk Management Department is reported on a quarterly basis.

Risk assessment is based on inherent risk assessment and the quality of risk management implementation at each risk to be assessed. The quality of risk management implementation covers aspects such as risk governance, risk management framework, the risk management process, human resource adequacy, adequacy of management information systems, and adequacy of risk control systems. Risks that must be managed by the Bank (as stated in the Risk Management Policy) are Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk.

RISIKO KREDIT

Risiko Kredit didefinisikan sebagai risiko yang terjadi akibat kegagalan pihak debitur dan/atau pihak lain dalam memenuhi kewajiban kepada Bank. Risiko Kredit dapat bersumber dari berbagai aktivitas bisnis Bank. Selain pada aktivitas pemberian kredit, Risiko Kredit dapat berasal dari berbagai instrumen keuangan seperti efek-efek, akseptasi, transaksi antarbank, transaksi nilai tukar dan derivatif, transaksi pembiayaan perdagangan, dan liabilitas komitmen dan kontinjensi.

CREDIT RISK

Credit Risk is defined as the risk arising from the failure of the debtor and/or other party in fulfilling their obligations to the Bank. Credit Risk can be sourced from various Bank business activities. In addition to lending activities, Credit Risk can come from various financial instruments such as securities, acceptances, interbank transactions, exchange and derivative transactions, trade finance transactions, and commitment and contingent liabilities.

Penerapan manajemen Risiko Kredit berlandaskan pada kebijakan dan prosedur Risiko Kredit yang mencakup ketentuan Regulator dan juga kebijakan internal. Kebijakan dan prosedur internal dikaji ulang secara berkala agar sejalan dengan perubahan-perubahan ketentuan perbankan, perkembangan usaha Bank dan kondisi perekonomian.

Pelaksanaan penilaian Risiko Kredit dilakukan Bank atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren terdiri dari komposisi portofolio aset dan tingkat konsentrasi, kualitas penyediaan dana dan kecukupan pencadangan, strategi penyediaan dana dan sumber timbulnya penyediaan dana, dan faktor eksternal.

Berdasarkan penilaian tersebut, unit-unit pengambil risiko melakukan tindak lanjut, antara lain agar komposisi portofolio tidak terpusat pada sektor ataupun debitur besar tertentu, mempertahankan kualitas penyediaan dana pada tingkat risiko yang dipandang aman, mempertahankan kecukupan pencadangan, memastikan bahwa pemberian kredit dan pengambilan keputusan kredit telah dikelola secara memadai dan sesuai dengan limit yang telah ditetapkan.

Penerapan manajemen risiko yang dilakukan oleh Bank dalam rangka pemantauan dan pengendalian Risiko Kredit antara lain sebagai berikut:

- Pemberian kredit dan pengambilan keputusan kredit senantiasa mengacu pada pedoman tertulis yang telah dimiliki Bank mengenai Kebijakan dan Prosedur terkait perkreditan yang mencakup seluruh aspek proses pemberian kredit, termasuk mengenai pendelegasian wewenang dan limit wewenang kredit;
- Melakukan analisis terhadap sektor ekonomi/industri berdasarkan risiko dan penetapan limit sektor ekonomi/industri internal, yang bertujuan selain memberikan acuan dalam melakukan pemberian kredit, juga sebagai upaya untuk melakukan diversifikasi dan meningkatkan hasil proses pengelolaan Risiko Kredit yang lebih baik;
- Secara berkala, Bank melakukan pemantauan terhadap portofolio kredit, antara lain meliputi pemantauan pertumbuhan kredit, kualitas/kolektibilitas kredit, kecukupan pencadangan, konsentrasi pemberian kredit pada sektor ekonomi, debitur/grup debitur terbesar, dan mata uang;

The implementation of Credit Risk management is based on Credit Risk policies and procedures which include regulatory provisions as well as internal policies. Internal policies and procedures are regularly reviewed to be consistent with changes in banking regulations, business development and economic conditions.

Implementation of Credit Risk Assessment conducted by Bank is done based on assessments of inherent risk and the quality of risk management implementation. The parameters used as the basis for inherent risk assessment consist of the asset portfolio composition and the level of concentration, the quality of the provision of funds and the adequacy of the reserves, the strategy of provision of funds and the source of the provision of funds, and external factors.

Based on these assessments, Risk Takers conduct follow-ups to ensure that the portfolio composition is not concentrated on a particular sector or large debtor, to maintain the quality of provided funds at a safely perceived level of risk, to maintain sufficient reserves, and to ensure that credit granting and credit decision making has been adequately managed and is in accordance with the limits established.

The implementation of risk management by The Bank in monitoring and controlling Credit Risk includes, among others, as follows:

- Credit granting and credit decision making must always refer to the written guidance that the Bank has in place regarding Credit Policy and Procedures, which covers all aspects of the crediting process, including delegation of authority and limit of credit authority;
- Analyzing the economic/industrial sectors based on risk and setting limits on the internal economic/industrial sector. This aims at provide guidance on lending, as well as efforts to diversify and improve the credit risk management process;
- The Bank periodically monitors loan portfolios, including monitoring of credit growth, credit/asset quality, reserve adequacy, credit lending concentration in the economic sector, the largest debtors/group of debtors, and currency;

- Melakukan pemantauan secara intensif dan penyusunan solusi penyelesaian terhadap setiap kredit bermasalah termasuk kemungkinan dilakukannya restrukturisasi kredit, penjualan kredit, penjualan agunan secara suka rela oleh debitur, lelang agunan;
- Melakukan identifikasi Risiko Kredit pada setiap produk/aktivitas baru, termasuk mitigasi risiko yang diperlukan.

- Conduct intensive monitoring and providing of settlement solutions against any non-performing loans including possibility of credit restructuring, credit sales, voluntary collateral sales by debtors, collateral auctions;
- Identify Credit Risk on any new product/activity, including any risk mitigation required.

Risiko Kredit Maksimum

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap Risiko Kredit sama dengan nilai tercatat. Untuk garansi bank dan Standby L/C yang diterbitkan dan L/C serta SKBDN yang masih berjalan dan tidak dapat dibatalkan, eksposur maksimum terhadap Risiko Kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika kewajiban atas garansi bank, Standby L/C, L/C, dan SKBDN tersebut terjadi. Untuk komitmen fasilitas kredit yang diberikan yang belum digunakan, eksposur maksimum terhadap Risiko Kredit adalah sebesar jumlah komitmen tersebut.

Tabel berikut menyajikan eksposur maksimum Bank terhadap Risiko Kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administratif dengan Risiko Kredit, tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya:

Maximum Credit Risk

For recognized financial assets in the statement of financial position, maximum exposure to Credit Risk equals the carrying amount. For bank guarantee and Standby L/C issued outstanding irrevocable L/ C and SKBD, maximum exposure to Credit Risk shall be the maximum value to be paid by The Bank if the obligation for bank guarantee, Standby L/C, L/C, and the SKBDN occurs. For unused commited credit facility, the maximum exposure to Credit Risk is the commited amount.

The following table sets forth the maximum exposure of The Bank to Credit Risk for financial instruments in the statement of financial positions and off balance sheet accounts with Credit Risk, regardless of any collateral held or other credit protection:

Risiko Kredit Maksimum | Maximum Credit Risk

IDR juta | IDR million

Uraian | Items	2017	2016
Laporan Posisi Keuangan | Statement of financial position		
Giro pada Bank Indonesia | Current accounts with Bank Indonesia	3.888.038	3.231.563
Giro pada bank-bank lain | Current accounts with other banks	3.314.446	2.294.992
Penempatan pada Bank Indonesia dan bank-bank lain | Placements with Bank Indonesia and other banks	5.135.049	1.850.355
Aset derivatif | Derivative assets	5.980	10.963
Tagihan akseptasi | Acceptance receivables	1.519.878	1.170.532
Surat berharga untuk tujuan investasi | Investment securities	6.248.877	6.286 .166
Kredit yang diberikan | Loans receivable	35.068.608	33.031.655
Aset lain-lain | Other assets	243.300	246.301
Rekening Administratif dengan Risiko Kredit | Off-balance sheet accounts with credit risk		
Fasilitas kredit yang diberikan yang belum digunakan – *committed* | Unused loan facilities - committed	10.248.418	4.587.096
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan | Outstanding irrevocable L/C and domestic L/C	726.454	1.014.818
Garansi bank dan Standby L/C yang diterbitkan | Bank guarantees and Standby L/C issued	4.486.597	5.892.898
TOTAL	**70.885.645**	**59.617.339**

Risiko Konsentrasi Kredit

Bank mengelola dan mengendalikan konsentrasi kredit dengan menetapkan batas pemberian kredit untuk pihak terkait, satu debitur, kelompok debitur serta sektor ekonomi tertentu. Salah satu strategi yang dilakukan Bank dalam mengelola Risiko Konsentrasi Kredit adalah dengan memberikan acuan dalam aktivitas kredit berupa penetapan target dalam pemberian kredit seperti target berdasarkan sektor ekonomi, yang dituangkan dalam Rencana Bisnis Bank, termasuk di dalamnya penetapan target pasar yang bertujuan untuk mengidentifikasi segmen bisnis yang dapat diterima Bank, sehingga Bank dapat memfokuskan upaya pemasaran serta menentukan mitigasi risiko yang diperlukan.

Bank juga melakukan kaji ulang atas target yang telah ditetapkan dengan mempertimbangkan kondisi ekonomi terkini, serta apabila diperlukan Bank melakukan penyesuaian atas target tersebut.

Credit Concentration Risk

The Bank manages and controls credit concentration by setting limits on lending to related parties, one debtor, group of debtors and a specific economy. One of the strategies undertaken by the Bank in managing Credit Concentration Risk is to provide a reference in credit activities in the form of target market lending, such as targets based on economic sectors, set forth in the business plan of The Bank. This includes target market targeting to identify segments business that can be received by The Bank, so that The Bank can focus its marketing efforts and determine the necessary risk mitigation.

The Bank also reviews the predetermined targets by taking into consideration the current economic condition, and if necessary, The Bank adjusts its target.

Risiko Kredit Berdasarkan Risiko Konsentrasi Kredit | Credit Risk Based on Credit Concentration Risk

Uraian Description	Pemerintah (termasuk BI) Government (including BI)		Badan Usaha Milik Negara State-Owned Enterprises	
	2017	2016	2017	2016
Laporan posisi keuangan | Current Accounts at Bank Indonesia				
Giro pada Bank Indonesia Placements at Bank Indonesia	3.888.038	3.231.563	-	-
Giro pada bank-bank lain Placements at other banks	-	-	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placements at Bank Indonesia and other banks	1.198.324	1.753.875	-	-
Aset derivatif Derivative Assets	-	-	-	-
Tagihan akseptasi Acceptance Bill	-	-	273.472	198.467
Surat berharga untuk tujuan investasi Securities for Investment Purpose	5.418.837	4.698.788	-	153.076
Kredit yang diberikan Loans	-		7.588.481	6.457.216
Aset lain-lain Other Assets	42.304	44.388	37.999	36.401
Rekening Administratif dengan Risiko Kredit | Administrative Account with Credit Risk				
Fasilitas kredit yang diberikan yang belum digunakan - committed Unused loan facilities - committed	-	-	3.609.065	1.368.849
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan Outstanding irrevocable L/C and domestic L/C	-	-	107.513	309.012
Garansi bank dan Standby L/C yang diterbitkan Bank guarantees and Standby L/C issued	-	-	61.054	266.535
TOTAL	**10.547.503**	**9.728.614**	**11.677.584**	**8.789.556**
Persentase | Percentage	15%	16%	17%	15%

Agunan dan Perlindungan Kredit Lainnya

Sebagai salah satu kebijakan dalam memitigasi Risiko Kredit, Bank meminta agunan sebagai jaminan pembayaran atas dana yang diberikan oleh Bank. Bank berprinsip bahwa agunan adalah sumber terakhir dari pelunasan kredit, dimana sumber utama pelunasan kredit adalah dana dari hasil usaha debitur.

Pedoman Bank mengenai agunan antara lain mencakup jenis agunan yang dapat diterima sebagai mitigasi Risiko Kredit, perhitungan rasio jaminan, serta frekuensi penilaian agunan untuk setiap jenis agunan. Penentuan nilai dan jenis agunan yang diminta juga tergantung pada penilaian Risiko Kredit dari debitur.

Collateral and Other Credit Protection

As one of the policies of The Bank in mitigating Credit Risk, The Bank has requested collateral as a guarantee of payment for funds provided by The Bank. The Bank considers that the collateral is the last source of loan repayment, where the main source of loan repayment is the fund generated from the debtor's business.

The Bank's guidance on collateral includes, among other things, types of collateral that can be accepted as Credit Risk mitigation, calculation of colateral coverage ratio, and the frequency of collateral valuation for each type of collateral. The determination of the value and type of collateral required depends also on the assessment of Credit Risk from the debtor.

IDR juta

Bank dan Lembaga Keuangan Lainnya Banks and other Financial Institutions		Perusahaan Company		Ritel Retail		TOTAL	
2017	2016	2017	2016	2017	2016	2017	2016
-	-	-	-	-	-	3.888.038	3.231.563
3.314.446	2.294.992	-	-	-	-	3.314.446	2.294.992
3.936.725	96.480	-	-	-	-	5.135.049	1.850.355
5.980	10.963	-	-	-	-	5.980	10.963
-	-	1.246.406	972.065	-	-	1.519.878	1.170.532
830.040	1.334.345	-	99.957	-	-	6.248.877	6.286.166
671.968	1.076.405	26.134.533	24.853.998	673.626	644.036	35.068.608	33.031.655
21.682	4.142	138.598	158.146	2.717	3.224	243.300	246.301
-	-	6.279.465	2.912.644	359.888	305.603	10.248.418	4.587.096
-	-	618.941	705.806	-		726.454	1.014.818
-	-	4.425.168	5.625.988	375	375	4.486.597	5.892.898
8.780.841	**4.817.327**	**38.843.111**	**35.328.604**	**1.036.606**	**953.238**	**70.885.645**	**59.617.339**
12%	8%	55%	59%	1%	2%	100%	100%

Jenis jaminan yang dapat diterima oleh Bank antara lain deposito berjangka/setoran kas, Standby L/C, tanah dan bangunan (properti - rumah tinggal, komersial, industri, dan dalam konstruksi), tanah kosong, mesin dan peralatan, piutang dagang, persediaan (termasuk komoditi), truk/bis, alat berat, pesawat (untuk tujuan komersil dan charter), kapal, mobil, saham, motor dan jaminan perusahaan atau perorangan. Kondisi, legalitas, peruntukan jaminan (sebagai jaminan pokok, utama, tambahan) serta rasio jaminan telah diatur dalam kebijakan Bank.

The types of collateral that can be received by the Bank include time deposits/cash deposits, Standby L/C, land and buildings (property - residential, commercial, industrial and under construction), vacant land, machinery and equipment, accounts receivable, supplies (including commodities), trucks/buses, heavy equipment, aircrafts (for commercial and charter purposes), ships, automobiles, stocks, motorcycles, and corporate guarantees (individuals). The condition, the legality, collateral purpose (as prime, main, additional collateral) and collateral ratio are regulated in the policy of the Bank.

Untuk kredit atau pembiayaan properti, Bank telah menetapkan rasio *Loan to Value* (LTV), yang merupakan rasio antara nilai kredit yang dapat diberikan oleh Bank terhadap nilai agunan pada saat awal pemberian kredit, sesuai dengan ketentuan oleh Regulator yang berlaku saat ini.

For credit or property financing, the Bank has established a Loan to Value (LTV) ratio, which is the ratio between the credit value that may be granted by the Bank to the value of the collateral at the beginning of the crediting period, in accordance with the provisions of the current regulator.

Tabel berikut menyajikan komposisi kredit yang diberikan (sebelum penyisihan kerugian penurunan nilai) yang mendapatkan manfaat dari agunan, baik sebagian maupun penuh, sebagai mitigasi dari Risiko Kredit:

The following table sets forth the composition of the loans (before allowance for impairment losses) that benefits from collateral, either partially or in full, as mitigation of Credit Risk:

Agunan dan Perlindungan Kredit Lainnya
Collateral and Other Credit Protection

IDR juta | IDR million

Uraian Items	Nilai kredit yang diberikan sebelum penyisihan kerugian penurunan nilai Balance of loans receivable before allowance for impairment losses		Jenis Agunan Type of Collateral
	2017	2016	
Dijamin penuh Fully secured	4.589.695	4.126.283	Kas, Standby L/C
Dijamin sebagian Partially secured	25.591.568	22.559.032	Kas, piutang dagang, tanah dan bangunan, aset bergerak, garansi Cash, account receivables, land and properties, moveable assets, guarantees
Tidak memiliki jaminan Unsecured	5.483.069	6.767.329	
TOTAL	**35.664.332**	**33.452.644**	

Dalam menghitung persentase di atas, taksiran nilai agunan yang melebihi nilai bruto kredit akan disesuaikan menjadi sama dengan nilai bruto. Hal ini sesuai dengan pola pemulihan dari agunan ketika suatu kredit menjadi macet.

In calculating the above percentages, the estimated value of the collateral that exceeds the gross amount of the credit will be adjusted to be equal to the gross value. This corresponds to the recovery pattern of the collateral in the event of unperformed credit.

KUALITAS ASET KEUANGAN

Bank memiliki kebijakan untuk memelihara secara akurat dan konsisten peringkat risiko seluruh portofolio aset keuangan. Hal ini akan memfasilitasi fokus manajemen risiko atas risiko yang ada dan perbandingan eksposur kredit di seluruh lini bisnis, daerah geografis, dan produk. Sistem peringkat ini didukung oleh berbagai analisa keuangan, dikombinasikan dengan informasi pasar yang telah diolah untuk menyediakan masukan utama untuk pengukuran risiko pihak lawan.

QUALITY OF FINANCIAL ASSETS

The Bank has a policy to maintain accurate and consistent risk ratings throughout the portfolio of financial assets. This will facilitate the focus of risk management on existing risks and comparison of credit exposures across business lines, geographic areas, and products. This ranking system is supported by a variety of financial analyses, combined with market information that has been processed to provide key inputs for counter-party risk measurement.

FUNGSI PENGENDALIAN SEBELUM DAN SETELAH PENCAIRAN KREDIT

Fungsi pengendalian pada proses sebelum pencairan bertujuan untuk memastikan kelengkapan dokumen, pemenuhan syarat dan ketentuan yang telah ditetapkan serta kepatuhan debitur yang merupakan pemeriksaan umum awal sebelum pencairan dilakukan. Penatausahaan dokumentasi dan administrasi yang baik akan menempatkan Bank pada posisi yang kuat pada saat terjadi tuntutan hukum yang harus diperhitungkan dengan baik, sehingga tidak ada keraguan dalam legalitas dokumen.

Tidak hanya pengendalian sebelum pencairan kredit, pemantauan dan pemeriksaan setelah kredit direalisasi juga merupakan hal penting yang harus dilakukan. Oleh sebab itu, Bank mewajibkan adanya kunjungan rutin ke Nasabah, melakukan pemeriksaan pasca realisasi kredit berdasarkan pemeriksaan umum dan khusus serta mendokumentasikannya dalam arsip *credit files*.

Pemeriksaan umum antara lain meliputi kesesuaian penggunaan fasilitas dengan perjanjian kredit, situasi perkembangan usaha, aset dan kewajiban debitur, aktivitas rekening debitur dan perkembangan pasar dari debitur.

CONTROL FUNCTIONS PRE AND POST CREDIT DISBURSEMENT

The control function of the process prior to disbursement aims to ensure the completeness of the documents, the fulfillment of the terms and conditions established and the compliance of the debtor which is the initial general verification before the disbursement takes place. Proper administration of documentation and administration will place The Bank in a strong position in the event of a lawsuit that must be taken into account as well, so that there is no doubt in the legality of the document.

It is not just control before credit disbursement. Monitoring and after-credit checks are also important. Therefore, the Bank requires regular visits to customers, conducting post-disbursement checking based on general and special checking and documenting them in credit files.

General examinations include, among others, the appropriateness of the use of facilities with credit agreements, business development situations, debtor assets and liabilities, debtor account activities and market developments of debtors.

EVALUASI PENURUNAN NILAI

Pertimbangan utama evaluasi penurunan nilai kredit yang diberikan antara lain adalah kualitas aset kredit, kondisi keuangan dan prospek usaha debitur. Bank melakukan evaluasi penurunan nilai dalam dua pendekatan:

Evaluasi penurunan nilai secara individual

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk setiap kredit yang signifikan secara individual dan memiliki bukti obyektif penurunan nilai kredit. Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain mencakup keberlanjutan rencana bisnis debitur, kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas. Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan kecuali terdapat beberapa kondisi yang mengharuskan adanya perhatian lebih. Penilaian individu dilakukan berdasarkan metode *discounted cash flow*.

Evaluasi penurunan nilai secara kolektif

Evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual dan kredit yang diberikan yang dinilai secara individual namun tidak terdapat bukti objektif mengenai penurunan nilai. Pendekatan yang digunakan untuk penilaian kolektif didasarkan pada data yang dapat diobservasi dan mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, terkait dengan kelompok aset keuangan seperti memburuknya status pembayaran debitur atau penerbit dalam kelompok tersebut atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

EVALUATION OF IMPAIRMENT

The main consideration of the evaluation of the loan impairment are the quality of credit assets, financial condition and business prospects of the debtor. The Bank evaluates impairment in two approaches:

Evaluating impairment individually

The Bank determines the allowance for impairment losses individually for each loan that is individually significant and has objective evidence of impairment of the credit score. Matters considered in determining the allowance for impairment losses include the sustainability of the debtor's business plan, the ability of the debtor to improve performance in the face of financial difficulties, the projected revenue and expenditure in the event of bankruptcy, the availability of other financial support, the value of collateral that can be realized, and the expected time of cash flows. Allowance for impairment losses is evaluated on every reporting date, unless there are certain conditions that require more attention. Individual assessment is based on discounted cash flow method.

Evaluation of impairment collectively

Evaluation of allowance for impairment losses is collectively carried out on loans that are not individually significant and the loans granted are individually assessed but there is no objective evidence of impairment. The approach used for collective valuation is based on observable data and indicates a measurable decline in the estimated future cash flows associated with a group of financial assets such as the deterioration in the payment status of the debtor or the issuer in that group or the economic conditions that are correlated with the default asset in the group.

Tabel di bawah menunjukkan kualitas aset keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai, telah jatuh tempo tetapi tidak mengalami penurunan nilai, dan yang mengalami penurunan nilai:

The table below shows the quality of financial assets that have not matured and are not impaired, are due but not impaired, and are impaired:

Kualitas Aset Keuangan
Financial Asset Quality

IDR juta | IDR million

Uraian Items	Belum Jatuh Tempo dan tidak Mengalami Penurunan Nilai Neither past due nor impaired		Telah Jatuh Tempo Tetapi tidak Mengalami Penurunan Nilai Past due but not Impaired		Mengalami Penurunan Nilai Impaired		Penyisihan Kerugian Penurunan Nilai Allowance for impairment losses		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Giro pada Bank Indonesia Current Accounts at Bank Indonesia	3.888.038	3.231.563	-	-	-	-	-	-	3.888.038	3.231.563
Giro pada bank-bank lain Current Accounts at other banks	3.314.446	2.294.992	-	-	-	-	-	-	3.314.446	2.294.992
Penempatan pada Bank Indonesia dan bank-bank lain Placements at Bank Indonesia and other banks	5.135.049	1.850.355	-	-	-	-	-	-	5.135.049	1.850.355
Aset derivatif Derivative Assets	5.980	10.963	-	-	-	-	-	-	5.980	10.963
Tagihan akseptasi Acceptance Bill	1.519.078	1.169.558	800	974	-	-	-	-	1.519.878	1.170.532
Surat berharga untuk tujuan investasi Securities for Investment Purpose	6.248.877	6.286. 166	-	-	-	-	-	-	6.248.877	6.286.166
Kredit yang diberikan Loans	30.497.824	29.234.436	114.735	72.269	5.051.773	4.145.939	(595.724)	(420.989)	35.068.608	33.031.655
Aset lain-lain Other Assets	211.254	216.075	2.737	523	29.309	34.560	-	-	243.300	251.158
TOTAL	**50.820.546**	**44.294.108**	**118.272**	**73.766**	**5.081.082**	**4.180.499**	**(595.724)**	**(420.989)**	**55.424.176**	**48.127.354**

Definisi dari kualitas kredit Bank adalah sebagai berikut:

- **Belum jatuh tempo dan tidak mengalami penurunan nilai:** eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang memadai, secara umum direfleksikan dengan pembayaran komitmen terhadap Bank dan kreditur lainnya secara tepat waktu. Sumber pembayaran dapat diidentifikasikan secara jelas dan Bank tidak bergantung pada jaminan untuk penyelesaian komitmen masa datang. Hal ini pada umumnya untuk debitur korporasi dengan kualitas kredit peringkat satu sesuai klasifikasi Bank Indonesia dan kredit konsumen yang tidak mengalami keterlambatan pembayaran;
- **Telah jatuh tempo tetapi tidak mengalami penurunan nilai:** eksposur dimana Nasabah dalam tahap awal dari keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran atau pembayaran tidak penuh, sesuai dengan persyaratan kontraktual dalam perjanjian kredit. Hal ini pada umumnya untuk debitur korporasi dengan peringkat dua sesuai klasifikasi peraturan dari Regulator. Definisi ini tidak termasuk kredit restrukturisasi yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat dua;
- **Mengalami penurunan nilai:** eksposur telah mengalami penurunan nilai. Bank mempertimbangkan bahwa Nasabah tidak mungkin membayar kewajiban kredit secara penuh, atau pemulihannya akan bertumpu pada realisasi agunan apabila ada, termasuk juga kredit restrukturisasi yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat 1 dan 2. Selain itu, pada umumnya merupakan debitur korporasi dengan peringkat 3 - 5 sesuai klasifikasi peraturan dari Regulator. Pertimbangan utama atas penilaian penurunan kualitas kredit mencakup keterlambatan pembayaran pokok atau bunga atau kesulitan aliran kas yang dialami oleh debitur/pihak lawan, penurunan peringkat kredit, atau pelanggaran atas persyaratan perjanjian kredit.

The definition of credit quality of the Bank is as follows:

- **Not due and is not impaired:** exposures indicate high or stable earnings, adequate capital and liquidity, generally reflected by payment of commitments to Banks and other creditors in a timely manner. The source of payment can be clearly identified and the Bank does not rely on collateral for future commitment settlement. This is generally the case for corporate borrowers with a credit rating of one rank according to the classification of Bank Indonesia and consumer loans with no deliquency;
- **Past due but is not impaired**: exposure where the customer is in the early stages of late payment and has failed to make payment or make partial payment, in accordance with the contractual terms in the credit agreement. This is generally for corporate debtors with a rating of two according to the regulatory classification of the regulator. This definition does not include credit restructuring that is impaired but has a credit rating of two;
- **Impaired**: exposure has been impaired. The Bank considers that either the debtor is unlikely to pay full credit obligations, or the recovery will be from realization of collateral, if any, including restructuring credit which is impaired but has a credit quality rating of 1 and 2. In addition, it is generally a corporate debtor with rating 3-5 according to regulatory classification. The main consideration of the assesment of declining credit quality includes the late payment of principal or interest or cash flow difficulties experienced by the debtor/counterpart, credit rating downgrade, or breach of the terms of the credit agreement.

Secara berkala Bank ICBC Indonesia melakukan self-assessment terhadap profil risiko Bank guna terus menjaga kelangsungan pertumbuhan usaha Bank yang berbasis pada Good Corporate Governance.
In regular basis, Bank ICBC Indonesia continuously conducted self-assessment on the risk profile to ensure the Bank's business growth which relies on Good Corporate Governance.

RISIKO PASAR

Risiko Pasar adalah risiko terjadinya perubahan harga pasar, seperti tingkat suku bunga dan nilai tukar valuta asing, yang akan mempengaruhi pendapatan Bank atau nilai dari instrumen keuangan yang dimilikinya. Tujuan dari manajemen Risiko Pasar adalah untuk mengelola dan mengendalikan eksposur Risiko Pasar dalam parameter yang dapat diterima, dan secara bersamaan mengoptimalkan hasil pengembalian atas risiko yang diterima. Penerapan manajemen Risiko Pasar Bank meliputi Risiko Suku Bunga dan Risiko Nilai Tukar yang timbul baik dari posisi *trading book* maupun posisi *banking book*.

MARKET RISK

Market risk is the risk of changes in market prices, such as interest rates and foreign exchange rates, which will affect the Bank's income or the value of its financial instruments. The objective of Market Risk management is to manage and control Market Risk exposures within acceptable parameters, while simultaneously optimizing returns on the risks. Implementation of The Bank's Market Risk Management includes Interest Rate Risk and Exchange Rate Risk arising both from trading book positions and banking book positions.

RISIKO SUKU BUNGA

Risiko Suku Bunga timbul dari adanya kemungkinan bahwa perubahan tingkat suku bunga akan mempengaruhi aliran kas di masa depan atau nilai wajar instrumen keuangan. Posisi ini dipantau secara bulanan untuk memastikan bahwa posisi tersebut dapat dikelola oleh Bank.

Pengelolaan Risiko Suku Bunga dilakukan dengan pemantauan sensitivitas aset dan liabilitas keuangan Bank atas berbagai skenario suku bunga. Tabel di bawah ini menyajikan aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) Bank pada nilai tercatat, yang dikategorikan menurut mana yang lebih terdahulu antara tanggal *re-pricing* atau tanggal jatuh tempo kontraktual:

INTEREST RATE RISK

Interest Rate Risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. This position is monitored on a monthly basis to ensure that the position can be managed by the Bank.

Interest Rate Risk Management is performed by monitoring the sensitivity of Bank's assets and liabilities over various interest rate scenarios. The table below presents the Bank's interest-bearing cash assets and liabilities at carrying amounts, which are categorized according to whichever is earlier between the re-pricing or contractual maturity dates:

Instrumen dengan Tingkat Suku Bunga Mengambang
Interest Rate Risk based on Floating Rate Instruments

IDR juta | IDR million

Uraian Items	Nilai Tercatat Carrying Amount		Hingga 3 bulan Up to 3 months		3-12 bulan 3-12 months		> 1 tahun > 1 year	
	2017	2016	2017	2016	2017	2016	2017	2016
Giro pada bank-bank lain* Current accounts at other banks	3.314.446	2.294.992	-	-	-	-	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placements at Bank Indonesia and other banks	5.135.049	1.850.355	-	-	-	-	-	-
Kredit yang diberikan* Loans	35.664.332	33.452.644	14.226.764	13.604.554	18.789.761	18.155.959	-	-
Surat berharga untuk tujuan investasi Securities for Investment purpose	6.248.877	6.266.166	-	-	-	-	-	-
SUB TOTAL	**50.362.704**	**43.884.157**	**14.226.764**	**13.604.554**	**18.789.761**	**18.155.959**	**-**	**-**
Simpanan Nasabah Deposits from Customers	(32.864.123)	(24.748.652)	(5.927.233)	(5.175.529)	-	(198)	-	(236)
Simpanan dari bank-bank lain Deposits at other banks	(4.235.045)	(5.216.120)	(1.224)	(673.625)	-	-	-	-
Efek-efek yang dijual dengan janji dibeli kembali Securities Sold Under Agreement to Repurchase	(88.979)	(263.690)	-	-	-	-	-	-
Pinjaman yang diterima Borrowings	(2.858.866)	(4.002.850)	(2.180.491)	(943.075)	(678.375)	(1.212.525)	-	-
Surat berharga yang diterbitkan Securities Issued	(6.783.641)	(6.969.670)	(6.783.641)	(6.734.754)	-	-	-	-
Pinjaman subordinasi Subordinated Loans	(1.153.238)	(1.145.163)	(1.153.238)	(1.145.163)	-	-	-	-
SUB TOTAL	**(47.983.892)**	**(42.346.145)**	**(16.045.827)**	**(14.672.146)**	**(678.375)**	**(1.212.723)**	**-**	**(236)**
TOTAL	**2.378.812**	**1.538.012**	**(1.819.063)**	**(1.067.592)**	**18.111.386**	**16.943.236**	**-**	**(236)**

* Sebelum dikurangi penyisihan kerugian penurunan nilai | Before allowance for impairment losses

Instrumen dengan Tingkat Suku Bunga Tetap
Interest Rate Risk based on Fixed Rate Instruments

IDR juta | IDR million

Uraian Items	Nilai Tercatat Carrying Amount		Hingga 3 bulan Up to 3 months		3-12 bulan 3-12 months		> 1-2 tahun > 1-2 years		> 2 tahun > 2 years	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Giro pada bank-bank lain* Current accounts at other banks	3.314.446	2.294.992	3.314.446	2.294.992	-	-	-	-	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placements at Bank Indonesia and other banks	5.135.049	1.850.355	2.950.681	1.819.368	2.184.368	30.987	-	-	-	-
Kredit yang diberikan* Loans	35.664.332	33.452.644	7.448	19.998	21.620	77.423	3.448	15.024	2.615.291	1.579.686
Surat berharga untuk tujuan investasi Securities for Investment purpose	6.248.877	6.266.166	1.771.720	1.356.374	2.544.781	2.083.007	631.850	1.060.184	1.300.526	1.786.601
SUB TOTAL	**50.362.704**	**43.884.157**	**8.044.295**	**5.490.732**	**4.750.769**	**2.191.417**	**635.298**	**1.075.208**	**3.915.817**	**3.366.287**
Simpanan Nasabah Deposits from Customers	(32.864.123)	(24.748.652)	(18.758.286)	(17.374.986)	(8.166.936)	(2.188.930)	(4.205)	(3.046)	(7.463)	(5.727)
Simpanan dari bank-bank lain Deposits at other banks	(4.235.045)	(5.216.120)	(2.196.171)	(4.539.970)	(2.037.650)	(2.525)	-	-	-	-
Efek-efek yang dijual dengan janji dibeli kembali Securities Sold Under Agreement to Repurchase	(88.979)	(263.690)	(88.979)	(263.690)	-	-	-	-	-	-
Pinjaman yang diterima Borrowings	(2.858.866)	(4.002.850)	-	(500.000)	-	(1.347.250)	-	-	-	-
Surat berharga yang diterbitkan Securities Issued	(6.783.641)	(6.969.670)	-	-	-	(234.916)	-	-	-	-
Pinjaman subordinasi Subordinated Loans	(1.153.238)	(1.145.163)	-	-	-	-	-	-	-	-
SUB TOTAL	**(47.983.892)**	**(42.346.145)**	**(21.043.436)**	**(22.678.646)**	**(10.204.586)**	**(3.773.621)**	**(4.205)**	**(3.046)**	**(7.463)**	**(5.727)**
TOTAL	**2.378.812**	**1.538.012**	**(12.999.141)**	**(17.187.914)**	**(5.453.817)**	**(1.582.204)**	**631.093**	**1.072.162**	**3.908.354**	**3.360.560**

* Sebelum dikurangi penyisihan kerugian penurunan nilai | Before allowance for impairment losses

Berdasarkan perjanjian kredit dengan debitur/Nasabah, Bank berhak mengubah besaran suku bunga sewaktu-waktu atas dasar pertimbangan Bank, kecuali untuk kredit-kredit tertentu yang sudah ditetapkan jangka waktu *repricing*.

Based on the credit agreement with the debtor/customer, The Bank has the right to change the interest rate at any time based on the consideration of The Bank, except for certain credits that the repricing period have been set.

RISIKO NILAI TUKAR

Risiko Nilai Tukar merupakan risiko dimana nilai instrumen keuangan akan berfluktuasi karena perubahan kurs nilai tukar. Bank telah menetapkan batasan posisi berdasarkan mata uang yang dipantau secara harian untuk memastikan bahwa posisi tersebut tetap berada dalam batasan yang telah ditetapkan.

Bank memiliki eksposur risiko mata uang melalui transaksi dalam mata uang asing. Bank memonitor konsentrasi risiko yang terkait dengan tiap mata uang individual sehubungan dengan penjabaran transaksi, aset moneter dan liabilitas moneter dalam mata uang asing ke dalam mata uang fungsional Bank, yaitu IDR.

Perhitungan Posisi Devisa Neto (PDN) dilakukan berdasarkan peraturan dari Regulator yang berlaku, Bank diwajibkan untuk menjaga PDN secara keseluruhan maksimum 20% dari total modal.

PDN pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

EXCHANGE RATE RISK

Exchange Rate Risk represents the risk that the value of a financial instrument will fluctuate due to changes in the exchange rate. The Bank has set position limits on the basis of the currency monitored on a daily basis to ensure that the position remains within the prescribed limits.

The Bank has exposure to currency risk through transactions denominated in foreign currency. The Bank monitors the concentration of risk associated with each individual currency in respect of translation of foreign currency transaction and monetary assets and liabilities into the Bank's functional currency, which is IDR.

Calculation of Net Open Position (NOP) is based on regulations from prevailing regulators. Bank is required to keep the total NOP at a maximum of 20% of total capital.

The NOP as of December 31, 2017 and 2016 is as follows:

Perhitungan Posisi Devisa Neto
Net Open Position Calculation

IDR juta | IDR million

Mata uang Currency	Keseluruhan (Laporan Posisi Keuangan dan Rekening Administratif) Aggregate (Statement of Financial Position and off- Balance Sheet Accounts)					
	Aset Assets		Liabilitas Liabilities		Posisi Devisa Neto (Nilai Absolut) Net Open Position (Absolute Amount)	
	2017	2016	2017	2016	2017	2016
Dolar Amerika Serikat | US dolllar	33.666.415	27.493.789	33.696.501	27.471.731	30.086	22.058
Yuan Tiongkok | Chinese Yuan	1.602.930	1.320.079	1.597.899	1.319.279	5.031	800
Euro Eropa | Euro	12.584	11.387	12.487	11.422	97	35
Dolar Singapura | Singapore dollar	40.416	43.115	40.173	43.184	243	69
Dolar Australia | Australian dollar	11.460	17.111	11.139	17.104	321	7
Dolar Hong Kong | Hong Kong dollar	2.284	3.389	1.026	1.295	1.258	2.094
Poundsterling Inggris | British Poundserling	4.254	5.199	4.283	5.095	29	104
Yen Jepang | Japan Yen	1.004	8.428	542	8.631	462	203
Dolar Selandia Baru | New Zealand dollar	1.449	375	1.021	410	428	35
Total					**37.955**	**25.405**
Jumlah Modal | Total Capital					**6.704.664**	**5.271.315**
Rasio PDN (Keseluruhan) | NOP Ratio (Aggregate)					**0,57%**	**0,48%**

Fungsi manajemen Risiko Pasar diterapkan secara independen, antara lain, dengan terdapatnya pemisahan yang jelas antara tugas dan tanggung jawab setiap pihak yang terkait Risiko Pasar. Departemen Global Market (*front office*) sebagai unit bisnis mengelola Risiko Pasar secara harian, Unit *Settlement Center* (*back office*) melakukan fungsi *settlement*, dan Departemen Manajemen Risiko (*middle office*) sebagai pihak yang independen memastikan pengelolaan Risiko Pasar sesuai dengan limit yang telah ditetapkan. Limit yang ditetapkan telah dipantau secara berkala dan telah berjalan dengan baik, antara lain, pemantauan atas limit *dealer*, limit *stop loss*, *Management Action Triggers* (MATs), limit *counterparty*, limit *off market*, telah dilakukan secara harian. Limit ini dikaji ulang secara berkala.

The Market Risk management function is applied independently, among others, clear separation the duties and responsibilities of each Party related to Market Risk. The Global Markets Department (front office) serves as a business unit to manage Market Risk on a daily basis, the Settlement Center Unit (back office) performs the settlement function, and the Risk Management Departmen middle office is an independent party that ensures Market Risk management in accordance with predetermined limits. The specified limit has been monitored periodically and has been running well. The monitoring of dealer limits, stop loss limits, Management Action Triggers (MATs), counterparty unit, off-market limit have been done on a daily basis. These limits are reviewed regularly.

RISIKO LIKUIDITAS

Risiko Likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan, tanpa mengganggu aktivitas dan kondisi keuangan Bank.

Risiko Likuiditas diukur melalui, antara lain, rasio aset likuid, rasio cadangan sekunder, *Loan To Deposit Ratio* (LDR), rasio deposan besar, profil maturitas, *Liquidity Coverage Ratio* (LCR). Pengendalian Risiko Likuiditas dilakukan dengan menetapkan limit-limit yang mengacu pada ketentuan Regulator maupun internal serta menetapkan indikator peringatan dini.

Bank senantiasa mempertahankan aset likuid pada tingkat yang dipandang aman, memperkecil ketergantungan pada deposan besar, dan memastikan bahwa Bank dapat memperoleh akses sumber pendanaan baik pada kondisi normal maupun krisis. Sedangkan pengendalian Risiko Likuiditas dilakukan melalui strategi pendanaan, pengelolaan posisi likuiditas dan Risiko Likuiditas harian, pengelolaan aset likuid yang berkualitas tinggi, dan rencana pendanaan darurat.

LIQUIDITY RISK

Liquidity Risk is a risk due to the inability of the Bank to meet the maturity liabilities of sources from cash flow and/or of high quality liquid assets that can be mortgaged, without disrupting the activities and financial condition of the Bank.

Liquidity risk is measured through, among others, the ratio of liquid assets, the ratio of secondary reserves, Loan To Deposit Ratio (LDR), the ratio of large depositors, maturity profile, Liquidity Coverage Ratio (LCR). Liquidity Risk Control is carried out by setting limits that refer to both regulatory and internal provisions and establishing early warning indicators.

The Bank continues to maintain liquid assets at a level that is deemed safe, minimize dependence on large depositors, and ensure that the Bank can obtain access to financing sources in both normal and crisis conditions. Liquidity Risk control is conducted through funding strategy, liquidity position management and daily Liquidity Risk, high quality liquid asset management, and contigency funding plan.

Nilai Nominal Bruto Arus Kas Masuk (Keluar) Berdasarkan Sisa Jatuh Tempo Kontraktual Liabilitas Keuangan
Gross Nominal Value Cash Flow Entry

Uraian Description	Nilai Tercatat Carrying Amount		Nilai Nominal Bruto Arus Kas Masuk (Keluar) Gross Nominal Value Cash Flow Entry	
	2017	2016	2017	2016
Liabilitas Non-Derivatif | Non-Derivative Liabilities				
Liabilitas segera | Liabilities Immediately	6.544	2.000	(6.544)	(2.000)
Simpanan Nasabah | Deposits from Customers	33.044.505	24.748.652	(33.377.746)	(24.883.102)
Simpanan dari bank-bank lain | Deposits from other banks	4.235.045	5.216.120	(4.248.461)	(4.209.506)
Efek-efek yang dijual dengan janji dibeli kembali Securities Sold under Agreement to Repurchase	88.979	263.690	(89.429)	(263.928)
Liabilitas akseptasi | Acceptance Liabilities	1.519.878	1.170.532	(1.519.878)	(1.170.532)
Pinjaman yang diterima | Borrowings	2.858.866	4.002.850	(2.979.308)	(5.172.041)
Efek-efek yang diterbitkan | Securities Issued	6.783.641	6.969.670	(6.833.569)	(6.971.004)
Pinjaman subordinasi | Subordinated Loans	1.153.238	1.145.163	(1.279.794)	(1.258.017)
Liabilitas lain-lain | Other Liabilities	172.454	135.151	(172.454)	(135.151)
TOTAL LIABILITAS NON-DERIVATIF TOTAL NON-DERIVATIVE LIABILITIES	**49.863.150**	**43.653.828**	**(50.507.183)**	**(44.065.281)**
Liabilitas Derivatif | Derivative Liabilities				
Diperdagangkan | Traded	2.865	5.494	-	-
Arus kas keluar | Cash outflows	-	-	(3.279.144)	(1.200.597)
Arus kas masuk | Cash inflows	-	-	3.276.279	1.195.502
TOTAL LIABILITAS DERIVATIF TOTAL DERIVATIVE LIABILITIES	**2.865**	**5.494**	**(2.865)**	**(5.095)**
TOTAL LIABILITAS NON-DERIVATIF DAN LIABILITAS DERIVATIF TOTAL NON DERIVATIVE AND DERIVATIVE LIABILITIES	**49.866.015**	**43.659.322**	**(50.510.048)**	**(44.070.376)**

Sisa Jatuh Tempo Kontraktual dari Liabilitas Keuangan

Per 31 Desember 2017, nilai nominal bruto arus kas masuk (arus kas keluar) berdasarkan sisa jatuh tempo kontraktual liabilitas keuangan adalah seperti tabel di atas. Nilai nominal arus kas masuk (arus kas keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan. Arus kas atas instrumen keuangan yang diharapkan Bank bervariasi secara signifikan dari analisa ini. Sebagai contoh, simpanan diharapkan memiliki saldo yang stabil atau meningkat atau fasilitas kredit kepada Nasabah yang belum digunakan (*committed*) tidak seluruhnya diharapkan untuk segera digunakan.

Contractual Remaining Maturity of Financial Liabilities

As of December 31, 2017, the gross nominal value of cash inflows (out) based on the remaining maturity of contractual financial liabilities is as the table below. The nominal value of the cash inflows (outflows) disclosed in the above table presents an discontinued contractual cash flow related to the principal and interest of the financial liabilities. The cash flows on the financial instruments the Bank expects will vary significantly from this analysis. For example, savings are expected to have a stable or increased balance or unused credit facilities to customers not expected to be used immediately.

IDR juta | IDR million

Kurang dari 3 bulan Less than 3 months		3-12 bulan 3-12 months		1-5 tahun 1-5 years		Lebih dari 5 tahun More than 5 years	
2017	2016	2017	2016	2017	2016	2017	2016
(6.544)	(2.000)	-	-	-	-	-	-
(24.896.182)	(22.574.324)	(8.459.188)	(2.300.544)	(22.376)	(8.234)	-	-
(2.879.958)	(4.208.833)	(1.368.503)	(2.673)	-	-	-	-
(89.429)	(263.928)	-	-	-	-	-	-
(761.007)	(659.951)	(758.871)	(510.581)	-	-	-	-
(3.630)	(1.809.945)	(2.238.651)	(2.625.141)	(737.027)	(736.955)	-	-
(6.833.569)	(46.221)	-	(359.427)	-	(6.565.356)	-	-
(7.383)	(5.021)	(22.116)	(14.997)	(426.286)	(406.558)	(824.009)	(831.441)
(172.454)	(135.151)	-	-	-	-	-	-
(35.650.156)	**(29.708.469)**	**(12.847.329)**	**(5.813.363)**	**(1.185.689)**	**(7.717.103)**	**(824.009)**	**(831.441)**
(3.279.144)	(1.200.597)	-	-	-	-	-	-
3.276.279	1.195.502	-	-	-	-	-	-
(2.865)	**(5.095)**	**-**	**-**	**-**	**-**	**-**	**-**
(35.653.021)	**(34.826.468)**	**(12.847.329)**	**(6.562.705)**	**(1.185.689)**	**(12.196.864)**	**(824.009)**	**(1.979.151)**

RISIKO OPERASIONAL

Risiko Operasional adalah risiko yang dapat timbul akibat ketidakcukupan dan/atau tidak berfungsinya proses internal, *human error*, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank. Risiko Operasional melekat pada semua aktivitas Bank, kegiatan operasional dan produk Bank. Kegagalan mengelola Risiko Operasional dapat menyebabkan kerugian finansial, mempengaruhi keselamatan karyawan dan reputasi Bank.

OPERATIONAL RISK

Operational Risks are risks that may arise due to inadequacy and/or a malfunction of internal processes, human errors, system failures, and/or the presence of external events affecting the Bank's operations. Operational Risk is inherent in all Bank activities, operational activities and Bank products. Failure to manage Operational Risk can cause financial loss, affecting employee safety and reputation of the Bank.

Bank mengelola Risiko Operasional secara aktif dan konsisten dengan menerapkan prinsip kehati-hatian pada setiap kegiatan usaha Bank dan seluruh unit bisnis terkait. Pelaksanaan penilaian terhadap Risiko Operasional dilakukan Bank pada semua aktivitas fungsional secara komprehensif. Penilaian terhadap Risiko Operasional dilakukan atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren mencakup karakteristik dan kompleksitas bisnis, sumber daya manusia, teknologi informasi dan infrastruktur pendukung, *fraud* dan kejadian eksternal seperti terorisme, pandemik, dan bencana alam.

The Bank manages the Operational Risk actively and consistently by applying prudential principles to every business activity of the Bank and all related business units. Implementation of the assessment of Operational Risk is done by The Bank on all functional activities in a comprehensive manner. Assessment of Operational Risk is conducted on the assessment of inherent risk and the quality of risk management implementation. The parameters used as the basis for inherent risk assessment include the characteristics and complexity of business, human resources, information technology and supporting infrastructure, fraud and external events such as terrorism, pandemics, and natural disasters.

Unit-unit pengambil risiko berperan sebagai lini pertahanan lapis pertama dalam pengelolaan Risiko Operasional sehari-hari. Lini pertahanan lapis kedua meliputi fungsi-fungsi pendukung, seperti manajemen risiko, kepatuhan. Masing-masing fungsi ini, bersama dengan unit-unit bisnis, memastikan bahwa risiko di unit bisnis telah diidentifikasi dan dikelola dengan tepat.

Risk taking units serve as the first line of defense in day-to-day of Operational Risk management. The second line of defense includes support functions, such as risk management, compliance. Each of these functions, together with business units, ensures that risks in the business unit have been properly identified and managed.

Fungsi-fungsi bisnis pendukung bekerjasama untuk membantu menentukan strategi, menerapkan kebijakan dan prosedur Bank, dan mengumpulkan informasi untuk menyusun risiko Bank secara keseluruhan. Sementara itu, pengawasan independen yang dilakukan oleh Audit Internal sebagai lini pertahanan ketiga secara independen menilai efektivitas proses yang dilakukan oleh lini pertahanan pertama dan kedua dan memastikan kecukupan proses tersebut.

The support business functions work together to help to determine strategies, implement Bank policies and procedures, and collect information to provide risk of The Bank as a whole. Meanwhile, independent monitoring conducted by the Internal Audit as a third line of defense independently assesses the effectiveness of the processes conducted by the first and second line of defense and ensures the adequacy of the process.

Penerapan manajemen Risiko Operasional dilakukan melalui penyusunan dan penetapan kebijakan dan prosedur tertulis untuk setiap aktivitas operasional Bank, mengembangkan budaya organisasi yang sadar terhadap Risiko Operasional, memperkuat aspek keamanan dan kehandalan operasi teknologi informasi sehingga kesalahan manusia, *fraud*, kesalahan proses, dan potensi kegagalan sistem yang menyebabkan terganggunya kelangsungan usaha dapat ditekan dan dimitigasi lebih dini.

The implementation of Operational Risk management is conducted through the preparation and stipulation of written policies and procedures for each operational activity of The Bank, developing organizational culture to have awareness of Operational Risk, strengthening security and reliability aspects of information technology operations so that human error, fraud, process error and potential failure systems that cause disruption of business continuity can be suppressed and mitigated earlier.

Bank juga mengembangkan pemantauan secara berkala oleh Departemen Manajemen Risiko terhadap hasil penilaian sendiri yang dilakukan unit-unit pengambil risiko atas Risiko Operasional yang melekat pada areanya masing-masing untuk mendeteksi secara dini dan melakukan pencegahan terhadap timbulnya Risiko Operasional, serta *Business Continuity Management*, untuk memastikan kemampuan Bank untuk tetap beroperasi jika terjadi bencana.

The Bank also develops periodic monitoring by the Risk Management Department on self-assessment results conducted by Risk Takers Units for Operational Risk inherent to their respective areas for early detection and prevention of operational risk, as well as Business Continuity Management, to ensure the Bank's ability to remain operational in the event of a disaster.

RISIKO HUKUM

Risiko Hukum adalah risiko yang timbul akibat tuntutan hukum dan/atau kelemahan aspek yuridis, diantaranya akibat kelemahan perikatan yang dilakukan oleh Bank, ketiadaan dan/atau perubahan peraturan perundang-undangan yang menyebabkan suatu transaksi yang telah dilakukan oleh Bank menjadi tidak sesuai dengan ketentuan yang ada dan proses litigasi baik yang timbul dari gugatan pihak ketiga maupun Bank terhadap pihak ketiga.

Penerapan manajemen Risiko Hukum dilakukan melalui penerapan kebijakan manajemen Risiko Hukum, prosedur dan pedoman yang terkait dengan hukum untuk mengawasi pengelolaan Risiko Hukum yang disesuaikan dengan strategi bisnis Bank dan peraturan atau perundangan yang berlaku, termasuk peninjauan dokumentasi, standarisasi dokumen dan prosedur, penggunaan konsultan hukum, pengelolaan proses litigasi dan proses evaluasi atas produk atau layanan baru.

Departemen Hukum berfungsi sebagai penasehat dan melalui fungsinya sebagai ahli hukum mengidentifikasi Risiko Hukum pada produk/aktivitas dan perjanjian. Kejadian proses litigasi termasuk potensi kerugian dikelola sebagai sebuah parameter dalam mengukur Risiko Hukum yang didukung oleh pencatatan dan penatausahaan yang memadai.

Departemen Hukum melakukan pengkajian secara rutin atas kontrak dan perjanjian antara Bank dan pihak lain, termasuk tetapi tidak terbatas pada pengkajian ulang dan memastikan validitas atas hak dan kewajiban di dalam kontrak dan perjanjian terpenuhi. Departemen Hukum juga melakukan pemantauan secara berkala terhadap pengkinian perjanjian hukum dan tindak lanjut penyimpangan dokumen hukum.

Peran serta Departemen Legal dalam berbagai aktivitas pengendalian di dalam Bank, seperti tinjauan aktivitas/produk baru, tinjauan kebijakan, prosedur dan proses operasional merupakan bagian untuk memastikan kecukupan dari pengendalian Risiko Hukum.

LEGAL RISK

Legal Risk is the risk arising from lawsuits and/or weakness of juridical aspect, such as due to weakness of legal binding conducted by Bank, the absence and/or change of regulation legislation causing a transaction that has been done by Bank to be inconsistent with existing provisions, and litigation process process either arising from any third party lawsuits or the Bank against any third party.

The implementation of Legal Risk management is conducted through the application of Legal Risk management policies, legal procedures and guidelines to oversee the management of Legal Risk adapted to the Bank's business strategy and applicable laws and regulations, including documentation review, standardization of documents and procedures, use of legal consultants, litigation process management and evaluation process of new products or services.

Legal Department functions as an adviser and through its function as a legal expert identifying the Legal Risk on products/activities and agreements. The litigation process incidents including potential losses are managed as a parameter in measuring Legal Risk supported by adequate records and administration.

Legal Department conducts regular review of contracts and agreements between The Bank and other parties, including but not limited to reviewing and ensuring the validity of the rights and obligations in the contracts and agreements are met. Legal Department also conducts periodic monitoring of legal agreement updates and follows up on irregularities of legal documents.

The Role of the Legal Department in various control activities within the Bank, such as new product/activity reviews, policy review, operational procedures and processes are part of ensuring the adequacy of Legal Risk control.

RISIKO STRATEJIK

Risiko Stratejik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan stratejik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Risiko Stratejik merupakan potensi dari efek samping pada pendapatan (*earning*) yang muncul dari perubahan kondisi kegiatan usaha, seperti keadaan pasar, perilaku Nasabah, kemajuan teknologi, serta keputusan strategi yang kurang baik.

Risiko Stratejik dapat disebabkan oleh kelemahan dan ketidaktepatan dalam perumusan strategi, sistem informasi manajemen yang kurang memadai, analisa lingkungan internal dan eksternal yang kurang memadai, ketidaktepatan dalam implementasi strategi dan kegagalan mengantisipasi perubahan lingkungan bisnis. Dalam rangka mendukung perumusan strategi Bank, Bank telah mempersiapkan perkembangan teknologi yang dituangkan dalam rencana strategis IT dan terus meningkatkan kemampuan organisasi dibidang sumber daya manusia.

Bank memiliki rencana bisnis tertulis yang mencakup strategi selama tiga tahun yang akan dikaji ulang dan diperbaharui setiap tahun. Rencana bisnis tersebut disusun sesuai dengan visi dan misi Bank dan dengan mempertimbangkan kondisi internal (kekuatan dan kelemahan Bank), perkembangan faktor-faktor/kondisi-kondisi eksternal yang secara langsung atau tidak langsung dapat mempengaruhi strategi usaha Bank, dan strategi yang diambil untuk mencapai tujuan kegiatan usaha Bank.

Laporan rencana bisnis dibandingkan dengan realisasi pencapaian secara berkala dilaporkan kepada Direksi dan Dewan Komisaris dalam rangka mengevaluasi pelaksanaan Rencana Bisnis, dimana Risiko Stratejik diidentifikasi dan langkah-langkah perbaikan akan diambil apabila terjadi penyimpangan.

Laporan realisasi berkala kepada Regulator setiap triwulan menggambarkan realisasi berbanding dengan rencana bisnis, diikuti dengan penjelasan dari variasi-variasi yang ada. Laporan profil Risiko Stratejik disiapkan setiap triwulan oleh Departemen Manajemen Strategis dan Transformasi bersama dengan Departemen Manajemen Risiko untuk mengidentifikasi dan mengevaluasi perkembangan rencana stratejik berdasarkan parameter yang telah ditentukan.

STRATEGIC RISK

Strategic Risk is the risk due to inaccuracy in the taking and/or execution of a strategic decision as well as failure in anticipating changes in the business environment. Strategic Risk is the potential of side-effects on earnings arising from changing business conditions, such as market conditions, customer behavior, technological advances, and unfavorable strategic decisions.

Strategic risks can be caused by weakness and inaccuracy in the formulation of strategies, inadequate management information systems, inadequate internal and external environment analyzes, inaccuracy in strategy implementation and failure to anticipate changes in the business environment. In order to support the Bank's strategy formulation, the Bank has prepared technological developments as outlined in the IT strategic plan and continues to improve its organizational capability in the field of human resources.

The Bank has a written business plan covering a three-year strategy that will be reviewed and updated annually. The business plan is structured according to the Bank's vision and mission and taking into account the internal conditions (strengths and weaknesses of the Bank), the development of external factors/conditions that directly or indirectly affect the Bank's business strategy, and the strategies taken to achieve the objectives business activities of the Bank.

The business plan report compared to the achievements realized is periodically reported to the Board of Directors and the Board of Commissioners in order to evaluate the implementation of the Business Plan. Strategic Risk is identified and corrective measures will be taken in the event of any deviation.

Regular realization reports to the regulators on a quarterly basis illustrate the realization compared to the business plan, followed by an explanation of the variations. The Strategic Risk profile report is prepared quarterly by the Strategy Management and Transformation Office Department in conjunction with the Risk Management Department to identify and evaluate the progress of strategic plans based on predetermined parameters.

RISIKO KEPATUHAN

Risiko Kepatuhan merupakan risiko yang disebabkan oleh karena Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku. Dalam mengelola Risiko Kepatuhan, Bank berpedoman pada Kebijakan dan Prosedur Kepatuhan. Untuk menjalankan fungsi kepatuhan secara efektif, Bank telah memiliki Departemen Kepatuhan dan Departemen *Anti Money Laundering/Countering Financing of Terrorism* (AML/CFT) yang kompeten, serta Kebijakan Kepatuhan dan Prosedur Sistem Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme yang mencakup proses identifikasi, pengukuran, pemantauan, pengendalian dan pelaporan Risiko Kepatuhan.

Dalam hal terjadi pelanggaran, Bank melakukan identifikasi penyebab terjadinya pelanggaran dan mengambil tindakan perbaikan untuk mencegah terjadinya pelanggaran yang sama di masa mendatang. Departemen Kepatuhan juga memastikan kepatuhan terhadap kebijakan, prosedur, sistem dan bisnis yang dimiliki oleh Bank, dan menjaga pelaksanaan komitmen kepada Regulator.

COMPLIANCE RISK

Compliance Risk is a risk caused by the Bank's failure to comply with and/or not enforce the applicable laws and regulations. In managing Compliance Risk, The Bank is guided by Compliance Policy and Procedure. To perform compliance functions effectively, the Bank has a Compliance Department and Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) Department, as well as the Compliance Policy and Anti-Money Laundering and Counter-Terrorism Financing System Procedure covering the process of identification, measurement, monitoring, controlling and reporting Compliance Risk.

In the event of a violation, the Bank identifies the cause of the violation and takes corrective action to prevent the occurrence of the same violation in the future. The Compliance Department also ensures compliance with the Bank's policies, procedures, systems and businesses, and maintains the implementation of its commitments to regulators.

RISIKO REPUTASI

Risiko Reputasi adalah risiko akibat menurunnya tingkat kepercayaan Pemangku Kepentingan yang bersumber dari persepsi negatif terhadap Bank. Kunci pengelolaan Risiko Reputasi di Bank berhubungan dengan kepatuhan terhadap peraturan-peraturan, penanganan yang tepat terhadap keluhan-keluhan Nasabah, dan pelaksanaan pengujian kesesuaian Nasabah terhadap produk yang ditawarkan.

Dalam mengelola Risiko Reputasi Bank, kerangka kerja manajemen Risiko Reputasi telah dibuat untuk memastikan Risiko Reputasi dalam Bank telah diidentifikasi dengan baik, diukur, dipantau, dikendalikan, dan dilaporkan secara konsisten. Sebagai bagian dari pengelolaan Risiko Reputasi, Bank memiliki *call center* yang bertanggung jawab untuk menyediakan informasi komprehensif kepada Nasabah dan pemilik kepentingan Bank lainnya, serta menangani permintaan dan keluhan Nasabah.

REPUTATION RISK

Reputation Risk is the risk that comes due to the decreasing of Stakeholders trust level pertaining to negative perception towards Bank. The key to Reputation Risk management at The Bank relates to compliance with regulations, the proper handling of customer complaints, and the implementation of customer conformity testing on the products offered.

In managing the Reputation Risk of The Bank, the Reputation Risk management framework has been established to ensure that Reputation Risk within the Bank has been properly identified, measured, monitored, controlled, and reported consistently. As part of Reputation Risk management, the Bank has a call center responsible for providing comprehensive information to customers and other Bank interest owners, as well as handling customer requests and complaints.

Pemantauan terhadap media cetak, jejaring sosial, internet, maupun media lainnya, dilakukan agar dapat segera diambil langkah-langkah yang diperlukan sekiranya terdapat pemberitaan yang memiliki dampak negatif terhadap Bank. Bank telah memiliki Kebijakan tentang transparansi kondisi keuangan dan non-keuangan Bank yang dipublikasikan secara berkala untuk memberikan informasi yang komprehensif kepada Pemangku Kepentingan Bank.

Monitoring of print media, social networking, internet, and other media, is conducted in order to immediately take the necessary steps if there is any news that has a negative impact on The Bank. The Bank has a policy on transparent financial and non-financial condition of the Bank which is published periodically to provide comprehensive information to Stakeholders of the Bank.

PENGELOLAAN PERMODALAN

Sasaran utama atas kebijakan pengelolaan permodalan yang dilakukan oleh Bank adalah untuk mematuhi ketentuan permodalan eksternal yang berlaku dan untuk mempertahankan rasio permodalan yang sehat agar dapat mendukung usaha dan memaksimalkan nilai bagi Pemegang Saham.

Bank mengelola struktur modal dan melakukan penyesuaian atas struktur tersebut terhadap perubahan kondisi ekonomi dan karakteristik risiko aktivitasnya. Untuk mempertahankan atau menyesuaikan struktur modal tersebut, Bank melakukan antara lain penambahan setoran modal inti dari Pemegang Saham dan memperoleh pinjaman subordinasi.

Bank telah mematuhi semua persyaratan modal yang ditetapkan sepanjang periode pelaporan. Kewajiban Penyediaan Modal Minimum (KPMM) Bank dengan memperhitungkan Risiko Kredit, Risiko Operasional, dan Risiko Pasar adalah sebagai berikut:

CAPITAL MANAGEMENT

The main objective of the capital management policy undertaken by The Bank is to comply with applicable external capital requirements and to maintain a healthy capital ratio in order to support the business and maximize value for Shareholders.

The Bank manages the capital structure and adjusts the structure to changes in economic conditions and risk characteristics of its activities. To maintain or adjust the capital structure, the Bank makes, among other things, the addition of core capital contribution from the Shareholders and obtains a subordinated loan.

The Bank has complied with all capital requirements set out throughout the reporting period. The Minimum Capital Requirement (KPMM) of the Bank taking into account Credit Risk, Operational Risk and Market Risk are as follows:

Kewajiban Penyediaan Modal Minimum (KPMM) Bank
Bank's Capital Adequacy Ratio (CAR)

IDR juta | IDR million

Komponen | Component	2017	2016
Modal Tier 1 | Tier Capital 1	5.339.836	3.886.700
Modal Tier 2 | Tier Capital 2	1.364.828	1.384.615
Jumlah Modal | Total Capital	6.704.664	5.271.315
ATMR untuk risiko kredit setelah memperhitungkan risiko spesifik | RWA for credit risks after considering specific risks	35.400.416	31.281.460
ATMR untuk risiko operasional | RWA for Operational Risk	2.409.396	1.905.901
ATMR untuk risiko pasar | RWA for market risk	37.957	39.230
Jumlah ATMR untuk risiko kredit, pasar, dan operasional | Total RWA for crdit, market and operational	37.847.769	33.226.591
Rasio CET 1 | CET 1 Ratio	14,11%	11,70%
Rasio Tier 1 | Tier 1 Ratio	14,11%	11,70%
Rasio Tier 2 | Tier 2 Ratio	3,61%	4,16%
Rasio Total | Total Ratio	17,72%	15,86%
KPMM minimum | Minimum CAR	9% - 10%	9% - 10%
Capital conservation buffer	1,25%	-
Countercyclical buffer	0%	0%
Capital surcharge	-	-

PROSES PERHITUNGAN KECUKUPAN MODAL INTERNAL (ICAAP)

Bank telah melakukan perhitungan Kecukupan Modal Internal (ICAAP) untuk menetapkan kecukupan modal sesuai dengan profil risikonya, dan menetapkan strategi untuk memelihara tingkat permodalan.

Kecukupan modal minimum sesuai profil risiko bertujuan untuk mengantisipasi potensi kerugian yang antara lain timbul dari Aset Tertimbang Menurut Risiko (ATMR) yang telah memperhitungkan Risiko Kredit, Risiko Pasar, dan Risiko Operasional. Selain itu, kecukupan modal minimum juga bertujuan mengantisipasi potensi kerugian di masa mendatang dari risiko-risiko yang belum sepenuhnya diperhitungkan dalam ATMR tersebut, antara lain Risiko Konsentrasi, Risiko Likuiditas, Risiko Suku Bunga pada *Banking Book*, Risiko Hukum, Risiko Kepatuhan, Risiko Stratejik, dan Risiko Reputasi serta untuk mengantisipasi dampak penerapan skenario *stress-test* terhadap kecukupan modal Bank.

PROCESS CALCULATION OF INTERNAL CAPITAL ADEQUACY (ICAAP)

The Bank has calculated the Internal Capital Adequacy (ICAAP) to determine the adequacy of capital in accordance with its risk profile, and establishes a strategy to maintain the capital level.

The minimum capital adequacy according to the risk profile aims to anticipate potential losses arising from, among others, Risk Weighted Assets (ATMR) which have taken into account Credit Risk, Market Risk and Operational Risk. In addition, the minimum capital adequacy also aims to anticipate potential future losses from risks not yet fully accounted for in the Risk Weighted Assets, such as Concentration Risk, Liquidity Risk, Interest Rate Risk in Banking Book, Legal Risk, Compliance Risk, Strategic Risk, and Reputation Risk, as well as to anticipate the impact of the implementation of stress test scenario on the capital adequacy of The Bank.

KAJI ULANG TERHADAP PENERAPAN MANAJEMEN RISIKO

Bank melakukan kaji ulang penerapan manajemen risiko melalui evaluasi secara internal dan eksternal, yang antara lain bertujuan untuk menilai keandalan kerangka manajemen risiko, yang mencakup kebijakan dan prosedur, struktur organisasi, alokasi sumber daya, desain proses manajemen risiko, sistem informasi dan pelaporan risiko.

Secara internal, Satuan Kerja Audit Intern secara rutin melakukan kaji ulang dan audit terhadap penerapan manajemen risiko Bank berdasarkan prinsip *risk-based audit* dengan tujuan bukan saja sebagai pengendalian internal namun juga untuk perbaikan penerapan manajemen risiko secara terus menerus. Komite Pemantau Risiko melakukan kajian dan evaluasi atas kebijakan dan pelaksanaan manajemen risiko Bank, serta memberikan masukan dan rekomendasi kepada Dewan Komisaris dalam rangka melaksanaan fungsi pengawasan. Secara eksternal, kaji ulang penerapan manajemen risiko dilakukan oleh auditor eksternal maupun pemeriksaan Otoritas Jasa Keuangan (OJK).

REVIEWING THE IMPLEMENTATION OF RISK MANAGEMENT

The Bank reviews the implementation of risk management through internal and external evaluations, which aims at assessing the reliability of the risk management framework, including policies and procedures, organizational structure, resource allocation, risk management process design, information systems and risk reporting.

Internally, the Internal Audit Department regularly reviews and audits the application of risk management of The Bank based on the principle of risk-based audit with the objective not only as internal control but also for continuous improvement of risk management implementation. The Risk Monitoring Committee reviews and evaluates the policies and implementation of risk management of The Bank, and provides input and recommendation to the Board of Commissioners in order to implement supervisory functions. Externally, reviews of risk management implementation are performed by external auditors as well as by examinations from the Financial Services Authority (OJK).

SERTIFIKASI MANAJEMEN RISIKO

Bank telah melakukan pemantauan atas pelaksanaan kewajiban sertifikasi manajemen risiko pada seluruh unit kerja Bank, sebagai alat untuk meningkatkan kompetensi dan keahlian pengelolaan risiko.

RISK MANAGEMENT CERTIFICATION

The Bank has conducted monitoring on the implementation of risk management certification obligations in all of the The Bank's work units. This was done as a tool to improve competency and risk management expertise.

Sertifikasi Manajemen Risiko Risk Management Certification	Jumlah Karyawan yang Telah Tersertifikasi Number of employees that have been certified
Tingkat 1 | Level 1	169
Tingkat 2 | Level 2	180
Tingkat 3 | Level 3	71
Tingkat 4 | Level 3	39
Tingkat 5 | Level 5	11
TOTAL	**470**

PROFIL DAN MITIGASI RISIKO

Penilaian terhadap profil risiko dilakukan setiap triwulan yang dilaporkan kepada Direksi, Dewan Komisaris dan Regulator. Penilaian tersebut ditempuh dengan menggabungkan risiko yang melekat (*inherent risk*) dengan kualitas penerapan manajemen risiko.

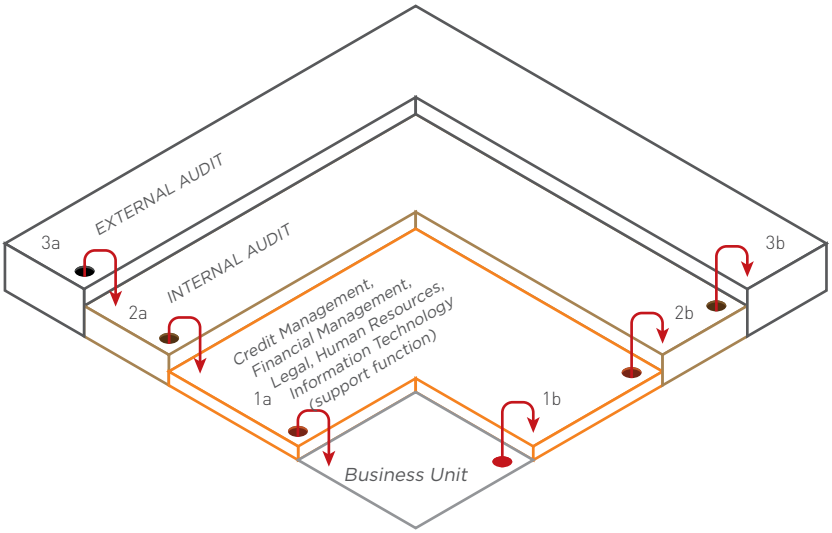
Berdasarkan penilaian profil risiko per 31 Desember 2017, risiko inheren memiliki peringkat *low to moderate* dan kualitas penerapan manajemen risiko memiliki peringkat *satisfactory* sehingga risiko komposit Bank adalah *low to moderate*.

PROFILE AND RISK MITIGATION

An assessment of the risk profile is performed quarterly to the Board of Directors, Board of Commissioners and regulators. The assessment is done by combining inherent risk with the quality of risk management implementation.

Based on risk profile assessments as of December 31, 2017, the Bank's inherent risk has "low to moderate" rating and the quality of risk management implementation has "satisfactory" rating, so the risk of ICBC Indonesia composite is "low to moderate".

SISTEM PENGENDALIAN INTERNAL
INTERNAL CONTROL SYSTEM



1a.
Diskusi/Pelatihan Kebijakan dan Prosedur Kepatuhan
Compliance Opinion, Sharing/ Training, Policy and Procedure

1b.
Laporan Hasil Audit Internal
Internal Audit Report, Sharing the Scope of Audit

2a.
Laporan Hasil Audit Internal, Penilaian terhadap Kualitas Penerapan Manajemen Risiko, Laporan Kejadian Fraud, Laporan Hasil Audit Eksternal
Internal Audit Report, Assessment on the QRMI, Fraud Event/ Investigation, Guest Auditor

2b.
Laporan Hasil Audit Bank Indonesia/ Otoritas Jasa Keuangan, Laporan RCSA/ Laporan Kejadian Risiko, Laporan *Risk Officer, Off-Site Data*
BI/ OJK Audit Report, RCSA/ RER/ Risk Officer Report, ICU Report, Other Off-site Data

3a.
Ruang Lingkup
Sharing Audit Scope

3b.
Laporan Kejadian *Risk Control Self-assessment* (RCSA)
Incident Reporting, RCSA

Pada prinsipnya, sistem pengendalian internal terkandung dalam seluruh aktivitas dan diseluruh unit kerja. Dewan Komisaris dan Direksi bertanggung jawab penuh untuk mengawasi dan melaksanakan kerangka kerja sistem pengendalian internal yang diterapkan di Bank, dan untuk mengusulkan perubahan jika diperlukan. Bank telah membentuk tiga lapis *assurance* guna memastikan sistem pengendalian internal berjalan sesuai fungsinya.

In principle, the internal control system is contained in all activities and throughout all work units. The Board of Commissioners and the Board of Directors are fully responsible for overseeing and implementing the internal control system framework implemented at the Bank, and to propose changes where appropriate. The Bank has established three layers of assurance to ensure the internal control system is functioning accordingly.

Unit bisnis/pendukung/operasional yang ada di Cabang dan Kantor Pusat adalah lapis pertama *assurance*. Lapis kedua *assurance* adalah fungsi pendukung seperti manajemen risiko, kepatuhan, legal, sumber daya manusia, keuangan, operasional, dan teknologi.

Lapisan ketiga *assurance* adalah fungsi audit internal yang secara independen menilai efektivitas proses yang diciptakan di lapisan pertama dan kedua, serta memberikan *assurance* yang memadai atas seluruh aktivitas dan unit kerja.

SISTEM PENGENDALIAN KEUANGAN DAN OPERASIONAL

Sistem Pengendalian Internal ditetapkan oleh Direksi dengan persetujuan Dewan Komisaris. Penerapan sistem pengendalian yang efektif dilakukan secara berkesinambungan dengan tujuan sebagai berikut:

- Menjaga dan mengamankan harta kekayaan Bank.
- Menjamin tersedianya laporan yang lebih akurat.
- Meningkatkan kepatuhan terhadap ketentuan yang berlaku.
- Mengurangi dampak keuangan/kerugian, penyimpangan termasuk kecurangan/*fraud*, dan pelanggaran terhadap prinsip kehati-hatian.
- Meningkatkan efektivitas organisasi dan efisiensi biaya.

PENILAIAN TERHADAP EFEKTIVITAS PENGENDALIAN INTERNAL

Manajemen bertanggung jawab atas terselenggaranya sistem pengendalian internal yang handal dan efektif serta berkewajiban untuk meningkatkan budaya risiko (*risk culture*) yang efektif, dan wajib memastikan bahwa hal tersebut telah melekat di setiap jenjang organisasi. Departemen *Internal Audit* (DIA) bertanggung jawab mengevaluasi dan berperan aktif dalam meningkatkan efektivitas sistem pengendalian internal secara berkesinambungan berkaitan dengan pelaksanaan operasional Bank dalam mencapai sasaran yang telah ditetapkan Bank. Departemen *Internal Audit* melakukan audit secara periodik terhadap seluruh aktivitas di unit kerja. Hasil audit disampaikan kepada Manajemen untuk ditindaklanjuti dan di-*monitor* pelaksanaannya. Hal ini dilakukan untuk memastikan sistem pengendalian internal berjalan secara efektif.

Business/support/operational units in the branch and head office serves as the first layer of assurance. The second layer of assurance is a support function such as Risk Management, Compliance, Legal, Human Resources, Financial Management, Operations, and Information Technology.

The third layer of assurance is an internal audit function that independently assesses the effectiveness of processes created in the first and second layers, and provides adequate assurance of all activities and work units.

FINANCIAL AND OPERATIONAL CONTROL SYSTEMS

The Internal Control System is established by the Board of Directors with the approval of the Board of Commissioners. Implementation of effective control systems is carried out continuously with the following objectives:

- Maintain and secure the Bank's assets.
- Ensure more accurate reporting.
- Improve compliance with applicable regulations.
- Reduce financial/disadvantageous impacts, irregularities, including cheating/fraud, and violation of prudential principles.
- Improve organizational effectiveness and cost efficiency.

ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROLS

The management is responsible for the implementation of a reliable and effective internal control system and is obliged to promote an effective risk culture, and must ensure that it is inherent at every level of the organization. The Internal Audit Department is responsible for evaluating and taking an active role in improving the effectiveness of the internal control system on an ongoing basis in relation to the Bank's operational implementation in achieving the objectives set by the Bank. The Internal Audit Department conducts periodic audits of all activities in the work unit. Audit results are submitted to Management for follow-up and monitored for implementation. This is done to ensure the internal control system runs effectively.

FUNGSI KEPATUHAN(*COMPLIANCE*)

Untuk memenuhi ketentuan dalam Peraturan Otoritas Jasa Keuangan No. 55/POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum, Bank telah menetapkan serangkaian Pedoman *Compliance* yang antara lain berupa:

Piagam *Compliance*

Piagam *Compliance* merupakan standar formal yang berisi prinsip-prinsip dasar, kewenangan, tugas dan tanggung jawab fungsi *compliance* dalam organisasi, dan jalur pelaporan antara Direksi, Dewan Komisaris dan Otoritas Jasa Keuangan (OJK) selaku pengawas Bank.

Pernyataan *Compliance*

Pernyataan *Compliance* berisi kesanggupan setiap karyawan Bank untuk bertanggung jawab dan patuh pada Kode Etik Perilaku; kebijakan, prosedur, dan pedoman internal; Peraturan Bank Indonesia dan OJK; serta peraturan dan perundang-undangan yang berlaku sesuai dengan lingkup pekerjaan karyawan yang bersangkutan.

Kebijakan *Compliance*

Kebijakan *Compliance* merupakan ketentuan yang mendefinisikan peran *Compliance* didalam Bank. Kebijakan ini diterbitkan dalam rangka memitigasi risiko pada aktifitas bisnis Bank (tindakan preventif (*ex-ante*)).

COMPLIANCE CHARTER

To comply with the provisions of the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks, The Bank has established a series of Compliance Guidelines, which include:

Compliance Charter

The Compliance Charter is a formal standard that contains the basic principles, authorities, duties and responsibilities of the Compliance Function within the organization, and the reporting line between the Board of Directors, the Board of Commissioners and the Financial Services Authority (OJK) as the Bank's supervisor.

Compliance Statement

The Compliance Statement contains the ability of every Bank employee to be responsible and adhere to the Code of Conduct; internal policies, procedures and guidelines; Bank Indonesia and OJK Regulations; as well as applicable laws and regulations in accordance with the scope of work of the employees concerned.

Compliance Policy

]The Compliance Policy is a provision that defines Compliance's role within the Bank. This policy is published in order to mitigate the risks to the Bank's business activities (ex-ante).

KESESUAIAN DENGAN COSO

Sistem pengendalian internal Bank disusun secara terintegrasi dan telah sesuai dengan metode yang diterbitkan oleh *Committee of Sponsoring Organization of the Treadway Commission* (COSO) dan kepatuhan terhadapan regulasi yang berlaku.

COMPATIBILITY WITH COSO

The internal control system of The Bank is developed in an integrated manner and is in accordance with the method published by the Committee of Sponsoring Organization of the Treadway Commission (COSO) and is in compliance with prevailing regulations.

PERKARA PENTING
LEGAL ISSUES

PERMASALAHAN HUKUM

Perkembangan jumlah permasalahan dan/atau perkara hukum serta litigasi yang dihadapi Bank dalam 3 (tiga) tahun terakhir adalah sebagai berikut:

LEGAL ISSUES

The development of the number of issues and/or legal and litigation issues faced by the Bank in the last 3 (three) years is as follows:

Permasalahan Hukum Legal Issues	2017		2016		2015	
	Perdata Civil	Pidana Criminal	Perdata Civil	Pidana Criminal	Perdata Civil	Pidana Criminal
Selesai (Telah mempunyai kekuatan hukum tetap) Completed (Has valid legal force)	1	-	4	-	-	-
Dalam proses penyelesaian In the process of settlement	5	-	-	-	2	-
TOTAL	**6**	**-**	**4**	**-**	**2**	**-**

Selama tahun 2017 terdapat 5 (lima) perkara yang dihadapi Bank. Permasalahan hukum tersebut dilaksanakan melalui proses yang berlaku di Indonesia dengan penuh kesadaran sebagai bentuk kepatuhan hukum. Bank senantiasa berkomitmen untuk memberikan kerjasama yang baik dalam proses penyelesaian permasalahan hukum sebagaimana diuraikan dalam tabel berikut ini:

Throughout 2017, there were 5 (five) issues faced by the Bank. The legal issues are resolved through a process that is valid in Indonesia with full awareness as a form of legal compliance. The Bank is always committed to providing good cooperation in the process of resolving legal issues, as can be seen in the following table:

Pihak yang Berperkara Participating Party	Pokok Perkara Subject Matter	Status Perkara Status	Risiko yang dihadapi Bank dan Pengaruhnya Terhadap Bank Risks Faced by the Bank and Its Influence on the Bank	Tindak Lanjut Follow-ups
Tergugat Bank ICBC Indonesia	Perkara No. 19/PDT/2017/PT.Sby Jo. No.251/Pdt.G/2015.PN.Sby Tentang pembatalan sita eksekusi yang diajukan Bank ICBC Indonesia terhadap jaminan debitur On the cancellation of the confiscation by Bank ICBC Indonesia against the debtor's guarantee	Pada September 2017, Bank ICBC Indonesia mengajukan kasasi. Sampai saat ini Bank masih menunggu keputusan kasasi dari Mahkamah Agung. In September 2017, Bank ICBC Indonesia filed an appeal. Until now, the Bank is still waiting for the decision of cassation from the Supreme Court.	Proses eksekusi melalui lelang batal. The process of execution through the auction is off.	Dalam proses di MA. In process at the Supreme Court

Pihak yang Berperkara Participating Party	Pokok Perkara Subject Matter	Status Perkara Status	Risiko yang dihadapi Bank dan Pengaruhnya Terhadap Bank Risks Faced by the Bank and Its Influence on the Bank	Tindak Lanjut Follow-ups
Tergugat Bank ICBC Indonesia	Perkara No. 341/Pdt.G/2016/PN.Bdg Tentang pembatalan sita eksekusi yang diajukan Bank ICBC Indonesia terhadap jaminan debitur. on the cancellation of the confiscation by Bank ICBC Indonesia against the debtor's guarantee.	Penggugat mengajukan kasasi pada tanggal 7 November 2017. Bank sebagai tergugat menyerahkan kontra memori kasasi pada tanggal 15 November 2017. Saat ini masih menunggu keputusan kasasi dari Mahkamah Agung. The plaintiff filed an appeal on November 7, 2017. The Bank as the defendant handed over the counter appeal of cassation on November 15, 2017. It is currently pending the appeal decision of the Supreme Court.	Proses eksekusi melalui lelang batal. The process of execution through the auction is off.	Dalam proses di MA. In process at the Supreme Court
Tergugat II Bank ICBC Indonesia	Perkara No. 04/Pdt.Sus-ActioPauliana/2016/PN.Niaga.JKT.PST Tentang Actio Pauliana atas jual beli yang dilakukan. On Actio Pauliana on the sale and purchase of PT SUSU	Pada tanggal 10 April 2017 tergugat I mengajukan banding atas keputusan dan penggugat telah mengajukan kontra memori kasasi pada tanggal 4 Mei 2017. Saat ini masih dalam proses di Mahkamah Agung. On April 10, 2017, the plaintiff appealed the court's decision and the curator has filed a counter appeal against cassation on May 4, 2017. It is currently in process at the Supreme Court.	Tidak ada (Hutang kepada Bank telah lunas) Sale of debtors' assets against PT SMMF has been revoked by the court.	Dalam proses di MA. In process at the Supreme Court
Tergugat Bank ICBC Indonesia	Perkara No. 256/Pdt.G/2017/PN.JktSel Tentang pembatalan sita eksekusi yang diajukan Bank ICBC Indonesia terhadap penggugat. On the cancellation of the confiscation by Bank ICBC Indonesia against the plaintiff.	Masih dalam proses di Pengadilan Negeri. Still in process at the District Court.	Proses eksekusi melalui lelang batal. The process of execution through the auction is off.	Dalam proses Pengadilan Negeri. In state court process.
Tergugat Bank ICBC Indonesia	Perkara No. 323/PDT.PLW/2017/PN.BDG Tentang gugatan perlawanan pihak ketiga. on third-party resistance claims.	Pada tanggal 24 Agustus 2017 ketua Pengadilan Negeri Bandung telah mengeluarkan penetapan sita eksekusi, namun tertunda karena adanya gugatan perlawanan di Pengadilan Negeri Bandung pada tanggal 23 Agustus 2017. Saat ini masih dalam proses di Pengadilan Negeri. On August 24, 2017 the chairman of the Bandung District Court has issued the seizure of the execution, but was delayed due to a lawsuit against the Bandung District Court on August 23, 2017. It is still in process at the District Court.	Proses eksekusi melalui lelang batal. The process of execution through the auction is off.	Dalam proses Pengadilan Negeri. In the Replik Duplik process.

Untuk Dewan Komisaris dan Direksi, tidak terdapat permasalahan hukum yang melibatkan anggota dari kedua organ tersebut.

Board of Commissioners and the Board of Directors have no legal issues involving members of both organs.

Sanksi Administrasi

Di sepanjang tahun 2017 tidak terdapat sanksi administrasi yang dikenakan oleh otoritas terkait baik kepada Bank maupun kepada anggota Dewan Komisaris dan Direksi.

Administrative Sanctions

Throughout 2017, there have been no administrative sanctions imposed by relevant authorities either to the Bank or to members of the Board of Commissioners or the Board of Directors.

AKSES INFORMASI & DATA BANK
BANK'S INFORMATION & DATA ACCESS

AKSES INFORMASI BANK

Sesuai dengan Undang-Undang Republik Indonesia No. 14 Tahun 2008 tentang Keterbukaan Informasi Publik yang menyatakan bahwa keterbukaan informasi publik merupakan sarana dalam mengoptimalkan pengawasan publik terhadap penyelenggaraan negara dan badan publik lainnya dan segala sesuatu yang berakibat pada kepentingan publik, maka Bank berkomitmen menerapkan prinsip transparansi kepada segenap Pemangku Kepentingan Bank dengan menyediakan akses dan sarana perolehan informasi yang memadai kepada seluruh Pemangku Kepentingan.

Akses informasi dan data Bank kepada publik secara eksternal bisa diakses di situs resmi Bank, media cetak, dan media elektronik lainnya seperti:

BANK INFORMATION ACCESS

Law of the Republic of Indonesia No. 14/2008 on Public Information Disclosure states that public information disclosure is a means to optimize public supervision on the administration of the state and other public bodies and everything that affects the public interest. In accordance with this law, The Bank is committed to applying the principle of transparency to all stakeholders of The Bank by providing access and means of obtaining adequate information to all Stakeholders.

Access to Bank information and data for the public is externally accessible on the Bank's official website, as well as through print media, through the following channels:

Email: customer_care@ina.icbc.com.cn

Website: www.icbc.co.id

Phone: (+62-21) 2355 6000 (hunting)

KETERBUKAAN DALAM KOMUNIKASI EKSTERNAL

Sebagai bentuk transparansi kepada masyarakat, Bank secara berkala menyebarluaskan informasi mengenai aktivitas dan kinerja Bank, yakni sebagai berikut:

DISCLOSURE IN EXTERNAL COMMUNICATION

As a form of transparency towards the public, the Bank periodically disseminates material information on its activities and performance:

Perkembangan Keterbukaan Informasi | Development of Information Disclosure

Bentuk Keterbukaan | Forms of Openness	2017	2016	2015
Iklan Publikasi Pengumuman Lelang | Publication of Advertisements Announcing Auctions	-	-	-
Laporan Tahunan | Annual Reports	1	1	1
Paparan Kinerja Bank ICBC Indonesia | Performance Exposure of Bank ICBC Indonesia to Shareholders	5	6	4
Siaran/Konferensi Pers | Broadcasts/Press Conferences	3	12	7

SITUS

Bank memiliki situs elektronik dengan alamat www.icbc.co.id yang dapat diakses oleh segenap Pemangku Kepentingan. Dalam situs ini disajikan informasi mengenai profil dan sejarah perusahaan, informasi mengenai Manajemen Perusahaan, Produk dan Layanan, Informasi Kinerja Keuangan, serta sejumlah dokumen keterbukaan informasi lainnya.

WEBSITE

The Bank has a website at www.icbc.co.id that is accessible to Shareholders and all other Stakeholders. This website provides information on the company's profile and history, information on Company Management, Products and Services, Financial Performance Information, and other information disclosure documents.

PAPARAN KINERJA

Sepanjang 2017 Bank telah menyampaikan paparan kinerja Kepada Pemegang Saham dan Pemangku Kepentingan sebagai bentuk keterbukaan informasi. Paparan kinerja dilakukan melalui tayangan iklan media massa nasional sebagai berikut:

PERFORMANCE EXPOSURE

Throughout 2017, the Bank has submitted performance exposures to Shareholders and Stakeholders as a form of information disclosure and reporting to Shareholders. Performance exposure is done through national mass media advertisements as follows:

Publikasi Laporan Keuangan | Financial Report Publication

Posisi Keuangan | Financial Position	Tanggal Publikasi | Publication Date	Media
31 Desember | December 2016	30 Maret | March 2017	Bisnis Indonesia
31 Maret | March 2017	13 Mei | May 2017	Bisnis Indonesia
30 Juni | June 2017	15 Agustus | August 2017	Bisnis Indonesia
30 September 2017	06 November 2017	Bisnis Indonesia
31 Desember | December2017 2017	29 Maret | March 2018	Bisnis Indonesia

Publikasi Laporan Keuangan ICBC Limited | ICBC Limited Financial Report Publication

Posisi Keuangan | Financial Position	Tanggal Publikasi | Publication Date	Media
30 Juni 2017	30 Agustus 2017	Bisnis Indonesia

LAPORAN TAHUNAN

Bank menerbitkan laporan tahunan yang merupakan dokumentasi resmi atas pencapaian kinerja Bank di tahun buku. Laporan Tahunan didistribusikan kepada Pemegang Saham dan segenap Pemangku Kepentingan lainnya. Laporan Tahunan Bank tahun 2017 telah didistribusikan kepada Pemegang Saham dan Pemangku Kepentingan serta telah diikutsertakan dalam Annual Report Awards (ARA) yang diselenggarakan oleh Regulator.

ANNUAL REPORT

The Bank publishes an annual report which is the official documentation of the Bank's performance in a financial year. The Annual Report is distributed to Shareholders and all other Stakeholders. The Bank's 2017 Annual Report has been distributed to Shareholders and Stakeholders and has been included in the Annual Report Awards (ARA) organized by regulators.

PENGELOLAAN KOMUNIKASI INTERNAL

Dalam rangka menciptakan iklim komunikasi internal yang kondusif untuk mendukung pencapaian kinerja, Bank senantiasa menciptakan komunikasi dua arah melalui berbagai media komunikasi termasuk:

- Surel
- Situs Internal
- *Newsboard*
- *Digital Signage*

INTERNAL COMMUNICATION MANAGEMENT

In order to create a conducive internal communication climate to support performance achievements, the Bank continues to create two-way communication channels through various communication media, including as follows:

- Electronic Posts
- Internal Site
- Newsboard
- Digital Signage

HUBUNGAN DENGAN PEMANGKU KEPENTINGAN
RELATIONS WITH STAKEHOLDERS

Pemangku Kepentingan adalah pihak-pihak yang memiliki kepentingan dengan Bank baik langsung maupun tidak langsung. Pemangku Kepentingan utama Bank adalah Pemegang Saham yaitu ICBC Ltd. dan PT Intidana Wijaya. Sedangkan Pemangku Kepentingan lainnya antara lain Karyawan, Nasabah, *Vendor* penyedia barang dan Jasa, Pemerintah, Regulator dan Masyarakat.

PRINSIP DASAR

Bank menghormati hak setiap Pemangku Kepentingan yang tercermin dalam kebijakan sebagai berikut:

- Pengelolaan Pemangku Kepentingan diarahkan pada kepentingan bisnis Bank ICBC Indonesia dengan tetap memperhatikan aturan main, dan praktek bisnis yang sehat dan beretika.
- Pengelolaan Pemangku Kepentingan didasarkan pada prinsip-prinsip GCG, yaitu *Transparancy*, *Accountability*, *Responsibility*, *Independency*, dan *Fairness*.

POLA HUBUNGAN DENGAN PEMANGKU KEPENTINGAN

Untuk mencapai keseimbangan dalam pengelolaan Pemangku Kepentingan, Bank harus memperhatikan hak Pemangku Kepentingan yang dapat timbul secara hukum karena peraturan perundangan, perjanjian/kontrak, nilai etika/moral, atau tanggung jawab sosial perusahaan yang tidak bertentangan dengan aturan main Bank, untuk itu:

- Bank mengkomunikasikan hak-hak para Pemangku Kepentingan secara transparan, akurat, dan tepat waktu melalui Sekretaris Perusahaan atau pejabat yang ditunjuk untuk menjadi penghubung antara Perusahaan dengan Pemangku Kepentingan.
- Bank mempunyai mekanisme untuk menampung dan menindaklanjuti saran dan keluhan dari Pemangku Kepentingan.
- Bank mendorong Pemangku Kepentingan ikut berpartisipasi dalam penciptaan iklim yang kondusif untuk mentaati peraturan perundangan yang berlaku.

Stakeholders are parties who have an interest with The Bank either directly or indirectly. The main stakeholders of the Bank are the Shareholders of ICBC Ltd. and PT Intidana Wijaya. Other Stakeholders include employees, customers, vendors of goods and services providers, government, and society.

BASIC PRINCIPLES

The Bank respects the rights of each Stakeholder, as is reflected in the following policies:

- Stakeholder management is directed to Bank ICBC Indonesia's business interests with due regard to the rules of the game, and sound and ethical business practices.
- Stakeholder management is based on GCG principles, namely, transparency, accountability, responsibility, independence, and fairness.

RELATIONSHIP PATTERNS WITH STAKEHOLDERS

In order to achieve a balance in the management of Stakeholders, the Bank takes into account the rights of Stakeholders that may arise legally due to laws, contracts, moral/ethical values, or corporate social responsibility not in conflict with the Bank's rules of conduct. This is done in the following ways:

- The Bank communicates the rights of Stakeholders in a transparent, accurate and timely manner through the Corporate Secretary or through an appointed official to serve as a link between the Company and the Stakeholders.
- The Bank has mechanisms to accommodate and follow up on Stakeholders' suggestions and complaints.
- The Bank encourages Stakeholders to participate in the creation of a conducive climate to comply with applicable laws and regulations.

- Bank memberikan kesempatan kepada masyarakat sekitar untuk bekerja di Bank sepanjang sesuai dengan kebutuhan dan standar mutu yang ditetapkan.

- The Bank provides an opportunity for the surrounding community to work at the Bank as long as it meets the needs and quality standards set.

PENGEMBANGAN KOMUNIKASI DENGAN PEMANGKU KEPENTINGAN

Manfaat optimal dapat tercapai melalui interaksi timbal balik yang saling mendukung antara Bank dengan para Pemangku Kepentingan. Adapun upaya yang dilakukan Bank dalam membangun komunikasi dengan para Pemangku Kepentingan dilaksanakan dengan menggunakan berbagai media, diantaranya sebagai berikut:

DEVELOPMENT OF COMMUNICATION WITH STAKEHOLDERS

Optimal benefits can be achieved through mutual reciprocal interaction between The Bank and Stakeholders. The efforts made by The Bank in establishing communication with Stakeholders are implemented using various media, including as follows:

Pemangku Kepentingan Stakeholders	Pengembangan Sarana Komunikasi How communication is developed
Pemegang Saham | Shareholders	• Rapat Umum Pemegang Saham | General Meeting of Shareholders • Kunjungan Kerja | Work visits • Presentasi Paparan Kinerja | Presentations on the company's work performance • Laporan Tahunan | Annual reports
Regulator	• Kunjungan Kerja | Work visits • Laporan Tahunan | Annual reports
Pemerintah | Government	• Laporan Tahunan | Annual reports
Masyarakat | Society	• Situs | Website • Media Jejaring Sosial Bank ICBC Indonesia | Bank ICBC Indonesia social media • Berita tentang Bank di Media Massa | News about Bank in the mass media • Tanggung Jawab Sosial Perusahaan | Corporate Social Responsibility
Nasabah | Customers	• Situs | Website • Media Jejaring Sosial Bank | The Bank's social media • Petugas Garda Depan | Front guard officers
Lembaga Swadaya Masyarakat Non-governmental organizations	• Laporan Tahunan | Annual reports • Tanggung Jawab Sosial Perusahaan | Corporate social responsibility
Media Massa | Mass media	• Situs | Website • Media Jejaring Sosial Bank ICBC Indonesia | Bank ICBC Indonesia social media • Laporan Tahunan | Annual reports • Pendistribusian Siaran Pers | Distribution of press releases • *Press Gathering* • Wawancara | Interviews
Peer Group Usaha Perbankan (Bank Umum, Bank Devisa) Peer Banking Business Groups (Commercial Bank, Foreign Exchange Bank)	• Asosiasi Industri | Industry Associations • Laporan Tahunan | Annual reports • Studi Banding | Comparative studies
Komunitas Keuangan Financial Community	• Laporan Tahunan | Annual Report
Pesaing | Competitors	• Asosiasi Industri | Industry associations • Laporan Tahunan | Annual Report
Pihak Ketiga (Pemasok) Third Party (Suppliers)	• Pengarahan | Briefing/Aanwijzing
Karyawan | Employees	• Situs Internal | Internal site • Pos Elektronik | Electronic posts

KODE ETIK
CODE OF CONDUCT

BUDAYA PERUSAHAAN
Bank memiliki nilai-nilai, budaya, dan karakter yang menjadi landasan kerja bagi seluruh insan Bank yaitu:

INTEGRITY
Bertindak sesuai dengan norma dan etika serta bertanggung jawab terhadap tindakan yang dilakukan.

COMMITMENT
Melakukan yang terbaik untuk mencapai standar tertinggi melalui inovasi dan perbaikan berkelanjutan.

BELONGING
Semangat kebersamaan untuk mencapai tujuan.

CARE & RESPECT
Peduli dan empati, menghargai satu sama lain.

LANDASAN PENERAPAN KODE ETIK

Untuk dapat menjalankan fungsinya dengan baik, dan memelihara kepercayaan masyarakat umum, termasuk para Pemangku Kepentingan terhadap Bank, setiap karyawan wajib melaksanakan tugasnya dengan kejujuran, integritas, tidak memihak, tanpa perlakuan istimewa dari pihak manapun, dan bertindak sesuai dengan ketentuan yang berlaku. Oleh karena itu , diperlukan penetapan standar kode etik yang baik.

KODE ETIK BANK
Bank telah memiliki *Code of Conduct* (Kode Etik). Tujuan Kode Etik adalah diharapkan agar seluruh karyawan Bank dapat selalu bersikap hati-hati, cermat dan cerdas saat menghadapi hal-hal yang berpotensi menimbulkan risiko yang dapat merugikan Bank (memiliki *Risk Awareness*).

CORPORATE CULTURE
The Bank has the following values, culture, and character that has served as the foundation of work for all Bank insiders:

INTEGRITY
Acting in accordance with norms and ethics and taking responsibility for actions taken.

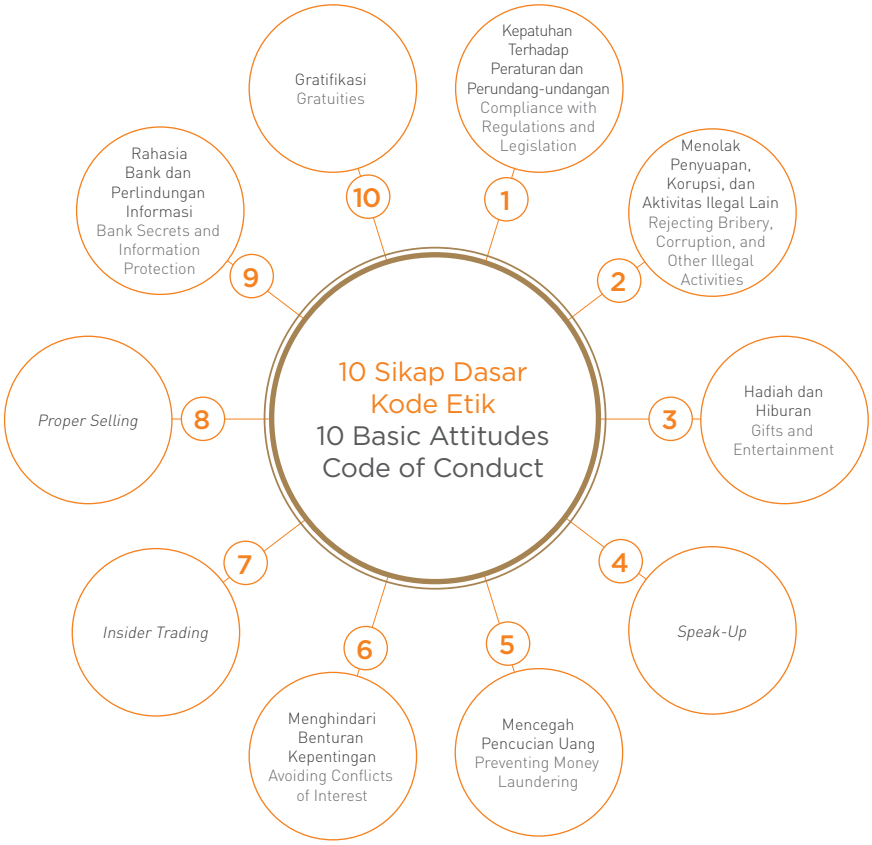
COMMITMENT
Doing our best to achieve the highest standards through continuous innovation and improvement.

BELONGING
The spirit of togetherness to achieve goals.

CARE & RESPECT
Caring and empathy, and respecting each other.

PLATFORM FOR IMPLEMENTING A CODE OF CONDUCT
To be able to perform its functions well, and maintain the trust of the general public, including Stakeholders of The Bank, it is important that each employee performs his duties with honesty, integrity, impartiality, without any preferential treatment of any party. It is also important that they act in accordance with applicable provisions. As such, it is necessary to establish good banking practice standards that all Bank employees can comply with.

BANK CODE OF CONDUCT
The Bank already has a Code of Conduct that allows it to carry out its code of ethics and business ethics. The purpose of the Code of Conduct is as follows: It is expected that all Bank employees are always cautious, meticulous and intelligent when faced with potential risks that may harm the Bank (Risk Awareness).



Kode Etik Bank berlaku bersama dengan Peraturan Internal Bank, Peraturan Pemerintah dan Undang-Undang yang berlaku, dan sama sekali tidak dimaksud untuk menggantikannya karena tidak semua hal tercakup di dalam Kode Etik, karyawan diharapkan selalu dapat bertindak dan berperilaku atas pertimbangan baik dan benar, serta bila diperlukan mendiskusikannya dengan atasan jika timbul keraguan dalam bertindak dan berperilaku.

Kode Etik Bank sebagaimana tertuang dalam Kode Etik memuat 10 (sepuluh) sikap dasar sebagaimana diuraikan di bawah ini:

1. **Mematuhi Peraturan Internal Bank, Peraturan Regulator dan Peraturan Perundangan Lain yang Berlaku.**
   Karyawan mewakili dan menjaga reputasi Bank, sehingga karyawan harus memahami dan mengenal seluruh peraturan dan ketentuan yang berlaku yang terkait dengan departemennya. Jika terdapat keraguan, karyawan harus berkonsultasi dengan rekan-rekan yang berpengalaman pada departemen Kepatuhan, Sumber Daya Manusia, Hukum atau departemen terkait lainnya sesegera mungkin. Pelanggaran terhadap Undang-Undang dan Peraturan dapat dikenakan sanksi sesuai dengan peraturan yang berlaku.

The Bank's Code of Conduct applies in conjunction with Bank Internal Regulations, Government Regulations and applicable Laws, and is not intended to replace them as not all are covered by the Code. Employees are expected to always act and behave in good and right manners, and when necessary discuss things with superiors when there is doubt in acting and behaving.

The Bank's Code of Conduct as set out in the Code of Conduct contains 10 (ten) basic attitudes as outlined below:

1. **Compliance with the Bank's Internal Rule, Bank Indonesia Regulation and Other Applicable Laws.**
   Employees represent and maintain the Bank's reputation, so employees must understand and understand all applicable rules and regulations related to their department. In case of doubt, employees should consult with experienced colleagues in the Compliance, Human Resources, Legal, MI and Accounting and Financial Management departments as soon as possible. Violations of the Law and Regulations may be subject to sanctions in accordance with applicable regulations.

2. Menolak Penyuapan, Korupsi, dan Aktivitas Ilegal Lain

Penyuapan dan korupsi merusak bisnis serta nilai-nilai yang dijunjung. Bank menentang segala bentuk penyuapan dan korupsi. Karyawan dilarang melakukan penyuapan, korupsi, dan kegiatan illegal apapun untuk keuntungan material atau sesuatu yang berharga.

Karyawan dilarang keras:

- Menawarkan atau membuat segala jenis pemberian dalam bentuk uang secara tidak resmi kepada pejabat pemerintah atau orang lain yang memiliki kekuasaan untuk mengambil keputusan.
- Menawarkan pembayaran kepada Nasabah atau calon Nasabah untuk bisnis mereka.
- Menerima segala jenis pembayaran tidak resmi atau tidak lazim.
- Jika Karyawan mencurigai bahwa pendekatan seseorang mungkin ditujukan untuk mencari atau menawarkan pembayaran atau untuk kepentingan pribadi. Karyawan tersebut harus segera melaporkan kecurigaan ini kepada atasan dan Departemen Kepatuhan, atau dapat memanfaatkan Prosedur Mekanisme Eskalasi atau Kebijakan *Speak-up*. Laporan yang serius mengenai korupsi akan diinvestigasi lebih lanjut.

2. Rejecting of Bribery, Corruption, and Other Illegal Activities

Bribery and corruption corrupts business as well as values. The Bank opposes all forms of bribery and corruption. Employees are prohibited from bribery, corruption, and any illegal activity for material benefits or valuable things.

Employees are strictly prohibited from the following things:

- Offering or making any kind of gift in the form of money informally to government officials or others who have the power to make decisions.
- Offering payment to customers or prospective customers for their business.
- Receiving any type of payment unauthorized or unusual.
- If employees suspect that a person's approach may be intended to seek or offer a payment or for personal gain, employees should immediately report this suspicion to their supervisor and the Compliance Department. They may utilize Escalation Mechanisms or Speak-up Procedures. A serious report on corruption will be further investigated.

3. Hadiah dan Hiburan

Karyawan dilarang menerima atau meminta hadiah dan/atau hibutan dalam bentuk apapun dari Nasabah, *vendor* atau pihak manapun yang dapat berpotensi terhadap benturan kepentingan atau lebih jauh lagi dapat mempengaruhi proses pengambilan keputusan.

Hadiah dan/atau hiburan dapat diterima apabila sesuai dengan peraturan yang berlaku:

- Karyawan yang karena tugasnya harus memberikan atau menerima hadiah berupa barang dengan nilai yang wajar kepada/dari pihak eksternal dalam rangka hari raya keagamaan dan tahun baru, harus melaporkan kepada atasan langsung dan atasan langsung berikutnya untuk dilakukan pencatatan. Adapun nilai yang wajar adalah hadiah yang nilainya tidak melebihi IDR1.000.000 (satu juta IDR). Hadiah berbentuk uang tunai tetap tidak diperkenankan.
- Menawarkan dan menerima jamuan bisnis yang wajar.

3. Gifts and Entertainment

Employees are prohibited from accepting or soliciting gifts of any kind and/or entertainment from customers, vendors or other parties that may potentially impact conflicts or may further influence the decision-making process.

The following rewards and/or entertainment may be accepted in accordance with applicable regulations:

- An employee who, due to his duties, must provide/receive a prize of goods of a reasonable value to/from an external party in the framework of religious festivities and new year's celebrations, shall report to the immediate supervisor and subsequent immediate supervisor for recording. The fair value is a gift whose value does not exceed IDR1,000,000 (one million IDR). Cash-shaped gifts are still not allowed.
- Offer and receive a reasonable business dinner.

- Menerima hadiah yang bernilai tinggi, dimana penolakan akan menimbulkan penghinaan, dan dimana permintaan maaf dan pengembalian tidak dimungkinkan. Jika diterima, hadiah itu harus dilaporkan kepada atasan langsung dan atasan langsung berikutnya untuk dicatat, dan kemudian dilaporkan dan diserahkan ke bagian Sumber Daya Manusia Kantor Pusat untuk disumbangkan dalam acara-acara karyawan atau amal.
- Karyawan harus mencatat semua hadiah yang diterima dalam suatu daftar hadiah di departemen atau unit kerja yang bersangkutan.

- Receive high value rewards, where refusal will cause humiliation, and where apologies and returns are not possible. If accepted, the prize must be reported to the immediate supervisor and subsequent immediate supervisor to be recorded, and then reported and submitted to the Human Resources Department to be donated in employee or charity events.
- Employees shall record all prizes received in a list of departmental prizes or work units.

4. *Speak-Up*

Perilaku yang tidak baik dan malpraktek dapat merusak reputasi Bank dan kepercayaan yang diberikan oleh para Pemangku Kepentingan. Bank berkomitmen untuk mempertahankan budaya etika, integritas, dan keterbukaan dengan menyediakan prosedur yang efektif untuk melakukan *speak-up*. *Speak-up* adalah media bagi karyawan untuk mengungkapkan permasalahan yang berkaitan dengan perilaku yang tidak baik dan malpraktek.

Jika karyawan memiliki kecurigaan yang besar terhadap suatu hal, maka karyawan harus melakukan *Speak-up* dan menjelaskan kekuatirannya. Bisa saja hal tersebut hanya merupakan kesalahan pada sistem atau prosedur, bukan kesalahan yang dilakukan dengan sengaja. Semua laporan yang masuk melalui prosedur *Speak-up* akan dicatat, di-*review* dan jika sesuai akan segera ditindaklanjuti. Perlu diingat bahwa kebijakan *Speak-up* bukanlah mekanisme untuk mengungkapkan keluhan umum.

Hal-hal yang dapat dilaporkan melalui prosedur *Speak-up* antara lain: pelanggaran Undang-Undang, regulasi, nilai-nilai budaya, penipuan, ataupun aksi kriminal yang lain dan insiden serius yang serupa, yang dirasakan belum dilaporkan atau diinvestigasi dengan benar. Masalah lain yang dapat menimbulkan risiko reputasi bagi Bank dapat dilaporkan.

Bank mendorong aksi *Speak-up* dengan menyediakan saluran pelaporan yang aman dan terjamin kerahasiannya. *Speak-up* merupakan bagian penting dari nilai-nilai Bank. Tidak ada yang dirugikan dari *speak-up*, kecuali jika penggunaannya disalahgunakan untuk memberikan informasi yang tidak benar (fitnah).

4. Speak-Up

Improper behavior and malpractice can damage the Bank's reputation and trust provided by Stakeholders. The Bank is committed to maintaining an ethical culture, integrity and openness by providing effective procedures for speaking up. Speak-up is a medium for employees to express issues related to bad behavior and malpractice.

If an employee has a high degree of suspicion on a matter, then the employee must Speak-up and explain his concerns. It could just be a system or procedure error, not a deliberate error. All reports that go through the Speak-up procedure will be recorded, reviewed and where appropriate will be acted upon immediately. Keep in mind that the Speak-up policy is not a mechanism for public complaints.

Matters that can be reported through Speak-up procedures include: violation of laws, regulations, cultural values, fraud, or other criminal acts and similar serious incidents, which have not been properly reported or investigated. Any other issues that may pose a reputation risk to the Bank may be reported.

The Bank encourages the action of Speak-up procedures by providing secure and confidential reporting channels. Speak-up is an important part of the Bank's values. Nothing is harmed from speak-up, unless the use is misused to provide false information.

5. Mencegah Pencucian Uang

Pencucian uang merusak integritas dan reputasi Bank dan membawa Bank kepada kemungkinan dikenakan hukuman yang berat. Bank mendukung gerakan internasional dalam memerangi tindakan kriminal sepenuhnya serta berkomitmen mencegah pencucian uang dan penipuan.

Karyawan wajib mematuhi berbagai Undang-Undang dan Peraturan lain yang dikeluarkan oleh Pemerintah atau instansi yang berwenang yang dirancang untuk mendeteksi, mencegah, dan melaporkan pencucian uang, pembiayaan teroris dan kriminalitas penggunaan sistem keuangan.

Bank sudah memiliki Kebijakan dan Prosedur tentang Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme berdasarkan ketentuan Regulator dan Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) dan peraturan perundangan lainnya yang terkait, maupun *international best practice* yang harus dipatuhi dalam menjalankan semua kegiatan usaha Bank.

Dalam mencegah kegiatan pencucian uang, Karyawan wajib untuk:

- Berpartisipasi dalam semua program pelatihan dan sosialisasi.
- Mengenal Nasabah: Karyawan harus mengenal Nasabah dan mempunyai pengetahuan yang memadai mengenai Nasabah agar dapat mengidentifikasi transaksi yang tidak sesuai dengan pola transaksi Nasabah atau tidak sesuai dengan aktivitasnya.
- Melaporkan aktivitas yang mencurigakan: Karyawan harus segera melaporkan kepada Departemen Kepatuhan dan Departemen AML/CFT *(Anti Money Laundering/Countering Financing of Terrorism)* atas kecurigaan pencucian uang. *AML officer* harus diberitahu untuk menentukan perlu atau tidaknya mengajukan Laporan Transaksi Keuangan yang Mencurigakan.

5. Preventing Money Laundering

Money laundering undermines the integrity and reputation of the Bank and brings the Bank to possible severe penalties. The Bank supports the international movement in combating criminal acts completely and is committed to preventing money laundering and fraud.

Employees are required to comply with various other laws and regulations issued by the Government or authorized agencies designed to detect, prevent, and report money laundering, terrorist financing and criminal use of the financial system.

The Bank has a Policy and Procedure on Anti-Money Laundering and Counter-Terrorism Financing based on the provisions of Bank Indonesia and the Center for Financial Transaction Reporting and Analysis (PPATK) and other relevant legislation, as well as international best practice to be observed in carrying out all business activities of the Bank.

In preventing money laundering activities, employees are required to observe the following:

- Training and Socialization - Participate in all training and socialization programs.
- Know Your Customer - Employees must be familiar with customers and have sufficient knowledge of customers to identify transactions that are not in accordance with the pattern of customer transactions or not in accordance with their activities.
- Reporting Suspicious Activity - Employees should report to the Department of Compliance and the Anti-Money Laundering/ Counter-Terrorism Financing Department for suspicion of money laundering. The AML officer must be notified to determine whether or not to file a Suspicious Transaction Report.

6. Menghindari Benturan Kepentingan

Benturan kepentingan adalah suatu kondisi di dalam suatu rangkaian aktivitas Bank, di mana kepentingan Bank, dan/atau Nasabahnya, dan/atau karyawan Bank saling berbenturan baik secara langsung maupun tidak langsung. Terdapat 5 (lima) kategori Benturan Kepentingan:

- Benturan kepentingan dengan Nasabah (atau pihak lainnya). Dalam melakukan kegiatan memasarkan produk dan jasa Bank, Karyawan harus senantiasa memperhatikan kepentingan Bank dengan tetap menciptakan dan memelihara hubungan baik dengan calon Nasabah atau Nasabah.
- Benturan kepentingan antar karyawan (dalam kaitannya dengan aktivitas profesional) dan Nasabah. Karyawan harus selalu bersikap obyektif dan tidak dipengaruhi oleh rekanan atau calon rekanan untuk memenuhi kepentingannya yang tidak sesuai dengan ketentuan internal Bank.
- Benturan kepentingan diluar perusahaan
- Karyawan Bank tidak diperkenankan untuk mendapatkan keuntungan pribadi dengan menggunakan informasi yang diperoleh karena jabatannya di Bank, sedangkan informasi tersebut bukan informasi umum.
- Karyawan Bank tidak diperkenankan memiliki usaha atau bisnis pribadi diluar pekerjaannya sebagai karyawan Bank.
- Karyawan Bank tidak diperkenankan untuk mengikat hubungan kerja dengan pihak lain. Apabila hal ini terjadi, karyawan dapat dikenakan sanksi yang telah ditentukan oleh Bank. Bank dapat memberi izin kepada karyawan yang memiliki keahlian khusus, misalnya di bidang pendidikan (pengajar) untuk mengabdikan keahliannya kepada masyarakat luas sejauh karyawan tetap mengutamakan dan tidak mengabaikan kewajibannya terhadap Bank. Namun untuk hal ini karyawan harus mendapatkan rekomendasi dari atasannya sekurang-kurangnya pejabat tingkat Kepala Departemen. Namun Bank juga mempunyai hak prerogatif untuk tidak memberikan izin terhadap kepentingan tersebut di atas.

6. Avoiding Conflicts of Interest

A conflict of interest is a condition within a series of Bank activities, in which the interests of the Bank, and/or its customers, and/or Bank employees conflict with each other directly or indirectly. There are 5 (five) categories of Conflict of Interest:

- Conflicts of Interest with customers (or other parties). In conducting activities to market the Bank's products and services, employees must always pay attention to the interests of the company while maintaining and maintaining good relationships with prospective customers or customers.
- Conflict of Interests between Employees (in connection with professional activities) and customers. Employees must always be objective and not influenced by partners or potential partners to fulfill interests that are not in accordance with the internal provisions of the Bank.
- Conflicts of Interest outside the Company
- The Bank's employees are not allowed to gain personal benefit by using information obtained because of their position at the Bank, as the aforementioned information is not general information.
- The Bank's employees are not allowed to own a business or personal business outside of their work as Bank employees.
- The Bank's employees are not allowed to engage with other parties. In the event that this occurs, the Employee may be subject to sanctions determined by the Bank. The Bank may grant licenses to employees with special expertise, for example in the field of education (instructor) to devote their expertise to the public as long as the employee remains concerned and does not neglect its obligations to the Company. But for this employee must get recommendations from superiors at least the level of Head of Department officials. However, the Bank also has a prerogative to not grant permission to the above mentioned interests.

- Benturan kepentingan dengan calon karyawan dan antar karyawan. Karyawan tidak diperkenankan untuk menerima suatu pemberian apalagi meminta sesuatu dari sesama karyawan maupun calon karyawan, baik berupa uang, tip, komisi, bantuan atau sesuatu apapun yang dapat menyebabkan "hutang budi" kepada karyawan maupun calon karyawan tersebut.
- Benturan Kepentingan Hubungan Keluarga. Karyawan yang memiliki hubungan keluarga dengan karyawan lain di Bank, harus melaporkan hubungan tersebut kepada Departemen Sumber Daya Manusia Kantor Pusat. Hal ini dilakukan agar Departemen Sumber Daya Manusia dapat mengatur posisi masing-masing Karyawan tidak saling menimbulkan benturan kepentingan. Benturan kepentingan akan membawa dampak negatif terhadap Bank dan reputasi Karyawan sendiri.

- Conflicts of Interest with Prospective Employees and Inter-Employees. Employees are not allowed to accept a gift let alone request something from their fellow employees or prospective employees, whether in the form of money, tips, commissions, assistance or anything that can cause "debt" to the employee or prospective employee.
- Conflict of Interests of Family Relations. Employees with family relationships with other employees at the Bank must report the relationship to the Human Resources Department. This is done so that Human Resources Department can set the position of each employee to not conflict with each other's interests. A conflict of interest will have a negative impact on the Bank as opposition may damage the Bank's reputation and the reputation of its own employees.

7. *Insider Trading*

Dalam melakukan pekerjaan di dalam Bank, Karyawan dapat memiliki akses terhadap *insider information*. Karyawan dilarang melakukan *insider trading* apabila memiliki *inside information* yang belum menjadi informasi publik. Bila Karyawan melakukan transaksi tersebut karena mengetahui atau mendapatkan *inside information*, maka Karyawan dapat dianggap telah membocorkan rahasia perusahaan dan harus bertanggung jawab atas pelanggaran undang-undang yang berlaku.

Ketika memiliki *inside information*, Karyawan harus bertindak dengan integritas dan kejujuran, serta menghindari mengambil keuntungan pribadi melalui transaksi yang dilakukan. Pemberian "gratifikasi" kepada orang lain atau bertransaksi mewakili keluarga, teman, ataupun pihak ketiga yang lain berdasarkan informasi orang dalam juga dilarang.

7. Insider Trading

In performing work within the Bank, employees may have access to insider information. Employees are prohibited from insider trading if they have inside information that has not become public information. If an employee commits such transactions for knowing or obtaining inside information, then employees may be deemed to have disclosed company secrets and shall be liable for breach of applicable laws.

When having inside information, employees must act with integrity and honesty, and avoid taking personal advantage through transactions made. Giving "gratuity" to others or transacting on behalf of family, friends, or other third parties based on inside information is also prohibited.

8. *Proper Selling*

Karyawan dilarang, baik sengaja atau secara ceroboh, membuat pernyataan, janji, atau prediksi yang menyesatkan, palsu atau menipu kepada setiap Nasabah atau dengan kata lain karyawan wajib untuk menghindari terjadinya *misselling*. *Misselling* dapat menurunkan reputasi Bank dan menimbulkan adanya tuntutan hukum dari Nasabah.

Misselling terjadi dikarenakan kesalahan dalam menyampaikan risiko yang terkait suatu produk perbankan, atau ketika produk perbankan yang ditawarkan tidak sesuai dengan kebutuhan Nasabah. Misal: produk yang memiliki jangka waktu panjang (10 tahun), mungkin menjamin pembayaran pokok investasi hanya pada tanggal jatuh tempo. Tetapi jika investasi dicairkan sebelum tanggal jatuh tempo, nilai pokok investasi tidak akan dibayar seluruhnya. Hal ini berpotensi menimbulkan *misselling* jika produk dijual kepada Nasabah yang memiliki kebutuhan uang tunai dalam jangka pendek atau kepada Nasabah yang berusia 70 tahun.

Selain itu, Karyawan dilarang menyembunyikan fakta apapun dari Nasabah yang dapat menyebabkan Nasabah atau Pemangku Kepentingan membuat keputusan berdasarkan informasi yang tidak benar. Setiap Karyawan wajib untuk memberikan atau membuat pernyataan baik lisan ataupun tertulis mengenai fakta yang benar atau dengan kata lain Karyawan wajib untuk menghindari terjadinya *misrepresentation*.

Dengan demikian, karyawan diharuskan untuk:
- Menghindari menjual produk dan jasa yang tidak sesuai dengan kebutuhan Nasabah dan tidak mempedulikan kepentingan Nasabah.
- Memberikan informasi yang relevan dan lengkap kepada Nasabah supaya mereka dapat dihadapkan kepada pilihan yang paling tepat dari produk yang ada.
- Memiliki pengetahuan yang memadai mengenai produk-produk Bank dan tingkat risiko yang diinginkan Nasabah, serta tujuan, keuangan, dan kondisi pribadi Nasabah agar dapat menilai akibat yang ditimbulkan dan apakah produk tersebut dapat memenuhi kebutuhan Nasabah.
- Berusaha agar Nasabah mengerti produk beserta risikonya, terutama produk-produk yang rumit dan pembelian produk tersebut harus didasarkan atas persetujuan Nasabah.
- Menjelaskan fitur produk dengan jelas baik secara lisan maupun melalui media.

8. Proper Selling

Employees are prohibited, either deliberately or carelessly, from making false or deceptive statements, promises or predictions to customers. In other words employees are required to avoid the occurrence of misselling. Misselling can undermine the Bank's reputation and cause lawsuits from customers.

Misselling occurs due to errors in conveying the risks associated with a banking product. Or when the offered banking products are not in accordance with the needs of customers. For example: a product that has a long term (10 years) may guarantee the payment of principal investment only on the due date. But if the investment is cashed before the due date, the principal amount of the investment will not be paid in full. This has the potential to cause misselling if the product is sold to customers who have cash needs in the short term or to customers aged 70 years.

In addition, employees are prohibited from hiding any facts from customers that may cause customers or Stakeholders to make decisions based on information that is not true. Every employee is obliged to give or make a statement both orally and in writing about the correct facts. In other words employees are obliged to avoid the occurrence of misrepresentation.

Accordingly, employees are required to:
- Avoid selling products and services that are not in accordance with the needs of customers and not caring about the interests of customers.
- Provide relevant and complete information to customers so that they can be exposed to the most appropriate choice of existing products.
- Have sufficient knowledge of the Bank's products and the level of risk desired by the customer, as well as the client's personal goals, finances and conditions in order to assess the consequences and whether the product meets the customer's needs.
- Try to get customers to understand the product and its risks, especially the complicated products and purchases of the products that must be based on the customer's approval.
- Describe the product features clearly both orally and through the media.

9. Rahasia Bank dan Perlindungan Informasi

Karyawan Bank wajib sepanjang waktu menghormati prinsip kerahasiaan Bank khususnya sehubungan dengan perlindungan kerahasiaan informasi Nasabah. Tugas untuk melindungi kerahasiaan informasi Nasabah terus berlanjut bahkan setelah Karyawan berhenti bekerja pada Bank, hal tersebut terkait dan sejalan dengan Kebijakan Benturan Kepentingan, Kode Etik, serta *Compliance Statement* yang disetujui Karyawan pada saat bergabung dengan Bank.

Karyawan Bank dapat memperoleh informasi Bank untuk dirahasiakan, dan tidak untuk diungkapkan kepada pihak ketiga. Membocorkan informasi tersebut kepada pihak diluar Bank adalah pelanggaran serius. Karyawan dilarang melakukan hal tersebut kecuali jika Karyawan diminta oleh badan/instansi hukum/yang berwenang (pengadilan/polisi/BI/OJK, dll).

Dengan demikian, Karyawan wajib untuk:

- Mencatat dan melaporkan seluruh data yang berkaitan dengan informasi Nasabah dan menyimpan data dan informasi Nasabah pada tempat yang aman, tidak dapat diakses oleh orang yang tidak berhak untuk memperoleh informasi tersebut untuk membaca, mengetahui, mencatat dan menggandakan data tersebut.
- Menjaga kerahasiaan informasi Nasabah dan tidak mendiskusikannya di tempat-tempat umum (contoh: *lift*, kamar kecil, koridor, dan sebagainya) serta tidak memberi informasi baik secara lisan maupun tertulis tentang Nasabah dan calon Nasabah kepada pihak manapun termasuk teman dekat atau anggota keluarga sendiri yang tidak berwenang untuk mengetahuinya yang dapat merugikan Nasabah dan Bank secara langsung maupun tidak langsung.
- Dilarang menyebarkan informasi gaji, pinjaman karyawan, dan informasi lainnya yang bersifat pribadi dan rahasia kepada pihak luar Bank.
- Tidak menggunakan kembali kertas-kertas bekas yang berisikan informasi bersifat rahasia.

9. Bank Secrets and Information Protection

The Bank's employees shall at all times respect the principle of bank secrecy especially in respect to protecting the confidentiality of customer information. The duty of protecting the confidentiality of customer information continues even after the employee stops working at the Bank. It is related and in line with the Policy of Conflict of Interests, Code of Ethics, and Compliance Statement that employees agree upon when joining the Bank.

The Bank's employees may obtain Bank information to be kept confidential, not to be disclosed to third parties. Leaking that information to parties outside the Bank is a serious offense. Employees are prohibited from doing so unless the employee is requested by a legal entity/agency (courts/police/Bank Indonesia/OJK, etc.).

Accordingly, employees are required to:

- Record and report all data relating to customer information and store customer data and information in a safe place, not accessible to unauthorized persons to obtain such information to read, know, record and duplicate the data.
- Maintain the confidentiality of customer information and not discussing it in public places (e.g. elevators, restrooms, corridors, etc.) and not providing information both orally and in writing about customers and potential customers to any party including close friends or family members not authorized to know that may harm the customer and the Bank directly or indirectly.
- It is prohibited to disseminate salary information, employee loans and other personal and confidential information to outside Banks.
- Do not reuse used papers containing confidential information.

10. Gratifikasi

- Hadiah dan/atau hiburan adalah bagian kehidupan bisnis/komersil. Tetapi masalah muncul ketika hadiah dan/atau hiburan tersebut yang diberikan sebagai bentuk gratifikasi yang dapat mengakibatkan terjadinya kompromi dalam hubungan bisnis/komersil.
- Karyawan termasuk anggota Dewan Komisaris dan Direksi dilarang menerima atau meminta hadiah dalam bentuk apapun dan/atau hiburan dari Nasabah atau rekanan atau pihak lain yang dapat berpotensi terhadap benturan kepentingan dan/atau dapat mempengaruhi pengambilan keputusan bisnis.
- Menerima hadiah yang bernilai tinggi dimana penolakan dapat menimbulkan penghinaan, dan bilamana permintaan maaf dan pengembalian tidak memungkinkan, dilaporkan.

10. Gratuities

- Gifts and / or entertainment are a part of business/ commercial life. But problems arise when the gift and/or entertainment is given as a form of gratification that can lead to a compromise in the business/commercial relationship.
- Employees, including BOC members and BOD members, are prohibited from accepting or soliciting gifts of any kind and/or entertainment from customers or partners or other parties who may potentially create conflicts and/or may influence business decision making.
- Receiving high value rewards whereby rejection may be contemptuous, and where apologies and returns are not possible. In this case, if accepted, an employee or member of the BOD or a member of the BOC shall report it.

PENERAPAN KODE ETIK

Kode Etik Bank berlaku untuk seluruh insan Bank di setiap jenjang organisasi.

IMPLEMENTATION OF THE CODE OF CONDUCT

The Bank's Code of Conduct applies to all Bank employees at each level of the organization.

SOSIALISASI DAN PENYEBARLUASAN KODE ETIK

Untuk menyosialisasikan kepada seluruh insan Bank, Manajemen melakukan penyebarluasan materi kode etik melalui *Town Hall Meeting*, penerbitan buku kode etik secara cetak maupun digital yang dibagikan secara cuma-cuma, serta melalui distribusi pos elektronik secara berkala kepada seluruh insan Bank. Penyebarluasan Kode Etik ini dibawah koordinasi Sekretaris Perusahaan dan Departemen *Human Resources*.

SOCIALIZATION AND DISSEMINATION OF THE CODE

To disseminate to all Bank personnel, the Management disseminates the Code of Conduct material through Town Hall Meetings, the publication of a Code of Conduct book printed or digitally distributed free of charge, and through the distribution of electronic mail regularly to all Bank personnel. Dissemination of this Code is under the coordination of Corporate Secretary and Human Resources Department.

PELANGGARAN DAN SANKSI DISIPLIN

Kepatuhan terhadap kebijakan dan peraturan Bank adalah wajib. Karyawan yang berhubungan langsung dengan Nasabah atau rekanan wajib menekankan dan mengimplementasikan kondisi pada Kebijakan ini dalam hubungan kerjasama bisnis/komersil. Pelanggaran atas kebijakan tersebut dapat berakibat pada tindakan disiplin bahkan pemberhentian, sebagaimana diatur dalam Kebijakan dan Prosedur Disipliner.

VIOLATIONS AND DISCIPLINARY SANCTIONS

Compliance with company policies and regulations is mandatory. Employees who deal directly with customers or partners should emphasize and implement the conditions in this policy in a business/ commercial relationship. Violation of the policy may result in disciplinary action and even dismissal, as provided for in Disciplinary Policies and Procedures.

PENYIMPANGAN INTERNAL

Penyimpangan internal, atau *internal fraud* adalah penyimpangan/kecurangan yang dilakukan oleh pengurus, karyawan tetap dan tidak tetap (honorer dan *outsourcing*) terkait dengan proses kerja dan kegiatan operasional Bank yang mempengaruhi kondisi keuangan Bank secara signifikan.

Bank telah menerapkan fungsi audit internal yang efektif pada seluruh aspek dan unsur kegiatan. Apabila terdapat hal-hal yang berindikasi penyimpangan/kecurangan *(fraud)* maka akan dilakukan audit khusus (investigasi). Terdapat 2 (dua) penyimpangan internal yang terjadi pada tahun 2017.

INTERNAL FRAUD

Internal frauds are deviations/acts of fraud committed by the management, permanent and non-permanent employees in relation to the Bank's work processes and operational activities that affect the Bank's financial condition significantly.
The Bank has implemented an effective internal audit function on all aspects and elements of activities. If there are any indications of fraud, a special audit is conducted (investigation). The were 2 (two) internal deviations that occurred 2017.

KEBIJAKAN & TRANSPARANSI BENTURAN KEPENTINGAN

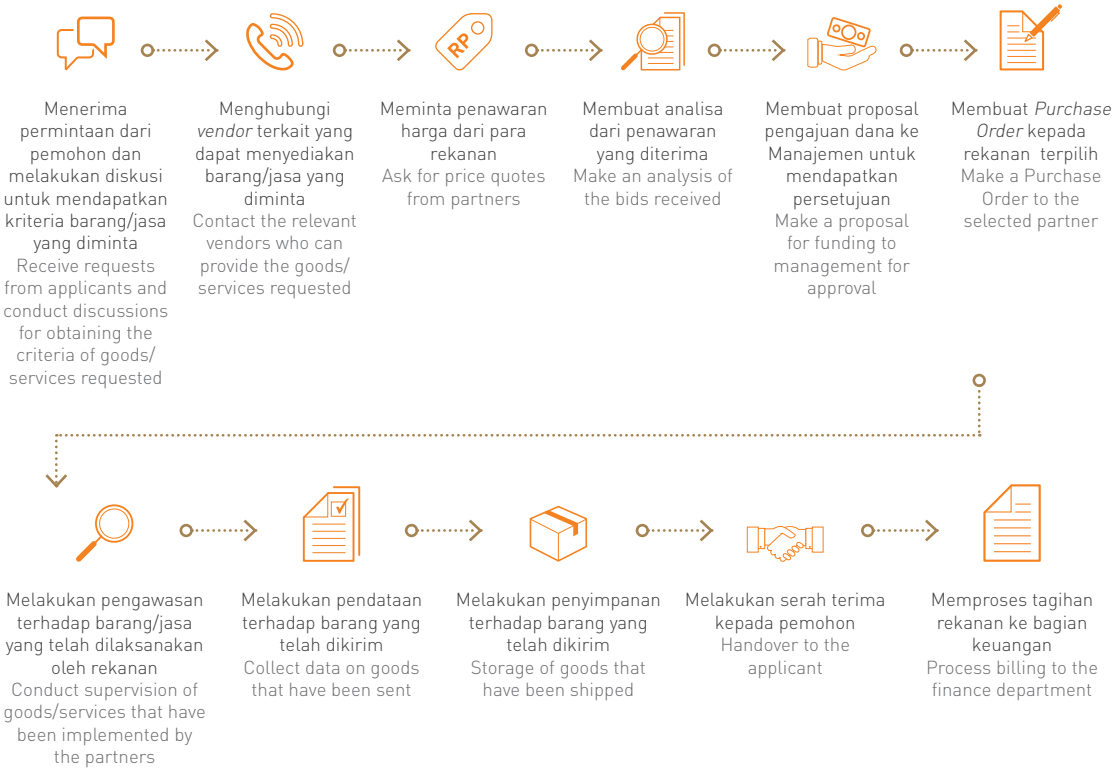
CONFLICT OF INTEREST POLICY & TRANSPARENCY

Kode Etik Bank mengatur kebijakan terkait benturan kepentingan, yang tercantum dalam 10 Sikap Dasar Kode Etik Bank, yang salah satunya adalah "Menghindari Benturan Kepentingan". Dalam Kode Etik Bank tercantum kebijakan secara rinci tentang definisi benturan kepentingan, dan jenis benturan kepentingan yang memungkinkan munculnya kerugian baik bagi Bank sendiri maupun bagi Pemangku Kepentingan.

The Bank's Code of Conduct establishes conflict-related policies listed in the 10 Basic Attitudes of ICBC Indonesia's Code of Conduct, one of which is "Avoiding Conflicts Of Interest". The Bank's Code of Conduct includes detailed policies on the definition of conflict of interest, and the type of conflicts of interest that allow for causing of harm to both the Bank itself and the Stakeholders.

KEBIJAKAN PENGADAAN BARANG & JASA
PROCUREMENT POLICY

TATA CARA PENGADAAN BARANG DAN JASA
PROCEDURE FOR THE PROCUREMENT OF GOODS AND SERVICES



Sebagai salah satu komitmen Bank untuk melaksanakan proses bisnis yang berkelanjutan Manajemen sangat memperhatikan hubungan yang baik serta profesional dengan para pemasok barang dan jasa secara transparan, akuntabel, bertanggung jawab, independen, dan *fair*.

Semua pengadaan pendukung operasional dan bisnis Bank wajib melalui Departemen *General Affair* termasuk pengadaan untuk jasa perawatan, penggantian barang atas perbaikan, dan kontrak kerja pembelian atau sewa.

Proses pengadaan barang dan jasa dengan nominal tertentu dikaji oleh *Centralized Purchase Review Team* (CPRT) yang terdiri dari perwakilan Departemen *General Affair*, Departemen *Finance Management* (FM) dan Departemen-departemen terkait. Pengajuan pendanaan atas pengadaan barang dan jasa yang melalui proses CPRT dianalisa oleh *Finance Review Commitee* (FRC) dan dimintakan persetujuan ke Departemen *Finance Management*, Direktur yang menaungi Departemen FM dan Direktur yang membawahi Departemen terkait.

Tugas dan tanggung jawab Departemen *General Affairs* dapat diuraikan sebagai berikut:

- Melaksanakan permintaan atas barang/jasa dari pemohon berdasarkan prosedur yang telah ditetapkan.
- Menyusun detail permintaan atas barang/jasa bersama dengan dan sesuai permintaan pemohon.
- Bekerja sama dengan para rekanan dalam proses pengadaan.
- Melakukan pengawasan terhadap kualitas barang atau hasil pekerjaan dari rekanan pelaksana
- Melakukan serah terima kepada pemohon.
- Melakukan pendataan atas barang yang telah diterima.

As part of The Bank's commitment to implementing sustainable business processes, the management is very concerned about good relationships with professionals and suppliers of goods and services in a transparent, accountable, responsible, independent and fair manner.

All procurement of the Bank's operational and business support shall be required to be done through the General Affairs Department, including procurement for maintenance services, replacement of goods for repairs, and contracts of purchases or leases.

The procurement process of goods and services with certain nominations is reviewed by the Centralized Purchase Review Team (CPRT) consisting of representatives of the General Affairs Department, Financial Management Department and other relevant Departments. Submission of funding for procurement of goods and services through the CPRT process is analyzed by the Financial Review Committee (FRC) and requests approval from the Financial Management Department, the Director in charge of FM Department, and the Director in charge of other related Department.

The duties and responsibilities of the General Affairs Department can be described as follows:

- Conducting requests for goods/services from applicants based on established procedures.
- Storage of goods obtained from the procurement process.
- Working closely with partners in the procurement process.
- Monitoring the quality of the goods or the work of the implementing partners
- Hand over to the applicant.
- Collecting data on goods that have been received.

WHISTLEBLOWING SYSTEM

Dalam melakukan aktivitasnya, Bank dapat menghadapi berbagai permasalahan atau risiko yang mungkin ditimbulkan oleh pelanggaran terhadap Kode Etik Perilaku, peraturan perundang-undangan yang berlaku, serta praktek umum yang berlaku pada industri perbankan. Untuk membentuk lingkungan kerja yang bebas dari pelanggaran, maka diperlukan adanya suatu alat yang diperuntukan bagi Karyawan Bank untuk mengungkapkan penyimpangan dan malpraktek termasuk kegiatan yang mencurigakan.

Speak-up merupakan media/alat bagi pegawai Bank untuk mengungkapkan permasalahan tersebut di atas, Bank mendorong pegawainya untuk mengungkapkan bentuk penyelewengan dengan menyediakan sarana yang aman dan terjamin kerahasiaannya.

PENERAPAN KEBIJAKAN

Dalam menerapkan budaya manajemen risiko yang mampu mentransformasikan Bank untuk menjadi penyedia jasa keuangan terkemuka, selain ditunjang oleh seperangkat sistem dan prosedur, partisipasi aktif dari pegawai Bank sangat diperlukan untuk mengadopsi nilai-nilai yang mendukung budaya risiko.

Partisipasi aktif dari pegawai Bank dapat diwujudkan dalam bentuk tindakan nyata untuk mempertahankan terciptanya lingkungan kerja yang bebas dari pelanggaran. Oleh karena itu, setiap pegawai Bank berhak untuk melaporkan setiap indikasi akan adanya penyelewengan dan wajib untuk mengungkapkan setiap pelanggaran yang dilakukan oleh karyawan lain kepada Departemen Kepatuhan secara langsung ataupun melalui sarana *Speak-up* yang telah disediakan.

In conducting its activities, the Bank may encounter various problems or risks that may be caused by a violation of the Code of Conduct, of applicable laws and regulations, as well as of general practices prevailing in the banking industry. In order to establish a work environment free from infringement, it is necessary to have a tool designated for Bank employees to disclose deviations and malpractices, including suspicious activities.

Speak-up is a media/tool for Bank employees to express the above issues, Banks encourage their employees to disclose the form of fraud by providing a safe and secure means of secrecy.

IMPLEMENTATION OF POLICIES

In implementing a risk management culture that is capable of transforming Bank into leading financial services providers, in addition to being supported by a set of systems and procedures, the active participation of Bank employees is necessary to adopt values that support a culture of risk-taking.

The active participation of Bank employees can be realized in the form of concrete actions to maintain the creation of a work environment free from offense. Therefore, every Bank employee is entitled to report any indication of any fraud and shall be obliged to disclose any violations committed by other employees to the Compliance Department directly or through the Speak-up channel provided.

Komite *Speak-up*, setelah melakukan evaluasi dan menganalisa laporan yang disampaikan oleh karyawan akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait, seperti Departemen Kepatuhan, Departemen Internal Audit, Departemen Hukum, Departemen Manajemen Aset, Departemen Sumber Daya Manusia, dan pihak lain jika dipandang perlu.

Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Direksi atau Dewan Komisaris, maka laporan ditujukan kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

PRINSIP DASAR SISTEM PELAPORAN PELANGGARAN

Penerapan sistem pelaporan pelanggaran di Bank memiliki prinsip dasar bahwa bagi yang memiliki informasi dan ingin melaporkan suatu perbuatan tidak etis maupun pelanggaran yang terjadi di lingkungan Bank. Pelapor tidak perlu khawatir atas terungkapnya identitas diri karena Bank akan merahasiakan identitas diri pelapor sebagai *whistleblower*. Bank menghargai informasi yang dilaporkan dan fokus pada materi informasi yang dilaporkan.

TUJUAN

Pemberlakukan sistem pelaporan pelanggaran di lingkup Bank dilakukan sebagai acuan dalam tata cara pengelolaan penanganan pengaduan/ penyingkapan (*whistleblowing system*) bagi Dewan Komisaris, Direksi, Karyawan serta pihak yang berkepentingan dalam berhubungan dengan Bank, agar setiap laporan yang dikirimkan terjaga kerahasiaannya dan kasus yang dilaporkan dapat dipertanggungjawabkan serta dapat ditindaklanjuti.

The Speak-up Committee, after evaluating and analyzing reports submitted by employees, will take follow-up actions that may also involve relevant parties, such as Compliance Department, Internal Audit Department, Legal Department, Asset Management Department, Human Resources Department, and others if deemed necessary.

If the suspected potential violation or the violation is a member of the Board of Directors or Board of Commissioners, then the report is addressed to the Chairperson of the Audit Committee (chaired by an Independent Commissioner).

BASIC PRINCIPLES OF VIOLATION REPORTING SYSTEM

The implementation of a violation reporting system at The Bank has a basic principle for those who have information and want to report an unethical act or violation that occurred in the environment of The Bank. The complainant does not have to worry about the disclosure of his/her identity because Bank will keep the identity of the complainant as a whistle-blower. The Bank appreciates the reported information and focuses on the reported information material.

PURPOSE

The application of violation reporting system in the scope of the Bank is conducted as a reference point in the management of the whistle-blowing system for the Board of Commissioners, the Board of Directors, the Employees and the parties concerned in dealing with the Company. This is so that each submitted report is kept confidential and the reported case may be accountable and actionable.

RUANG LINGKUP

Sistem Pelaporan Pelanggaran berlaku bagi seluruh insan Bank dan seluruh Pemangku kepentingan Bank, Pelanggaran yang dapat dilaporkan meliputi korupsi, suap, benturan kepentingan, pencurian, kecurangan, dan pelanggaran peraturan/hukum.

PENANGANAN PELAPORAN PELANGGARAN

Bank memiliki prosedur dalam penanganan pelaporan pelanggaran. Prosedur tersebut dibuat dengan mengacu pada prinsip di bawah ini:

- Laporan *Speak-up* yang bersifat rahasia. Hanya pelapor dan *Speak-up* administrator, dan Komite yang telah ditunjuk yang mempunyai kewenangan untuk mengakses laporan tersebut.
- Pihak pelapor berhak untuk mendapat perlindungan dari Bank jika laporannya dapat menyebabkan ancaman yang berasal dari dalam maupun dari luar Bank.
- Pihak pelapor dan terlapor dibebaskan dari segala sanksi apabila laporannya tidak dapat dibuktikan secara sah kebenarannya.
- Bank menjamin bahwa seluruh pihak pelapor dan laporan yang telah disampaikannya tidak akan mempengaruhi penilaian terhadap kinerja maupun terhadap karir pegawai Bank.
- Berdasarkan kepastian dan jaminan di atas, pihak pelapor wajib untuk bersedia memberikan informasi yang lebih rinci jika diminta oleh pihak Manajemen Bank sebagai bagian dari tindak lanjut atas laporan yang telah disampaikannya.

SCOPE

The Violation Reporting System applies to all The Bank and all Bank Stakeholders. Reportable offenses including corruption, bribery, conflicts of interest, theft, fraud and law violations.

HANDLING OF VIOLATION REPORT

The Bank has procedures for handling violation reporting. The procedure is made with reference to the following principles:

- Speak-up reports are confidential. Only Reporters and Speak-up administrators and designated committees have the authority to access such reports (in this case the relevant parties referred to above are members of the Speak-up Committee).
- The reporting party is entitled to protection from the Bank if its reporting may cause threats from within or outside the Bank.
- The reporting party and the reported party are exempt from any sanction if the report cannot be legally validated.
- The Bank guarantees that all reporting parties and reports submitted will not affect the assessment of performance or career of Bank employees.
- Based on the above certainty and guarantee, the reporting party shall be obliged to provide more detailed information if requested by the management of the Bank as part of a follow-up on the reports it has submitted.

Langkah-langkah dari prosedur tersebut adalah:

The steps of the procedure are:

Pendeteksian | Detecting

Penulisan | Writing

Penyampaian | Submitting

Pendeteksian Indikasi Pelanggaran

Dalam hal Karyawab Bank mengetahui, melihat, dan mendengar tentang hal apapun yang dapat diindikasikan sebagai tindakan Pelanggaran di dalam lingkungan kerja, dengan mengacu kepada Kode Etik Perilaku Bank, Perjanjian Kerja, serta hukum positif yang berlaku di Indonesia, pegawai Bank dapat melaporkan hal tersebut kepada atasannya sesuai dengan mekanisme eskalasi yang berlaku. Dalam hal mekanisme eskalasi tidak dapat diikuti disebabkan bahwa tindakan Penyimpangan yang dilaporkan berhubungan dengan atasan langsung pegawai Bank dan/atau atasan lain, pegawai Bank dapat menggunakan Prosedur *Speak-up* ini.

Dalam hal terdapat laporan pelanggaran yang diperkirakan berdampak negatif secara signifikan terhadap Bank dan/atau Nasabah, termasuk yang berpotensi menjadi perhatian publik, maka Bank akan segera melaporkan hal tersebut kepada Otoritas Jasa Keuangan paling lambat 3 (tiga) hari kerja setelah Bank mengetahui terjadinya pelanggaran tersebut, sesuai dengan SEBI No.13/28/DPNP tanggal 9 Desember 2011 perihal "Penerapan Strategi *Anti Fraud*", dalam hal ini pelaporan ini juga mengacu pada "Prosedur Strategi *Anti Fraud*" (RM/PRO/003).

Penulisan Laporan

Pelaporan mengenai adanya indikasi Pelanggaran atau aktivitas yang mencurigakan yang dilaporkan sepengetahuan pegawai Bank harus dinyatakan secara tertulis dengan menggunakan *Speak-up Form*. Bukti pendukung (jika ada), wajib dilampirkan di dalam formulir pelaporan.

Penyampaian Laporan

Formulir *Speak-up* yang berisi laporan atas penyimpangan dapat disampaikan dengan menggunakan surel yang dikirimkan kepada: speakup@ina.icbc.com.cn; atau menggunakan amplop tertutup rapat yang disampaikan ke *Speak-up* Administrator di PO BOX 6195/JKPMT/10310 dengan ditembuskan kepada Kepala Departemen *Internal Audit* dan Kepala Departemen Kepatuhan. Jika dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Direksi atau Dewan Komisaris, maka laporan dilakukan secara tertulis dan ditujukan melalui surat tertutup kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

Detecting an Indication of Violation

In the event that a Bank employee knows, sees and hears about any matter that may be indicated as an act of violation within the working environment, with reference to the Bank's Code of Conduct, Work Agreement, and applicable positive law in Indonesia, Bank employees may report such incidents in accordance with applicable escalation mechanisms. In the event that escalation mechanisms cannot be followed due to reported reporting irregularities related to the direct supervisors of Bank employees and/or other superiors, Bank employees may use this Speak-up Procedure.

In the event of a violation report that is expected to have a significant negative impact on the Bank and/or its customers, including potential public concerns, the Bank shall promptly report the matter to the Financial Services Authority no later than 3 (three) working days after the Bank becomes aware of the breach, pursuant to SEBI No.13/28/DPNP dated December 9, 2011 regarding "Implementation of Anti Fraud Strategy", in this case reporting also refers to "Anti Fraud Strategy Procedure" (RM/PRO/003).

Writing Report

Reporting of any indication of violation or suspicious activity reported by the employee of the Bank shall be expressed in writing using the Speak-up Form. Supporting evidence (if any) must be attached to the reporting form.

Submitting Report

Speak-up forms containing reports of irregularities may be submitted using email sent to: speakup@ina.icbc.com.cn. It may also used a sealed envelope that Speak-up Administrators can submit to PO BOX 6195/JKPMT/10310 by being forwarded to the Head of the Internal Audit Department and the Head of the Compliance Department. If the suspect of potential violation or violation is a member of the Board of Directors or Board of Commissioners, the report shall be made in writing and addressed by a closed letter to the Chairperson of the Audit Committee (chaired by an Independent Commissioner).

PENERIMAAN LAPORAN

Setiap laporan yang diterima oleh *Speak-up Administrator* akan ditindaklanjuti sebagai berikut:

- Membubuhkan tanda terima laporan.
- Pemberitahuan kepada pihak pelapor yang berupa konfirmasi (melalui surel) bahwa laporannya sudah diterima dan akan dilakukan paling lambat lima hari kerja setelah laporan diterima.
- Laporan yang diterima dianalisa sesuai dengan isi permasalahan yang dilaporkan.
- Data pendukung diinvestigasi.
- Laporan kemudian disampaikan kepada Komite yang berwenang untuk ditindaklanjuti.

3 (tiga) poin terakhir di atas dilakukan paling lambat 3 (tiga) bulan sejak diterimanya dokumen *Speak-up*.

RECEIVING REPORT

Any report received by Speak-up Administrator will be followed-up in the following way:

- Append the report receipt.
- Notification to the reporting party in the form of confirmation (by email) that the report has been received and will be processed no later than five working days after the report is received.
- Reports received are analyzed in accordance with the contents of reported problems.
- Supporting data is investigated.
- The report is then submitted to the Committee authorized for follow-up.

The last 3 (three) points above shall be made no later than 3 (three) months after the receipt of the Speak-up document.

Tindak Lanjut Laporan

Komite berwenang memutuskan tindakan yang tepat untuk setiap laporan yang disampaikan. Komite yang berwenang berhak secara penuh untuk mengkategorikan laporan yang disampaikan berdasarkan urgensi dan signifikansinya untuk menentukan laporan yang perlu ditindaklanjuti dengan segera. Jika laporan telah ditindaklanjuti dan telah diambil tindakan sehingga mengarah kepada pencegahan Penyimpangan, jika dipandang perlu, pihak pelapor akan diberikan penghargaan. Sebaliknya, jika laporan yang disampaikan tidak dapat ditindaklanjuti dengan alasan apapun, Komite akan menginformasikan alasan mengapa laporannya tidak dapat ditindaklanjuti kepada pihak pelapor.

Follow-Up Report

The Committee has the authority to decide on appropriate action for each report submitted. The relevant committee is entitled to fully categorize the report submitted based on its urgency and significance to determine which reports need immediate follow-up. If a report has been acted upon and action has been taken that may lead to the prevention of Irregularities, the reporting party will be awarded, if deemed necessary. On the contrary, if the submitted report cannot be acted upon for any reason, the Committee will inform the reason why its report cannot be acted upon by the reporting party.

Perlindungan Bagi Pelapor

Hanya pihak yang melapor, *Administrator Speak-up*, dan Komite *Speak-up* yang memiliki kewenangan untuk mengakses laporan. Pegawai yang melapor berhak mendapatkan perlindungan dari Bank dalam hal keselamatannya terancam. Selain itu, pegawai yang melapor juga bebas dari segala bentuk sanksi, bahkan jika laporan mereka tidak terbukti benar. Bank juga memberikan jaminan kepada seluruh pihak yang melapor bahwa laporan mereka tidak akan berdampak pada evaluasi kinerja dan/atau karir mereka di Bank.

Protection of Whistle-Blower

Only the reporting party, the Speak-up Administrator, and the Speak-up Committee have the authority to access the report. The reporting employee is entitled to protection from the Bank in the event of the employee's safety being threatened. In addition, reporting employees are also free from any form of sanction, even if their reports are not proven to be true. The Bank also provides assurance to all parties who report that their report will not affect their performance evaluation and/or career at the Bank.

Jumlah Pengaduan | Number of Complaints	2017	2016
Jumlah Laporan yang Masuk | Number of Reports Received	-	1
Jumlah Laporan yang Terbukti | Number of Reports Proven	-	-

Di sepanjang tahun 2017, Bank tidak menemukan adanya laporan yang masuk melalui mekanisme WBS yang dimiliki dan dikelola oleh Bank.

Throughout the year 2017, the Bank did not find any reports entered through the whistle-blowing system (WBS) owned and managed by the Bank.

Pihak yang Mengelola Pengaduan

Pengaduan tersebut dikelola oleh Komite *Speak-up*, dimana Komite ini beranggotakan Direksi Bank. Komite *Speak-up*, setelah melakukan evaluasi dan menganalisa pelaporan yang disampaikan oleh Karyawan akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait, seperti Departemen Kepatuhan, Departemen Internal Audit, Departemen Hukum dan Manajemen Aset, Departemen Sumber Daya Manusia, dan pihak lain jika dipandang perlu. Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Direksi atau Dewan Komisaris, maka laporan ditujukan kepada Ketua Komite Audit yang diketuai oleh Komisaris Independen.

Parties in Charge of Managing Complaint

Complaints are administered by the Speak-up Committee, which is comprised of the Board of Directors of The Bank. The Speak-up Committee, after evaluating and analyzing reports submitted by an employee, will take follow-up actions that may also involve relevant parties, such as Compliance Department, Internal Audit Department, Legal Department, Human Resources Department, and others if deemed necessary. If the suspect is a member of the Board of Directors or Board of Commissioners, the report is addressed to the Chairperson of the Audit Committee, chaired by an Independent Commissioner.

Sanksi Bagi Terlapor yang Terbukti

Bentuk sanksi kepada Terlapor yang terbukti bersalah diberikan sesuai dengan ketentuan yang berlaku di Bank. Berdasarkan Perjanjian Kerja Bersama (PKB) Bank tindakan disiplin kepada pekerja dapat berupa Teguran Lisan, Surat Peringatan, Pencabutan Fasilitas, Penundaan Kenaikan Golongan Upah, Penurunan Golongan Upah, Pemindahan (mutasi dan demosi), Pembayaran ganti rugi atau pemutusan Hubungan Kerja sesuai dengan tingkatan kesalahan yang diperbuat.

Sanctions for Reported Parties in Proven Report

The form of sanction to the Reported Party proven guilty is given in accordance with the prevailing provisions in The Bank. Based on the Collective Labor Agreement (PKB) of The Bank, disciplinary action to workers may include Oral Strikes, Warning Letters, Facility Retention, Postponement of Wage Increases, Wage Reductions, Transfer (demotions), payment of losses incurred, or Termination of Employment in accordance with the level of error made.

Sosialisasi *Whistle Blowing System*

Untuk mensosialisasikan kepada seluruh insan Bank, Manajemen melakukan penyebarluasan materi Kode Etik melalui *Town Hall Meeting*, penerbitan buku Kode Etik secara cetak maupun digital yang dibagikan secara cuma-cuma, serta melalui distribusi surel secara berkala kepada seluruh insan Bank. Penyebarluasan Kode Etik ini di bawah koordinasi Sekretaris Perusahaan dan Departemen Sumber Daya Manusia.

Whistle Blowing System Socialization

To disseminate to all Bank personnel, the Management has disseminated Code of Conduct materials through Town Hall Meetings, the publication of a printed and digital code of conduct distributed free of charge, and through the distribution of electronic mail regularly to all Bank personnel. The dissemination of this Code of Ethics is under the coordination of the Corporate Secretary and the Human Resources Department.

TRANSPARANSI PRAKTIK *BAD GOVERNANCE*
TRANSPARENCY OF BAD GOVERNANCE PRACTICES

LAPORAN ATAS AKTIVITAS PERUSAHAAN YANG MENCEMARI LINGKUNGAN

Bank tidak mendapatkan adanya pihak manapun yang melaporkan aktivitas Bank yang dapat mencemari lingkungan; baik aktivitas langsung maupun aktivitas perbankan seperti pemberian kredit kepada Nasabah yang memiliki pelanggaran terhadap pencemaran lingkungan.

REPORTING ON COMPANY ACTIVITY POLLUTING THE ENVIRONMENT

The Bank has not had any parties reporting the activities of The Bank that can pollute the environment, whether it be direct activities or banking activities such as lending to customers who have a violations in environmental pollution.

PENGUNGKAPAN PEMENUHAN KEWAJIBAN PERPAJAKAN

Bank telah berkontribusi dalam pembayaran pajak sebesar IDR409.75 miliar selama tahun 2017.

DISCLOSURE OF TAX OBLIGATION FULFILLMENT

The Bank does not have unrealized commitment related to taxation.

DIREKTORAT JENDERAL PAJAK
KEPALA KANTOR WILAYAH DJP JAKARTA PUSAT

Dengan hormat menyampaikan Penghargaan
Kepada

Bank ICBC Indonesia

Jakarta, 20 Maret 2018

Wahju K. Tumakaka

Bank ICBC Indonesia
menerima penghargaan sebagai
Pembayar Pajak Besar tahun 2017
Bank ICBC Indonesia
received an award
as the largest tax payer in 2017.

KETIDAKSESUAIAN PENYAJIAN LAPORAN TAHUNAN DAN LAPORAN KEUANGAN DENGAN PERATURAN YANG BERLAKU DAN PERNYATAAN STANDAR AKUNTASI KEUANGAN (PSAK)

Laporan Tahunan Bank tahun buku 2017 disusun melalui acuan Laporan Keuangan Bank yang berakhir pada 31 Desember 2017. Laporan Keuangan Bank tahun buku 2017 telah diaudit oleh Kantor Akuntan Publik (KAP) Siddharta Widjaja & Rekan (KPMG) yang telah disusun sesuai dengan PSAK yang berlaku di Indonesia.

NON-CONFORMITY PRESENTATION OF ANNUAL REPORT AND FINANCIAL STATEMENT WITH APPLICABLE REGULATION AND FINANCIAL ACCOUNTING STANDARD (PSAK)

The Bank's Annual Report for the financial year of 2017 is prepared through the Bank Statement of Financial Statement ending December 31, 2017. The Bank's Financial Statements for the fiscal year 2017 have been audited by the Public Accounting Firm (KAP) of Siddharta Widjaja & Rekan (KPMG). These statements have been prepared in accordance with the Financial Accounting Standards (SAK) in force in Indonesia.

KASUS TERKAIT DENGAN BURUH DAN KARYAWAN

Bank tidak menemukan adanya kasus terkait buruh dan karyawan di sepanjang tahun 2017.

CASES RELATED TO LABOR AND EMPLOYEE

The Bank did not find any labor and employee-related cases throughout the year 2017.

KESESUAIAN BUKU LAPORAN TAHUNAN DAN LAPORAN TAHUNAN DIGITAL

Laporan Tahunan digital Bank baik yang disampaikan kepada Pemegang Saham, Pemangku Kepentingan, maupun yang telah diunggah pada situs web Bank telah sesuai dengan buku Laporan Tahunan yang dicetak dan diterbitkan oleh Bank.

COMPATIBILITY OF ANNUAL REPORT BOOKS AND DIGITAL ANNUAL REPORT

The Bank's Annual Digital Report submitted to shareholders, Stakeholders or uploaded on the Bank's official website is in conformity with the Annual Report printed and published by the Bank.

PENILAIAN PENERAPAN GCG & TINDAK LANJUTNYA
GCG ASSESSMENT & FOLLOW-UP

Sebagaimana telah dibahas sebelumnya, Bank melakukan *self-assessment* atas penerapan GCG di sepanjang tahun 2017. Hal ini sejalan dengan periode penilaian kesehatan bank berdasarkan risiko (*Risk-Based Bank Rating*, atau RBBR) yang dilakukan setiap semester dengan merujuk kepada Surat Edaran OJK Nomor 13/SEOJK.03/2017 mengenai Penerapan Tata Kelola yang Baik untuk Bank Umum. Berdasarkan rujukan ini, Bank melaksanakan *self-assessment* berkala atas 11 (sebelas) faktor penilaian mengenai penerapan GCG, di mana dua di antaranya berkaitan dengan Dewan Komisaris dan Direksi, yaitu:

- Penerapan tugas dan tanggung jawab Dewan Komisaris.
- Penerapan tugas dan tanggung jawab Direksi.

Hasil dari penilaian atas dua aspek di atas di tahun 2016 menunjukkan fungsi dari masing-masing organ, yaitu Dewan Komisaris dan Direksi, berjalan dengan baik, dengan hasil sebagai berikut:

As previously discussed, The Bank conducted self-assessment on the implementation of GCG in 2017. This aligned with the Risk-based Bank Rating (RBBR) period conducted every semester referring to OJK Circular Letter No.13/SEOJK.03/2017 regarding the Implementation of Good Corporate Governance for Commercial Banks. Based on this reference, The Bank conducts periodic self-assessment on 11 (eleven) factors of assessment regarding the implementation of GCG. Two of these factors are about the Board of Commissioners and the Board of Directors, namely:

- The implementation of the duties and responsibilities by the Board of Commissioners.
- The implementation of the duties and responsibilities by the Board of Directors.

The result of the assessment of both aspects in 2016 showed that the functions of both organs—the Board of Commissioners and the Board of Directors—ran well, with the result as follows:

Faktor Evaluasi Penerapan GCG Factor evaluated on the implementation of GCG	Skor Score
Penerapan tugas dan tanggung jawab Dewan Komisaris The implementation of the duties and responsibilities by the Board of Commissioners	1
Penerapan tugas dan tanggung jawab Direksi The implementation of the duties and responsibilities by the Board of Directors	2

Realisasi/Tindak Lanjut Atas Hasil Rekomendasi
Realization/Follow-up of the Recommendation

Rekomendasi atas Assessment Penerapan GCG Tahun 2016 Recommendation on the Assessment of the Implementation of GCG in 2016	Tindak Lanjut di Tahun 2017 Follow Up in 2017		
	Status	Periode Tindak Lanjut Period	Bentuk Realisasi/Tindak Lanjut Realization/Follow-Up
Aspek Dewan Komisaris Aspect of the Board of Commissioners			
Pengawasan BOC terhadap proses kredit BOC monitoring of the credit process	●	2017	Bank secara aktif bernegosiasi dengan debitur terkait dengan kredit macet serta mengambil langkah hukum yang diperlukan, lelang serta monitoring secara ketat terhadap kredit bermasalah The Bank actively negotiated with debtors regarding NPL and took necessary legal actions, held auction and strictly monitored NPL

● = sudah direalisasikan | realized ○ = belum direalisasikan | unrealized

Realisasi/Tindak Lanjut Atas Hasil Rekomendasi
Realization/Follow-up of the Recommendation

Rekomendasi atas Assessment Penerapan GCG Tahun 2016 Recommendation on the Assessment of the Implementation of GCG in 2016	Tindak Lanjut di Tahun 2017 Follow Up in 2017		
	Status	Periode Tindak Lanjut Period	Bentuk Realisasi/Tindak Lanjut Realization/Follow-Up
Implementasi DC/DRC sesuai dengan action plan yang diserahkan ke OJK Implementation of DC/DRC based on the action submitted to OJK	●	2017	Rencana DC/DRC telah dijalankan sesuai dengan *action plan* yang diserahkan ke OJK DC/DRC plan executed based on the action plan submitted to OJK
Pemberian saran kepada Direktur Suggestions to Directors	●	2017	Pemberian saran kepada Direksi telah secara aktif dilakukan oleh Dewan Komisaris melalui rapat Dewan Komisaris, rapat gabungan Dewan Komisaris dan Direksi, serta rapat-rapat Komite di bawah Dewan Komisaris. Selain itu, Dewan Komisaris juga telah memberikan saran melalui surat yang disampaikan langsung kepada Direksi. BOC actively gave advice to BOD in BOC meetings and BOC-BOD joint meetings. BOC also gave advice via letters sent directly to BOD
Aspek Direksi Aspect of the Board of Directors			
Pemisahan tugas dan wewenang direktur yang membawahi unit SAM dan *General Affairs* Bank Separation of duties and authority of the director managing the SAM unit and General Affairs	○	2017	Bank masih dalam tahap pembahasan dengan OJK terkait dengan hal ini The Bank is still in discussion with OJK related to this matter
Meningkatkan prinsip kehati-hatian terkait dengan proses kredit, operasional & layanan Improving the prudential principle regarding credit process, operations, and services	●	2017	Prinsip kehati-hatian telah ditingkatkan dengan pengawasan terhadap kredit dilakukan secara ketat dimana proses analisa Bank semakin mendalam. Terkait dengan kegiatan operasional dan pelayanan Bank telah mengkaji ulang kebijakan dan prosedurnya terkait dengan operasional dan services untuk meningkatkan prinsip kehati-hatiannya. The prudential principle was improved with strict monitoring of credits with deeper Bank Analysis process. Related to the operations and services, the Bank reviewed policies and procedures related to operations and services to improve the prudential principle
Mengawasi progress dari implementasi DC/DRC *onshoring* sesuai dengan *action plan* yang disampaikan ke OJK Monitoring the progress of the implementation of DC/DRC onshoring based on the action plan submitted to OJK	●	2017	Bank telah memonitor progress DC/DRC sesuai dengan *action plan* yang disampaikan ke OJK The Bank monitored the progress of DC/DRC based on the action plan submitted to OJK

● = sudah direalisasikan | realized ○ = belum direalisasikan | unrealized

PENILAIAN KINERJA DEWAN KOMISARIS DAN DIREKSI

Metode/Mekanisme Penilaian

Penilaian faktor GCG merupakan penilaian terhadap kualitas manajemen Bank atas pelaksanaan prinsip GCG, dengan memperhatikan signifikansi atau materialitas suatu permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik dan kompleksitas usaha Bank. Penilaian tersebut dikelompokkan dalam suatu governance system yang terdiri dari 3 (tiga) aspek *governance*, yaitu: *governance structure*, *governance process*, dan *governance outcome*.

ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Assessment Method/Mechanism

The assessment of the GCG factors is the assessment of the quality of the Bank management in implementing GCG principles, by taking into account the significance or materiality of an issue to the implementation of GCG bank-wide, based on the scale, characteristics and complexity of the Bank's business. The assessment is grouped into a governance system comprising three (3) aspects of governance: governance structures, governance process, and governance outcomes.

Hasil Penilaian

Governance Structure

- Seluruh anggota Direksi memiliki integritas, kompetensi dan reputasi keuangan yang memadai.
- Seluruh Komisaris Independen tidak ada yang memiliki hubungan keuangan, kepengurusan, kepemilikan dan hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuannya untuk bertindak independen.
- Dewan Komisaris dan Direksi memiliki sarana mekanisme komunikasi melalui BOC – BOD *communication meeting* yang dilaksanakan secara berkala. Pada pertemuan tersebut, dibahas hal-hal terkini yang berkaitan dengan perkembangan perusahaan maupun permasalahan yang dihadapi.

Governance Process

- Seluruh Komite telah menjalankan tugasnya dengan baik dan sangat membantu Dewan Komisaris dalam memantau risiko yang mungkin terjadi.
- Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab Direksi secara berkala maupun sewaktu-waktu, serta memberikan nasihat kepada Direksi.
- Dewan Komisaris tidak terlibat dalam pengambilan keputusan kegiatan operasional Bank,kecuali dalam hal penyediaan dana kepada pihak terkait dan hal-hal lain yang ditetapkan dalam Anggaran Dasar Bank dan/atau peraturan perundangan yang berlaku dalam rangka melaksanakan fungsi pengawasan.
- Direksi telah memberikan perhatian yang sangat serius terhadap tindak lanjut temuan hasil pemeriksaan OJK dan memastikan tindak lanjut tersebut dipenuhi sesuai komitmen.

Governance Outcome

- Transparansi laporan telah dilakukan secara tepat waktu dengan cakupan sesuai ketentuan yang berlaku termasuk telah mencantumkannya pada situs Bank.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada Regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Direksi telah mengungkapkan kebijakan-kebijakan Bank yang bersifat strategis di bidang kepegawaian kepada Karyawan dengan media yang mudah diakses Karyawan.

Assessment Result

Governance Structure

- All directors have good integrity, competence and financial reputation.
- All independent commissioners don't have any financial, management, ownership and familial relationships with other members of the Board of Commissioners, members of the Board of Directors and/or controlling shareholders, or relationship with the Bank whose nature may impair the commissioners' ability to act independently.
- Board of Commissioners and Board of Directors have the mechanism for communicating in the form of BOC–BOD communication meeting held periodically. In these meetings, both organs discuss current issues related to the development of the Company and issues faced by the Company.

Governance Process

- All committees performed their respective functions well and assisted the Board of Commissioners in overseeing potential risks.
- The Board of Commissioners performed the oversight duty of the execution of duties and responsibilities of the Board of Directors, both periodically and at any given time, and provided suggestions to the Board of Directors.
- The Board of Commissioners was not involved in the decision making related to the Bank's operations except in matters related to the provision of funds to a related party and other matters set forth in Articles of Association and/or the prevailing law and regulations, as part and parcel of the Board's oversight function.
- The Board of Directors paid serious attention to the follow-up of the findings by OJK and ensured that the follow up met the commitment.

Governance Outcome

- The transparency of the reports was done in a timely manner with coverage as per the prevailing provisions, including uploading the information onto the Bank's website.
- The report required by Bank Indonesia/OJK were submitted to the regulator and other parties based on the prevailing law and regulations.
- The Board of Directors disclosed the Bank's strategic policies about manpower to employees on the media accessible by the employees.

TANGGUNG JAWAB SOSIAL PERUSAHAAN
CORPORATE SOCIAL RESPONSIBILITY

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PRINSIP UMUM & DASAR PENERAPAN TANGGUNG JAWAB SOSIAL PERUSAHAAN

GENERAL PRINCIPLES & BASIS OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION

Bank menerapkan Tanggung Jawab Sosial Perusahaan atau *Corporate Social Responsibility* (CSR) sebagai bagian dari pengembangan hubungan dengan Pemangku Kepentingan yang akan berujung pada pertumbuhan yang berkelanjutan. Pengembangan CSR diharapkan dapat menciptakan iklim usaha dan iklim investasi yang kondusif dengan memperhatikan lingkungan di mana Bank menjalankan bisnisnya.

The Bank implements Corporate Social Responsibility (CSR) as part of developing the Bank's relationships with stakeholders that will lead to sustainable growth. The development of CSR is expected to create a conducive business and investment climates with regard to the environment in which the Bank conducts its business.

4 PILAR TANGGUNG JAWAB SOSIAL PERUSAHAAN

4 PILLARS OF CORPORTE SOCIAL RESPONSIBILITY

Tanggung Jawab Sosial Bidang Lingkungan

Social Responsibility for the Environment

Menjaga lingkungan dan melestarikan lingkungan. Memberikan kontribusi untuk penghijauan lingkungan.

Maintaining and preserving the environment. Contributing to greening the environment.

Tanggung Jawab Sosial Bidang Ketenagakerjaan, Kesehatan, dan Keselamatan Kerja

Social Responsibility for Employment, Health and Safety

Meningkatkan efektivitas dan efisiensi Karyawan. Membantu berkontribusi untuk kesehatan dan kesejahteraan Karyawan.

Improving employees' effectiveness and efficiency. Helping contribute to employees' health and welfare.

Tanggung Jawab Sosial Bidang Pengembangan Sosial dan Kemasyarakatan

Social Responsibility for Social and Community Development

Memfasilitasi pendidikan bagi generasi muda. Membangun solidaritas dengan masyarakat untuk meningkatkan kesehatan, kesejahteraan dan memberikan bantuan untuk masyarakat yang terkena dampak bencana.

Facilitating education for the younger generation. Building solidarity with communities to improve health and welfare, as well as providing assistance to disaster impacted communities.

Tanggung Jawab Sosial Terhadap Produk/Jasa dan Nasabah

Social Responsibility for Products/Services and Customers

Meningkatkan hubungan yang baik dengan Nasabah. Meningkatkan kualitas pelayanan.

Improving good relationships with customers. Improving service quality.

Bank merumuskan kebijakan "4 Pilar" sebagai dasar penerapan CSR yang diharapkan dapat menciptakan pola hubungan yang harmonis antara pelaku usaha bersama-sama dengan Pemangku Kepentingan. Keempat aspek tersebut adalah Lingkungan, Praktik Ketenagakerjaan, Kesehatan dan Keselamatan Kerja, Pengembangan Sosial dan Kemasyarakatan, serta Tanggung Jawab Terhadap Konsumen/Produk.

Mengacu kepada 4 (empat) aspek di atas, pelaksanaan kegiatan CSR Bank berpedoman kepada beberapa kebijakan yang diterapkan di Indonesia, yaitu:

- Undang-undang No. 1 Tahun 1970 tentang Keselamatan Kerja.
- Undang-Undang No. 23 Tahun 1992 tentang Kesehatan.
- Undang-Undang No. 13 Tahun 2003 tentang Ketenagakerjaan.
- Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas.
- Undang-Undang No. 25 Tahun 2007 tentang Penanaman Modal.
- Undang-Undang No. 24 Tahun 2011 tentang Badan Penyelenggara Jaminan Sosial.
- Peraturan Pemerintah No. 50 Tahun 2012 tentang Penerapan Sistem Manajemen Keselamatan dan Kesehatan Kerja.
- Peraturan Pemerintah No. 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas.

Pelaksanaan kegiatan CSR Bank sepenuhnya merujuk kepada kebijakan dasar seperti yang telah disebutkan di atas, dengan melakukan *benchmarking* terhadap pelaku industri perbankan lainnya. Melalui tanggung jawab sosial ini, Bank turut serta dalam membangun hubungan yang harmonis dengan pelaku usaha dan Pemangku Kepentingan, yang pada akhirnya akan menciptakan pertumbuhan usaha di Indonesia secara berkelanjutan.

According to the roadmap developed by Regulators in Indonesia, the implementation of CSR is divided into 4 (four) aspects that are expected to create a harmonious relationship pattern between business players together with the State and other Stakeholders. These four aspects are environment, labor practices, occupational health and safety, social and community development, and consumer/product responsibility.

In reference to the above 4 (four) aspects, the implementation of CSR activities of the Bank is guided by several policies being implemented in Indonesia, namely:

- Law No. 1 Year 1970 on Occupational Safety.
- Law No. 23 Year 1992 on Health.
- Law No. 13 Year 2003 on Manpower.
- Law No. 40 Year 2007 on Limited Liability Companies.
- Law No. 25 Year 2007 on Investment.
- Law No. 24 Year 2011 on the Healthcare and Social Security Agency.
- Government Regulation No. 50 Year 2012 on Implementation of Occupational Safety and Health Management Systems.
- Government Regulation No. 47 Year 2012 on Corporate Social Responsibility and Environment Responsibility for Limited Liability Companies.

The implementation of the Bank's CSR activities fully refers to basic policy mentioned above, by setting a benchmark for other players in the banking industry. With the social responsibility, the Bank participates in building harmonious relationships with business players and Stakeholders, which will ultimately create sustainable business growth in Indonesia.

PILAR PERTAMA

Bidang Lingkungan

Kebijakan

Pada pelaksanaan CSR aspek lingkungan, Bank memiliki kebijakan dan panduan bagi seluruh Karyawan Bank untuk menjaga lingkungan melalui program *reuse, reduce, recycle, save energy* dan *stay healthy.*

FIRST PILLAR

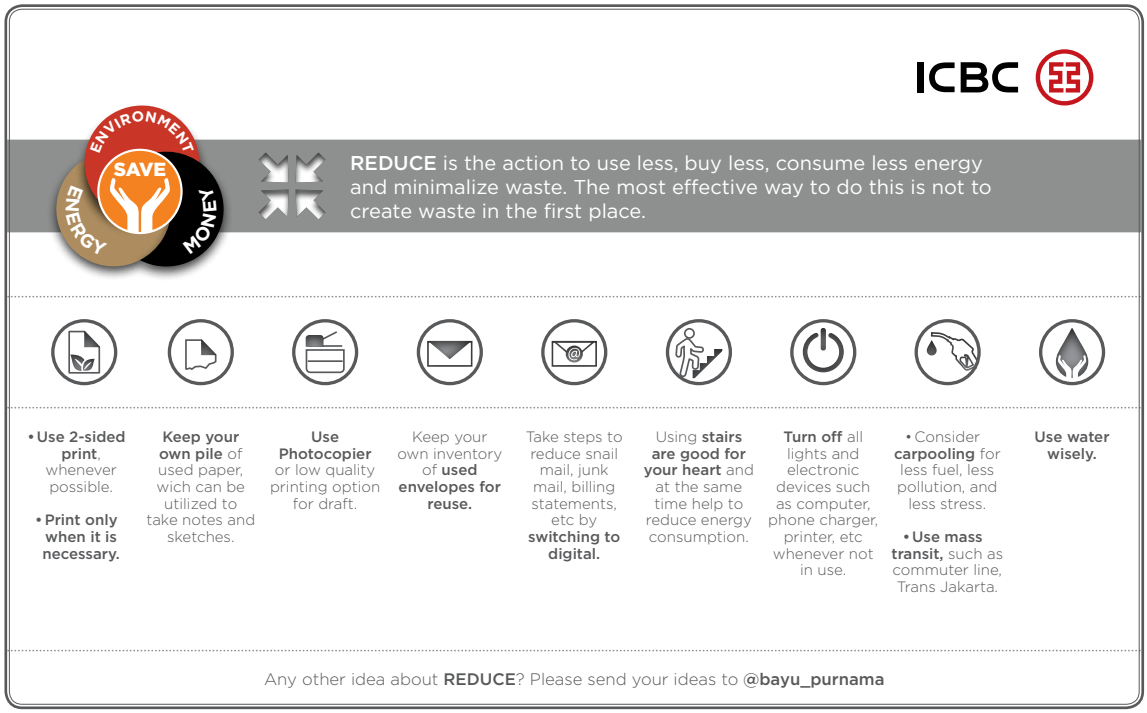
The Environment

Policy

In the CSR implementation for the environment, the Bank has policies and guidance for the Bank's all employees to maintain the environment through reuse, reduce, recycle, save energy and stay healthy programs.

Program Bidang Lingkungan

Environmental Programs



Program dan Kegiatan yang Pernah Dilakukan

- Pelestarian Hutan Bakau
  Bank ICBC Indonesia melakukan kegiatan pelestarian hutan bakau di Taman Wisata Alam, Pantai Indah Kapuk pada 2012.
- Kebersihan Fasilitas Umum
  Pada 2013, Bank ICBC Indonesia melakukan aktivitas di bidang lingkungan dengan membersihkan Jembatan Penyeberangan Orang yang sekaligus menjadi akses untuk menuju Halte Trans-Jakarta Tosari. Kegiatan tersebut dilakukan oleh Karyawan dan termasuk Direksi Bank.

Programs and Activities Conducted

- Mangrove Forest Conservation
  Bank ICBC Indonesia has conducted mangrove conservation activities at Taman Wisata Alam, Pantai Indah Kapuk in 2012.
- Cleaning Up Public Facilities
  In 2013, Bank ICBC Indonesia conducted environmental activities by cleaning of a bridge that provides access to the Trans-Jakarta Tosari Stop. This activity was carried out by employees and also included the participation of the Board of Directors of the Bank.

- Kebijakan Penggunaan Material dan Energi yang Efektif
  Bank ICBC Indonesia memiliki panduan bagi seluruh Karyawan Bank ICBC Indonesia untuk menjaga lingkungan melalui program *reuse, reduce, recycle, save energy* dan *stay healthy* yang sudah dimulai sejak 2016. Manajemen dan segenap Karyawan diharapkan untuk memulai berbagai kebiasaan baik yang dapat mendukung *go-green initiative* dan peningkatan lingkungan hidup yang lebih sehat, seperti:
  - Penghematan penggunaan kertas.
  - Penghematan pemakaian air bersih.
  - Pengelompokkan pembuangan kertas bekas untuk didaur ulang.
  - Penghematan penggunaan listrik, salah satunya mematikan AC setelah melewati jam kerja dan mematikan komputer pada saat pulang kerja.
  - Pengurangan polusi dengan *carpooling* untuk menuju kantor.
  - Peningkatan kesehatan Karyawan dengan penggunaan tangga darurat dibanding *elevator*.

- Effective Material and Energy Use Policy
  Bank ICBC Indonesia has policies and guidance for the Bank's all employees to maintain the environment through reuse, reduce, recycle, save energy and stay healthy programs since 2016. The Management and all employees are expected to maintain various good habits that can support go-green initiatives and enhancement of a healthier environment, such as:
  - Saving on paper usage.
  - Water consumption savings.
  - Grouping used waste disposal for recycling.
  - Electricity savings. Turning off the AC during afterhours and turning off computers when leaving the office.
  - Reduction of pollution by carpooling to depart the office.
  - Improving employee health by using emergency stairs instead of elevators.

Keterangan Items	2017	2016	%YoY 2017-2016
	Pemakaian | Usage	Pemakaian | Usage	Pemakaian | Usage
Bensin (liter) | Fuel (liters)	61.735	74.442	-17,07
Kertas (rim) | Paper (rim)	2.010	2.120	-5,19

- Pengembangan Kesadaran "*Go Green*"
  Pada Desember 2017, Bank ICBC Indonesia mengadakan program "*Go Green Initiative*" dimana Bank mengajak seluruh Karyawan untuk melakukan mengumpulkan barang-barang di kantor dan rumah yang bisa didaur ulang serta mengkampanyekan gaya hidup yang ramah lingkungan dan hasil dari sampah daur ulang yang terkumpul sebanyak 1 ton lebih dan disumbangkan ke Depo Pelestarian Lingkungan Yayasan Tzuchi Indonesia.

- Raising Awareness for "Go Green"
  In December 2017, Bank ICBC Indonesia organized a "Go Green Initiative" program whereby the Bank encouraged all employees to collect recyclable items from office and home, and campaigned for eco-friendly lifestyle. As much as a ton of waste was collected and donated to the Tzuchi Indonesia Foundation's Environment Preservation Depot.

PILAR KEDUA

Bidang Ketenagakerjaan, Kesehatan dan Keselamatan Kerja

Kebijakan

Prinsip dasar praktik Ketenagakerjaan, Kesehatan dan Keselamatan Kerja (K3) adalah sebuah kondisi dalam pekerjaan yang sehat dan aman baik itu bagi pekerja, perusahaan maupun bagi masyarakat dan lingkungan sekitar lokasi usaha tersebut. Secara umum, K3 merupakan sebuah perangkat kebijakan yang dikembangkan agar perusahaan menciptakan lingkungan kerja yang kondusif, aman, bebas dari praktik diskriminasi, dan memiliki pengelolaan minim kecelakaan kerja.

Bank berupaya untuk menerapkan kebijakan K3 di seluruh kegiatan usahanya, baik di kantor pusat maupun di cabang. Pelaksanaan K3 di lokasi perkantoran Bank diharapkan dapat memberikan faktor keamanan dan kenyamanan kerja bagi Karyawan, yang tentunya akan berdampak positif terhadap produktivitas dari setiap Karyawan.

Program dan Kegiatan yang Pernah Dilakukan

- Pembentukan Lingkungan Kerja yang Kondusif
  Kenyamanan kerja Karyawan menjadi perhatian bagi Bank ICBC Indonesia. Lingkungan kerja yang kondusif diharapkan dapat mempererat hubungan antar Karyawan, yang akan memberikan dampak yang positif terhadap produktivitas Karyawan. Salah satu kebijakan terkait pembentukan lingkungan kerja yang kondusif terlihat melalui fasilitas kegiatan di luar aktivitas kerja, seperti komunitas olahraga Karyawan yang tergabung dalam ICBC Club yang telah memiliki berbagai cabang olahraga seperti bulu tangkis, basket, futsal, yoga, dan sepakbola. Melalui ICBC Club, Bank berharap jurang jabatan dalam kegiatan operasional dapat terlebur dan mampu membentuk tim kerja berlandaskan tali silaturahmi antar individu Karyawan.
- Kesetaraan Jenis Kelamin, Praktik Non-Diskriminasi, dan Kesempatan Kerja
  Bank ICBC membuka seluas-luasnya kesempatan kerja bagi talenta terbaik, tanpa memandang jenis kelamin atau jenis kelamin maupun latar belakang sosial (suku, agama, ras dan antar golongan). Kebijakan non-diskriminasi ini merupakan bagian dari praktik korporasi yang sehat yang diharapkan mampu memberikan landasan bagi Bank ICBC Indonesia untuk dapat merekrut talenta terbaik anak bangsa Indonesia.

SECOND PILLAR

Employment, Health And Work Safety

Policy

The basic principles of Employment, Occupational Health and Safety (OSH) practices are conditions for safe and healthy employment for the Employees, the company, the community and the environment surrounding the business location. In general, OSH principles serve as policy tools for the company to create a conducive environment that is safe, free from discrimination, and has a minimum of work accidents.

The Bank seeks to implement OSH policy in all of its business activities, both at its headquarter and in branches. The implementation of OSH at the Bank's offices location are expected to provide safe and comfort factor for employees, and surely it will have a positive impact to the productivity of each employee.

Programs and Activities Conducted

- Establishment of a Conducive Work Environment
  Employee comfort is a point of concern for Bank ICBC Indonesia. A conducive working environment is expected to strengthen employee relations, which will have a positive impact on employee productivity. One of the policies related to the establishment of a conducive working environment is demonstrated through the facilitation of activities outside of work activities, such as sports community for employees who are members of the ICBC Club, which has various sports such as badminton, basketball, futsal, yoga and soccer. Through ICBC Club, the Bank hopes that gaps in the operational activities can be bridged and create a working team that can maintain relations between employees.
- Gender Equality, Non-Discrimination Practices and Employment Opportunities
  Bank ICBC Indonesia opens the widest possible employment opportunities for the best talents, regardless of gender or social background (ethnicity, religion or race). This non-discriminatory policy is part of sound corporate practice that is expected to provide the foundation for Bank ICBC Indonesia to be able to recruit the best Indonesian talents.

Bank percaya bahwa work-life balance sebagai salah satu hal penting dalam menjaga produktivitas karyawan. Maka, aktifitas karyawan seperti perhelatan olahraga, perayaan hari besar nasional dan outting perusahaan dilaksanakan secara berkala.

The Bank believes work-life balance as one of the most important aspects in employees productivity. Hence, regular employee activities such as sporting tournament, national holiday celebration and company outting are regularly conducted.

Disamping itu, Bank juga menerapkan kesetaraan jenis kelamin yang proporsional. Bank ICBC Indonesia tetap memperhatikan kebutuhan dari para Karyawan perempuan, seperti pembuatan ruang laktasi yang lebih nyaman bagi Karyawan wanita hamil.

- Sarana dan Prasarana Keselamatan Kerja
  Dalam hal keselamatan kerja, pada 7 Desember 2017 diadakan latihan pemadam kebakaran (*fire drill*) dengan tujuan agar Karyawan selalu siap menghadapi bencana kebakaran, mengerti cara menangani kebakaran dan evakuasi serta memberikan pengetahuan tentang cara penanganan kebakaran dan cara mengurangi risiko. Selain itu, Bank ICBC Indonesia menyediakan berbagai program dan fasilitas keselamatan kerja Karyawan di lokasi kerja atau kantor, seperti:
  - Perlengkapan keamanan yang disediakan dan dipasang di jaringan kantor cabang Bank seperti CCTV, *panic button*, *kick bar*, *infrared*, *motion detector*, *seismic detector* dan alarm.
  - Kaca anti peluru 24mm yang dipasang untuk melindungi *teller*.
  - Pelatihan yang diberikan kepada semua *security guard*, seperti: bela diri, HSE (*Health, Safety & Environment*), *Police Handcuff Technique*, *Emergency Response Procedure*, dan *Basic Fire Fighting*.
  - Latihan kebakaran yang ditujukan untuk persiapan jika terjadi kebakaran.
  - Latihan dalam menanggapi kasus perampokan.
  - Fasilitas transportasi dan konsumsi pada saat keadaan darurat.
  - Penyediaan peralatan darurat seperti lampu senter, helm, peluit, masker dan kotak P3K.

In addition, the Bank also implements proportional gender equality. Bank ICBC Indonesia remains concerned with the needs of female employees, such as the creation of more comfortable lactation rooms for pregnant employees.

- Work Safety Facilities and Infrastructure
  In terms of work safety, on December 7, 2017, a fire drill was held with the aim of ensuring that employees are always ready to face fire disasters and understand how to handle fire evacuation. The drill provides them with knowledge on how to handle fires and how to reduce risks of fires. In addition, Bank ICBC Indonesia provides various employee safety programs and facilities at work location or office, such as:
  - Security equipment provided and installed throughout the Bank's branch network. These include CTV, panic button, kick bar, infrared, motion detector, seismic detectors and alarm.
  - 24mm bulletproof glass mounted to protect tellers.
  - Training provided to all security guards, such as: martial arts, HSE (Health, Safety & Environment), Police Handcuff Technique, Emergency Response Procedure and Basic Fire Fighting.
  - Fire drills intended for preparation in case of a fire.
  - Exercises in response to robbery cases.
  - Transportation and consumption facilities during an emergency.
  - Provision of emergency equipment such as flashlight, helmet, whistle, mask and first aid kit.

- Program Kesehatan dan Fasilitas
  Selain itu, Bank juga memperhatikan aspek kesehatan bagi seluruh Karyawan. Program ini diberikan berupa paket-paket yaitu:
  - Pembuatan ruang laktasi yang lebih nyaman.
  - Kegiatan olahraga dalam ICBC Club yang telah memiliki berbagai cabang olahraga seperti bulu tangkis, basket, futsal, yoga, dan sepakbola.
  - Medical check-up, *Optical Benefit*, Asuransi Kesehatan termasuk anggota keluarga, BPJS, Mammografi.

- Health and Facilities Program
  the Bank has also paid attention to the health of all employees. This program is conducted in packages, namely:
  - Making more comfortable lactation spaces.
  - Sports activities in the ICBC Club such as badminton, basketball, futsal, yoga and soccer.
  - Medical check-up, optical benefit, health insurance including family members, Health Care and Social Security Agency (BPJS) facility, and mammography.

PILAR KETIGA

Bidang Pengembangan Sosial dan Kemasyarakatan

Kebijakan

Membina hubungan baik dengan masyarakat merupakan landasan pokok bagi keberhasilan jangka panjang sebuah entitas usaha. Oleh karena itu Bank senantiasa berusaha menghormati nilai, norma dan budaya masyarakat di sekitar lingkungan Bank, dan mewujudkan hubungan yang harmonis dengan masyarakat setempat.

Program dan Kegiatan yang pernah Dilakukan

- Renovasi Perpustakaan Sekolah
  Pada tahun 2012 Bank merenovasi perpustakaan SD Krembangan Utara I/56, Surabaya. Pada tanggal 16 Juli 2012 Bank meresmikan perpustakaan tersebut yang telah dilengkapi fasilitas baru dan pada saat yang bersamaan, diserahkan pula buku-buku hasil sumbangan dari Karyawan Bank ICBC Indonesia;
- Penyediaan Fasilitas Belajar
  Pemberian fasilitas belajar mengajar berupa meja belajar, lemari perpustakaan, papan tulis, alat tulis serta buku bacaan kepada PKMB Nurul Jannah pada November 2015;
- Beasiswa kepada Mahasiswa
  Pemberian beasiswa kepada 20 mahasiswa Sastra Mandarin, Universitas Indonesia dengan total nilai sebesar IDR 100 juta pada tahun 2016.

THIRD PILLAR

Social And Community Development

Policy

Fostering good relationships with the community is a fundamental foundation for the long-term success of a business entity. As such, the Bank always strives to respect the values, norms and culture of the communities surrounding the Bank's environment, and to realize harmonious relationships with local communities.

Program and Activities Conducted

- Renovation of a School Library
  In 2012 the Bank renovated the library of Primary School (SD) Krembangan Utara I/56, Surabaya. On July 16, 2012, the Bank inaugurated this library, which is equipped with new facilities and at the same time the Bank submitted books donated by employees of Bank ICBC Indonesia;
- Provision of Educational Facilities
  Providing teaching and learning facilities such as desks, library cabinets, blackboards, stationery and reading books to PKMB Nurul Jannah in November 2015;
- Scholarships to Students
  Providing scholarships to 20 students of Mandarin Literature at the University of Indonesia with a total value of IDR100 million in 2016.

- Buka Puasa Bersama Anak Yatim
  Pada Juni 2016 dalam memperingati bulan suci Ramadhan, Bank mengadakan berbagai kegiatan, diantaranya menyelenggarakan buka puasa bersama anak yatim di Jakarta, Surabaya, Batam, Balikpapan, Makassar, Bandung, dan Medan:
  - Kantor Pusat Bank ICBC Indonesia memberikan berbagai sumbangan seperti paket makanan dan makanan ringan, serta bingkisan tas perlengkapan alat sholat kepada Yayasan Haji Karim Oei dalam acara buka puasa di Masjid Lautze di Jakarta Pusat. Selain itu, Bank juga memberikan donasi sebesar IDR33,75 juta yang diserahkan oleh Mr. Shen Xiaoqi, Presiden Direktur Bank ICBC Indonesia, kepada Bpk H. Ali Karim Oei, Ketua Yayasan Haji Karim Oei pada acara buka puasa di Hotel Kempinski, Grand Indonesia. Donasi tersebut diberikan untuk membantu masyarakat kurang mampu serta mendukung kegiatan komunitas yayasan.
  - Jaringan kantor Cabang di Surabaya melakukan kegiatan buka puasa bersama dengan 25 orang anak Yayasan Khotidjah. Bank juga membagikan perlengkapan sholat kepada para anak yatim dalam acara yang diadakan di Square Ballroom ICBC Center Surabaya ini.
  - Kantor Cabang Balikpapan melakukan kegiatan buka puasa bersama di Hotel Grand Senyiur Balikpapan. Melalui acara ini Bank membagikan beras, biskuit dan parcel kepada 10 anak yatim Panti Asuhan Bina Bersama.
  - Kantor Cabang Batam mengadakan buka puasa bersama dan membagikan perlengkapan sholat kepada 40 anak yatim Panti Asuhan Rumah Singgah. Acara buka bersama ini diselenggarakan di Kantor Cabang Batam.
  - Kantor Cabang Makassar menyelenggarakan buka puasa bersama dengan 15 orang anak Panti Asuhan Abadi di Rumah Makan Losari Seafood Makassar. Pada kesempatan ini, Bank memberikan donasi kepada panti asuhan tersebut.
  - Kantor Cabang Medan mengadakan acara buka puasa bersama dengan 18 anak yatim dari Panti Asuhan Al Jamiyatul Wasliyah beserta 2 orang pengurusnya. Acara ini diadakan di Grand Swiss-Belhotel Medan, dimana Bank berkesempatan memberikan *voucher* belanja yang diadakan di Grand Swiss-Belhotel Medan.

- Breakfasting with Orphans
  In June 2016, in commemoration of the holy month of Ramadhan, the Bank held various activities, including organizing breakfasting with orphans in Jakarta, Surabaya, Batam, Balikpapan, Makassar, Bandung and Medan:
  - Bank ICBC Indonesia Head Office provided donations such as food and snack packages, as well as parcels of prayer equipment to the Haji Karim Oei Foundation in a breakfasting event at Lautze Mosque in Central Jakarta. In addition, the Bank provided a donation of IDR33.75 million submitted by Mr. Shen Xiaoqi, President Director of Bank ICBC Indonesia, to Mr. H. Ali Karim Oei, Chairman of the Haji Karim Oei Foundation at the breakfasting event at Kempinski Hotel, Grand Indonesia. The donations are given to help the poor and to support the foundation's community activities.
  - The Bank's branch office network in Surabaya held a breakfasting event with 25 children at the Rumah Singgah Orphanage. The Bank also distributed prayer equipment to the orphans in this event, held at ICBC Center Surabaya Square Ballroom.
  - The Balikpapan branch office held a breaking-the fast event at Grand Senyiur Hotel Balikpapan. Through this event, the Bank distributed rice, biscuits and parcels to ten orphans of Bina Bersama Orphanage.
  - The Batam branch office held a breakfasting event together with 40 orphaned children from Rumah Singgah Orphanage and distributed prayer equipment to them. This joint event was held at the Bank's Batam branch office.
  - The Makassar branch office held a breakfasting event with 15 children from Abadi Orphanage at Losari Seafood Restaurant Makassar. During this occasion, the Bank gave donation to the orphanage.
  - The Medan branch office held a breakfasting event with 18 orphans from Al Jamiyatul Wasliyah Orphanage and two of its staff members. The event was held at Grand Swiss-Belhotel Medan, during which the Bank also gave out shopping vouchers.

- Kantor Cabang Bandung mengadakan acara buka puasa dengan 15 orang anak Panti Asuhan Ulul Albab serta pembagian bingkisan buku, alat tulis dan alat gambar yang diadakan di Hotel Padma Bandung.

- Penanggulangan Bencana
  Pada bulan Desember 2016, Bank ikut serta dalam membantu korban bencana Gempa Aceh di Meureudu, Pidie Jaya, Nanggroe Aceh Darussalam sebagai bentuk kepedulian sosial. Dalam kesempatan tersebut Bank memberikan donasi sebesar IDR100 juta dalam bentuk kebutuhan seperti makanan, air mineral, pakaian, handuk, selimut, tenda dan perlengkapan lainnya.
- Program Donasi bagi Masyarakat
  Pada bulan Oktober 2017, bertepatan dengan perayaan ulang tahun Bank ICBC Indonesia yang ke-10, Bank ICBC Indonesia memberikan sumbangan piano kepada Panti Sosial Asuhan Anak Parapattan, dimana sumbangan diberikan secara simbolik oleh Mr. Shen Xiaoqi selaku Presiden Direktur kepada Ketua Panti Asuhan Parapattan, Kristina Hari Diyanti. Selain itu pada Juni 2017 dalam memperingati bulan suci Ramadhan, Bank juga mengadakan program buka puasa yang diselenggarakan di Jakarta, Surabaya, Bandung, Batam, Medan, Makassar, Balikpapan:
  - Kantor Pusat Non-Operasional Bank ICBC Indonesia mengadakan acara buka puasa di The City Tower yang dihadiri oleh manajemen dan Karyawan.
  - Kantor Cabang Surabaya melaksanakan acara buka puasa bersama Karyawan dan mengundang anak-anak Panti Asuhan Darul Ilmi.
  - Kantor Cabang Bandung, Medan dan Makassar melaksanakan kegiatan buka puasa bersama dengan Karyawan.
  - Kantor Cabang Batam mengadakan acara buka puasa bersama dengan Karyawan dan mengundang anak-anak Panti Asuhan Rumah Singgah.
  - Kantor Cabang Balikpapan mengadakan acara buka puasa bersama dengan Karyawan dan anak-anak Panti Asuhan FOS Kompak.
- Program Donor Darah
  Pada bulan Desember 2017, Bank mengadakan kegiatan donor darah dengan bekerjasama dengan Palang Merah Indonesia. Kegiatan ini diikuti oleh 74 donor yang merupakan Karyawan Bank.

- The Bandung branch office held a breakfasting event with 15 children from Ulul Albab Orphanage. It also distributed book bundles, stationery and drawing tools held at the event that was held at Hotel Padma Bandung.

- Disaster management
  In December 2016, the Bank also participated in assisting the victims of the Aceh Earthquake disaster in Meureudu, Pidie Jaya, Nanggroe Aceh Darussalam as a form of social responsibility. During this occasion, the Bank donated IDR100 million for daily necessities such as food, mineral water, clothing, towels, blankets, tents and other equipment.

- Community Donation Program
  In October 2017, to coincide with the celebration of Bank ICBC Indonesia's 10th anniversary, the Bank donated a piano to Parapattan Orphanage, during which the donation was symbolically given by Mr. Shen Xiaoqi as President Director to Parapatan Orphanage Chairman Kristina Hari Diyanti. In addition, in June 2017, in commemorating the holy month of Ramadhan, the Bank also held a series breakfasting programs in Jakarta, Surabaya, Bandung, Batam, Medan, Makassar and Balikpapan:
  - The Non-Operational Head Office of Bank ICBC Indonesia held a breakfasting event at The City Tower. The event was attended by the management and employees.
  - The Surabaya branch office held a breakfasting event with employees and invited the children of Darul Ilmi Orphanage.
  - The branch offices of Bandung, Medan and Makassar conducted breakfasting activities together with employees.
  - The Batam branch office held a breakfasting event with employees and invited the children of Rumah Singgah Orphanage.
  - Balikpapan Branch Office held a breakfasting event with employees and children from FOS Kompak Orphanage.

- Blood Donor Program
  In December 2017, the Bank held a blood rive by collaborating with Indonesian Red Cross. The activity was participated by 74 donors who are the employees of the Bank.

PILAR KEEMPAT

Lingkup Tanggung Jawab Terhadap Produk/Jasa serta Nasabah

Kebijakan

Bank menyadari bahwa dengan meningkatnya kualitas pelayanan akan berdampak pada peningkatan kepuasan Nasabah yang diharapkan serta mampu meningkatkan tingkat kesetiaan Nasabah. Oleh karena itu, Bank dituntut untuk memberikan pelayanan yang terbaik bagi Nasabah.

Program dan Kegiatan yang pernah Dilakukan

- Penambahan Jumlah Staf
  Bank ICBC Indonesia telah menambah jumlah staf yang dapat melayani Nasabah secara langsung untuk mempercepat layanan. Staf yang semula bertugas di bagian operasional dan tidak secara langsung bertugas melayani Nasabah, dialihkan menjadi staf yang melayani Nasabah secara langsung. Untuk mempersiapkan staf yang mumpuni dalam melayani Nasabah sesuai dengan prosedur standar pelayanan yang berlaku, maka Departemen *Service Quality* memberikan Pelatihan Prosedur Standar Pelayanan dan *Grooming* serta *Beauty Class*. Pelatihan ini juga diberikan kepada seluruh staf garda depan sebagai penyegaran.
- Pelatihan dan Sosialisasi tentang Penanganan Pengaduan Nasabah
  Untuk memahami cara penanganan dan pelaporan pengaduan Nasabah yang sesuai prosedur, maka Bank telah memberikan pelatihan dan sosialisasi Prosedur Penanganan dan Penyelesaian Pengaduan Nasabah kepada *Customer Service*, *Relationship Manager*, *Operation*, *Supervisor* dan *Operational Manager* di seluruh cabang.
- Kunjungan Berkala ke Cabang
  Melakukan kunjungan secara berkala ke cabang-cabang dengan tujuan melakukan pemantauan terhadap pelayanan yang diberikan oleh staf garda depan (*Customer Service, Teller*, *Non-Cash Teller* dan *Security*). Selain pemantauan terhadap perilaku pelayanan, pemantauan juga dilakukan terhadap penampilan staf garda depan.

FOURTH PILLAR

Social Responsibility For Products/ Services And Customers

Policy

The Bank recognizes that an increasing quality of services will have an impact on increasing customer satisfaction and on increasing customer loyalty levels. As such, the Bank is required to provide the best in services for its customers.

Program and Activities Conducted

- Addition of Staff
  Bank ICBC Indonesia has increased the number of staff who can serve customers directly to speed up service. Staffs who were initially assigned to the operational department and not directly in charge of serving the customers were transferred to the staff sections that serve the customers directly. To prepare qualified staff to serve customers in accordance with applicable service standard procedures, the Bank's Department of Service Quality provided staff with Standard Service Training and Grooming Procedures as well as Beauty Classes. This training was also provided to all front liners as a refresher.
- Training and Socialization for Handling of Customer Complaints
  To understand how to handle and report customer complaints according to the proper procedures, the Bank has provided its employees with training and socialization on Customer Complaints Handling and Completion Procedures for Customer Service, Relationship Managers, Operations, Supervisors and Operational Managers in all branches.
- Regular Visits to Branches
  Periodic visits to branches are done with the aim of monitoring the services provided by front-liners (Customer Service, Tellers, Non-Cash Tellers and Security). In addition to monitoring service behavior, the visit also includes monitoring front-line staff members.

- Pemantauan *Banking Hall* dan Fasilitas Pendukung
  Melakukan pemantauan terhadap *banking hall* dan fasilitas pendukung lainnya juga dilakukan baik dari sisi kebersihan, kenyamanan maupun berfungsi tidaknya fasilitas yang ada.
- Penyempurnaan Standar Pelayanan Garda Depan
  Menyusun prosedur untuk standar pelayanan di garda depan untuk menunjang konsistensi pelayanan yang baik kepada Nasabah, yang kemudian akan diikuti dengan memberikan pelatihan dan sosialisasi kepada seluruh staf garda depan bersama staf Operasional yang berwenang dan Manajer Operasional di seluruh cabang.
- Pemantauan Layanan *Call Center*
  Melakukan pemantauan layanan *Call Center* serta terus berupaya melalui latihan rutin untuk meningkatkan kemampuan para agen dalam melayani keperluan Nasabah.
- Penyempurnaan Penanganan Pengaduan Nasabah
  Melakukan penanganan dan penyelesaian terhadap pengaduan Nasabah yang dimulai dari pemantauan terhadap pengaduan yang masuk sampai pada penyelesaian yang diberikan. Pemantauan saat ini dilakukan secara harian melalui laporan yang masuk dari cabang.
- Pemantauan Media
  Melakukan pemantauan harian terhadap media cetak maupun media elektronik jika ada publikasi buruk mengenai Bank.
- Pemantapan Unit Khusus Pengaduan Nasabah
  Bank ICBC Indonesia telah membentuk unit khusus untuk menangani dan menyelesaikan pengaduan Nasabah baik di kantor pusat yang dikenal sebagai UKP3N (Unit Khusus Penanganan dan Penyelesaian Pengaduan Nasabah), maupun di kantor cabang yang dikenal dengan FKP3N (Fungsi Khusus Penanganan dan Penyelesaian Pengaduan Nasabah).

- Monitoring Banking Hall and Supporting Facilities
  Monitoring the banking halls and other supporting facilities is also conducted to maintain the cleanliness, comfort or functions of existing facilities.
- Enhancement of Standards for Front-liners Guard Services
  The Bank develops procedures for front-line service standards to support consistent good service to customers, which is then followed by providing training and socialization to all front-liner staff along with Operational Authority staff and Operational Managers in all branches.
- Call Center Service Monitoring
  The Bank conducts monitoring of Call Center services and continues to conduct periodic exercises to improve the ability of agents to serve the needs of customers.
- Perfecting of Customer Complaint Handling
  The Bank carries out handling and settlement of customer complaints starting from monitoring of incoming complaints to handling completion. Current monitoring is conducted daily through incoming reports from branches.
- Media Monitoring
  Conducting daily monitoring of print and electronic media in case of bad publications concerning the Bank.
- Consolidation of the Customer Complaints Unit
  Bank ICBC Indonesia has established a special unit to handle and resolve customer complaints both at its headquarters, with the Special Unit for Handling and Complaints Settlement of Customers (UKP3N), as well as in branch offices, with the Special Functions for Customer Complaint Handling and Completion (FKPN3).

- Penyempurnaan Sarana Pengaduan Nasabah
  Bank ICBC Indonesia menyediakan sarana dalam mempermudah Nasabah untuk mengajukan pengaduan, dalam hal ini Bank membuka saluran pengaduan Nasabah yang mudah untuk diakses, antara lain melalui:
  - Cabang-cabang Bank ICBC Indonesia
  - *Call Center* yang dikenal dengan i Call ICBC (1-500-198)
  - Surel: customer_care@ina.icbc.com.cn
  - UKP3N (Unit Khusus Penanganan dan Penyelesaian Pengaduan Nasabah)

- Perfecting Customer Complaint Channels
  Bank ICBC Indonesia has provided facilitate for customers to file a complaint. During these complaints, the Bank opens an easy-to-access customer complaints channel through, among others:
  - Branches of Bank ICBC Indonesia
  - Call Center known as i Call ICBC (1-500-198)
  - Email: customer_care@ina.icbc.com.cn
  - Customer Complaint Handling Special Unit (UKP3N)

Laporan kepada Otoritas Jasa Keuangan
Report to the Financial Services Authority

Saluran Channel	2017		2016		Keterangan Description
	Pengaduan Masuk Incoming Complaints	Berhasil Ditangani Successfully Handled	Pengaduan Masuk Incoming Complaints	Berhasil Ditangani Successfully Handled	
Call Center	48	48	35	35	2017: Laporan mengenai kartu kredit 2017: Report on credit cards 2016: Laporan mengenai kartu kredit 2016: Report on credit cards
Cabang Branches	8	8	5	5	2017: 2 kasus RTGS, 2 kasus TT/*Remittance*, 1 kasus tabungan, 1 kasus lembar tagihan kartu kredit, 2 kasus ATM 2017: 2 RTG cases, 2 TT/Remittance cases, 1 savings case, 1 credit card billing case, 2 ATM cases 2016: 1 kasus *Letter of Credit*, 2 kasus giro, 1 kasus tabungan, 1 kasus Notifikasi SMS 2016: 1 Letter of Credit case, 2 current account cases, 1 savings case, 1 SMS Notification case
Media	-	-	-	-	-
Surat Elektronik Email	-	-	-	-	-
TOTAL	**56**	**56**	**40**	**40**	

Laporan kepada Bank Indonesia
Report to Bank Indonesia

Saluran Channel	2017		2016		Keterangan Description
	Pengaduan Masuk Incoming Complaints	Berhasil Ditangani Successfully Handled	Pengaduan Masuk Incoming Complaints	Berhasil Ditangani Successfully Handled	
Call Center	-	-	-	-	-
Cabang Branches	2	2	2	2	2017: 1 kasus mengenai kegagalan penarikan tunai melalui ATM Bank ICBC Indonesia, dan 1 kasus mengenai kegagalan penarikan tunai di ATM Bersama. 2017: 1 case of cash withdrawal failure through a Bank ICBC Indonesia ATM, and 1 case about cash withdrawal failure at ATM Bersama worth. 2016: 1 kasus mengenai uang lembaran yang robek dan 1 kasus tentang kegagalan penarikan tunai di ATM Bersama. 2016: 1 case of torn note (money paper) and 1 case about failure of cash withdrawal at ATM Bersama.
Media	-	-	-	-	-
Surat Elektronik Email	-	-	-	-	-
TOTAL	**2**	**2**	**2**	**2**	

TANGGUNG JAWAB PELAPORAN TAHUNAN
RESPONSIBILITY OF ANNUAL REPORT

SURAT PERNYATAAN ANGGOTA DEWAN KOMISARIS DAN DIREKSI TENTANG TANGGUNG JAWAB ATAS LAPORAN TAHUNAN 2017 PT BANK ICBC INDONESIA

Kami menyatakan bahwa semua informasi dalam Laporan Tahunan PT Bank ICBC Indonesia tahun 2017 telah dimuat secara lengkap dan kami bertanggung jawab atas kebenaran isi Laporan Tahunan ini.

STATEMENT OF THE MEMBERS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS ON THE RESPONSIBILITY FOR THE 2017 ANNUAL REPORT OF PT BANK ICBC INDONESIA

We certify that all information in the PT. Bank ICBC Indonesia's Annual Report 2017 is presented comprehensively and we are responsible in the truthfulness of the contents herein.

Jakarta, 30 April 2018

Dewan Komisaris
The Board of Commissioners

HENDRA WIDJOJO
Komisaris Independen
Independent Commissioner

WANG KUN
Presiden Komisaris
President Commissioner

CHRISTINA HARAPAN
Komisaris Independen
Independent Commissioner

Direksi
The Board of Directors

YU GUANGZHU
Direktur/ Plt. Presiden Direktur
Director & Acting President Director

JEFF S.V. EMAN
Direktur
Director

LIANG QINJUN
Direktur
Director

XIN HAIYAN
Direktur
Director

THOMAS ARIFIN
Direktur
Director

SANDY TJIPTA MULIANA
Direktur
Director

FRANSISCA NELWAN MOK
Direktur
Director

LAPORAN KEUANGAN
FINANCIAL REPORT

PT BANK ICBC INDONESIA

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ICBC 中国工商银行 (印尼)

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN
31 DESEMBER 2017
PT BANK ICBC INDONESIA ("BANK")

Kami yang bertanda tangan dibawah ini:

1. Nama : Yu Guangzhu
   Alamat Kantor : ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310
   Telepon Kantor : (021) 23556000
   Jabatan : Direktur
2. Nama : Jeff S.V. Eman
   Alamat Kantor : ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310
   Telepon Kantor : (021) 23556000
   Jabatan : Direktur

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Bank;
2. Laporan keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Pengungkapan yang kami cantumkan dalam laporan keuangan lengkap dan akurat;
   b. Laporan keuangan tidak mengandung informasi material yang tidak benar, dan kami tidak menghilangkan informasi atau fakta material untuk laporan keuangan;
4. Kami bertanggung jawab atas pengendalian internal;
5. Kami bertanggung jawab atas kepatuhan terhadap peraturan perundang-undangan.

Demikian pernyataan ini telah dibuat dengan sebenarnya.

THE DIRECTORS' STATEMENT
OF RESPONSIBILITY FOR THE
FINANCIAL STATEMENTS
31 DECEMBER 2017
PT BANK ICBC INDONESIA ("THE BANK")

We, the undersigned:

1. *Name* : *Yu Guangzhu*
   Office address : *ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310*
   Office telephone : *(021) 23556000*
   Title : *Director*
2. *Name* : *Jeff S.V. Eman*
   Office address : *ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310*
   Office telephone : *(021) 23556000*
   Title : *Director*

declare that:

1. *We are responsible for the preparation and presentation of the Bank's financial statements;*
2. *The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;*
3. *a. The disclosures we have made in the financial statements are complete and accurate;*
   b. The financial statements do not contain misleading material information, and we have not omitted any information or facts that would be material to the financial statements;
4. *We are responsible for the internal control;*
5. *We are responsible for the compliance with laws and regulations.*

The statement has been made truthfully.

Atas nama dan mewakili Direksi/*For and on behalf of the Board of Directors*

METERAI TEMPEL 6000

Yu Guangzhu
Direktur/*Director*

Jeff S.V. Eman
Direktur/*Director*

Jakarta, 28 Maret/*March* 2018

PT BANK ICBC INDONESIA

LAPORAN POSISI KEUANGAN
31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	31 Desember/*December* 2017	2016	
ASET				***ASSETS***
Kas		88.399	85.088	*Cash*
Giro pada Bank Indonesia	5	3.888.038	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	6,27	3.314.446	2.294.992	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	7,27	5.135.049	1.850.355	*Placements with Bank Indonesia and other banks*
Aset derivatif	27	5.980	10.963	*Derivative assets*
Tagihan akseptasi	8	1.519.878	1.170.532	*Acceptance receivables*
Efek-efek untuk tujuan investasi	9,27	6.248.877	6.286.166	*Investment securities*
Kredit yang diberikan	10,27	35.068.608	33.031.655	*Loans receivable*
Aset tetap	11	280.695	321.486	*Fixed assets*
Aset pajak tangguhan	15	191.903	-	*Deffered tax assets*
Aset lain-lain	12	297.331	338.258	*Other assets*
JUMLAH ASET		**56.039.204**	**48.621.056**	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS				***LIABILITIES***
Liabilitas segera		6.544	2.000	*Liabilities immediately payable*
Simpanan nasabah	13,27	33.044.505	24.748.652	*Deposits from customers*
Simpanan dari bank-bank lain	14,27,32	4.235.045	4.205.683	*Deposits from other banks*
Liabilitas derivatif	27	2.865	5.494	*Derivative liabilities*
Efek-efek yang dijual dengan janji dibeli kembali		88.979	263.690	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	8,27	1.519.878	1.170.532	*Acceptance payables*
Utang pajak penghasilan	15	174.068	251.325	*Income tax payables*
Pinjaman yang diterima	16,27,32	2.858.866	5.013.287	*Borrowings*
Efek-efek yang diterbitkan	17,27	6.783.641	6.969.670	*Securities issued*
Liabilitas pajak tangguhan	15	-	17.237	*Deferred tax liabilities*
Liabilitas lain - lain dan beban yang masih harus dibayar	18	417.136	402.022	*Other liabilities and accrued expenses*
Pinjaman subordinasi	19,27	1.153.238	1.145.163	*Subordinated loan*
JUMLAH LIABILITAS		**50.284.765**	**44.194.755**	***TOTAL LIABILITIES***
EKUITAS				***EQUITY***
Modal saham	20	3.706.150	2.692.250	*Share capital*
Modal dibayar dimuka	21	-	15.500	*Advanced capital*
Cadangan nilai wajar - bersih	9	1.993	(18.474)	*Fair value reserve - net*
Saldo laba				*Retained earnings*
Telah ditentukan penggunaannya		193.217	138.526	*Appropriated*
Belum ditentukan penggunaannya		1.853.079	1.598.499	*Unappropriated*
JUMLAH EKUITAS		5.754.439	4.426.301	***TOTAL EQUITY***
JUMLAH LIABILITAS DAN EKUITAS		**56.039.204**	**48.621.056**	***TOTAL LIABILITIES AND EQUITY***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2017	2016	
PENDAPATAN DAN BEBAN OPERASIONAL				***INCOME AND EXPENSES FROM OPERATIONS***
Pendapatan dan beban bunga				***Interest income and expenses***
Pendapatan bunga	22,27	3.017.384	2.653.680	*Interest income*
Beban bunga	23,27	(1.722.565)	(1.439.805)	*Interest expense*
Pendapatan bunga bersih		1.294.819	1.213.875	***Net interest income***
Pendapatan operasional lainnya				***Other operating income***
Provisi dan komisi lainnya		118.660	156.208	*Other fees and commissions*
Keuntungan transaksi mata uang asing - bersih		194.477	183.495	*Gains on foreign exchange transactions - net*
Keuntungan transaksi penjualan fasilitas kredit	27	7.499	73.145	*Gains on sale of loan facilities*
Keuntungan atas penjualan efek-efek untuk tujuan investasi - bersih	9	26.044	19.854	*Gains on sale of investment securities - net*
Lain-lain		106.401	10.147	*Others*
Pendapatan operasional lainnya		453.081	442.849	***Other operating income***
Jumlah pendapatan operasional		1.747.900	1.656.724	***Total operating income***
Beban operasional				***Operating expenses***
Beban kerugian penurunan nilai aset keuangan - bersih	24	(783.417)	(380.147)	*Allowance for impairment losses on financial assets - net*
Beban umum dan administrasi	25	(163.556)	(185.754)	*General and administrative expenses*
Beban tenaga kerja	26,27	(339.521)	(346.704)	*Personnel expenses*
Lain-lain		(32.880)	(4.775)	*Others*
Jumlah beban operasional		(1.319.374)	(917.380)	***Total operating expenses***
LABA SEBELUM PAJAK PENGHASILAN		**428.526**	**739.344**	***INCOME BEFORE INCOME TAX***
Beban pajak penghasilan	15	(117.210)	(192.433)	*Income tax expense*
LABA BERSIH		**311.316**	**546.911**	***NET INCOME***
PENDAPATAN KOMPREHENSIF LAINNYA:				***OTHER COMPREHENSIVE INCOME:***
Pos-pos yang akan direklasifikasi ke laba rugi				***Items that would be reclassified to profit or loss***
Keuntungan yang belum direalisasi atas perubahan nilai wajar aset keuangan yang tersedia untuk dijual - bersih	9	53.333	79.229	*Unrealized gains on changes in fair value of available-for-sale financial assets - net*
Perubahan nilai wajar yang ditransfer ke laba rugi pada saat penjualan - bersih	9	(26.044)	(19.854)	*Fair value changes transferred to profit or loss on disposal - net*
Pajak penghasilan terkait pos-pos yang akan direklasifikasikan ke laba rugi	15	(6.822)	(14.844)	*Income tax related to items that would be reclassified to profit or loss*
		20.467	44.531	

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN (Lanjutan)
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2017	2016	
Pos-pos yang tidak akan direklasifikasi ke laba rugi				***Items that would never be reclassified to profit or loss***
Pengukuran kembali atas liabilitas imbalan pasti		(2.727)	515	*Remeasurements of defined benefit liability*
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi	15	682	(129)	*Income tax related to items that would never be reclassified to profit loss*
		(2.045)	386	
PENGHASILAN KOMPREHENSIF LAIN, SETELAH PAJAK PENGHASILAN		18.422	44.917	***OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX***
JUMLAH LABA KOMPREHENSIF		**329.738**	**591.828**	***TOTAL COMPREHENSIVE INCOME***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

LAPORAN PERUBAHAN EKUITAS
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Modal saham/*Share capital*	Modal dibayar dimuka/ *Advanced capital*	Cadangan nilai wajar - bersih/*Fair value reserve - net*	Saldo laba/*Retained earnings* Telah ditentukan penggunaannya/ *Appropriated*	Saldo laba/*Retained earnings* Belum ditentukan penggunaannya/ *Unappropriated*	Jumlah ekuitas/*Total equity*	
Saldo, 31 Desember 2015		2.692.250	15.500	(63.005)	99.651	1.090.077	3.834.473	***Balance, 31 December 2015***
Cadangan umum dan wajib yang telah ditentukan penggunaannya	20	-	-	-	38.875	(38.875)	-	*Appropriation for general and legal reserves*
Laba bersih tahun berjalan		-	-	-	-	546.911	546.911	*Net income for the year*
Pendapatan komprehensif lain, setelah pajak penghasilan								*Other comprehensive income, net of income tax:*
Pengukuran kembali atas liabilitas imbalan pasti		-	-	-	-	386	386	*Remeasurements of defined benefit liability*
Cadangan nilai wajar (aset keuangan tersedia untuk dijual) - bersih	9	-	-	44.531	-	-	44.531	*Fair value reserve (available-for-sale financial assets) - net*
Saldo, 31 Desember 2016		2.692.250	15.500	(18.474)	138.526	1.598.499	4.426.301	***Balance, 31 December 2016***
Tambahan modal disetor	20, 21	1.013.900	(14.100)	-	-	-	999.800	*Additional paid-up capital*
Pengembalian kelebihan modal dibayar dimuka	21	-	(1.400)	-	-	-	(1.400)	*Refund of excess advanced capital*
Cadangan umum dan wajib yang telah ditentukan penggunaannya	20	-	-	-	54.691	(54.691)	-	*Appropriation for general and legal reserves*
Laba bersih tahun berjalan		-	-	-	-	311.316	311.316	*Net income for the year*
Pendapatan komprehensif lain, setelah pajak penghasilan								*Other comprehensive income, net of income tax:*
Pengukuran kembali atas liabilitas imbalan pasti		-	-	-	-	(2.045)	(2.045)	*Remeasurements of defined benefit liability*
Cadangan nilai wajar (aset keuangan tersedia untuk dijual) - bersih	9	-	-	20.467	-	-	20.467	*Fair value reserve (available-for-sale financial assets) - net*
Saldo, 31 Desember 2017		**3.708.150**	**-**	**1.993**	**193.217**	**1.853.079**	**5.754.439**	***Balance, 31 December 2017***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

LAPORAN ARUS KAS
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2017	2016	
ARUS KAS DARI AKTIVITAS OPERASI				***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan bunga, provisi dan komisi		3.144.019	2.799.147	*Interest, fees and commissions received*
Pembayaran bunga		(1.685.262)	(1.397.945)	*Interest paid*
Keuntungan (kerugian) transaksi mata uang asing - bersih		144.302	(9.499)	*(Loss) gain on foreign exchange transactions - net*
Keuntungan atas penjualan fasilitas kredit dan efek-efek untuk tujuan investasi		33.543	92.999	*Gain on sale of loan facilities and investment securities*
Pembayaran gaji dan tunjangan karyawan		(327.725)	(337.542)	*Payments of salaries and employee benefits*
Beban operasional lainnya		(644.875)	(353.668)	*Other operating expenses*
Pembayaran pajak penghasilan badan		(409.747)	(68.135)	*Payments of corporate income taxes*
Arus kas sebelum perubahan dalam aset dan liabilitas operasi		254.255	725.357	***Cash flows before changes in operating assets and liabilities***
Perubahan dalam aset dan liabilitas operasi:				*Changes in operating assets and liabilities:*
Penempatan pada Bank Indonesia dan bank-bank lain yang jatuh tempo lebih dari 3 bulan sejak tanggal perolehan		(2.137.887)	932.531	*Placement with Bank Indonesia and other banks with original maturities more than 3 months from acquisition date*
Aset derivatif		4.983	13.326	*Derivative assets*
Efek-efek - pinjaman yang diberikan dan piutang		498.987	(435.917)	*Securities - loans and receivables*
Kredit yang diberikan		(2.211.688)	(3.283.161)	*Loans receivable*
Aset lain-lain		28.871	(15.007)	*Other assets*
Liabilitas segera		4.544	(5.788)	*Liabilities immediately payable*
Simpanan nasabah		6.295.853	2.867.299	*Deposits from customers*
Simpanan dari bank-bank lain		29.363	(1.705.802)	*Deposits from other banks*
Liabilitas derivatif		(2.629)	424	*Derivative liabilities*
Efek-efek yang dijual dengan janji dibeli kembali		(174.711)	(222.874)	*Securities sold under agreements to repurchase*
Liabilitas lain-lain dan beban yang masih harus dibayar		(36.712)	(35.365)	*Other liabilities and accrued expenses*
Kas bersih diperoleh dari (digunakan untuk) aktivitas operasi		**4.553.229**	**(1.164.977)**	***Net cash provided from (used in) operating activities***
ARUS KAS DARI AKTIVITAS INVESTASI				***CASH FLOWS FROM INVESTING ACTIVITIES***
Kenaikan efek-efek tersedia untuk dijual dan dimiliki hingga jatuh tempo		(434.410)	(1.731.940)	*Increase in available-for-sale and held-to-maturity securities*
Perolehan aset tetap		(7.102)	(32.349)	*Acquisition of fixed assets*
Perolehan aset takberwujud		(397)	(16.854)	*Acquisition of intangible assets*
Kas bersih digunakan untuk aktivitas investasi		**(441.909)**	**(1.781.143)**	***Net cash used in investing activities***

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

LAPORAN ARUS KAS (Lanjutan)
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2017	2016	
ARUS KAS DARI AKTIVITAS PENDANAAN				***CASH FLOWS FROM FINANCING ACTIVITIES***
Hasil dari pinjaman yang diterima		2.858.866	3.531.313	*Proceeds from borrowings*
Pembayaran untuk pinjaman yang diterima		(5.013.288)	(1.725.025)	*Payments from borrowings*
Setoran modal saham	20	999.800	-	*Issuance of share capital*
Pembayaran untuk efek-efek yang diterbitkan		(187.500)	-	*Payment for securities issued*
Pengembalian kelebihan modal dibayar dimuka	21	(1.400)	-	*Refund of excess advanced capital*
Kas bersih (digunakan untuk) diperoleh dari aktivitas pendanaan		**(1.343.522)**	**1.806.288**	***Net cash (used in) provided from financing activities***
Pengaruh fluktuasi kurs mata uang asing pada kas dan setara kas		58.251	10.182	*Effect of foreign exchange rate fluctuation on cash and cash equivalents*
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS		**2.826.049**	**(1.129.650)**	***NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS***
KAS DAN SETARA KAS AWAL TAHUN		7.415.516	8.545.166	***CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR***
KAS DAN SETARA KAS AKHIR TAHUN		**10.241.565**	**7.415.516**	***CASH AND CASH EQUIVALENTS AT THE END OF YEAR***
Kas dan setara kas terdiri dari:				***Cash and cash equivalents consist of:***
Kas		88.399	85.086	*Cash*
Giro pada Bank Indonesia	5	3.888.038	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	6	3.314.446	2.294.992	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain yang jatuh tempo dalam jangka waktu 3 bulan atau kurang sejak tanggal perolehan	7	2.950.682	1.803.875	*Placements with Bank Indonesia and other banks with original maturities of 3 months or less from acquisition date*
		10.241.565	**7.415.516**	

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

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

PT BANK ICBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM

PT Bank ICBC Indonesia (dahulu bernama PT Bank Halim Indonesia) ("Bank") didirikan berdasarkan akta notaris No. 23 tertanggal 24 Pebruari 1989 dari Sastra Kosasih, S.H., notaris di Surabaya, dan diperbaharui dengan akta No. 16 tertanggal 17 April 1989 yang dibuat di hadapan notaris yang sama. Akta pendirian tersebut telah disetujui oleh Menteri Kehakiman Republik Indonesia dengan surat keputusan No. C2-3488.HT.01.04.TH.89 tertanggal 20 April 1989 serta diumumkan dalam Tambahan No. 100 pada Berita Negara No. 5104 tanggal 14 Desember 1990.

Berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. 698/KMK.013/1989 tertanggal 20 Juni 1989, Bank memperoleh izin usaha untuk beroperasi sebagai bank umum, dan berdasarkan Surat Keputusan Direksi Bank Indonesia No. 28/92/KEP/DIR tertanggal 7 Nopember 1995, Bank telah disetujui menjadi bank devisa.

Berdasarkan surat Gubernur Bank Indonesia No. 9/48/Kep.GBI/2007 tertanggal 26 September 2007, Bank Indonesia telah menyetujui perubahan izin usaha atas nama PT Bank Halim Indonesia menjadi izin usaha atas nama PT Bank ICBC Indonesia.

Maksud dan tujuan didirikannya Bank, sesuai dengan Pasal 3 Anggaran Dasar No. 30 tertanggal 14 Agustus 2008, adalah melakukan kegiatan dan usaha di bidang perbankan.

Pada tanggal 31 Desember 2017 dan 2016, susunan Dewan Komisaris dan Direksi Bank adalah sebagai berikut:

1. GENERAL

PT Bank ICBC Indonesia (formerly PT Bank Halim Indonesia) (the "Bank") was established based on notarial deed No. 23 dated 24 February 1989 of Sastra Kosasih, S.H., a notary in Surabaya, and was renewed by deed No. 16 dated 17 April 1989 of the same notary. The articles of incorporation were approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. C2-3488.HT.01.04.TH.89 dated 20 April 1989 and were published in Supplement No. 100 to the State Gazette No. 5104 dated 14 December 1990.

Based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. 698/KMK.013/1989 dated 20 June 1989, the Bank received general banking license, and based on the Decision Letter of Bank Indonesia's Board of Directors No. 28/92/KEP/DIR dated 7 November 1995, the Bank has been approved as a foreign exchange bank.

Based on the letter of the Governor of Bank Indonesia No. 9/48/Kep.GBI/2007 dated 26 September 2007, Bank Indonesia approved the change of the business license under the name of PT Bank Halim Indonesia to the business license under the name of PT Bank ICBC Indonesia.

The objectives of the Bank's establishment in accordance with Article 3 of the Article of Association No. 30 dated 14 August 2008, are to engage in banking activities and business.

As of 31 December 2017 and 2016, the composition of the Bank's Board of Commissioners and Board of Directors was as follows:

	2017	2016	
Dewan Komisaris			***Board of Commissioners***
Komisaris Utama	Wang Kun	Ma Xiangjun	*President Commissioner*
Komisaris Independen	Hendra Widjojo	Hendra Widjojo	*Independent Commissioner*
Komisaris Independen	Christina Harapan	Christina Harapan	*Independent Commissioner*
Direksi			***Board of Directors***
Presiden Direktur	Yu Guangzhu[2]	Shen Xiaoqi[1]	*President Director*
Direktur	Yu Guangzhu	Yu Guangzhu	*Director*
Direktur	Liang Qinjun	Liang Qinjun	*Director*
Direktur	Jeff S. V. Eman	Jeff S.V. Eman	*Director*
Direktur	Sandy Tjipta Muliana	Sandy Tjipta Muliana	*Director*
Direktur	Thomas Arifin	Thomas Arifin	*Director*
Direktur	Fransisca Nelwan Mok[3]	Rolytha S. Manullang[4]	*Director*
Direktur	Xin Haiyan[3]	-	*Director*

[1] Shen Xiaoqi resmi mengundurkan diri sebagai Presiden Direktur pada tanggal 31 Oktober 2017.

[2] Yu Guangzhu untuk sementara waktu menjalankan fungsi sebagai Pejabat Pelaksana Presiden Direktur sampai dengan ditunjuknya Presiden Direktur yang definitif.

[3] Fransisca Nelwan Mok & Xin Haiyan diangkat sebagai Direktur sejak 13 April 2017.

[4] Rolytha S. Manullang mengundurkan diri sejak 31 Mei 2017.

[1] Shen Xiaoqi officially resigned as President Director on 31 October 2017.

[2] Yu Guangzhu temporarily act as President Director until the appointment of a definitive President Director.

[3] Fransisca Nelwan Mok & Xin Haiyan appointed as Director since 13 April 2017.

[4] Rolytha S. Manullang resigned since 31 May 2017.

PT BANK ICBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN
TAHUN BERAKHIR 31 DESEMBER 2017
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. UMUM (Lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, susunan Komite Audit Bank terdiri dari:

	2017	2016	
Ketua	Christina Harapan	Christina Harapan	*Chair Person*
Anggota	Waldy Gutama	Sumantri Supono	*Member*
Anggota	Ricky Dompas	Ricky Dompas	*Member*

Kantor pusat Bank berlokasi di Jalan M.H. Thamrin No. 81, Jakarta dengan jaringan distribusi pada tanggal 31 Desember 2017 dan 2016 sebagai berikut:

	Cabang/ Branches		
	2017	2016	
Kantor pusat	1	1	*Head office*
Kantor cabang	15	16	*Branches*
Kantor cabang pembantu	4	4	*Sub-branches*
Kantor kas	1	1	*Cash offices*
	21	22	

Pada tanggal 31 Desember 2017 dan 2016, Bank memperkerjakan masing-masing 649 dan 701 karyawan tetap.

Manajemen Bank bertanggung jawab atas penyusunan laporan keuangan yang telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 28 Maret 2018.

2. DASAR PENYUSUNAN

a. Pernyataan kepatuhan

Laporan keuangan Bank telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia.

b. Dasar pengukuran

Laporan keuangan disusun atas dasar akrual dengan menggunakan konsep nilai historis, kecuali jika standar akuntasi mensyaratkan pengukuran nilai wajar.

c. Laporan arus kas

Laporan arus kas menyajikan perubahan dalam kas dan setara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung.

PT BANK ICBC INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (Continued)

As of 31 December 2017 and 2016, the composition of the Bank's Audit Committee was as follows:

The Bank's head office is located at Jalan M.H. Thamrin No. 81, Jakarta with the distribution network as of 31 December 2017 and 2016 was as follows:

As of 31 December 2017 and 2016, the Bank employed 649 and 701 permanent employees, respectively.

The management of the Bank is responsible for the preparation of the financial statements which were completed and authorized for issue by the Directors of the Bank on 28 March 2018.

2. BASIS OF PREPARATION

a. Statement of compliance

The Bank's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (SAK).

b. Basis of measurement

The financial statements have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

c. Statement of cash flows

The statement of cash flows presents the changes in cash and cash equivalents from operating, investing and financing activities. The statement of cash flows is prepared using direct method.

2. DASAR PENYUSUNAN (lanjutan)

d. Mata uang fungsional dan penyajian

Laporan keuangan Bank dijabarkan dalam mata uang Rupiah, yang merupakan mata uang fungsional Bank. Kecuali dinyatakan khusus, informasi keuangan disajikan dalam jutaan Rupiah.

e. Penggunaan pertimbangan, estimasi dan asumsi

Penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan manajemen untuk membuat pertimbangan-pertimbangan, estimasi-estimasi, dan asumsi-asumsi yang mempengaruhi penerapan kebijakan akuntansi, dan jumlah aset, liabilitas, pendapatan dan beban yang dilaporkan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan kegiatan saat ini, hasil aktual mungkin berbeda dengan jumlah yang diestimasi semula.

Estimasi-estimasi dan asumsi-asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas estimasi akuntansi diakui pada periode di mana estimasi tersebut direvisi dan periode yang akan datang yang dipengaruhi oleh revisi estimasi tersebut.

Informasi mengenai hal-hal penting yang terkait dengan ketidakpastian estimasi dan pertimbangan-pertimbangan penting dalam penerapan kebijakan akuntansi yang signifikan terhadap laporan keuangan dijelaskan di Catatan 4 mengenai penurunan nilai aset keuangan.

2. BASIS OF PREPARATION (continued)

d. Functional and presentation currency

The Bank's financial statements are presented in Rupiah, which is the Bank's functional currency. Except otherwise specified, financial information is presented in millions of Rupiah.

e. Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that are significant to the financial statements are described in Note 4 relating with impairment of financial assets.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

Kebijakan-kebijakan akuntansi yang penting di bawah ini telah diterapkan secara konsisten pada seluruh periode yang disajikan dalam laporan keuangan ini.

a. Setara kas

Untuk tujuan laporan arus kas, kas dan setara kas meliputi kas, giro pada Bank Indonesia, giro pada bank-bank lain, dan penempatan pada Bank Indonesia dan bank-bank lain yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaanya.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Cash equivalent

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, and placements with Bank Indonesia and other banks that mature within three months from the date of acquisition, as long as they are not being pledged as collateral for borrowings nor restricted.

PT BANK ICBC INDONESIA

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan

Aset keuangan diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, aset keuangan dimiliki hingga jatuh tempo dan aset keuangan tersedia untuk dijual.

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dan liabilitas yang diukur pada nilai wajar melalui laba rugi.

Bank menentukan klasifikasi atas aset dan liabilitas keuangan pada saat pengakuan awal, tergantung pada tujuan dan intensi manajemen serta karakteristik dari instrumen keuangan tersebut.

b.1. Pengakuan dan pengukuran

Semua instrumen keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, di mana biaya transaksi diakui langsung dalam laba rugi.

Pembelian dan penjualan aset keuangan yang lazim (regular) diakui pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli atau menjual aset tersebut.

Semua aset dan liabilitas keuangan lainnya pada awalnya diakui pada tanggal perdagangan dimana Bank menjadi suatu pihak dalam ketentuan kontraktual instrumen tersebut.

Pada saat pengakuan awal, aset keuangan atau liabilitas keuangan diukur pada nilai wajar ditambah/dikurangi (untuk instrumen keuangan yang tidak diukur pada nilai wajar melalui laba rugi setelah pengakuan awal) biaya transaksi yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan liabilitas keuangan. Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities

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.

Financial liabilities are classified as liabilities measured at amortized cost and liabilities at fair value through profit or loss.

The Bank determines the classification of its financial assets and liabilities at initial recognition based on the purpose and the management's intention for which the financial instruments were acquired and their characteristics.

b.1. Recognition and measurement

All financial instruments are measured initially at their fair value plus transaction costs, except for financial assets and financial liabilities measured at fair value through profit or loss, transaction costs are recognized directly in profit or loss.

Regular way purchases and sales of financial assets are recognized on the trade date at which the Bank commits to purchase or sell those assets.

All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus/less (for financial instruments not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability. The subsequent measurement of financial assets and financial liabilities depends on their classification.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah utang yang diakui pada awal pengakuan liabilitas. Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan asset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan.

Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

(i) Aset keuangan

- Aset keuangan yang diukur pada nilai wajar melalui laba rugi

  Aset keuangan yang diukur pada nilai wajar melalui laba rugi adalah aset keuangan yang diklasifikasikan ke dalam kelompok untuk diperdagangkan. Aset keuangan yang diklasifikasikan ke dalam kelompok untuk diperdagangkan adalah aset keuangan yang diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.1. Recognition and measurement (continued)

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and are incremental costs that would not have been incurred if the instrument had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognized initially, while for financial liabilities, transaction costs are deducted from the amount of debt recognized initially. Such transaction costs are amortized over the terms of the instruments based on the effective interest method and are recorded as part of interest income for transaction costs related to financial assets or interest expense for transaction costs related to financial liabilities.

The subsequent measurement of financial assets and financial liabilities depends on their classification.

(i) Financial assets

- *Financial assets measured at fair value through profit or loss*

  Financial assets measured at fair value through profit or loss are those classified as held for trading. Held for trading financial assets are those which have been acquired or incurred principally for the purpose of selling or repurchasing in the near term.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

(i) Aset keuangan (lanjutan)

- Aset keuangan yang diukur pada nilai wajar melalui laba rugi (lanjutan)

  Aset keuangan yang diukur pada nilai wajar melalui laba rugi disajikan sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar aset keuangan diakui dalam laba rugi.

- Pinjaman yang diberikan dan piutang
  Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau yang telah ditentukan, yang tidak mempunyai kuotasi di pasar aktif, dan Bank tidak berniat untuk menjualnya segera atau dalam waktu dekat.

  Setelah pengukuran awal, pinjaman yang diberikan dan piutang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi dengan penyisihan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan biaya transaksi yang merupakan bagian tidak terpisahkan dari suku bunga efektif.

- 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, di mana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, dan yang tidak ditetapkan pada nilai wajar melalui laba rugi atau tersedia untuk dijual.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.1. Recognition and measurement (continued)

(i) Financial assets (continued)

- *Financial assets measured at fair value through profit or loss (continued)*
  Financial assets measured at fair value through profit or loss are stated at fair value. The unrealized gains or losses resulting from changes in fair value are recognized in profit or loss.

- *Loans and receivables*
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the Bank does not intend to sell immediately or in the near term.

  After initial measurement, loans and receivables are measured at amortized cost using the effective interest rate method, less allowance for impairment losses. Amortized cost is calculated by taking into account transaction costs that are an integral part of the effective interest rate.

- *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 the intention and ability to hold until maturity, and which are not designated at fair value through profit or loss nor available-for-sale.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

(i) Aset keuangan (lanjutan)

- Aset keuangan yang dimiliki hingga jatuh tempo (lanjutan)

  Setelah pengukuran awal, aset keuangan yang diklasifikasikan sebagai dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi dengan penyisihan kerugian penurunan nilai. Biaya perolehan diamortisasi dihitung dengan memperhitungkan biaya transaksi yang merupakan bagian tidak terpisahkan dari suku bunga efektif.

- Aset keuangan tersedia untuk dijual

  Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan dan piutang, investasi dimiliki hingga jatuh tempo, maupun aset keuangan yang diukur pada nilai wajar melalui laba rugi.

  Setelah pengukuran awal, aset keuangan tersedia untuk dijual diukur sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi diakui dalam penghasilan komprehensif lain.

(ii) Liabilitas keuangan

- Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi

  Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi merupakan liabilitas keuangan non-derivatif yang dimiliki Bank tidak untuk diperdagangkan dan tidak ditetapkan pada nilai wajar melalui laba rugi. Setelah pengakuan awal, liabilitas keuangan diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

- Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi

  Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi adalah liabilitas keuangan yang diklasifikasikan ke dalam kelompok untuk diperdagangkan atau ditetapkan pada nilai wajar melalui laba rugi.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.1. Recognition and measurement (continued)

(i) Financial assets (continued)

- *Held-to-maturity financial assets (continued)*

  After initial measurement, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less allowance for impairment losses. Amortized cost is calculated by taking into account transaction costs that are an integral part of the effective interest rate.

- *Available-for-sale financial assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments, or financial assets at fair value through profit or loss.

  After initial measurement, available-for-sale financial assets are measured at fair value. Unrealized gains or losses are recognized in other comprehensive income.

(ii) Financial liabilities

- *Financial liabilities measured at amortized cost*

  Financial liabilities measured at amortized cost are non-derivative financial liabilities that are not held for trading purpose and not designated as fair value through profit or loss. After initial measurement, financial liabilities are measured at amortized cost using the effective interest method.

- *Financial liabilities measured at fair value through profit or loss*

  Financial liabilities measured at fair value through profit or loss are financial liabilities that are classified as held for trading or designated as fair value through profit or loss.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

Tabel berikut menyajikan klasifikasi instrumen keuangan Bank berdasarkan karakteristik dari instrumen keuangan tersebut:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.1. Recognition and measurement (continued)

The following table presents classification of financial instruments of the Bank based on characteristics of those financial instruments:

Instrumen keuangan	Klasifikasi/*Classification*	*Financial Instruments*
Aset keuangan:		***Financial assets:***
Kas	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Cash*
Giro pada Bank Indonesia	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Current accounts with Bank Indonesia*
Giro pada bank- bank lain	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Placements with Bank Indonesia and other banks*
Aset derivatif	Aset keuangan diukur pada nilai wajar melalui laba rugi/*Financial assets measured at fair value through profit or loss*	*Derivative assets*
Tagihan akseptasi	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Acceptance receivables*
Efek-efek untuk tujuan investasi	Investasi yang dimiliki hingga jatuh tempo, pinjaman yang diberikan dan piutang, dan aset keuangan tersedia untuk dijual/ *Held-to-maturity investments, loans and receivables, and available-for-sale financial assets*	*Investment securities*
Kredit yang diberikan	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Loans receivable*
Bunga masih akan diterima dan setoran jaminan (bagian dari aset lain-lain)	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	*Interest receivables and security deposits (part of other assets)*

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.1. Recognition and measurement (continued)

Instrumen keuangan	Klasifikasi/*Classification*	*Financial instruments*
Liabilitas keuangan:		***Financial liabilities:***
Liabilitas segera	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Liabilities immediately payable*
Simpanan nasabah	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Deposits from customers*
Simpanan dari bank- bank lain	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Deposits from other banks*
Liabilitas derivatif	Liabilitas diukur pada nilai wajar melalui laba rugi/*Liabilities measured at fair value through profit or loss*	*Derivative liabilities*
Efek-efek yang dijual dengan janji dibeli kembali	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Acceptance payables*
Pinjaman yang diterima	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Borrowings*
Efek-efek yang diterbitkan	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Securities issued*
Beban masih harus dibayar (bagian dari liabilitas lain-lain)	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Accrued expenses (part of other liabilities)*
Pinjaman subordinasi	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Subordinated loan*

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.2. Penghentian pengakuan

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa, atau Bank mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau liabilitas atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

Bank menghentikan pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

Dalam transaksi dimana Bank secara substantial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Bank menghentikan pengakuan aset tersebut jika Bank tidak lagi memiliki pengendalian atas aset tersebut. Hak dan liabilitas yang timbul atau yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer dimana pengendalian atas aset masih dimiliki, Bank tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan, dimana tingkat kebertanjutan Bank dalam aset yang ditransfer adalah sebesar perubahan nilai aset yang ditransfer.

Bank menghapusbukukan aset keuangan dan cadangan kerugian penurunan nilai terkait, pada saat Bank menentukan bahwa aset keuangan tersebut tidak dapat ditagih. Keputusan ini diambil setelah Bank melakukan berbagai upaya untuk memperoleh kembali aset keuangan tersebut serta mempertimbangkan kondisi debitur/penerbit aset keuangan antara lain yaitu telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit aset keuangan sehingga debitur/penerbit aset keuangan tidak lagi dapat melunasi kewajibannya, atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur kredit yang diberikan.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.2. Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Bank transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the Bank derecognizes the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers in which control over the asset is retained, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Bank writes off a financial asset and any related allowance for impairment losses, when the Bank determines that the financial asset is uncollectible. This determination is reached after Bank had undertaken various efforts to obtain back the financial asset as well as considering condition of the borrower/financial asset issuer among others are the occurrence of significant changes in the financial position of borrower/financial asset issuer such that the borrower/financial asset issuer can no longer pay the obligation, or the proceeds from collateral will not be sufficient to pay back the entire exposure.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.3. Saling hapus

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Bank memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitas secara simultan.

Pendapatan dan beban disajikan dalam jumlah neto hanya jika diperkenankan oleh standar akuntansi.

b.4. Pengukuran biaya perolehan

Biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan dikurangi penyisihan kerugian penurunan nilai.

Tingkat suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi arus kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat bersih pada pengakuan awal. Pada saat menghitung tingkat suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, namun tidak mempertimbangkan kerugian kredit di masa mendatang.

Perhitungan suku bunga efektif mencakup biaya transaksi dan seluruh imbalan/provisi dan bentuk lain yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

b.5. Pengukuran 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 *(orderly transaction)* antara pelaku pasar *(market participants)* pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.3. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if, and only if, the Bank has 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.

Income and expenses are presented on a net basis only when permitted by accounting standards.

b.4. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, and minus any allowance for impairment losses.

The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the net carrying amount on initial recognition. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but does not consider any future credit losses.

The calculation of the effective interest rate includes transaction costs and all fees and provisions paid or received that are an integral part of the effective interest rate.

b.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.5. Pengukuran nilai wajar (lanjutan)

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

Jika harga kuotasian tidak tersedia di pasar aktif, Bank menggunakan teknik penilaian dengan memaksimalkan penggunaan *input* yang dapat diobservasi dan relevan dan meminimalkan penggunaan *input* yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasian di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menangguhkan perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Bank mengukur aset dan posisi *long* berdasarkan harga penawaran dan mengukur liabilitas dan posisi *short* berdasarkan harga permintaan.

Portofolio aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Bank berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit, diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu. Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Financial assets and liabilities (continued)

b.5. Fair value measurement (continued)

When available, the Bank measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

c. **Giro pada Bank Indonesia dan bank-bank lain**

Setelah pengakuan awal, giro pada Bank Indonesia dan bank-bank lain diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

d. **Penempatan pada Bank Indonesia dan bank-bank lain**

Setelah pengakuan awal, penempatan pada Bank Indonesia dan bank-bank lain diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

e. **Efek-efek yang Dibeli dengan Janji Dijual Kembali**

Efek-efek yang dibeli dengan janji dijual kembali merupakan transaksi dimana Bank membeli aset keuangan dan secara simultan masuk ke dalam perjanjian untuk menjual kembali aset (atau aset yang serupa secara substansial) dengan harga tetap di masa depan. Aset yang mendasari tidak diakui dalam laporan keuangan Bank. Setelah pengakuan awal, efek-efek yang dibeli dengan janji dijual kembali diukur pada biaya perolehan diamortisasi. Selisih antara harga beli dan harga jual kembali diakui sebagai pendapatan bunga dengan menggunakan metode suku bunga efektif.

f. **Efek-efek untuk tujuan investasi**

Efek-efek untuk tujuan investasi pada saat pengakuan awal diukur pada nilai wajar ditambah biaya transaksi dan setelah pengakuan awal diukur sesuai dengan klasifikasinya masing-masing, sebagai tersedia untuk dijual, dimiliki hingga jatuh tempo, atau pinjaman yang diberikan dan piutang.

Setelah pengakuan awal, efek-efek untuk tujuan investasi yang diklasifikasikan ke dalam kelompok tersedia untuk dijual disajikan sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar, setelah dikurangi pajak, diakui di dalam penghasilan komprehensif lain dan disajikan sebagai bagian ekuitas. Selisih antara harga jual dan nilai tercatat dari efek-efek untuk tujuan investasi diakui sebagai keuntungan atau kerugian pada tahun dimana efek-efek tersebut dijual.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*c. **Current accounts with Bank Indonesia and other banks***

Subsequent to initial recognition, current accounts with Bank Indonesia and other banks are measured at amortized cost using effective interest method.

*d. **Placements with Bank Indonesia and other banks***

Subsequent to initial recognition, placements with Bank Indonesia and other banks are subsequently measured at amortized cost using the effective interest method.

*e. **Securities Purchased under Agreements to resell***

Securities purchased under agreements to resell are transactions in which the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or substantially similar asset) at a fixed price on a future date. The underlying asset is not recognized in the Bank's financial statements. Subsequent to initial recognition, securities purchased under agreements to resell are measured at amortized cost. The difference between purchase and resale price is recognized as interest income using the effective interest method.

*f. **Investment securities***

Investment securities are initially measured at fair value plus transaction costs and subsequently accounted for in accordance with their classification, as either available-for-sale, held-to-maturity or loans and receivables.

Subsequent to initial recognition, investment securities classified as available-for-sale are stated at fair value. Unrealized gains or losses from changes in fair value, net of tax, are recognized in other comprehensive income and presented in equity section. The difference between the selling price and the carrying value of the investment securities is recognized as gain or loss in the year when realized.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

f. Efek-efek untuk tujuan investasi (lanjutan)

Pendapatan bunga diakui dalam laba rugi dengan menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas efek-efek utang yang tersedia untuk dijual diakui pada laba rugi tahun berjalan.

Setelah pengakuan awal, efek-efek untuk tujuan investasi yang diklasifikasikan ke dalam kelompok dimiliki hingga jatuh tempo atau pinjaman yang diberikan dan piutang disajikan sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Penjualan atau reklasifikasi dalam jumlah yang lebih dari jumlah yang tidak signifikan dari investasi pada efek-efek dalam kelompok dimiliki hingga jatuh tempo yang belum mendekati tanggal jatuh tempo, akan menyebabkan reklasifikasi atas semua investasi pada efek-efek yang dimiliki hingga jatuh tempo ke dalam kelompok tersedia untuk dijual, dan Bank tidak diperkenankan untuk mengklasifikasikan efek-efek sebagai dimiliki hingga jatuh tempo untuk tahun berjalan dan untuk kurun waktu dua tahun mendatang.

Premi atau diskonto diamortisasi dengan menggunakan metode suku bunga efektif.

Laba atau rugi yang direalisasi dari penjualan efek-efek untuk tujuan investasi dihitung berdasarkan metode identifikasi spesifik dan dibebankan atau dikreditkan pada laba rugi.

g. Instrumen derivatif

Instrumen keuangan derivatif diakui sebesar nilai wajar pada laporan posisi keuangan. Nilai wajar ditentukan berdasarkan harga pasar, model penentuan harga opsi atau harga pasar instrumen lain yang memiliki karakteristik serupa. Derivatif dicatat sebagai aset apabila nilai wajarnya positif dan sebagai liabilitas apabila nilai wajarnya negatif.

Keuntungan atau kerugian yang terjadi dari perubahan nilai wajar kontrak derivatif yang tidak ditujukan sebagai instrumen lindung nilai (atau tidak memenuhi kriteria untuk dapat diklasifikasikan sebagai instrumen lindung nilai) diakui pada laba rugi.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Investments securities (continued)

Interest income is recognized in profit or loss using the effective interest method. Foreign exchange gains or losses on available-for-sale debt securities are recognized in the current year profit or loss.

Subsequent to initial recognition, investment securities classified as held-to-maturity or loans and receivables are stated at amortized cost using effective interest method.

Any sell or reclassification of a more than insignificant amount of held-to-maturity investment securities not close to their maturity date, would result in the reclassification of all held-to-maturity investment securities as available-for-sale, and prevent the Bank from classifying investment securities as held-to-maturity for the current year and the following two financial years.

Premiums or discounts are amortized using effective interest method.

Realized gains or losses from selling investment securities are calculated based on the specific identification method and charged or credited to profit or loss.

g. Derivative instruments

Derivative financial instruments are recognized in the statement of financial position at their fair value. Fair value is determined based on market value, option pricing models or quoted prices of other instruments with similar characteristics. Derivatives are recorded as assets when the fair value is positive and liabilities when the fair value is negative.

Gain or loss as a result of fair value changes on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized in profit or loss.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

h. Kredit yang diberikan

Setelah pengakuan awal, kredit yang diberikan diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya perolehan diamortisasi dihitung dengan memperhitungkan biaya transaksi yang merupakan bagian tidak terpisahkan dari suku bunga efektif. Amortisasi diakui dalam laba rugi.

Kredit sindikasi dinyatakan sebesar biaya perolehan diamortisasi sesuai dengan porsi partisipasi risiko yang ditanggung oleh Bank dalam sindikasi.

Bank mencatat restrukturisasi kredit bermasalah berdasarkan jenis restrukturisasi.

Dalam restrukturisasi kredit bermasalah yang dilakukan dengan penerimaan aset (termasuk kepentingan ekuitas debitur), Bank mencatat aset tersebut (termasuk kepentingan ekuitas) sebesar nilai wajarnya pada saat restrukturisasi. Kelebihan nilai tercatat kredit yang diberikan di atas nilai wajar aset yang diterima setelah dikurangi estimasi beban untuk menjual aset tersebut, diakui sebagai kerugian dalam laba rugi.

Dalam hal restrukturisasi kredit bermasalah dilakukan hanya dengan modifikasi persyaratan kredit, Bank mencatat dampak restrukturisasi tersebut secara prospektif dan tidak mengubah nilai tercatat kredit yang diberikan pada tanggal restrukturisasi, kecuali jika jumlahnya melebihi nilai kini penerimaan kas masa depan yang ditentukan dalam persyaratan baru. Jika nilai kini penerimaan kas masa depan sebagaimana yang ditentukan dalam persyaratan baru dari kredit yang direstrukturisasi tersebut lebih rendah daripada nilai tercatat kredit yang diberikan sebelum direstrukturisasi, Bank harus mengurangkan saldo kredit yang diberikan ke suatu jumlah yang sama dengan jumlah nilai kini penerimaan kas masa depan. Jumlah pengurangan tersebut diakui sebagai biaya cadangan kerugian penurunan nilai individual.

i. Tagihan dan liabilitas akseptasi

Setelah pengakuan awal, tagihan dan liabilitas akseptasi diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Loans receivable

Subsequent to initial recognition, loans receivable are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account transaction costs that are an integral part of effective interest rate. The amortization is recognized in profit or loss.

Syndicated loans are stated at amortized cost which represents the Bank's risk participation in the syndication.

The Bank accounts for troubled debt restructuring in accordance with the type of restructuring.

In troubled debt restructuring which involves a repossession of assets (including an equity interest of the debtor), the Bank records those assets (including an equity interest) at their fair values at the time of restructuring. The excess of the carrying amount of the loans over the fair value of assets received less estimated costs to sell, is recognized as a loss in profit or loss.

In troubled debt restructuring which only involves modification of the credit terms, the Bank accounts for the restructuring's effect prospectively and does not change the carrying amount of the loans at the time of restructuring unless the amount exceeds the present value of the total future cash receipts specified in the new terms. If the present value of the total future cash receipts specified in the new terms is lower than the carrying amount of the loans prior to restructuring, the Bank reduces the loans balance to the amount equal to the present value of the total future cash receipts. The amount of the reduction is recognized as individual allowance for impairment losses.

i. Acceptance receivables and payables

Subsequent to initial recognition, acceptance receivables and payables are measured at their amortized cost using the effective interest method.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

j. Penurunan nilai aset keuangan dan non-keuangan

Penurunan nilai aset keuangan

Pada setiap tanggal pelaporan, Bank mengevaluasi apakah terdapat bukti objektif bahwa aset keuangan atau kelompok aset keuangan yang tidak dicatat pada nilai wajar melalui laba rugi mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi jika, dan hanya jika, terdapat bukti objektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan), yang berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

Bukti objektif penurunan nilai meliputi indikasi kesulitan keuangan signifikan yang dialami penerbit atau debitur, wanprestasi atau tunggakan pembayaran pokok atau bunga restrukturisasi kredit dengan persyaratan yang tidak mungkin diberikan jika debitur tidak mengalami kesulitan keuangan, kemungkinan bahwa debitur akan dinyatakan pailit atau melakukan restrukturisasi keuangan lainnya, dan data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, terkait dengan kelompok aset keuangan seperti memburuknya status pembayaran debitur atau penerbit dalam kelompok tersebut atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Bank menentukan bukti penurunan nilai atas aset keuangan secara individual dan kolektif. Evaluasi penurunan nilai secara individual dilakukan terhadap aset keuangan yang signifikan secara individual.

Jika terdapat bukti objektif bahwa penurunan nilai telah terjadi, jumlah kerugian diukur sebagai selisih antara nilai tercatat aset dan nilai kini dari estimasi arus kas masa datang yang didiskonto menggunakan suku bunga efektif awal dari aset keuangan tersebut. Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Impairment of financial and non-financial assets

Impairment of financial assets

The Bank assesses whether there is any objective evidence that a financial asset or a group of financial assets not carried at fair value through profit or loss is impaired at each reporting date. A financial asset or a group of financial assets is deemed to be impaired and the value is reduced if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') which has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or issuers are experiencing significant financial difficulty, default or delinquency in interest or principal payments, loan restructuring with terms that may not be applied if the debtor is not experiencing financial difficulty, the probability that the debtor will enter bankruptcy or other financial restructuring, and observable data indicate that there is a measurable decrease in the estimated future cash flows relating to a group of assets such as adverse changes in the payment status of the debtor or issuer in the group or economic conditions that correlate with defaults in the asset in such group.

The Bank considers evidence of impairment for financial assets at both an individual asset and collective level. All individually significant financial assets are assessed for specific impairment.

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 discounted using the financial asset's original effective interest rate. The calculation of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

j. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Jika Bank menentukan tidak terdapat bukti objektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, 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. Arus kas masa datang dari kelompok keuangan yang penurunan nilainya dievaluasi secara kolektif, diestimasi berdasarkan kerugian historis yang pernah dialami atas aset-aset yang memiliki risiko kredit yang serupa dengan karakteristik risiko kredit kelompok tersebut di Bank. Aset yang penurunan nilainya dinilai secara individual dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

Penyisihan kerugian penurunan nilai secara kolektif dihitung dengan menggunakan metode statistik dari data historis berupa *probability of default* di masa lalu, waktu pengembalian, dan jumlah kerugian yang terjadi *(loss given default)* dan *loss identification period*. Bank menggunakan metode analisis model statistik, yaitu *migration analysis method* dan *net flow rate method* untuk penilaian penurunan nilai aset keuangan secara kolektif.

Nilai tercatat aset keuangan diturunkan melalui akun penyisihan dan jumlah kerugian yang terjadi diakui pada laba rugi. Pendapatan bunga tetap diakui atas nilai tercatat yang telah diturunkan tersebut berdasarkan suku bunga efektif awal yang digunakan untuk mendiskonto arus kas masa datang dari aset tersebut untuk perhitungan kerugian penurunan nilai. Jika pada periode berikutnya, jumlah estimasi kerugian penurunan nilai meningkat atau menurun karena peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai, maka kerugian penurunan nilai yang sudah diakui sebelumnya dinaikkan atau diturunkan dengan menyesuaikan akun penyisihan.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Impairment of financial and non-financial assets (continued)

Impairment of financial assets (continued)

If the Bank determines that there is no objective evidence of impairment for an individually assessed financial asset, whether significant or not, the Bank includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. The future cash flows of group of financial assets that are collectively assessed are estimated based on historical loss experience of assets with similar credit risk characteristics of the group in Bank. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The allowance for impairment losses which is collectively assessed is calculated using statistical method of the historical data such as the probability of defaults, time of recoveries, and the amount of loss incurred (loss given default), and loss identification period. The Bank uses statistical model analysis method, i.e. migration analysis method and net flow rate method to collectively assess financial assets impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be recognized on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss. If, in subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

j. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Kerugian penurunan nilai atas efek-efek yang tersedia untuk dijual diakui dengan mengeluarkan kerugian kumulatif yang telah diakui secara langsung dalam penghasilan komprehensif lain ke laba rugi sebagai penyesuaian reklasifikasi. Jumlah kerugian kumulatif yang direklasifikasi dari penghasilan komprehensif lain ke laba rugi merupakan selisih antara biaya perolehan, setelah dikurangi pelunasan pokok dan amortisasi, dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laba rugi.

Perubahan cadangan kerugian penurunan nilai yang dapat diatribusikan pada nilai waktu (*time value*) tercermin sebagai komponen pendapatan bunga.

Jika, pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual yang mengalami penurunan nilai meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laba rugi, maka kerugian penurunan nilai tersebut harus dipulihkan dan pemulihan tersebut diakui pada laba rugi tahun berjalan.

Jika persyaratan kredit, piutang atau investasi 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.

Penurunan nilai aset non-keuangan

Nilai tercatat dari aset non-keuangan ditelaah pada setiap tanggal pelaporan untuk menentukan ada tidaknya indikasi penurunan nilai. Jika terdapat indikasi penurunan nilai, maka Bank akan melakukan estimasi jumlah yang dapat dipulihkan.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Impairment of financial and non-financial assets (continued)

Impairment of financial assets (continued)

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized directly in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss 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 profit or loss.

Changes in allowance for impairment losses attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt instrument increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of reversal recognized in the current year profit or loss.

If the terms of a loan, receivable or held-to-maturity investment 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 modification of terms.

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists the assets' recoverable amount is estimated.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

j. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset non-keuangan (lanjutan)

Jumlah yang dapat dipulihkan dari suatu aset adalah sebesar jumlah yang lebih tinggi antara nilai pakainya dan nilai wajar aset dikurangi biaya untuk menjual. Dalam menentukan nilai pakai, estimasi arus kas masa depan didiskontokan ke nilai sekarang dengan menggunakan tingkat diskonto sebelum pajak yang mencerminkan penilaian pasar kini atas nilai waktu dari uang dan risiko yang terkait dengan aset yang bersangkutan.

Kerugian penurunan nilai diakui jika nilai tercatat dari suatu aset melebihi nilai yang dapat diperoleh kembali. Kerugian penurunan nilai diakui pada laba rugi.

Kerugian penurunan nilai yang diakui pada periode sebelumnya dinilai pada setiap tanggal pelaporan untuk melihat adanya indikasi bahwa kerugian telah menurun atau tidak ada lagi. Kerugian penurunan nilai dijurnal balik ketika terdapat perubahan estimasi yang digunakan dalam menentukan nilai yang dapat dipulihkan. Jumlah kerugian penurunan nilai yang dibalik tidak boleh menyebabkan nilai aset melebihi nilai tercatat neto setelah penyusutan atau amortisasi, seandainya tidak ada kerugian penurunan nilai yang diakui.

k. Aset tetap

Aset tetap dinyatakan sebesar harga perolehan dikurangi akumulasi penyusutan, kecuali biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian biaya perolehan tanah dan tidak disusutkan.

Kendaraan bermotor dan inventaris kantor disusutkan dengan metode saldo menurun ganda (*double declining method*), sedangkan bangunan dan prasarana disusutkan berdasarkan metode garis lurus (*straight-line method*), berdasarkan masa manfaat ekonomis aset tetap yang bersangkutan sebagai berikut:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Impairment of financial and non-financial assets (continued)

Impairment of non-financial assets (continued)

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit or loss.

Impairment losses recognized in prior period are assessed at each reporting date for any indications that the losses have decreased or no longer exists. An impairment loss is reversed when there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k. Fixed assets

Fixed assets are stated at cost less their accumulated depreciation, except for costs relating with legal processing on the land rights are recognized as part of acquisition cost of land and is not depreciated.

Motor vehicles and office equipments are depreciated using double declining balance method, while buildings and leasehold improvements are depreciated using straight-line method, based upon the estimated economic useful lives of the related fixed assets, as follows:

	Tahun/Years	
Bangunan	20	*Buildings*
Inventaris kantor	8	*Office equipments*
Kendaraan bermotor	4	*Motor vehicles*
Prasarana	5 - 10	*Leasehold improvements*

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k. Aset tetap (lanjutan)

Beban pemeliharaan dan perbaikan dibebankan pada laba rugi pada saat terjadinya. Pemugaran dan penambahan dalam jumlah signifikan dikapitalisasi apabila kemungkinan besar Bank akan mendapatkan manfaat ekonomi masa depan dari aset tersebut yang melebihi standar kinerja yang diperkirakan sebelumnya.

Estimasi masa manfaat ekonomis, metode penyusutan, dan nilai residu dikaji ulang pada setiap akhir periode pelaporan dan disesuaikan secara prospektif.

Biaya perolehan dan akumulasi penyusutan aset tetap yang sudah tidak digunakan lagi atau dijual dikeluarkan dari kelompok aset tetap yang bersangkutan dan laba atau rugi yang terjadi dilaporkan pada laba rugi tahun berjalan.

Aset dalam penyelesaian merupakan aset yang masih dalam proses konstruksi dan belum siap untuk digunakan, serta dimaksudkan untuk digunakan dalam kegiatan usaha. Aset tersebut direklasifikasi ke akun aset tetap dan aset tidak berwujud pada saat proses konstruksi selesai dan siap digunakan. Penyusutan mulai dibebankan pada tanggal yang sama.

l. Liabilitas segera

Liabilitas segera merupakan liabilitas Bank yang harus segera dibayarkan kepada pihak lain berdasarkan kontrak atau perintah dari pihak yang mempunyai kewenangan untuk itu. Setelah pengakuan awal, liabilitas segera diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

m. Simpanan nasabah

Setelah pengakuan awal, giro, tabungan, deposito berjangka, dan deposito *on call* diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

n. Simpanan dari bank-bank lain

Simpanan dari bank-bank lain terdiri dari liabilitas terhadap bank-bank lain, baik lokal maupun luar negeri, dalam bentuk giro, *inter-bank call money*, dan deposito berjangka.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets (continued)

The cost of repairs and maintenance is charged to profit or loss as incurred. Significant improvement and addition are capitalized when it is probable that future economic benefits in excess of the originally assessed standard of performance of the assets exist.

Estimated economic useful lives, depreciation method, and residual value are reviewed at end of each reporting period and adjusted prospectively, if appropriate.

When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the current year profit or loss.

The construction in progress consists of assets that are still in progress of construction and not yet ready for use and are intended to be used in business activity. These assets are reclassified to fixed assets and intangible assets accounts when the construction is completed and ready for use. Depreciation is charged from such date.

l. Liabilities immediately payable

Liabilities immediately payable represent obligations to third parties based on contract or order by those having authority that have to be settled immediately. Subsequent to initial recognition, liabilities immediately payable are measured at amortized cost using effective interest rate method.

m. Deposits from customers

Subsequent to initial recognition, current accounts, saving accounts, time deposits, and deposits on call are measured at amortized cost using the effective interest method.

n. Deposits from other banks

Deposits from other banks represent liabilities to local and overseas banks in the form of current accounts, inter-bank call money, and time deposits.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

n. Simpanan dari bank-bank lain (lanjutan)

Setelah pengakuan awal, simpanan dari bank-bank lain diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

o. Efek-efek yang dijual dengan janji dibeli kembali

Efek-efek yang dijual dengan janji dibeli kembali merupakan transaksi dimana Bank menjual aset keuangan dan secara simultan masuk kedalam perjanjian untuk membeli kembali aset (atau aset yang serupa secara substansial) dengan harga tetap dimasa depan.

Setelah pengakuan awal, efek-efek yang dijual dengan janji dibeli kembali diukur pada biaya perolehan diamortisasi. Selisih antara harga jual dan harga pembelian kembali diakui sebagai beban bunga dengan menggunakan metode suku bunga efektif. Efek-efek yang dijual tidak dihentikan pengakuannya dalam laporan posisi keuangan karena Bank tetap memiliki risiko dan manfaat dari efek-efek tersebut.

p. Pinjaman yang diterima

Pinjaman yang diterima merupakan dana yang diterima dari bank lain dengan kewajiban pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

Setelah pengakuan awal, pinjaman yang diterima diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

q. Efek-efek yang diterbitkan

Efek-efek yang diterbitkan terdiri dari utang wesel bayar jangka menengah dan obligasi diterbitkan.

Setelah pengakuan awal, efek-efek yang diterbitkan diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

r. Pinjaman subordinasi

Setelah pengakuan awal, pinjaman subordinasi diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Deposits from other banks (continued)

Subsequent to initial recognition, deposits from other banks are measured at amortized cost using the effective interest method.

o. Securities sold under agreements to repurchase

Securities sold under agreements to repurchase are transactions in which the Bank sells a financial asset and simultaneously enters into agreement to repurchase the assets (or substantially similar asset) at a fixed price on a future date.

Subsequent to initial recognition, securities sold under agreements to repurchase are measured at amortized cost. The difference between sale and repurchase price is recognized as interest expense using the effective interest rate method. Sold securities are not derecognized in the statements of financial position because the Bank retains the risks and rewards of such securities.

p. Borrowings

Borrowings are funds received from other banks with payment obligation based on the borrowing agreement.

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method.

q. Securities issued

Securities issued consist of medium-term notes payable and bond issued.

Subsequent to initial recognition, securities issued are measured at amortized cost using the effective interest method.

r. Subordinated loan

Subsequent to initial recognition, subordinated loan is measured at amortized cost using the effective interest method.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

s. Pendapatan dan beban bunga

Untuk seluruh instrumen keuangan diukur pada biaya perolehan diamortisasi dan aset keuangan berbunga yang diklasifikasikan sebagai tersedia untuk dijual, pendapatan maupun beban bunga diakui pada laba rugi dengan menggunakan metode suku bunga efektif. Perhitungan dilakukan dengan memperhitungkan seluruh syarat dan ketentuan kontraktual dari instrumen keuangan dan biaya tambahan yang timbul secara langsung untuk instrumen tersebut dan merupakan bagian tidak terpisahkan dari suku bunga efektif.

t. Provisi dan komisi

Pendapatan dan beban provisi dan komisi atas aset dan liabilitas keuangan yang merupakan bagian tidak terpisahkan dari suku bunga efektif, dimasukkan dalam perhitungan suku bunga efektif. Pendapatan dan beban ini diamortisasi sepanjang ekspektasi umur aset atau liabilitas keuangan, atau selama periode risiko.

Provisi dan komisi lainnya diakui sebagai pendapatan dan beban pada saat terjadinya transaksi, dan jika terkait dengan jasa dalam kurun waktu tertentu, maka akan diamortisasi sepanjang waktu tersebut.

Beban provisi dan komisi lainnya yang terutama terkait dengan provisi transaksi antar bank diakui sebagai beban pada saat jasa tersebut diterima.

u. Pajak penghasilan

Beban pajak terdiri dari beban pajak kini dan beban pajak tangguhan. Beban pajak kini dan pajak tangguhan diakui pada laba rugi kecuali untuk *item* yang diakui secara langsung di ekuitas atau dalam penghasilan komprehensif lain.

Beban pajak kini merupakan estimasi utang atau restitusi pajak yang dihitung atas laba kena pajak untuk tahun yang bersangkutan dengan menggunakan tarif pajak yang secara substansial telah berlaku pada tanggal pelaporan, dan penyesuaian-penyesuaian lainnya atas provisi pajak pada tahun-tahun sebelumnya, baik untuk disesuaikan dengan pajak penghasilan yang dilaporkan pada laporan pajak tahunan, atau dengan perbedaan yang timbul dari pemeriksaan pajak. Utang atau restitusi pajak kini diukur berdasarkan estimasi terbaik atas jumlah yang diharapkan akan dibayar atau diterima dengan mempertimbangkan ketidakpastian yang melekat pada kompleksitas peraturan-peraturan pajak.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Interest income and expenses

For all financial instruments measured at amortized cost and interest earning financial assets classified as available-for-sale, interest income or expense is recognized in profit or loss using the effective interest method. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest.

t. Fees and commissions

Fees and commissions income and expense of financial assets and liabilities, which are an integral part of the effective interest rate are included in the calculation of effective interest rate. These income and expense are amortized during the expected life of financial assets or liabilities or during the period of the risk.

Other fees and commissions are recognized as income and expense at the transaction date, and if associated with services in a specified period, they will be amortized over the period.

Other fees and commission expense which are mainly related to inter bank transaction fees are expensed as the services are received.

u. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or refundable on taxable income for the year, using tax rates substantially enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

u. Pajak penghasilan (lanjutan)

Pajak tangguhan diakui atas perbedaan temporer antara nilai tercatat aset dan liabilitas untuk tujuan pelaporan keuangan, dan nilai yang digunakan untuk tujuan perpajakan. Pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan untuk diterapkan atas perbedaan temporer pada saat pembalikan, berdasarkan peraturan yang berlaku atau secara substantif berlaku pada tanggal pelaporan. Metode ini juga mengharuskan pengakuan manfaat pajak masa depan, seperti kompensasi rugi fiskal, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

Aset pajak tangguhan dikaji ulang pada setiap tanggal pelaporan dan dikurangkan dengan manfaat pajak sejumlah nilai yang besar kemungkinan tidak dapat direalisasi; pengurangan tersebut akan dibalik ketika kemungkinan mendapatkan laba kena pajak di masa depan meningkat.

Aset pajak tangguhan yang belum diakui dikaji ulang pada setiap tanggal pelaporan dan diakui sepanjang kemungkinan besar manfaat pajak tersebut dapat direalisasikan pada perhitungan laba kena pajak mendatang.

Dalam menentukan jumlah pajak kini dan tangguhan, Bank memperhitungkan dampak atas posisi pajak yang tidak pasti dan tambahan pajak serta penalti.

Koreksi atas kewajiban pajak diakui pada saat surat ketetapan pajak diterima atau apabila diajukan keberatan dan atau banding, maka koreksi diakui pada saat keputusan atas keberatan atau banding itu diterima.

v. Imbalan kerja karyawan

Imbalan kerja karyawan jangka pendek

Liabilitas imbalan kerja jangka pendek merupakan bonus karyawan yang akan diselesaikan dalam jangka waktu satu tahun.

Liabilitas imbalan kerja jangka pendek diukur berdasarkan jumlah tidak terdiskonto dan dibebankan pada saat jasa tersebut diberikan.

Liabilitas diakui untuk jumlah yang akan dibayar sebagai bonus jangka pendek jika Bank memiliki kewajiban hukum atau kewajiban konstruktif atas pembayaran beban tersebut sebagai akibat dari jasa masa lalu yang diberikan oleh pekerja dan kewajiban tersebut dapat diestimasi secara handal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Income tax (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carry forwards, to the extent that realization of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profit improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has became probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and any additional taxes and penalties.

Amendments to tax obligation are recognized when tax assessment is received or if objection and or appeal is applied, when the results of the objection or appeal are received.

v. Employee benefits

Short-term employee benefits

Short-term employee benefit obligation represents employees bonus which will be paid within one year.

Short-term employee benefit obligation is measured on an undiscounted basis and are expensed at the time the related service is provided.

A liability is recognised for the amount expected to be paid under short-term bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

v. Imbalan kerja karyawan (lanjutan)

Imbalan pasca-kerja karyawan

Liabilitas imbalan pasca-kerja dihitung sebesar nilai kini dari estimasi jumlah liabilitas imbalan pasca-kerja di masa depan yang timbul dari jasa yang telah diberikan oleh karyawan pada masa kini dan masa lalu, dikurangi dengan nilai wajar aset program. Perhitungan dilakukan oleh aktuaris independen dengan metode *projected-unit-credit*.

Keuntungan atau kerugian aktuaria diakui segera sebagai penghasilan komprehensif lain pada periode dimana hal tersebut terjadi. Bank menentukan beban (pendapatan) bunga-bersih dari liabilitas (aset) imbalan pasti neto atas periode tersebut dengan menggunakan suku bunga diskonto yang digunakan untuk mengukur kewajiban imbalan pasti pada awal periode tahunan ke liabilitas (aset) imbalan pasti neto, dengan memperhitungkan perubahan atas liabilitas (aset) imbalan pasti neto selama periode tersebut sebagai hasil dari kontribusi dan pembayaran manfaat. Beban bunga-bersih dan beban lainnya yang terkait dengan imbalan kerja manfaat pasti diakui dalam laba rugi.

Ketika manfaat atas program berubah atau ketika terjadi kurtailmen program, dampak perubahan atas manfaat sehubungan dengan jasa lalu atau keuntungan atau kerugian atas kurtailmen diakui segera dalam laba rugi.

w. Transaksi dan saldo dengan pihak-pihak berelasi

Dalam kegiatan usaha normalnya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK No. 7, "Pengungkapan Pihak-pihak Berelasi".

Semua transaksi dan saldo yang signifikan dengan pihak berelasi, baik yang dilakukan dengan syarat normal sebagaimana dilakukan dengan pihak yang tidak berelasi, maupun tidak, telah diungkapkan pada catatan atas laporan keuangan.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Employee benefits (continued)

Post-employment benefits

The obligation for post-employment benefits is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods, deducted by any fair value of plan assets. The calculation is performed by an independent actuary using the projected-unit-credit method.

Actuarial gains or losses are recognized immediaty in other comprehensive income in the period in which they arise. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

w. Transactions and balances with related parties

In its normal course of business, the Bank enters into transactions with related parties as defined under PSAK No. 7, "Related Party Disclosures".

All significant transactions and balances with related parties, whether or not conducted under terms and conditions similar to those granted to third parties, are disclosed in the notes to the financial statements.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

x. Penjabaran transaksi dan saldo dalam mata uang asing

Transaksi-transaksi dalam mata uang asing dijabarkan ke dalam Rupiah, yang merupakan mata uang fungsional Bank, dengan menggunakan kurs pada tanggal transaksi.

Saldo akhir tahun aset moneter dan liabilitas moneter dalam mata uang asing dijabarkan ke 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 pada pukul 16.00 WIB.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aset moneter dan liabilitas moneter dalam mata uang asing diakui pada laba rugi tahun berjalan.

Keuntungan atau kerugian kurs mata uang asing atas aset moneter dan liabilitas moneter merupakan selisih antara biaya perolehan diamortisasi dalam Rupiah pada awal tahun, disesuaikan dengan suku bunga efektif dan pembayaran selama tahun berjalan, dan biaya perolehan diamortisasi dalam mata uang asing yang dijabarkan ke dalam Rupiah dengan menggunakan kurs pada akhir tahun.

Kurs mata uang asing utama yang digunakan pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut (Rupiah penuh):

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Foreign currency transactions and balances translations

Transactions in foreign currencies are translated into Rupiah, the Bank's functional currency, using the rates prevailing at the transaction date.

Year-end balances of monetary assets and monetary liabilities denominated in foreign currencies are translated into Rupiah using exchange rates as of the reporting date (closing) as determined by Bank Indonesia i.e middle rates which are the average of buying rates and selling rates per Reuters at 16:00 Western Indonesian Time.

The exchange gains and losses arising from transactions in foreign currencies and from the translation of monetary assets and monetary liabilities denominated in foreign currencies are recognized in the current year profit or loss.

The foreign currency gain or loss on monetary assets and monetary liabilities is the difference between the amortized cost in Rupiah at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated into Rupiah at the exchange rate at the end of the year.

The major exchange rates used as of 31 December 2017 and 2016 were as follows (whole Rupiah):

		2017	2016	
1	Dolar Amerika Serikat (USD)	13.567,50	13.472,50	*1 United States Dollar (USD)*
1	Yuan China (RMB)	2.083,64	1.939,19	*1 Chinese Yuan (RMB)*
1	Dolar Australia (AUD)	10.594,19	9.723,11	*1 Australian Dollar (AUD)*
1	Dolar Singapura (SGD)	10.154,56	9.311,93	*1 Singapore Dollar (SGD)*
1	Dolar Hong Kong (HKD)	1.736,21	1.737,34	*1 Hong Kong Dollar (HKD)*
1	Poundsterling Inggris (GBP)	18.325,62	16.555,01	*1 British Poundsterling (GBP)*
1	Yen Jepang (JPY)	120,52	115,07	*1 Japanese Yen (JPY)*
1	Euro (EUR)	16.236,23	14.175,77	*1 Euro (EUR)*
1	Dolar Selandia Baru (NZD)	9.650,57	9.382,72	*1 New Zealand Dollar (NZD)*

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4. MANAJEMEN RISIKO KEUANGAN

a. Pengenalan dan Gambaran Umum

Sejalan dengan Peraturan Otoritas Jasa Keuangan tentang penerapan Manajemen Risiko, fungsi manajemen risiko pada Bank telah terintegrasi dengan menggabungkan pengelolaan risiko kredit, risiko pasar, risiko likuiditas, dan risiko operasional pada satu unit.

Dalam rangka memastikan penerapan fungsi manajemen risiko dan pengendalian intern yang baik, Bank telah membentuk struktur organisasi yang memadai dengan tingkat tanggung jawab yang berbeda.

Kerangka Manajemen Risiko

Pembagian wewenang dan tanggung jawab dalam organisasi dan fungsi manajemen risiko Bank adalah:

i. Dewan Komisaris

Wewenang dan tanggung jawab Komisaris Bank yang berkaitan dengan manajemen risiko meliputi hal-hal sebagai berikut:

- Menyetujui serta mengevaluasi Kebijakan Manajemen Risiko Bank;
- Mengevaluasi arah kebijakan dan strategi manajemen risiko Bank sekurang-kurangnya satu tahun sekali, dan jika terjadi perubahan faktor-faktor yang mempengaruhi kegiatan usaha Bank secara signifikan;
- Mengevaluasi pertanggungjawaban Direksi dan memberikan arahan perbaikan atas pelaksanaan Kebijakan Manajemen Risiko.

ii. Direksi

Wewenang dan tanggung jawab Direksi Bank yang berkaitan dengan manajemen risiko sekurang-kurangnya meliputi antara lain:

- Menyusun Kebijakan Manajemen Risiko Bank dan menyampaikan kebijakan tersebut kepada Dewan Komisaris untuk mendapatkan persetujuan;
- Menyusun, menetapkan, mengevaluasi dan/atau memperbaharui strategi manajemen risiko secara komprehensif yang sesuai dengan ketentuan yang berlaku, termasuk penetapan dan persetujuan limit risiko secara keseluruhan maupun per jenis risiko;

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4. FINANCIAL RISK MANAGEMENT

a. Introduction and Overview

In accordance with Otoritas Jasa Keuangan Regulation concerning application of Risk Management, the Bank's risk management function has been integrated by bringing credit, market, liquidity, and operational risk management under one unit.

In order to ensure implementation of good risk management function and internal control, the Bank has established adequate organization structure with different levels of responsibility.

Risk Management Framework

The segregation of authorities and responsibilities in the organization and risk management function of the Bank are:

i. The Board of Commissioners

Authorities and responsibilities of the Bank's commissioners related to risk management shall cover the following:

- *Approve and evaluate the Bank's Risk Management Policy;*
- *Evaluate the Bank's policy and strategy of risk management at least once a year, and if there is any change in factors significantly affecting the Bank's business activities;*
- *Evaluate accountability of the Directors and provide guidance of improvement in implementation of Risk Management Policy.*

ii. The Board of Directors

The authorities and responsibilities of the Bank's Board of Directors related to risk management at least consist of:

- *Prepare the Bank's Risk Management Policy and submit it to the Board of Commissioners for obtaining an approval;*
- *Arrange, establish, evaluate and/or update risk management strategy comprehensively in line with the prevailing regulations, including determination and approval of risk limits, both overall risk limits and limits on specific types of risk;*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Pengenalan dan Gambaran Umum (lanjutan)

Kerangka Manajemen Risiko (lanjutan)

ii. Direksi (lanjutan)

- Bertanggung jawab atas pelaksanaan kebijakan manajemen risiko dan eksposur risiko yang diambil oleh Bank secara keseluruhan;
- Mengembangkan budaya manajemen risiko pada seluruh jenjang organisasi, yang meliputi komunikasi yang memadai kepada seluruh jenjang organisasi tentang pentingnya pengendalian internal yang efektif.

iii. Komite Manajemen Risiko

Komite Manajemen Risiko adalah komite yang bersifat non-struktural dalam manajemen risiko, berkedudukan di Kantor Pusat yang membantu Direksi dalam merumuskan kebijakan, mengawasi pelaksanaan kebijakan, memantau perkembangan dan kondisi profil risiko, dan memberikan saran-saran dan langkah perbaikan yang berkaitan dengan manajemen risiko.

Komite Manajemen Risiko diketuai oleh Presiden Direktur, dengan anggota terdiri dari Direksi, *Group Head*, Kepala Satuan Kerja Audit Internal, Kepala Departemen yang memimpin Satuan Kerja Manajemen Risiko, dan Kepala Departemen terkait lainnya.

Wewenang dan tanggung jawab Komite Manajemen Risiko antara lain:

- Menyusun kebijakan, strategi, dan pedoman pelaksanaan manajemen risiko, termasuk penetapan limit dan *contingency plan* dalam kondisi tidak normal;
- Memperbaiki atau menyempurnakan pelaksanaan manajemen risiko berdasarkan hasil evaluasi pelaksanaan yang dimaksud;
- Memantau, mengevaluasi, dan menilai perkembangan komposisi profil risiko dalam portofolio Bank, penetapan dan pelaksanaan limit, kecukupan permodalan Bank terhadap eksposur risiko sesuai ketentuan yang berlaku, dan efektivitas pelaksanaan manajemen risiko.

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4. FINANCIAL RISK MANAGEMENT (continued)

a. Introduction and Overview (continued)

Risk Management Framework (continued)

ii. The Board of Directors (continued)

- *Be responsible for the implementation of overall risk management policy and risk exposure of the Bank;*
- *Develop a risk management culture at all levels of the organization, including adequate communication to all levels within the organization on the importance of effective internal control.*

iii. Risk Management Committee

Risk Management Committee is a non-structural committee for risk management, located in Head Office assisting the Board of Directors in formulating policy, supervising the implementation of the policy, monitoring the development and condition of risk profile, and providing recommendations and corrective actions related to risk management.

Risk Management Committee is led by President Director, which members consist of Board of Directors, Group Head, Head of Internal Audit, Department Head who leads the Risk Management Unit, and other related Department Heads.

Authorities and responsibilities of Risk Management Committee consist of:

- *Arrange policy, strategy, and implementation of risk management guideline, including determination of limit and contingency plan under abnormal condition;*
- *Improve or enhance the implementation of risk management based on the evaluation result;*
- *Monitor, evaluate, and assess the development of risk profile composition of the Bank's portfolio, determination and implementation of limit, the Bank's capital adequacy against risk exposure in accordance with the prevailing regulation, and the effectiveness of risk management implementation.*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Pengenalan dan gambaran umum (lanjutan)

Kerangka Manajemen Risiko (lanjutan)

iv. Departemen Manajemen Risiko

Departemen Manajemen Risiko adalah unit kerja yang memiliki wewenang dan tanggung jawab dalam menjalankan proses manajemen risiko dan independen dari satuan kerja bisnis dan departemen yang menjalankan fungsi pengendalian internal.

Wewenang dan tanggung jawab Departemen Manajemen Risiko antara lain meliputi:

- Memberikan masukan kepada Direksi dalam penyusunan kebijakan, strategi, dan kerangka manajemen risiko;
- Mengembangkan prosedur dan alat untuk mengidentifikasi, mengukur, memantau, dan mengendalikan risiko, serta mendesain dan menerapkan perangkat yang dibutuhkan dalam penerapan manajemen risiko;
- Memantau posisi risiko secara keseluruhan, maupun jenis risiko tertentu serta melakukan *stress testing* untuk mengetahui dampak dari implementasi kebijakan dan strategi manajemen risiko terhadap portofolio atau kinerja Bank secara keseluruhan;
- Melakukan kaji ulang secara berkala untuk memastikan kecukupan kerangka manajemen risiko, keakuratan metodologi penilaian risiko, dan kecukupan sistem informasi manajemen risiko;
- Memberikan rekomendasi kepada satuan kerja bisnis dan/atau Komite Manajemen Risiko terkait penerapan manajemen risiko, antara lain mengenai besaran atau maksimum eksposur risiko yang dapat dipelihara Bank.

Proses dan Penilaian Manajemen Risiko

Proses manajemen risiko mencakup identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan dukungan sistem informasi manajemen yang memadai.

Pelaksanaan penilaian risiko dilakukan oleh Departemen Manajemen Risiko yang dilaporkan setiap triwulan. Penilaian risiko dilakukan berdasarkan penilaian risiko inheren dan kualitas penerapan manajemen risiko pada setiap risiko yang akan dinilai. Kualitas penerapan manajemen risiko meliputi tata kelola risiko, kerangka manajemen risiko, proses manajemen risiko, kecukupan sumber daya manusia, kecukupan sistem informasi manajemen, dan kecukupan sistem pengendalian risiko.

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4. FINANCIAL RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Risk Management Framework (continued)

iv. Risk Management Department

Risk Management Department is a unit, which has authorities and responsibilities in implementing risk management process and independent from business units and department conducting the internal control function.

Authorities and responsibilities of Risk Management Department consist of:

- *Provide input to the Board of Directors in formulating risk management policy, strategy, and framework;*
- *Develop procedures and tools to identify, measure, monitor, and control the risks, as well as to design and implement the tools required in the implementation of risk management;*
- *Monitor both overall risk exposure and specific type of risk, and conduct stress testing to ascertain the impact of implementation of risk management policy and strategy to the overall portfolio or performance of the Bank;*
- *Conduct periodic review to ensure adequacy of risk management framework, accuracy of risk assessment methodology, and adequacy of risk management information system;*
- *Provide recommendation to business units and/or the Risk Management Committee related to the risk management implementation, such as on the size or maximum risk exposures that could be maintained by the Bank.*

Risk Management Process and Assessment

Risk management process consists of identification, measurement, monitoring, and controlling the risk supported by adequate management information system.

The risk assessment is conducted by Risk Management Department and reported on a quarterly basis. The risk assessment is performed based on the assessment of inherent risk and quality of risk management implementation on each risk assessed. The quality of risk management implementation covers risk governance, risk management framework, risk management process, adequacy of human resources, adequacy of management information system, and adequacy of risk control system.

4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Pengenalan dan gambaran umum (lanjutan)

Kerangka Manajemen Risiko (lanjutan)

iv. Departemen Manajemen Risiko (lanjutan)

Proses dan Penilaian Manajemen Risiko (lanjutan)

Risiko yang wajib dikelola Bank seperti yang tercantum pada Kebijakan Manajemen Risiko adalah risiko kredit, risiko pasar, risiko likuiditas, risiko operasional, risiko hukum, risiko stratejik, risiko kepatuhan, dan risiko reputasi.

b. Risiko Kredit

Risiko kredit didefinisikan sebagai risiko yang terjadi akibat kegagalan pihak debitur dan/atau pihak lain dalam memenuhi kewajiban kepada Bank. Risiko kredit dapat bersumber dari berbagai aktivitas bisnis Bank. Selain pada aktivitas pemberian kredit, risiko kredit dapat berasal dari berbagai instrumen keuangan seperti kredit yang diberikan, efek-efek, akseptasi, transaksi antar bank, transaksi nilai tukar dan derivatif, transaksi pembiayaan perdagangan, dan kewajiban komitmen dan kontinjensi dengan risiko kredit.

Penerapan manajemen risiko kredit berlandaskan pada Kebijakan dan Prosedur Risiko Kredit Bank yang mencakup ketentuan Otoritas Jasa Keuangan ("OJK") dan juga kebijakan internal. Kebijakan dan prosedur internal dikaji ulang secara berkala agar sejalan dengan perubahan-perubahan ketentuan perbankan, perkembangan usaha Bank dan kondisi perekonomian.

Pelaksanaan penilaian risiko kredit dilakukan Bank atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren terdiri dari komposisi portofolio aset dan tingkat konsentrasi, kualitas penyediaan dana dan kecukupan pencadangan, strategi penyediaan dana dan sumber timbulnya penyediaan dana, dan faktor eksternal. Berdasarkan penilaian tersebut, Unit-unit Pengambil Risiko melakukan tindak lanjut, agar komposisi portfolio tidak terkonsentrasi pada sektor ataupun debitur besar tertentu, mempertahankan kualitas penyediaan dana pada tingkat risiko yang dipandang aman, mempertahankan kecukupan pencadangan, memastikan bahwa pemberian kredit dan pengambilan keputusan kredit telah dikelola secara memadai dan sesuai dengan limit yang telah ditetapkan.

4. FINANCIAL RISK MANAGEMENT (continued)

a. Introduction and overview (continued)

Risk Management Framework (continued)

iv. Risk Management Department (continued)

Risk Management Process and Assessment (continued)

The risks managed by the Bank as stipulated in the Risk Management Policy consist of credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, compliance risk, and reputation risk.

b. Credit Risk

Credit risk is defined as the risk arising from default of debtors and/or other parties to settle their liabilities to the Bank. Credit risk may arise from various business operations of the Bank. In addition to credit lending activities, credit risk may arise from various financial instruments, such as loans receivable, securities, acceptances, interbank transactions, foreign exchange transaction and derivatives, trade finance transaction, and committed and contingent liabilities with credit risk.

Implementation of credit risk management is governed by the Bank's Credit Risk Policy and Procedure that incorporates the regulations of Otoritas Jasa Keuangan ("OJK"), as well as internal policy. Internal policy and procedure are reviewed periodically to reflect changes in the banking regulations, the Bank's business growth and economic condition.

Credit risk assessment is conducted by the Bank in assessing inherent risk and quality of risk management implementation. Parameters used as the basis for inherent risk assessment consist of composition of asset portfolio and level of concentration, quality of provision of funds and adequacy of provision, funding strategy and source of funding, and external factors. Based on the assessment, Risk Taking Unit will perform follow up actions, so that the composition of the portfolio is not concentrated in specific sector or large debtors, maintain quality of the funding at the safety level of risk, maintain the adequacy of provision, ensure the lending process and credit decision have been managed adequately and within the approved limit.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

Penerapan manajemen risiko yang dilakukan Bank dalam rangka pemantauan dan pengendalian risiko kredit antara lain sebagai berikut:

- Pemberian kredit dan pengambilan keputusan kredit senantiasa mengacu pada kebijakan tertulis yang telah dimiliki Bank mengenai Kebijakan Perkreditan Bank dan kebijakan terkait yang relevan, antara lain Kebijakan Standar Proses Kredit yang mencakup seluruh proses pemberian kredit dan Kebijakan Wewenang Kredit yang mencakup pendelegasian wewenang dan limit wewenang kredit;
- Melakukan analisis terhadap sektor ekonomi/industri berdasarkan risiko dan penetapan limit sektor ekonomi/industri internal, yang bertujuan selain memberikan acuan dalam melakukan pemberian kredit, juga sebagai upaya untuk melakukan diversifikasi dan meningkatkan proses pengelolaan risiko kredit;
- Bank secara berkala melakukan pemantauan terhadap portofolio kredit, antara lain meliputi pemantauan pertumbuhan kredit, kualitas/kolektibilitas kredit, konsentrasi pemberian kredit pada sektor ekonomi, debitur/grup debitur terbesar, dan mata uang;
- Melakukan pemantauan secara intensif dan menyusun solusi penyelesaian terhadap setiap kredit bermasalah termasuk kemungkinan restrukturisasi kredit;
- Melakukan identifikasi risiko kredit pada setiap produk/aktivitas baru, termasuk mitigasi risiko yang diperlukan.

i. Risiko kredit maksimum

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatat. Untuk garansi bank dan *Standby* L/C yang diterbitkan dan L/C serta Surat Kredit Berdokumen Dalam Negeri (SKBDN) yang masih berjalan dan tidak dapat dibatalkan, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika kewajiban atas garansi bank, *Standby* L/C, L/C, dan SKBDN tersebut terjadi. Untuk komitmen fasilitas kredit yang diberikan yang belum digunakan, eksposur maksimum terhadap risiko kredit adalah sebesar jumlah komitmen tersebut.

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4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

The implementation of the risk management performed by the Bank in order to monitor and control credit risk, among others, are as follows:

- *Credit lending and credit decision always refer to written policies held by the Bank concerning Bank Credit Policy and relevant related policies, such as Credit Process Standard Policy which covers all lending processes and Credit Authority Policy which covers authorities delegation and credit authority limit;*
- *Perform analysis to economic/industry sector based on risk and set up the internal economic/industry sector limit, which aims to provide a reference in lending activity as well as the means to diversify and improve the credit risk management process;*
- *The Bank periodically performs monitoring on loan portfolio, including monitoring on loan growth, loan quality, loan concentration by economic sectors, top debtors/group debtors, and currencies;*
- *Perform intensive monitoring and prepare solution for each non-performing loan, including probability of credit restructuring;*
- *Perform credit risk identification for each new product/activity, including the required risk mitigation.*

i. Maximum credit risk

For financial assets recognized in the statement of financial position, the maximum exposure to credit risk equals their carrying amounts. For the bank guarantee and Standby L/C issued and outstanding irrevocable L/C and domestic L/C (SKBDN), the maximum exposure to credit risk is the maximum amount that the Bank has to pay if the obligation of the bank guarantee, Standby L/C, irrevocable L/C and SKBDN are called upon. For the unused committed loan facilities, the maximum exposure to credit risk is the committed amount.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

i. Risiko kredit maksimum (lanjutan)

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administratif dengan risiko kredit, tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya:

4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

i. Maximum credit risk (continued)

The following table presents the Bank's maximum exposure to credit risk of financial instruments in the statement of financial position and off-balance sheet accounts with credit risk, without taking into account any collateral held or other credit enhancement:

	31 Desember/*December* 2017	31 Desember/*December* 2016	
Laporan posisi keuangan			*Statement of financial position*
Giro pada Bank Indonesia	3.888.038	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.314.446	2.294.992	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.135.049	1.850.355	*Placements with Bank Indonesia and other banks*
Aset derivatif	5.980	10.963	*Derivative assets*
Tagihan akseptasi	1.519.878	1.170.532	*Acceptance receivables*
Efek-efek untuk tujuan investasi	6.248.877	6.286.166	*Investment securities*
Kredit yang diberikan	35.068.606	33.031.655	*Loans receivable*
Aset lain-lain	243.300	251.159	*Other assets*
Rekening administratif dengan risiko kredit			*Off-balance sheet accounts with credit risk*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	10.248.418	4.587.096	*Unused loan facilities - committed*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	726.454	1.014.818	*Outstanding irrevocable L/C and domestic L/C*
Garansi bank dan *Standby* L/C yang diterbitkan	4.486.597	5.892.898	*Bank guarantees and Standby L/C issued*
	70.885.645	59.622.196	

ii. Risiko konsentrasi kredit

Pengungkapan risiko kredit maksimum berdasarkan konsentrasi sebelum memperhitungkan agunan yang dimiliki:

ii. Credit concentration risks

The disclosure on the maximum credit risk by concentration without taking into account any collateral held:

	31 Desember/*December* 2017						
	Pemerintah (termasuk Bank Indonesia)/ *Government (including Bank Indonesia)*	Badan Usaha Milik Negara/*State Owned Enterprises*	Bank dan lembaga keuangan lainnya/ *Banks and other financial institutions*	Perusahaan/ *Corporate*	Ritel/ *Retail*	Jumlah/ *Total*	
Laporan posisi keuangan							*Statement of financial position*
Giro pada Bank Indonesia	3.888.038	-	-	-	-	3.888.038	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	-	-	3.314.446	-	-	3.314.446	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	1.198.324	-	3.936.725	-	-	5.135.049	*Placements with Bank Indonesia and other banks*
Aset derivatif	-	-	5.980	-	-	5.980	*Derivative assets*
Tagihan akseptasi	-	273.472	-	1.246.406	-	1.519.878	*Acceptance receivables*
Efek-efek untuk tujuan investasi	5.418.837	-	830.040	-	-	6.248.877	*Investment securities*
Kredit yang diberikan	-	7.588.481	671.968	26.134.533	673.626	35.068.608	*Loans receivable*
Aset lain-lain	42.304	37.999	21.682	138.596	2.717	243.300	*Other assets*
Rekening administratif dengan risiko kredit							*Off-balance sheet accounts with credit risk*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	-	3.609.065	-	6.279.465	359.888	10.248.418	*Unused loan facilities - committed*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	-	107.513	-	618.941	-	726.454	*Outstanding irrevocable L/C and domestic L/C*
Garansi bank dan *Standby* L/C yang diterbitkan	-	61.054	-	4.425.168	375	4.486.597	*Bank gurantees and Standby L/C issued*
	10.547.503	11.677.584	8.780.841	38.843.111	1.036.606	70.885.645	
Persentase	15 %	17 %	12 %	55 %	1 %	100 %	*Percentage*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

	31 Desember/December 2016						
	Pemerintah (termasuk BI)/ *Government (including BI)*	Badan Usaha Milik Negara/*State Owned Enterprises*	Bank dan lembaga keuangan lainnya/*Banks and other financial institutions*	Perusahaan/ *Corporate*	Ritel/*Retail*	Jumlah/*Total*	
Laporan posisi keuangan							*Statement of financial position*
Giro pada Bank Indonesia	3.231.563	-	-	-	-	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	-	-	2.294.992	-	-	2.294.992	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	1.763.875	-	96.480	-	-	1.860.355	*Placements with Bank Indonesia and other banks*
Aset derivatif	-	-	10.963	-	-	10.963	*Derivative assets*
Tagihan akseptasi	-	198.467	-	972.065	-	1.170.532	*Acceptance receivables*
Efek-efek untuk tujuan investasi	4.698.788	153.076	1.334.345	99.957	-	6.286.166	*Investment securities*
Kredit yang diberikan	-	6.457.216	1.076.405	24.853.998	644.036	33.031.655	*Loans receivable*
Aset lain-lain	44.388	36.401	4.142	163.003	3.224	251.158	*Other assets*
Rekening administratif dengan risiko kredit							*Off-balance sheet accounts with credit risk*
Fasilitas kredit yang diberikan yang belum digunakan - committed	-	1.368.849	-	2.912.644	305.603	4.587.096	*Unused loan facilities - committed*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	-	309.012	-	705.806	-	1.014.818	*Outstanding irrevocable L/C and domestic L/C*
Garansi bank dan Standby L/C yang diterbitkan	-	268.535	-	5.625.986	375	5.892.896	*Bank guarantees and Standby L/C issued*
	9.738.614	8.789.556	4.817.327	35.333.461	953.238	59.622.196	
Persentase	16%	15%	8%	59%	2%	100%	*Percentage*

iii. Agunan dan perlindungan kredit lainnya

Sebagai salah satu kebijakan Bank dalam memitigasi risiko kredit, Bank meminta agunan sebagai jaminan pembayaran atas dana yang diberikan oleh Bank. Bank berprinsip bahwa agunan adalah sumber terakhir dari pelunasan kredit, dimana sumber utama pelunasan kredit adalah dana dari hasil usaha debitur.

Pedoman Bank mengenai agunan antara lain mencakup jenis agunan yang dapat diterima sebagai mitigasi risiko kredit, perhitungan rasio jaminan, serta frekuensi penilaian agunan untuk setiap jenis agunan. Penentuan nilai dan jenis agunan yang diminta juga tergantung pada penilaian risiko kredit dari debitur.

iii. Collateral and other credit enhancements

As one of the Bank's policies in mitigating the credit risk, the Bank requires collateral as guarantee of payment of the funds disbursed by the Bank. The Bank considers collateral as the last source of credit repayment, whereas the primary source of credit repayment are the funds generated from business operations of the debtors.

The Bank's guideline for collateral regulates the acceptability of the types of collateral, collateral ratio calculation, and frequency of appraisal for each collateral type. The amount and type of collateral required also depends on an assessment of the debtors' credit risk.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

iii. Agunan dan perlindungan kredit lainnya (lanjutan)

Jenis jaminan yang dapat diterima oleh Bank adalah deposito berjangka/setoran kas, *Standby* L/C, tanah dan bangunan (properti - rumah tinggal, komersial, industri, dan dalam konstruksi), tanah kosong, mesin dan peralatan, piutang dagang, persediaan (termasuk komoditi), truk/bis, alat berat, pesawat (untuk tujuan komersil dan *charter*), kapal, mobil, saham, motor dan jaminan perseorangan/perusahaan. Kondisi, legalitas, peruntukan jaminan (sebagai agunan utama dan tambahan) serta rasio jaminan telah diatur dalam kebijakan Bank.

Untuk kredit atau pembiayaan properti, Bank telah menetapkan rasio *Loan to Value* (LTV), yang merupakan rasio antara nilai kredit yang dapat diberikan oleh Bank terhadap nilai agunan pada saat awal pemberian kredit, sesuai dengan ketentuan oleh regulator yang berlaku saat ini.

Tabel berikut menyajikan komposisi kredit yang diberikan (sebelum penyisihan kerugian penurunan nilai) yang mendapatkan manfaat dari agunan, baik sebagian maupun penuh, sebagai mitigasi dari risiko kredit:

4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

iii. Collateral and other credit enhancements (continued)

The types of collateral which can be accepted by the Bank are time deposit/cash margin, Standby L/C, land and building (properties - residential, commercial, industrial and under construction), vacant land, machinery and equipment, account receivable, inventory (including commodity), truck/bus, heavy equipment, aircraft (for commercial and charter purposes), ship, car, shares, motorcycle and personal/corporate guarantees. The condition, legality, collateral purpose (as main and additional collateral) and collateral ratio are regulated under the Bank's policy.

For property financing, the Bank has set the Loan to Value ratio (LTV), which is defined as the ratio between the value of credit that can be provided by the Bank to the value of the collateral at the time when the loan was given, in accordance with the current prevailing provisions by regulator.

The following table presents the composition of loans receivable (before allowance for impairment losses) that benefit from such partial or full collateralization as credit risk mitigation:

	2017 Nilai kredit yang diberikan sebelum penyisihan kerugian penurunan nilai/ *Balance of loans receivable before allowance for impairment losses*	2016 Nilai kredit yang diberikan sebelum penyisihan kerugian penurunan nilai/ *Balance of loans receivable before allowance for impairment losses*	Jenis agunan/ *Type of Collateral*	
Dijamin penuh	4.569.895	4.126.283	Kas, *Standby L/C/ Cash, Standby L/C*	*Fully secured*
Dijamin sebagian	25.591.568	22.559.032	Kas, piutang dagang, tanah dan bangunan, aset bergerak, garansi/ *Cash, accounts receivable, land and buildings, moveable assets, guarantees*	*Partially secured*
Tidak memiliki jaminan	5.483.069	6.767.329	-	*Unsecured*
	35.664.332	33.452.644		

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

iv. Kualitas aset keuangan

Bank memiliki kebijakan untuk memelihara secara akurat dan konsisten peringkat risiko seluruh portofolio aset keuangan. Hal ini akan memfasilitasi fokus manajemen risiko atas risiko yang ada dan perbandingan eksposur kredit di seluruh lini bisnis, daerah geografis, dan produk. Sistem peringkat ini didukung oleh berbagai analisa keuangan, dikombinasikan dengan informasi pasar yang telah diolah untuk menyediakan masukan utama untuk pengukuran risiko pihak lawan.

v. Evaluasi penurunan nilai

Pertimbangan utama evaluasi penurunan nilai kredit yang diberikan antara lain adalah kualitas aset kredit, kondisi keuangan dan prospek usaha debitur. Bank melakukan evaluasi penurunan nilai dalam dua pendekatan: evaluasi penurunan nilai secara individual dan evaluasi penurunan nilai secara kolektif.

(1) Evaluasi penurunan nilai secara individual

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk setiap kredit yang signifikan secara individual dan memiliki bukti obyektif penurunan nilai kredit. Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain mencakup keberlanjutan rencana bisnis debitur, kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas. Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan, kecuali terdapat beberapa kondisi yang mengharuskan adanya perhatian lebih.

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4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

iv. Quality of financial assets

It is the Bank's policy to maintain accurate and consistent risk ratings across the portfolio of financial assets. This facilitates focused risk management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions, and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk.

v. Impairment assessments

The main considerations for the loan impairment assessment consist of asset quality of loan, financial condition and business prospect of debtor. The Bank addresses impairment assessment in two approaches: individually assessed allowances and collectively assessed allowances.

(1) Individually assessed allowances

The Bank determines the allowances for impairment losses on individual basis for each individually significant loan and has any objective evidence of impairment. Items considered when determining allowance for impairment losses include the sustainability of the debtors' business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected payout should bankruptcy occur, the availability of other financial support, the realizable value of collateral, and the timing of expected cash flows. Allowances for impairment losses are evaluated at each reporting date, unless foreseen circumstances require more careful attention.

4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

v. Evaluasi penurunan nilai (lanjutan)

(2) Evaluasi penurunan nilai secara kolektif

Evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual dan kredit yang diberikan yang dinilai secara individual namun tidak terdapat bukti objektif mengenai penurunan nilai. Metodologi evaluasi penyisihan secara kolektif telah diungkapkan pada Catatan 3h.

Pada tanggal 31 Desember 2017 dan 2016, tabel di bawah menunjukkan kualitas aset keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai, telah jatuh tempo tetapi tidak mengalami penurunan nilai, dan yang mengalami penurunan nilai:

4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

v. Impairment Assessment (continued)

(2) Collectively assessed allowances

Allowances for impairment losses are assessed collectively for losses on loans that are not individually significant and individually assessed loans without objective evidence of impairment. The methodology of collectively assessed allowances has been disclosed in Note 3h.

As of 31 December 2017 and 2016, the table below shows quality of financial assets that are neither past due nor impaired, past due but not impaired, and impaired:

	2017					
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ *Neither past due nor impaired*	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ *Past due but not impaired*	Mengalami penurunan nilai/ *Impaired*	Penyisihan kerugian penurunan nilai/ *Allowance for impairment losses*	Jumlah/ *Total*	
Giro pada Bank Indonesia	3.888.038	-	-	-	3.888.038	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.314.446	-	-	-	3.314.446	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.135.049	-	-	-	5.135.049	*Placements with Bank Indonesia and other banks*
Aset derivatif	5.980	-	-	-	5.980	*Derivative assets*
Tagihan akseptasi	1.519.078	800	-	-	1.519.878	*Acceptance receivables*
Efek-efek untuk tujuan investasi	6.248.877	-	-	-	6.248.877	*Investment securities*
Kredit yang diberikan	30.497.824	114.735	5.061.773	(595.724)	35.068.608	*Loans receivable*
Aset lain-lain	211.254	2.737	29.309	-	243.300	*Other assets*
	50.820.546	118.272	5.091.082	(595.724)	55.424.176	

	2016					
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ *Neither past due nor impaired*	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ *Past due but not impaired*	Mengalami penurunan nilai/ *Impaired*	Penyisihan kerugian penurunan nilai/ *Allowance for impairment losses*	Jumlah/ *Total*	
Giro pada Bank Indonesia	3.231.563	-	-	-	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	2.294.992	-	-	-	2.294.992	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	1.850.355	-	-	-	1.850.355	*Placements with Bank Indonesia and other banks*
Aset derivatif	10.963	-	-	-	10.963	*Derivative assets*
Tagihan akseptasi	1.169.558	974	-	-	1.170.532	*Acceptance receivables*
Efek-efek untuk tujuan investasi	6.286.166	-	-	-	6.286.166	*Investment securities*
Kredit yang diberikan	29.234.436	72.269	4.145.939	(420.989)	33.031.655	*Loans receivable*
Aset lain-lain	216.075	523	34.560	-	251.158	*Other assets*
	44.294.108	73.766	4.180.499	(420.989)	48.127.384	

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko Kredit (lanjutan)

v. Evaluasi penurunan nilai (lanjutan)

Definisi dari kualitas kredit Bank adalah sebagai berikut:

- Belum jatuh tempo dan tidak mengalami penurunan nilai: eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang memadai, secara umum dibuktikan dengan pembayaran komitmen terhadap Bank dan kreditur lainnya secara tepat waktu. Sumber pembayaran dapat diidentifikasikan secara jelas dan Bank tidak bergantung pada jaminan untuk penyelesaian komitmen masa datang. Hal ini pada umumnya untuk debitur korporasi dengan kualitas kredit peringkat 1 (satu) sesuai klasifikasi OJK dan kredit konsumen yang tidak mengalami keterlambatan pembayaran.

- Telah jatuh tempo tetapi tidak mengalami penurunan nilai: eksposur dimana nasabah dalam tahap awal dari keterlambatan pembayaran dan telah gagal untuk melakukan pembayaran atau pembayaran tidak penuh, sesuai dengan persyaratan kontraktual dalam perjanjian kredit. Hal ini pada umumnya untuk debitur korporasi dengan peringkat 2 sesuai klasifikasi peraturan OJK. Definisi ini tidak termasuk kredit restrukturisasi yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat 2.

- Mengalami penurunan nilai: eksposur telah mengalami penurunan nilai. Bank mempertimbangkan bahwa nasabah tidak mungkin membayar kewajiban kredit secara penuh, atau pemulihannya akan bertumpu pada realisasi agunan apabila ada. Di dalamnya termasuk juga kredit yang dinegosiasikan kembali yang mengalami penurunan nilai namun memiliki kualitas kredit peringkat 1 dan 2. Selain itu, pada umumnya merupakan debitur korporasi dengan peringkat 3 - 5 sesuai klasifikasi peraturan OJK.

Pertimbangan utama atas penilaian penurunan kualitas kredit mencakup keterlambatan pembayaran pokok atau bunga atau kesulitan aliran kas yang dialami oleh debitur/pihak lawan, penurunan peringkat kredit, atau pelanggaran atas persyaratan perjanjian kredit.

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4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

v. Impairment Assessment (continued)

The Bank's credit quality definitions are as follows:

- *Neither past-due nor impaired: exposures exhibit high or stable earnings, adequate capital and liquidity, as generally evidenced by prompt repayment of its commitment with the Bank and other creditors. Source of payments can be clearly identifiable and Bank does not rely on collateral for settlement of its future commitments. This is typically for corporate debtors with grading 1 (one) in accordance with classification per OJK regulation and consumer loans with no delinquency.*

- *Past due but not impaired: exposures which the debtor is in the early stages of deliquency and has failed to make a payment, or make partial payment, in accordance with the contractual terms of the loan agreement. These are typically corporate debtors with grading 2 in accordance with classification per OJK regulation. This definition does not include restructured loan with credit quality grading 2.*

- *Impaired: exposures have been assessed as impaired. The Bank considers that either the debtor is unlikely to pay its credit obligation in full, or the recovery will be from realizing collaterals if held. This also includes renegotiated loans that are impaired with credit quality grading 1 and 2. Other than that, typically are the corporate debtors with grading 3 - 5 in accordance with classification per OJK regulation.*

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue or there are any known difficulties in the cash flows of the debtors/counterparties, credit rating downgrades, or infringement of the original terms of the agreement.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar

Risiko pasar adalah risiko terjadinya perubahan harga pasar, seperti tingkat suku bunga dan nilai tukar valuta asing, yang akan mempengaruhi pendapatan Bank atau nilai dari instrumen keuangan yang dimilikinya. Tujuan dari manajemen risiko pasar adalah untuk mengelola dan mengendalikan eksposur risiko pasar dalam parameter yang dapat diterima, dan secara bersamaan mengoptimalkan hasil pengembalian atas risiko yang diambil.

Risiko pasar meliputi risiko suku bunga dan risiko nilai tukar yang timbul dari posisi *trading book* maupun posisi *banking book*. Penerapan manajemen risiko pasar Bank meliputi risiko suku bunga dan risiko nilai tukar.

i. Risiko suku bunga

Risiko tingkat bunga timbul dari adanya kemungkinan bahwa perubahan tingkat suku bunga akan mempengaruhi aliran kas di masa depan atau nilai wajar instrumen keuangan. Posisi ini dipantau secara bulanan untuk memastikan bahwa posisi tersebut tetap dapat dikelola.

Pengelolaan risiko suku bunga dilakukan dengan pemantauan sensitivitas aset dan liabilitas keuangan Bank atas berbagai skenario suku bunga. Skenario yang dilakukan antara lain mencakup kenaikan atau penurunan paralel 100 *basis point* pada kurva imbal hasil. Analisa sensitivitas Bank atas kenaikan atau penurunan suku bunga pasar, dengan asumsi bahwa tidak ada pergerakan asimetris di kurva imbal hasil dan posisi laporan posisi keuangan yang tetap, adalah sebagai berikut:

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4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Bank's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Market risk covers interest rate risk and exchange rate risk arising from trading book position and banking book position. The implementation of market risk management of the Bank covers interest rate risk and exchange rate risk.

i. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Positions are monitored on a monthly basis to ensure positions are manageable.

Interest rate risk management is supplemented by monitoring the sensitivity of financial assets and liabilities of the Bank to various interest rate scenarios. Scenarios, among others, include a 100 basis points parallel fall or rise in yield curves. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates, assuming no assymetrical movement in curves and a constant statement of financial position, is as follows:

	31 Desember/December 2017		31 Desember/December 2016		
	Kenaikan paralel 100 basis poin/ *100 basis point-parallel increase*	Penurunan paralel 100 basis poin/ *100 basis point-parallel decrease*	Kenaikan paralel 100 basis poin/ *100 basis point-parallel increase*	Penurunan paralel 100 basis poin/ *100 basis point-parallel decrease*	
Kenaikan (penurunan) pendapatan bunga bersih	(86.717)	86.717	(72.313)	72.313	*Increase (decrease) of net interest income*

Dari perspektif pendapatan bunga, Bank memiliki sensitivitas yang lebih tinggi dalam portofolio liabilitas karena aset berbunga memiliki durasi yang lebih panjang dan peninjauan kembali suku bunga (*repricing*) kurang sering dibandingkan dengan liabilitas berbunga. Artinya dengan kondisi suku bunga yang cenderung meningkat, marjin yang dihasilkan akan mengecil akibat adanya *repricing* dalam liabilitas. Meskipun demikian, pengaruhnya secara aktual bergantung pada banyak faktor, termasuk apakah terjadi pembayaran kembali yang lebih cepat atau lebih lama dari tanggal kontraktualnya dan variasi dari sensitivitas suku bunga selama periode *repricing* dan di antara berbagai mata uang.

From interest earnings perspective, the Bank has larger interest rate sensitivity in liabilities rather than assets because its interest-earning assets have longer duration and are repriced less frequently than interest bearing liabilities. This means that in rising interest rate environments, margin earned will narrow as liabilities reprice. However, the actual effect will depend on a number of factors, including to the extent to which repayments are made earlier or later than the contractual dates and variations in interest rate sensitivity within repricing periods and among currencies.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar (lanjutan)

i. Risiko suku bunga (lanjutan)

Tabel di bawah ini menyajikan aset berbunga dan liabilitas berbunga (bukan untuk tujuan diperdagangkan) Bank pada nilai tercatat, yang dikategorikan menurut mana yang lebih terdahulu antara tanggal *re-pricing* atau tanggal jatuh tempo kontraktual:

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

i. Interest rate risk (continued)

The table below summarizes the Bank's interest-earning assets and interest-bearing liabilities (not for trading purpose) at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates:

	31 Desember/December 2017								
		Instrumen dengan tingkat suku bunga mengambang/ *Floating rate instruments*			Instrumen dengan tingkat suku bunga tetap/ *Fixed rate instruments*				
	Nilai tercatat/ *Carrying amount*	Hingga 3 bulan/ *Up to 3 months*	3-12 bulan/ *months*	> 1 tahun/ *year*	Hingga 3 bulan/ *Up to 3 months*	3-12 bulan/ *months*	> 1- 2 tahun/ *years*	> 2 tahun/ *years*	
Giro pada bank-bank lain	3.314.446	-	-	-	3.314.446	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.135.049	-	-	-	2.950.681	2.184.368	-	-	*Placements with Bank Indonesia and other banks*
Kredit yang diberikan*	35.664.332	14.226.764	18.789.761	-	7.448	21.620	3.448	2.615.291	*Loans receivable**
Efek-efek untuk tujuan investasi	6.248.877	-	-	-	1.771.720	2.544.781	631.850	1.300.026	*Investment securities*
	50.362.704	14.226.764	18.789.761	-	8.044.295	4.750.769	635.298	3.915.817	
Simpanan nasabah	(32.864.123)	(5.927.233)	-	-	(18.756.286)	(8.166.936)	(4.205)	(7.463)	*Deposits from customers*
Simpanan dari bank-bank lain	(4.235.045)	(1.224)	-	-	(2.196.171)	(2.037.650)	-	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	(88.979)	-	-	-	(88.979)	-	-	-	*Securities sold under agreements to repurchase*
Pinjaman yang diterima	(2.858.866)	(2.180.491)	(678.375)	-	-	-	-	-	*Borrowings*
Surat berharga yang diterbitkan	(6.783.641)	(6.783.641)	-	-	-	-	-	-	*Securities issued*
Pinjaman subordinasi	(1.153.238)	(1.153.238)	-	-	-	-	-	-	*Subordinated loan*
	(47.983.892)	(16.045.627)	(678.375)	-	(21.043.436)	(10.204.586)	(4.205)	(7.463)	
Jumlah	2.378.812	(1.819.063)	18.111.386	-	(12.999.141)	(5.453.817)	631.093	3.908.354	*Total*

	31 Desember/December 2016								
		Instrumen dengan tingkat suku bunga mengambang/ *Floating rate instruments*			Instrumen dengan tingkat suku bunga tetap/ *Fixed rate instruments*				
	Nilai tercatat/ *Carrying amount*	Hingga 3 bulan/ *Up to 3 months*	3-12 bulan/ *months*	> 1 tahun/ *year*	Hingga 3 bulan/ *Up to 3 months*	3-12 bulan/ *months*	> 1- 2 tahun/ *years*	> 2 tahun/ *years*	
Giro pada bank-bank lain	2.294.992	-	-	-	2.294.992	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	1.850.355	-	-	-	1.819.368	30.987	-	-	*Placements with Bank Indonesia and other banks*
Kredit yang diberikan*	33.452.644	13.604.554	18.155.959	-	19.998	77.423	15.024	1.679.686	*Loans receivable**
Efek-efek untuk tujuan investasi	6.286.166	-	-	-	1.366.374	2.083.007	1.060.184	1.786.601	*Investment securities*
	43.884.157	13.604.554	18.155.959	-	5.490.732	2.191.417	1.075.208	3.366.287	
Simpanan nasabah	(24.609.438)	(5.036.315)	(198)	(236)	(17.374.986)	(2.188.930)	(3.046)	(5.727)	*Deposits from customers*
Simpanan dari bank-bank lain	(4.205.683)	(673.625)	-	-	(3.529.533)	(2.525)	-	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	(263.690)	-	-	-	(263.690)	-	-	-	*Securities sold under agreements to repurchase*
Pinjaman yang diterima	(5.013.267)	(1.616.700)	(1.212.525)	-	(836.812)	(1.347.250)	-	-	*Borrowings*
Surat berharga yang diterbitkan	(6.969.670)	(6.734.754)	-	-	-	(234.916)	-	-	*Securities issued*
Pinjaman subordinasi	(1.145.163)	(1.145.163)	-	-	-	-	-	-	*Subordinated loan*
	(42.206.931)	(15.206.557)	(1.212.723)	(236)	(22.005.021)	(3.773.621)	(3.046)	(5.727)	
Jumlah	1.677.226	(1.602.003)	16.943.236	(236)	(16.514.289)	(1.582.204)	1.072.162	3.360.560	*Total*

* Sebelum dikurangi penyisihan kerugian penurunan nilai

*Before allowance for impairment losses**

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar (lanjutan)

i. Risiko suku bunga (lanjutan)

Berdasarkan perjanjian kredit dengan debitur/nasabah, Bank berhak mengubah besaran suku bunga sewaktu-waktu atas dasar pertimbangan Bank, kecuali untuk kredit-kredit tertentu yang sudah ditetapkan jangka waktu *repricing*.

ii. Risiko nilai tukar

Risiko nilai tukar merupakan risiko dimana nilai instrumen keuangan akan berfluktuasi karena perubahan kurs nilai tukar. Bank telah menetapkan batasan posisi berdasarkan mata uang. Posisi ini dipantau secara harian untuk memastikan bahwa posisi tersebut tetap berada dalam batasan yang telah ditetapkan.

Bank memiliki eksposur risiko mata uang melalui transaksi dalam mata uang asing. Bank memonitor konsentrasi risiko yang terkait dengan tiap mata uang individual sehubungan dengan penjabaran transaksi, aset moneter dan liabilitas moneter dalam mata uang asing ke dalam mata uang fungsional Bank, yaitu Rupiah.

Perhitungan Posisi Devisa Neto (PDN) dilakukan berdasarkan peraturan Bank Indonesia yang berlaku, Bank diwajibkan untuk menjaga posisi devisa neto secara keseluruhan maksimum 20% dari total modal.

PDN pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

i. Interest rate risk (continued)

Based on the loan agreement with debtors/customers, the Bank has the rights to change the interest rates at any time at its discretion, except for certain loans which re-pricing period have been determined.

ii. Foreign exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank has set limits on positions by currency. Positions are monitored on a daily basis to ensure positions are maintained within established limits.

The Bank is exposed to currency risk through transactions in foreign currencies. The Bank monitors any concentrations of risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into the Bank's functional currency, i.e. Rupiah.

The Net Open Position (NOP) calculation is based on prevailing Bank Indonesia regulation where the Bank is required to maintain the overall net open position at a maximum of 20% from total capital.

NOP as of 31 December 2017 and 2016 was as follows:

	2017			
Mata uang	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto (nilai absolut)/ *Net Open Position (absolute amount)***	***Currency***
KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF)				***AGGREGATE (STATEMENT OF FINANCIAL POSITION AND OFF-BALANCE SHEET ACCOUNTS)***
Dolar Amerika Serikat	33.866.415	33.896.501	30.086	*United States Dollar*
Yuan China	1.602.930	1.597.899	5.031	*Chinese Yuan*
Euro Eropa	12.584	12.487	97	*European Euro*
Dolar Singapura	40.416	40.173	243	*Singapore Dollar*
Dolar Australia	11.460	11.139	321	*Australian Dollar*
Dolar Hong Kong	2.284	1.028	1.256	*Hong Kong Dollar*
Poundsterling Inggris	4.252	4.283	31	*British Poundsterling*
Yen Jepang	1.004	542	462	*Japanese Yen*
Dolar Selandia Baru	1.449	1.021	428	*New Zealand Dollar*
			37.957	
Jumlah Modal (Catatan 4f)			6.704.664	*Total Capital (Note 4f)*
Rasio PDN (Keseluruhan)			0,57%	*NOP Ratio (Aggregate)*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko nilai tukar (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

ii. Foreign exchange risk (continued)

	2016			
Mata uang	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto (nilai absolut)/ *Net Open Position (absolute amount)***	***Currency***
KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF)				***AGGREGATE (STATEMENT OF FINANCIAL POSITION AND OFF-BALANCE SHEET ACCOUNTS)***
Dolar Amerika Serikat	27.493.789	27.471.731	22.058	*United States Dollar*
Yuan China	1.320.079	1.319.279	800	*Chinese Yuan*
Euro Eropa	11.387	11.422	35	*European Euro*
Dolar Singapura	43.115	43.184	69	*Singapore Dollar*
Dolar Australia	17.111	17.104	7	*Australian Dollar*
Dolar Hong Kong	3.389	1.295	2.094	*Hong Kong Dollar*
Poundsterling Inggris	5.199	5.095	104	*British Poundsterling*
Yen Jepang	8.428	8.631	203	*Japanese Yen*
Dolar Selandia Baru	375	410	35	*New Zealand Dollar*
			25.405	
Jumlah Modal (Catatan 4f)			**5.271.315**	*Total Capital (Note 4f)*
Rasio PDN (Keseluruhan)			**0,48%**	*NOP Ratio (Aggregate)*

Sesuai dengan peraturan Bank Indonesia yang berlaku, penempatan berjangka pada Bank Indonesia dalam valuta asing dapat menjadi pengurang PDN secara keseluruhan. Pada tanggal 31 Desember 2017 dan 2016, setelah memperhitungkan penempatan berjangka pada Bank Indonesia dalam valuta asing, rasio PDN Bank adalah sebesar 0,00%.

Based on prevailing Bank Indonesia regulation, foreign currency placements in term deposit with Bank Indonesia can be deducted from aggregate NOP. As of 31 December 2017 and 2016, after decuting foreign currency placements in term deposit with Bank Indonesia, the Bank's NOP ratio was 0.00%.

d. Risiko Likuiditas

Risiko likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan, tanpa mengganggu aktivitas dan kondisi keuangan Bank.

Sisa jatuh tempo kontraktual dari liabilitas keuangan

Pada tanggal 31 Desember 2017 dan 2016, nilai nominal bruto arus kas masuk (keluar) berdasarkan sisa jatuh tempo kontraktual liabilitas keuangan adalah sebagai berikut:

d. Liquidity Risk

Liquidity risk is the risk caused by the inability of the Bank to settle liabilities at due date from cash flow funding sources and/or high quality liquid assets that could be collateralized, without disrupting the activities and financial condition of the Bank.

Residual contractual maturities of financial liabilities

As of 31 December 2017 and 2016, the gross nominal cash inflow (outflow) based on contractual remaining maturity of the financial liabilities were as follows:

	2017						
	Nilai tercatat/ *Carrying amount*	**Nilai nominal bruto arus kas masuk (keluar)/ *Gross nominal cash inflow (outflow)***	**Kurang dari 3 bulan/ *Less than 3 months***	**3-12 bulan/ *months***	**1-5 tahun/ *years***	**Lebih dari 5 tahun/ *More than 5 years***	
Liabilitas non-derivatif							***Non-derivative liabilities***
Liabilitas segera	6.544	(6.544)	(6.544)	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	33.044.505	(33.377.746)	(24.696.182)	(8.459.188)	(22.376)	-	*Deposits from customers*
Simpanan dari bank-bank lain	4.235.045	(4.248.461)	(2.879.958)	(1.368.503)	-	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	88.979	(89.429)	(89.429)	-	-	-	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	1.519.878	(1.519.878)	(761.007)	(758.871)	-	-	*Acceptance payables*
Pinjaman yang diterima	2.858.868	(2.979.308)	(3.630)	(2.238.651)	(737.027)	-	*Borrowings*
Efek-efek yang diterbitkan	6.783.641	(6.833.569)	(6.833.569)	-	-	-	*Securities issued*
Liabilitas lain-lain dan beban yang masih harus dibayar	172.454	(172.454)	(172.454)	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	1.153.238	(1.279.794)	(7.383)	(22.116)	(426.286)	(824.009)	*Subordinated loan*
	49.863.150	(50.507.183)	(35.650.156)	(12.847.329)	(1.185.689)	(824.009)	

4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko Likuiditas (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity Risk (continued)

	2017						
	Nilai tercatat/ *Carrying amount*	Nilai nominal bruto arus kas masuk (keluar)/ *Gross nominal cash inflow (outflow)*	Kurang dari 3 bulan/ *Less than 3 months*	3-12 bulan/ *months*	1-5 tahun/ *years*	Lebih dari 5 tahun/ *More than 5 years*	
Liabilitas derivatif							***Derivative liabilities***
Diperdagangkan							*Trading:*
Arus kas keluar	2.865	(3.279.144)	(3.279.144)	-	-	-	*Cash outflow*
Arus kas masuk		3.276.279	3.276.279	-	-	-	*Cash inflow*
	2.865	(2.865)	(2.865)	-	-	-	
	49.866.015	(50.510.048)	(35.653.021)	(12.847.329)	(1.185.689)	(824.009)	

	2016						
	Nilai tercatat/ *Carrying amount*	Nilai nominal bruto arus kas masuk (keluar)/ *Gross nominal cash inflow (outflow)*	Kurang dari 3 bulan/ *Less than 3 months*	3-12 bulan/ *months*	1-5 tahun/ *years*	Lebih dari 5 tahun/ *More than 5 years*	
Liabilitas non-derivatif							***Non-derivative liabilities***
Liabilitas seperti	2.000	(2.000)	(2.000)	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	24.748.652	(24.883.102)	(22.574.324)	(2.300.544)	(8.234)	-	*Deposits from customers*
Simpanan dari bank-bank lain	4.205.683	(4.209.506)	(4.206.833)	(2.673)	-	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	263.690	(263.928)	(263.928)	-	-	-	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	1.170.532	(1.170.532)	(659.991)	(510.581)	-	-	*Acceptance payables*
Pinjaman yang diterima	5.013.287	(5.172.041)	(1.809.945)	(2.625.141)	(736.955)	-	*Borrowings*
Efek-efek yang diterbitkan	6.989.670	(6.971.004)	(46.221)	(359.427)	(6.565.356)	-	*Securities issued*
Liabilitas lain-lain dan beban yang masih harus dibayar	135.151	(135.151)	(135.151)	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	1.145.163	(1.258.017)	(5.021)	(14.997)	(406.558)	(831.441)	*Subordinated loan*
	43.653.828	(44.065.281)	(29.703.374)	(5.813.363)	(7.717.103)	(831.441)	
Liabilitas derivatif							***Derivative liabilities***
Diperdagangkan							*Trading:*
Arus kas keluar	5.494	(1.200.597)	(1.200.597)	-	-	-	*Cash outflow*
Arus kas masuk		1.195.502	1.195.502	-	-	-	*Cash inflow*
	5.494	(5.095)	(5.095)	-	-	-	
	43.659.322	(44.070.376)	(29.708.469)	(5.813.363)	(7.717.103)	(831.441)	

Nilai nominal arus kas masuk (keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan.

Arus kas liabilitas derivatif seperti yang ditunjukkan di tabel di atas merupakan arus kas berdasarkan jatuh tempo kontraktual yang menurut Bank adalah penting untuk memahami waktu arus kas.

Arus kas atas instrumen keuangan yang diharapkan Bank bervariasi secara signifikan dari analisa ini. Sebagai contoh, simpanan diharapkan memiliki saldo yang stabil atau meningkat.

Penilaian risiko likuiditas dilakukan Bank atas penilaian risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren terdiri dari komposisi dari aset dan liabilitas, konsentrasi dari aset dan liabilitas, kerentanan pada kebutuhan pendanaan, dan akses pada sumber-sumber pendanaan. Berdasarkan penilaian tersebut, tindak lanjut yang dilakukan antara lain mempertahankan aset likuid pada tingkat yang dipandang aman, menjaga aset dan liabilitas yang tidak terkonsentrasi pada aset/pembiayaan yang tidak dapat dikelola oleh Bank, memperkecil ketergantungan pada deposan besar, dan memastikan bahwa Bank dapat memperoleh akses sumber pendanaan baik pada kondisi normal maupun krisis.

Analisa jatuh tempo aset dan liabilitas keuangan (bukan untuk tujuan diperdagangkan) dapat dilihat di Catatan 29.

The nominal cash inflow (outflow) disclosed in the above table represents the contractual undiscounted cash flows relating to the principal and interest on the financial liabilities.

The cash flows of derivative liabilities in the table represents the cash flows based on contractual maturities which the Bank believes is essential for an understanding of the timing of the cash flows.

The Bank's expected cash flows on these instruments vary significantly from this analysis. For examples, deposits are expected to maintain stable or increasing balance.

Liquidity risk assessment is conducted by the Bank in assessing inherent risk and quality of risk management implementation. Parameters used as the basis for inherent risk assessment consist of composition of assets and liabilities, concentration of assets and liabilities, vulnerability to sources of funds, and access to sources of funds. Based on the assessment, follow up actions shall be conducted, among others, constantly maintaining liquid assets at a safe level, maintaining assets and liabilities not to be concentrated to assets/financing that cannot be managed by the Bank, reducing dependency on large depositors, and ensuring that the Bank can access to sources of funds in normal and crisis conditions.

The analysis of maturities of financial assets and liabilities (not for trading purposes) is shown in Note 29.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko Likuiditas (lanjutan)

Pengelolaan likuiditas ditekankan pada pemantauan risiko likuiditas dengan memperhatikan indikator peringatan dini untuk mengetahui potensi peningkatan risiko likuiditas terhadap Bank. Indikator peringatan dini terdiri atas indikator internal dan eksternal. Sedangkan pengendalian risiko likuiditas dilakukan melalui strategi pendanaan, pengelolaan posisi likuiditas dan risiko likuiditas harian, pengelolaan aset likuid yang berkualitas tinggi, dan rencana pendanaan darurat.

e. Risiko Operasional

Risiko operasional adalah risiko yang antara lain, disebabkan adanya ketidakcukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank.

Risiko operasional melekat pada semua aktivitas Bank, kegiatan operasional dan produk Bank. Kegagalan mengelola risiko operasional dapat menyebabkan kerugian finansial, keselamatan karyawan, dan reputasi Bank.

Pelaksanaan penilaian terhadap risiko operasional dilakukan Bank pada semua aktivitas fungsional secara komprehensif dengan memberi fokus pada aktivitas fungsional dalam tingkat risiko yang dinilai perlu ditingkatkan. Penilaian terhadap risiko operasional dilakukan atas penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren mencakup karakteristik dan kompleksitas bisnis, sumber daya manusia, teknologi informasi dan infrastruktur pendukung, kecurangan dan kejadian eksternal seperti terorisme, pandemik, dan bencana alam.

Unit-unit Pengambil Risiko berperan sebagai lini pertahanan lapis pertama dalam pengelolaan risiko operasional sehari-hari. Lini pertahanan lapis kedua meliputi fungsi-fungsi pendukung, seperti manajemen risiko, kepatuhan. Masing-masing fungsi ini, bersama dengan unit-unit bisnis, memastikan bahwa risiko di unit bisnis telah diidentifikasi dan dikelola dengan tepat. Fungsi-fungsi bisnis pendukung bekerja sama untuk membantu menentukan strategi, menerapkan kebijakan dan prosedur Bank, dan mengumpulkan informasi untuk menyusun risiko Bank secara keseluruhan. Sementara itu, pengawasan independen yang dilakukan oleh Internal Audit sebagai lini pertahanan ketiga secara independen menilai efektivitas proses yang dilakukan oleh lini pertahanan pertama dan kedua dan memastikan kecukupan proses tersebut.

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4. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity Risk (continued)

Liquidity management is emphasized on monitoring of liquidity risk by observing early warning indicators to understand the potential increase of liquidity risk to the Bank. Early warning indicators consist of internal and external indicators. Liquidity risk control shall be conducted through funding strategy, management of liquidity position and daily liquidity risks, management of high liquid assets, and contingent funding plan.

e. Operational Risk

Operational risk is the risk caused by inadequacy and/or dysfunction of internal processes, human error, system failure, and/or external events affecting the operations of the Bank.

Operational risk is inherent in all activities of the Bank, operational activities and products of the Bank. Failure to manage operational risk correctly could lead to financial losses, employees' safety, and reputation of the Bank.

Operational risk assessment is conducted by the Bank to all functional activities comprehensively by focusing on functional activities which need improvement on risk level. Operational risk assessment is conducted by assessing inherent risk and quality of risk management implementation. Parameters used as the basis for inherent risk assessment consist of characteristic and complexity of business, human resources, information technology and supporting infrastructure, fraud, and external incidents such as terrorism, pandemics, and natural disaster.

Risk Taking Units act as the first line of defense in day-to-day enforcement of operational risk management. The second line of defense includes the support functions, such a risk management, compliance. Each of these functions, in close relationship with the business units, ensures that risks in the business units have been appropriately identified and managed. The business support functions work closely to help define strategy, implement bank policies and procedures, and collect information to create a Bank wide view of risks. Meanwhile, independent supervision conducted by Internal Audit which is doing the role as the third line of defense to independently assess the effectiveness of the processes created in the first and second lines of defense and provides reasonable assurance on these processes.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Operasional (lanjutan)

Penerapan manajemen risiko operasional dilakukan melalui penyusunan dan penetapan kebijakan dan prosedur tertulis untuk setiap aktivitas operasional Bank, memperkuat aspek keamanan dan kehandalan operasi teknologi informasi sehingga kesalahan manusia, kecurangan, kesalahan proses, dan potensi kegagalan sistem yang menyebabkan terganggunya kelangsungan usaha dapat ditekan dan diantisipasi lebih dini.

Bank juga mengembangkan pemantauan secara berkala oleh Departemen Manajemen Risiko terhadap hasil penilaian sendiri yang dilakukan Unit-unit pengambil risiko atas risiko operasional yang melekat pada areanya masing-masing, dalam rangka untuk mendeteksi secara dini dan melakukan pencegahan terhadap timbulnya risiko operasional.

f. Pengelolaan permodalan

Sasaran utama atas kebijakan pengelolaan permodalan yang dilakukan oleh Bank adalah untuk mematuhi ketentuan permodalan eksternal yang berlaku dan untuk mempertahankan rasio permodalan yang sehat agar dapat mendukung usaha dan memaksimalkan nilai bagi pemegang saham.

Bank mengelola struktur modal dan melakukan penyesuaian atas struktur tersebut terhadap perubahan kondisi ekonomi dan karakteristik risiko aktivitasnya. Untuk mempertahankan atau menyesuaikan struktur modal tersebut, Bank dapat melakukan penambahan setoran modal inti dari pemegang saham dan memperoleh pinjaman subordinasi.

Manajemen menggunakan rasio permodalan yang diwajibkan regulator untuk memantau permodalan Bank. Pendekatan Bank Indonesia untuk pengukuran tersebut terutama berdasarkan pengawasan atas hubungan antara kecukupan modal dengan ketersediaan modal. Sejak tanggal 31 Desember 2013, fungsi pengaturan dan pengawasan perbankan telah beralih dari Bank Indonesia ke Otoritas Jasa Keuangan (OJK).

4. FINANCIAL RISK MANAGEMENT (continued)

e. Operational Risk (continued)

The implementation of operational risk management is performed by formulating and determining policies and procedures for each Bank's operational activity, enhance security aspect and reliability of information technology so that human error, fraud, process error, and system failure that lead to disturbance in operational activities can be early anticipated.

The Bank has also developed periodic monitoring performed by Risk Management Department for self-assessment made by Risk Taking Units for operational risk adhere to each area, in order to early detect and prevent operational risk.

f. Capital management

The primary objectives of the Bank's capital management policy are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may inject additional core capital from shareholders and obtain subordinated loan.

Management uses regulatory capital ratios in order to monitor its capital. Bank Indonesia's approach to such measurement is primarily based on monitoring the relationship of the capital adequacy to availability of capital resources. Starting 31 December 2013, the role of regulator and supervision of banking industry has changed from Bank Indonesia to Otoritas Jasa Keuangan (OJK).

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

f. Pengelolaan permodalan (lanjutan)

Sesuai dengan peraturan yang berlaku, Bank wajib menyediakan modal minimum sesuai dengan profil risikonya. Selain itu, Bank juga diwajibkan membentuk tambahan modal sebagai penyangga (*buffer*) yaitu:

- *Capital Conservation Buffer ("CCB")* sebesar 2,5% dari Aset Tertimbang Menurut Risiko ("ATMR") bagi Bank yang tergolong sebagai Bank Umum Kegiatan Usaha ("BUKU") 3 dan BUKU 4 dan berlaku bertahap mulai dari tanggal 1 Januari 2016 sebesar 0,625%, 1 Januari 2017 sebesar 1,25%, 1 Januari 2018 sebesar 1,875% dan 1 Januari 2019 dan seterusnya sebesar 2,5%.
- *Countercyclical Buffer* dalam kisaran sebesar 0% sampai dengan 2,5% dari ATMR yang berlaku bagi seluruh bank dan mulai diterapkan pada tanggal 1 Januari 2016 sesuai penetapan oleh OJK berdasarkan kondisi makro ekonomi Indonesia.
  Bank telah menetapkan besaran *Countercyclical Buffer* (CC) sebesar 0% dari ATMR dan telah dilaporkan secara bulanan dan triwulan kepada regulator.
- *Capital Surcharge* untuk *Domestic Systemically Important Bank ("D-SIB")* dalam kisaran sebesar 1% sampai dengan 2,5% dari ATMR berlaku bagi bank yang telah ditetapkan berdampak sistemik.

Bank telah mematuhi semua persyaratan modal yang ditetapkan pada tanggal 31 December 2017 dan 2016.

Kewajiban Penyediaan Modal Minimum (KPMM) Bank dengan memperhitungkan risiko kredit, risiko operasional, dan risiko pasar adalah sebagai berikut:

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4. FINANCIAL RISK MANAGEMENT (continued)

f. Capital management (continued)

In accordance with prevailing regulation, the Bank is required to maintain a minimum capital according to its risk profile. In addition, Bank also required to have additional capital as buffer namely:

- *Capital Conservation Buffer ("CCB") of 2.5% from Risk Weighted Assets ("RWA") for bank categorized as Commercial Bank with Business Activity ("BUKU") 3 and BUKU 4 and will be effective gradualy starting on 1 January 2017 of 1.25%, 1 January 2018 of 1.875% and 1 January 2019 and onwards of 2.5%.*
- *Countercyclical Buffer in the range of 0% up to 2.5% from RWA which are applicable to all banks and will be implemented starting 1 January 2016 by OJK depending on Indonesia macro economic condition.*

  The Bank has determined Countercyclical Buffer is set at 0% of RWA and has been reported on a monthly and quarterly based to regulator.
- *Capital Surcharge for Domestic Systemically Important Bank ("D-SIB") in the range of 1% up to 2.5% from RWA which are applicable to banks which are determined as having systemic impacts.*

The Bank has complied with all externally imposed capital requirements as of 31 December 2017 and 2016.

The Bank's Capital Adequacy Ratio (CAR) with consideration for credit, operational, and market risks was as follows:

	31 Desember/December		
	2017	2016	
Modal Tier 1	5.339.836	3.886.700	*Tier 1 capital*
Modal Tier 2	1.364.828	1.384.615	*Tier 2 capital*
Jumlah modal	6.704.664	5.271.315	*Total Capital*
ATMR untuk risiko kredit setelah memperhitungkan risiko spesifik	35.400.416	31.281.460	*RWA for credit risks after considering specific risks*
ATMR untuk risiko operasional	2.409.396	1.905.901	*RWA for operational risks*
ATMR untuk risiko pasar	37.957	39.230	*RWA for market risks*
Jumlah ATMR untuk risiko kredit, pasar, dan operasional	37.847.769	33.226.591	*Total RWA for credit, market, and operational risks*

4. MANAJEMEN RISIKO KEUANGAN (lanjutan) / *4. FINANCIAL RISK MANAGEMENT (continued)*

f. Pengelolaan permodalan (lanjutan) / *f. Capital management (continued)*

	31 Desember/*December* 2017	2016	
Rasio *CET* 1	14,11%	11,70%	*CET 1 ratio*
Rasio *Tier* 1	14,11%	11,70%	*Tier 1 ratio*
Rasio *Tier* 2	3,61%	4,16%	*Tier 2 ratio*
Rasio total	17,72%	15,86%	*Total ratio*
Rasio KPMM yang diwajibkan sebelum modal penyangga	9% - 10%	9% - 10%	*Required CAR before buffer*
Capital conservation buffer	1.25%	-	*Capital conservation buffer*
Countercyclical buffer	0%	0%	*Countercyclical buffer*
Capital surcharge	-	-	*Capital surcharge*

5. GIRO PADA BANK INDONESIA / *5. CURRENT ACCOUNTS WITH BANK INDONESIA*

	31 Desember/*December* 2017	2016	
Rupiah	1.415.022	1.021.247	*Rupiah*
Dolar Amerika Serikat	2.473.016	2.210.316	*United States Dollar*
	3.888.038	3.231.563	

Saldo giro pada Bank Indonesia disediakan untuk memenuhi persyaratan Giro Wajib Minimum (GWM) dari BI.

Current accounts with Bank Indonesia are maintained to comply with BI minimum statutory reserve requirement (GWM).

Rasio GWM Bank pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

As of 31 December 2017 and 2016, the GWM ratios of the Bank were as follows:

	2017	2016	
Rupiah			*Rupiah*
GWM Primer	6,85%	6,77%	*Primary GWM*
GWM Sekunder	17,01%	20,31%	*Secondary GWM*
Mata uang asing	8,69%	8,44%	*Foreign currencies*

Pada tanggal 31 Desember 2017 dan 2016, Bank tidak memiliki kewajiban GWM LFR (*Loan Funding Ratio*).

As of 31 December 2017 and 2016, the Bank was not required to maintain LFR (Loan Funding Ratio) GWM.

Pada tanggal 31 Desember 2017 dan 2016, Bank telah memenuhi ketentuan Bank Indonesia mengenai Giro Wajib Minimum.

As of 31 December 2017 and 2016, the Bank complied with Bank Indonesia Regulation on the GWM.

6. GIRO PADA BANK-BANK LAIN / *6. CURRENT ACCOUNTS WITH OTHER BANKS*

a. Berdasarkan mata uang / *a. By currency*

	31 Desember/*December* 2017	2016	
Dolar Amerika Serikat	3.045.591	2.022.080	*United States Dollar*
Yuan China	197.098	203.424	*Chinese Yuan*
Rupiah	22.001	24.118	*Rupiah*
Dolar Singapura	16.722	13.009	*Singapore Dollar*
Euro Eropa	12.584	4.849	*European Euro*
Dolar Australia	11.460	16.236	*Australian Dollar*
Poundsterling Inggris	4.252	5.199	*British Poundsterling*
Dolar Hong Kong	2.285	3.389	*Hong Kong Dollar*
Dolar Selandia Baru	1.449	375	*New Zealand Dollar*
Yen Jepang	1.004	2.313	*Japanese Yen*
	3.314.446	2.294.992	

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6. GIRO PADA BANK-BANK LAIN (lanjutan)

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. Transaksi dengan pihak berelasi

b. Related party transactions

	31 Desember/December 2017	31 Desember/December 2016	
Industrial and Commercial Bank of China Ltd., China	110.909	57.880	*Industrial and Commercial Bank of China Ltd., China*
Industrial and Commercial Bank of China Ltd., Cabang Singapura	61.057	120.988	*Industrial and Commercial Bank of China Ltd., Singapore Branch*
Industrial and Commercial Bank of China Ltd., Cabang New York	22.365	82.898	*Industrial and Commercial Bank of China Ltd., New York Branch*
Industrial and Commercial Bank of China Ltd., Cabang Frankfurt	12.523	3.574	*Industrial and Commercial Bank of China Ltd., Frankfurt Branch*
Industrial and Commercial Bank of China Ltd., Cabang Sydney	11.460	-	*Industrial and Commercial Bank of China Ltd., Sydney Branch*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	10.067	9.377	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
Bank of Communication Co. Ltd., China	6.036	5.582	*Bank of Communication Co. Ltd., China*
Industrial and Commercial Bank of China Ltd., Cabang Tokyo	1.004	-	*Industrial and Commercial Bank of China Ltd., Tokyo Branch*
	235.421	280.299	

c. Berdasarkan kolektibilitas

Pada tanggal 31 Desember 2017 dan 2016, seluruh giro pada bank-bank lain digolongkan lancar menurut kolektibilitas OJK.

c. By collectibility

As of 31 December 2017 and 2016, all current accounts with other banks were classified as current based on OJK collectibility.

d. Cadangan kerugian penurunan nilai

Cadangan kerugian penurunan nilai dihitung secara individual dan pada tanggal 31 Desember 2017 dan 2016 tidak ada cadangan kerugian penurunan nilai yang perlu dibentuk.

d. Allowance for impairment losses

Allowance for impairment losses is calculated using individual assessment and as of 31 December 2017 and 2016, there were no allowances for impairment losses required.

7. PENEMPATAN PADA BANK INDONESIA DAN BANK-BANK LAIN

a. Berdasarkan jenis dan mata uang

	31 Desember/*December* 2017	2016	
Rupiah			***Rupiah***
Penempatan pada Bank Indonesia	519.949	1.349.700	*Placements with Bank Indonesia*
Interbank call money	100.000	50.000	*Interbank call money*
	619.949	1.399.700	
Mata uang asing			***Foreign currencies***
Deposito berjangka pada Bank Indonesia	678.375	404.175	*Time deposits with Bank Indonesia*
Interbank call money	3.836.725	46.480	*Interbank call money*
	4.515.100	450.655	
Jumlah penempatan pada Bank Indonesia dan bank-bank lain	**5.135.049**	**1.850.355**	*Total placements with Bank Indonesia and other banks*

b. Transaksi dengan pihak berelasi

	31 Desember/*December* 2017	2016	
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	2.184.368	46.480	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
Industrial and Commercial Bank of China Ltd., Cabang Singapura	416.728	-	*Industrial and Commercial Bank of China Ltd., Singapore Branch*
	2.601.096	**46.480**	

c. Berdasarkan kolektibilitas

Seluruh penempatan pada Bank Indonesia dan bank-bank lain pada tanggal 31 Desember 2017 dan 2016 digolongkan lancar menurut kolektibilitas OJK.

Manajemen berpendapat bahwa Bank tidak perlu membentuk penyisihan kerugian penurunan nilai atas penempatan pada Bank Indonesia dan bank-bank lain pada tanggal 31 Desember 2017 dan 2016.

d. Tingkat suku bunga kontraktual rata-rata setahun

	2017	2016	
Rupiah	4,16%	4,74%	*Rupiah*
Mata uang asing	1,74%	0,90%	*Foreign currencies*

7. *PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS*

a. By type and currency

b. Related party transactions

c. By collectibility

All placements with Bank Indonesia and other banks as of 31 December 2017 and 2016 was classified as current based on OJK collectibility.

Management believes that the Bank did not need to provide allowance for impairment losses on placement with Bank Indonesia and other banks as of 31 December 2017 and 2016.

d. Average annual contractual interest rates

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8. TAGIHAN DAN LIABILITAS AKSEPTASI / *8. ACCEPTANCE RECEIVABLES AND PAYABLES*

a. Berdasarkan mata uang / *a. By currency*

	31 Desember/*December*				
	2017		2016		
	Tagihan akseptasi/ *Acceptance receivables*	Liabilitas akseptasi/ *Acceptance payables*	Tagihan akseptasi/ *Acceptance receivables*	Liabilitas akseptasi/ *Acceptance payables*	
Rupiah	228.218	(228.218)	171.831	(171.831)	*Rupiah*
Mata uang asing	1.291.660	(1.291.660)	998.701	(998.701)	*Foreign currencies*
	1.519.878	(1.519.878)	1.170.532	(1.170.532)	

b. Transaksi dengan pihak berelasi / *b. Transactions with related parties*

	31 Desember/*December*		
	2017	2016	
Liabilitas akseptasi:			*Acceptance payables:*
Industrial and Commercial Bank of China (Europe) SA, Cabang Amsterdam	171.571	110.478	*Industrial and Commercial Bank of China (Europe) SA, Amsterdam Branch*
Industrial and Commercial Bank of China Ltd., China	110.815	30.146	*Industrial and Commercial Bank of China Ltd., China*
Bank of China, China	42.653	2.872	*Bank of China, China*
Bank of Communication, Co. Ltd., China	23.570	-	*Bank of Communication, Co. Ltd., China*
Agricultural Bank of China Limited, China	18.182	-	*Agricultural Bank of China Limited, China*
China Construction Bank, China	16.459	-	*China Construction Bank, China*
	383.250	143.496	

c. Berdasarkan kolektibilitas / *c. By collectibility*

	31 Desember/*December*		
	2017	2016	
Lancar	1.519.078	1.169.558	*Current*
Dalam perhatian khusus	800	974	*Special mention*
	1.519.878	1.170.532	

Manajemen berpendapat bahwa Bank tidak perlu membentuk penyisihan kerugian penurunan nilai atas tagihan akseptasi pada tanggal 31 Desember 2017 dan 2016.

Management believes that the Bank did not need to provide allowance for impairment losses on acceptance receivables as of 31 December 2017 and 2016.

9. EFEK-EFEK UNTUK TUJUAN INVESTASI / *9. INVESTMENT SECURITIES*

a. Berdasarkan jenis dan mata uang / *a. By type and currency*

	31 Desember/*December* 2017	2016	
Tersedia untuk dijual			***Available-for-sale***
Rupiah:			*Rupiah:*
Sertifikat Deposito Bank Indonesia	1.334.201	1.383.410	*Deposit Certificates of Bank Indonesia*
Sertifikat Bank Indonesia	-	1.055.675	*Certificates of Bank Indonesia*
Obligasi Pemerintah	2.096.884	461.276	*Government Bonds*
	3.431.085	2.900.361	
Mata uang asing:			*Foreign currencies:*
Obligasi Pemerintah	1.049.879	1.243.433	*Government Bonds*
Obligasi Perusahaan	257.811	516.162	*Corporate Bonds*
	1.307.690	1.759.595	
Jumlah tersedia untuk dijual	4.738.775	4.659.956	*Total available-for-sale*
Pinjaman yang diberikan dan piutang			***Loans and receivables***
Rupiah:			*Rupiah:*
Wesel ekspor	3.375	52.095	*Export bills*
	3.375	52.095	
Mata uang asing:			*Foreign currency:*
Wesel ekspor	168.854	518.293	*Export bills*
Forfaiting	-	100.828	*Forfaiting*
	168.854	619.121	
Jumlah pinjaman yang diberikan dan piutang	172.229	671.216	*Total loans and receivables*
Dimiliki hingga jatuh tempo			***Held-to-maturity***
Rupiah:			*Rupiah:*
Wesel Bayar Jangka Menengah	400.000	400.000	*Medium-Term Notes*
Obligasi Pemerintah	82.057	125.105	*Government Bonds*
	482.057	525.105	
Mata uang asing:			*Foreign currencies:*
Obligasi Pemerintah	855.816	429.889	*Government Bonds*
	855.816	429.889	
Jumlah dimiliki hingga jatuh tempo	1.337.873	954.994	*Total held-to-maturity*
Jumlah efek-efek untuk tujuan investasi	**6.248.877**	**6.286.166**	***Total investment securities***

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9. EFEK-EFEK UNTUK TUJUAN INVESTASI (lanjutan)

a. Berdasarkan jenis dan mata uang (Lanjutan)

Pada tanggal 31 Desember 2017, efek-efek sebesar Rp 773.348 (2016 : Rp 1.155.186) digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 16).

b. Transaksi dengan pihak berelasi

Termasuk dalam efek-efek untuk tujuan investasi adalah obligasi perusahaan, wesel tagih dan *forfaiting* kepada pihak berelasi sebagai berikut (Catatan 27):

	31 Desember/December	
	2017	2016
Obligasi perusahaan		
Huarong Finance II Co., Ltd.	-	80.163
Wesel ekspor dan forfaiting		
Bank of China, China	-	46.296
Bank of Communication Co. Ltd., China	-	34.521
Industrial and Commercial Bank of China Ltd., China	-	31.514
China Guangfa Bank Co. Ltd., China	-	23.136
Agricultural Bank of China Limited, China	-	2.181
	-	219.811

c. Berdasarkan kolektibilitas

Seluruh efek-efek pada tanggal 31 Desember 2017 dan 2016 digolongkan lancar menurut kolektibilitas OJK.

Manajemen berpendapat bahwa Bank tidak perlu membentuk penyisihan kerugian penurunan nilai atas efek-efek untuk tujuan investasi pada tanggal 31 Desember 2017 dan 2016.

d. Tingkat suku bunga kontraktual rata-rata setahun

	2017	2016
Rupiah:		
Wesel Bayar Jangka Menengah	9,00 %	9,00 %
Wesel Ekspor	8,74 %	8,38 %
Obligasi Pemerintah	6,09 %	7,06 %
Sertifikat Bank Indonesia	6,08 %	6,51 %
Sertifikat Deposito Bank Indonesia	5,72 %	6,15 %
Mata uang asing:		
Obligasi Pemerintah	5,96 %	6,54 %
Forfaiting	- %	3,91 %
Obligasi Perusahaan	3,38 %	3,50 %
Wesel Ekspor	3,11 %	2,80 %
Surat Berharga Bank Indonesia	1,52 %	0,98 %

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9. INVESTMENT SECURITIES (continued)

a. By type and currency (Continued)

As of 31 December 2017, securities amounted to Rp 773.348 (2016 : Rp 1.155.186) were pledged as collaterals for borrowings (Note 16).

b. Transaction with related parties

Investment securities include corporate bonds, export bills and forfaiting to related parties as follows (Note 27):

Corporate bonds	
Huarong Finance II Co., Ltd.	
Export bills and forfaiting	
Bank of China, China	
Bank of Communication Co. Ltd., China	
Industrial and Commercial Bank of China Ltd., China	
China Guangfa Bank Co. Ltd., China	
Agricultural Bank of China Limited, China	

c. By collectibility

All marketable securities as of 31 December 2017 and 2016 were classified as current based on OJK collectibility.

Management believes that the Bank did not need to provide allowance for impairment losses on investment securities as of 31 December 2017 and 2016.

d. Average annual contractual interest rate

Rupiah:	
Medium Term Notes	
Export Bills	
Government Bonds	
Certificates of Bank Indonesia	
Certificates Deposit of Bank Indonesia	
Foreign currencies:	
Government Bonds	
Forfaiting	
Corporate Bonds	
Export Bills	
Bank Indonesia's Securities	

9. EFEK-EFEK UNTUK TUJUAN INVESTASI (lanjutan)

e. Perubahan laba yang belum direalisasi

Perubahan laba yang belum direalisasi dari perubahan nilai wajar efek-efek yang tersedia untuk dijual adalah sebagai berikut:

9. INVESTMENT SECURITIES (continued)

e. Movement of unrealized gain

The movement of unrealized gain from the change in fair value of available-for-sale securities was as follows:

	Tahun yang berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Saldo, 1 Januari - sebelum pajak penghasilan tangguhan	(24.631)	(84.006)	*Balance, 1 January - before deferred income tax*
Penambahan laba yang belum direalisasi selama tahun berjalan, bersih	53.333	79.229	*Addition of unrealized gain during the year, net*
Laba yang direalisasi atas penjualan efek-efek yang tersedia untuk dijual selama tahun berjalan, bersih	(26.044)	(19.854)	*Realized gain from sale of available-for-sale securities during the year, net*
Jumlah - sebelum pajak penghasilan tangguhan	2.658	(24.631)	*Total - before deferred income tax*
Pajak penghasilan tangguhan (Catatan 15)	(665)	6.157	*Deferred income tax (Note 15)*
Saldo, 31 Desember - bersih	1.993	(18.474)	*Balance, 31 December - net*

10. KREDIT YANG DIBERIKAN

a. Berdasarkan jenis kredit dan mata uang

10. LOANS RECEIVABLE

a. By type and currency

	31 Desember/*December*		
	2017	2016	
Rupiah			***Rupiah***
Investasi	7.213.000	5.735.323	*Investment*
Modal kerja	6.736.999	7.702.871	*Working capital*
Konsumsi	589.867	516.340	*Consumer*
	14.539.866	13.954.534	
Dolar Amerika Serikat			***United States Dollar***
Modal kerja	11.778.886	11.948.514	*Working capital*
Investasi	9.203.562	7.398.231	*Investment*
	20.982.448	19.346.745	
Yuan China			***Chinese Yuan***
Investasi	119.852	104.798	*Investment*
Modal kerja	-	13.505	*Working capital*
	119.852	118.303	

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10. KREDIT YANG DIBERIKAN (lanjutan) / ***10. LOANS RECEIVABLE (continued)***

a. Berdasarkan jenis kredit dan mata uang (lanjutan) / ***a. By type and currency (continued)***

	31 Desember/*December* 2017	2016	
Euro Eropa			***European Euro***
Modal kerja	-	5.631	*Working capital*
	-	5.631	
Dolar Singapura			***Singapore Dollar***
Investasi	22.166	27.431	*Investment*
	22.166	27.431	
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	35.664.332	33.452.644	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(595.724)	(420.989)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**35.068.608**	**33.031.655**	***Total loans receivable - net***

b. Berdasarkan sektor usaha / ***b. By economic sector***

	31 Desember/*December* 2017	2016	
Industri pengolahan	9.082.851	8.964.021	*Manufacturing*
Real estate, persewaan dan jasa dunia usaha	6.314.465	5.706.392	*Real estate, leasing and business services*
Perdagangan, hotel, dan restoran	4.163.175	3.864.225	*Trading, hotel, and restaurant*
Perantara keuangan	4.112.053	3.355.734	*Financial intermediaries*
Pertambangan	3.147.677	4.013.215	*Mining*
Listrik, gas, dan air	3.010.820	2.127.077	*Electricity, gas, and water*
Konstruksi	2.360.273	1.480.798	*Construction*
Pengangkutan, pergudangan, dan komunikasi	1.886.702	1.852.248	*Transportation, warehousing, and communication*
Pertanian, perkebunan, dan sarana pertanian	989.267	1.392.089	*Agriculture, farming, and agriculture facilities*
Jasa-jasa sosial/masyarakat	3.481	174.142	*Social/public services*
Lain-lain	593.568	522.703	*Others*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	35.664.332	33.452.644	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(595.724)	(420.989)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**35.068.608**	**33.031.655**	*Total loans receivable - net*

10. KREDIT YANG DIBERIKAN (lanjutan)

10. LOANS RECEIVABLE (continued)

c. Berdasarkan jangka waktu

c. By contract period

Klasifikasi berdasarkan jangka waktu perjanjian kredit adalah sebagai berikut:

Loans by contract period based on loan agreement were as follows:

	31 Desember/*December* 2017	2016	
< 1 tahun	1.878.570	2.208.073	*< 1 year*
1 - 2 tahun	5.342.207	6.793.856	*1 - 2 years*
> 2 - 5 tahun	12.011.860	12.166.355	*> 2 - 5 years*
> 5 tahun	16.431.695	12.284.360	*> 5 years*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	35.664.332	33.452.644	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(595.724)	(420.989)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**35.068.608**	**33.031.655**	*Total loans receivable - net*

d. Berdasarkan kualitas kredit sesuai dengan peraturan yang berlaku

d. Based on quality of loans receivable based on prevailing regulation

	31 Desember/*December* 2017	2016	
Lancar	31.456.970	30.143.511	*Current*
Dalam perhatian khusus	3.193.296	2.279.625	*Special mention*
Kurang lancar	32.416	61.523	*Substandard*
Diragukan	168.315	1.789	*Doubtful*
Macet	813.335	966.196	*Loss*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	35.664.332	33.452.644	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(595.724)	(420.989)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**35.068.608**	**33.031.655**	*Total loans receivable - net*

e. Tingkat suku bunga kontraktual rata-rata setahun

e. Average annual contractual interest rates

	2017	2016	
Rupiah	11,03%	10,62%	*Rupiah*
Dolar Amerika Serikat	5,14%	5,32%	*United States Dollar*
Yuan China	6,97%	5,26%	*Chinese Yuan*
Euro	-	7,75%	*Euro*
Dolar Singapura	4,42%	4,61%	*Singapore Dollar*

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10. KREDIT YANG DIBERIKAN (lanjutan)

f. Perubahan penyisihan kerugian penurunan nilai

Perubahan penyisihan kerugian penurunan nilai untuk kredit yang diberikan adalah sebagai berikut :

10. LOANS RECEIVABLE (continued)

f. Movement of allowance for impairment losses

The movement of allowance for impairment losses for loans was as follows:

	Tahun yang berakhir 31 Desember 2017/ *Year ended 31 December 2017*			
	Penyisihan kerugian penurunan nilai kolektif/*Collective impairment losses*	Penyisihan kerugian penurunan nilai individual/ *Individual impairment losses*	Jumlah/ *Total*	
Saldo, awal tahun	1.510	419.479	420.989	*Balance, beginning of year*
Penambahan beban penyisihan kerugian penurunan nilai (Catatan 24)	19.674	783.743	783.417	*Addition of allowance for impairment losses (Note 24)*
Efek diskonto	-	(1.989)	(1.989)	*Effect of discounting*
Penghapusbukuan selama tahun berjalan	(1.124)	(607.081)	(608.205)	*Write-off during the year*
Selisih kurs karena penjabaran mata uang asing	22	1.490	1.512	*Foreign exchange translation*
Saldo, akhir tahun	20.082	575.642	595.724	*Balance, end of year*

	Tahun yang berakhir 31 Desember 2016/ *Year ended 31 December 2016*			
	Penyisihan kerugian penurunan nilai kolektif/*Collective impairment losses*	Penyisihan kerugian penurunan nilai individual/ *Individual impairment losses*	Jumlah/ *Total*	
Saldo, awal tahun	6.147	321.460	327.607	*Balance, beginning of year*
Penambahan beban penyisihan kerugian penurunan nilai (Catatan 24)	45.186	334.959	380.145	*Addition of allowance for impairment losses (Note 24)*
Efek diskonto	-	(7.754)	(7.754)	*Effect of discounting*
Penghapusbukuan selama tahun berjalan	(50.001)	(226.808)	(276.809)	*Write-off during the year*
Selisih kurs karena penjabaran mata uang asing	178	(2.378)	(2.200)	*Foreign exchange translation*
Saldo, akhir tahun	1.510	419.479	420.989	*Balance, end of year*

Manajemen berpendapat bahwa penyisihan kerugian penurunan nilai yang dibentuk atas kredit yang diberikan telah memadai.

Management believes that the allowance for impairment losses provided on loans receivable was adequate.

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10. KREDIT YANG DIBERIKAN (lanjutan)

g. Informasi signifikan lainnya sehubungan dengan kredit yang diberikan

- Kredit yang diberikan dijamin dengan simpanan nasabah, agunan berupa tanah, bangunan, kendaraan atau jaminan lain yang umumnya diterima oleh Bank (Lihat Catatan 4.b. tentang informasi agunan).
- Kredit yang diberikan kepada Direksi dan karyawan Bank merupakan pinjaman untuk membeli rumah dan kendaraan. Pembayaran dilakukan melalui pemotongan gaji setiap bulan. Suku bunga efektif rata-rata pinjaman karyawan pada tanggal 31 Desember 2017 adalah sebesar 5,18 % per tahun (31 Desember 2016: 5,16%).
- Pada tanggal 31 Desember 2017 dan 2016, *loan to funding ratio* masing-masing adalah sebesar 105,89 % dan 130,82%.
- Kredit yang diberikan kepada pihak-pihak berelasi pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar Rp 9.845 dan Rp 13.576 (Catatan 27).
- Pada tanggal 31 Desember 2017 dan 2016, saldo kredit yang direstrukturisasi masing-masing adalah sebesar Rp 4.255.747 dan Rp 3.048.769.
- Rasio *non-performing loan* (NPL) pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebagai berikut:

	2017	2016	
NPL bruto	2,84%	3,08%	*Gross NPL*
NPL neto	1,95%	2,09%	*Net NPL*

- Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat pelampauan atau pelanggaran Batas Maksimum Pemberian Kredit ("BMPK") kepada pihak berelasi dan pihak ketiga.

10. LOANS RECEIVABLE (continued)

g. Other significant information relating to loans

- *The loans are secured by deposits from customers, collaterals in form of land, building, vehicles or other collaterals acceptable to the Bank (See Note 4.b. for collateral information).*
- *The loans to Banks' Directors and employees are intended for the acquisition of houses and vehicles. The repayments are collected through monthly salary deductions. The average annual effective interest rates for employees loans as of 31 December 2017 are 5.18 % per annum (31 December 2016: 5.16%).*
- *As of 31 December 2017 and 2016, loan to funding ratio was 105.89 % and 130.82%, respectively.*
- *Loans granted to related parties as of 31 December 2017 and 2016 amounted to Rp 9,845 and Rp 13,576, respectively (Note 27).*
- *As of 31 December 2017 and 2016, restructured loans amounted to Rp 4,255,747 and Rp 3,048,769, respectively.*
- *As of 31 December 2017 and 2016 the non-performing loan (NPL) ratios were as follows:*
- *As of 31 December 2017 and 2016, there was no excess over or violation of Legal Lending Limit ("LLL") to related parties and third parties.*

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11. ASET TETAP / *11. FIXED ASSETS*

Tahun yang berakhir 31 Desember 2017/ *Year ended 31 December 2017*

	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassification*	Saldo akhir/ *Ending balances*	
Harga perolehan						*Acquisition cost*
Tanah	1.419	-	-	-	1.419	*Land*
Bangunan	290.814	-	-	-	290.814	*Buildings*
Inventaris kantor	149.745	5.752	(130)	12.881	168.248	*Office equipments*
Kendaraan	348	-	-	-	348	*Vehicles*
Prasarana	87.357	43	(173)	-	87.227	*Leasehold improvements*
Aset dalam penyelesaian	12.935	1.307	(1.361)	(12.881)	-	*Construction in Progress*
	542.618	7.102	(1.664)	-	548.056	
Akumulasi penyusutan						*Accumulated depreciation*
Bangunan	(84.669)	(10.816)	-	-	(95.485)	*Buildings*
Inventaris kantor	(89.924)	(27.093)	104	-	(116.913)	*Office equipments*
Kendaraan	(334)	(10)	-	-	(344)	*Vehicles*
Prasarana	(46.205)	(8.414)	-	-	(54.619)	*Leasehold improvements*
	(221.132)	(46.333)	104	-	(267.361)	
	321.486				280.695	

Tahun yang berakhir 31 Desember 2016/ *Year ended 31 December 2016*

	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassification*	Saldo akhir/ *Ending balances*	
Harga perolehan						*Acquisition cost*
Tanah	1.419	-	-	-	1.419	*Land*
Bangunan	290.609	205	-	-	290.814	*Buildings*
Inventaris kantor	119.509	29.960	(132)	406	149.745	*Office equipments*
Kendaraan	348	-	-	-	348	*Vehicles*
Prasarana	87.062	505	(210)	-	87.357	*Leasehold improvements*
Aset dalam penyelesaian	44.455	1.679	(55.158)	21.959	12.935	*Construction in progress*
	543.402	32.349	(55.500)	22.367	542.618	
Akumulasi penyusutan						*Accumulated depreciation*
Bangunan	(70.026)	(14.643)	-	-	(84.669)	*Buildings*
Inventaris kantor	(63.303)	(26.721)	100	-	(89.924)	*Office equipments*
Kendaraan	(321)	(13)	-	-	(334)	*Vehicles*
Prasarana	(37.865)	(8.497)	157	-	(46.205)	*Leasehold improvements*
	(171.515)	(49.874)	257	-	(221.132)	
	371.887				321.486	

Manajemen berpendapat bahwa tidak terdapat indikasi penurunan nilai atas aset tetap yang dimiliki Bank.

Management believes that there was no impairment in the value of fixed assets owned by the Bank.

12. ASET LAIN-LAIN / *12. OTHER ASSETS*

	31 Desember/*December* 2017	2016	
Bunga masih akan diterima	238.326	246.301	*Interest receivable*
Beban dibayar dimuka	28.979	32.753	*Prepaid expenses*
Aset takberwujud	19.133	23.212	*Intangible assets*
Komisi bank garansi yang akan diterima	-	15.108	*Bank guarantee commission receivable*
Setoran jaminan	4.974	4.857	*Security deposits*
Barang cetakan dan perlengkapan kantor	2.165	1.841	*Printed materials and office supplies*
Agunan yang diambil alih	1.206	1.206	*Foreclosed assets*
Lain-lain	2.548	12.980	*Others*
	297.331	**338.258**	

Bunga masih akan diterima merupakan pendapatan bunga atas kredit yang diberikan, penempatan pada bank-bank lain, dan efek-efek untuk tujuan investasi.

Interest receivable represents interest income from loans, placements with other banks, and investment securities.

Beban dibayar dimuka sebagian besar terdiri atas sewa gedung, apartemen, kendaraan, dan asuransi.

Prepaid expenses mainly consist of prepaid building rent, apartment rent, car rent, and insurance.

Aset takberwujud merupakan perangkat lunak komputer setelah dikurangi akumulasi amortisasi.

The intangible asset represents computer software-net of accumulated amortization.

Agunan yang diambil alih merupakan agunan yang diambil alih oleh Bank sehubungan dengan penyelesaian kredit yang terdiri atas tanah dan bangunan.

Foreclosed assets consist of collaterals which were acquired by the Bank in the settlement of loans in form of land and building.

Setoran jaminan terdiri dari setoran yang diberikan Bank kepada pihak ketiga sebagai jaminan atas gedung kantor yang disewa.

Guarantee deposits consist of deposits provided to third parties as guarantee for leased office buildings.

13. SIMPANAN NASABAH / *13. DEPOSITS FROM CUSTOMERS*

a. Berdasarkan jenis dan mata uang / *a. By type and currency*

	31 Desember/*December* 2017	2016	
Rupiah			***Rupiah***
Giro	1.644.733	1.286.985	*Current accounts*
Tabungan	610.059	625.073	*Saving accounts*
Deposito berjangka	17.507.146	12.870.282	*Time deposits*
Deposito on call	-	5.000	*Deposits on call*
	19.761.938	14.787.340	

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13. SIMPANAN NASABAH (lanjutan)

a. Berdasarkan jenis dan mata uang (Lanjutan)

13. DEPOSITS FROM CUSTOMERS (continued)

a. By type and currency (Continued)

	31 Desember/December		
	2017	2016	
Valuta asing			***Foreign currency***
Giro	3.561.373	2.953.347	*Current accounts*
Tabungan	310.588	394.057	*Saving accounts*
Deposito berjangka	9.410.606	6.633.908	*Time deposits*
	13.282.567	9.981.312	
Jumlah	**33.044.505**	**24.748.652**	*Total*

Simpanan nasabah yang diblokir atau dijadikan sebagai jaminan pada tanggal 31 Desember 2017 adalah sebesar Rp 3.395.830 (2016: Rp 2.540.096).

Deposits from customers which were blocked or pledged as collaterals as of 31 December 2017 amounted to Rp 3,395,830 (2016: Rp 2,540,096).

b. Transaksi dengan pihak berelasi

Pihak berelasi untuk transaksi simpanan nasabah adalah simpanan dari pemegang saham, Dewan Komisaris, Direksi, pejabat eksekutif dan keluarga mereka sebesar Rp 58.021 dan Rp 58.744 pada tanggal 31 Desember 2017 dan 2016.

b. Related party transactions

Related party for deposits from customers transactions are deposits from shareholder, Board of Commissioners, Board of Directors, executive officers and their families amounting to Rp 58,021 and Rp 58,744 as of 31 December 2017 and 2016.

c. Tingkat suku bunga kontraktual rata-rata setahun

Tingkat suku bunga kontraktual rata-rata setahun adalah sebagai berikut:

c. Average annual contractual interest rate

The average annual contractual interest rates were as follows:

	2017	2016	
Rupiah			***Rupiah***
Giro	1,40%	2,50%	*Current accounts*
Tabungan	1,36%	1,30%	*Saving accounts*
Deposito berjangka	6,66%	7,48%	*Time deposits*
Deposito on call	-	4,79%	*Deposit on call*
Mata uang asing			***Foreign currencies***
Giro	0,06%	0,06%	*Current accounts*
Tabungan	0,07%	0,08%	*Saving accounts*
Deposito berjangka	1,05%	1,20%	*Time deposits*

13. SIMPANAN NASABAH (lanjutan)

d. Berdasarkan jangka waktu

Rincian deposito berjangka berdasarkan jangka waktu adalah sebagai berikut:

13. DEPOSITS FROM CUSTOMERS (continued)

d. By contract period

Details of time deposits based on contract periods are as follows:

	31 Desember/*December* 2017			
	Rupiah	Mata uang asing/ *Foreign currencies*	Jumlah/ *Total*	
1 bulan	6.021.701	2.072.885	8.094.586	*1 month*
3 bulan	7.817.894	941.681	8.759.575	*3 months*
6 bulan	2.516.169	5.022.411	7.538.580	*6 months*
12 bulan	1.151.382	1.373.629	2.525.011	*12 months*
	17.507.146	**9.410.606**	**26.917.752**	

	31 Desember/*December* 2016			
	Rupiah	Mata uang asing/ *Foreign currencies*	Jumlah/ *Total*	
1 bulan	7.358.005	3.247.270	10.605.275	*1 month*
3 bulan	4.701.163	884.389	5.585.552	*3 months*
6 bulan	540.958	1.309.250	1.850.208	*6 months*
12 bulan	270.156	1.192.999	1.463.155	*12 months*
	12.870.282	**6.633.908**	**19.504.190**	

14. SIMPANAN DARI BANK-BANK LAIN

a. Berdasarkan jenis dan mata uang

14. DEPOSITS FROM OTHER BANKS

a. By type and currency

	31 Desember/*December*		
	2017	2016	
Rupiah			***Rupiah***
Giro	763	5.018	*Current accounts*
Tabungan	142	820	*Saving account*
Interbank call money	740.000	1.155.000	*Interbank call money*
Deposito berjangka	185.981	115.664	*Time deposits*
	926.886	1.276.502	
Mata uang asing			***Foreign currencies***
Giro	839.112	517.603	*Current accounts*
Interbank call money	2.414.777	2.384.633	*Interbank call money*
Deposito berjangka	54.270	26.945	*Time deposits*
	3.308.159	2.929.181	
	4.235.045	**4.205.683**	

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14. SIMPANAN DARI BANK-BANK LAIN (Lanjutan) / *14. DEPOSITS FROM OTHER BANKS (Continued)*

b. Transaksi dengan pihak berelasi / *b. Transaction with related parties*

	31 Desember/*December* 2017	2016	
Interbank call money			*Interbank call money*
Industrial and Commercial Bank of China Ltd., China	2.007.990	808.350	*Industrial and Commercial Bank of China Ltd., China*
Industrial and Commercial Bank of China Ltd., Australia branch	271.350	-	*Industrial and Commercial Bank of China Ltd., Australia*
Giro			*Current account*
PT Bank China Construction Bank Indonesia Tbk	509	387	*PT Bank China Construction Bank Indonesia Tbk*
Deposito berjangka			*Time deposits*
PT BPR Dampit	650	250	*PT BPR Dampit*
	2.280.499	**808.987**	

c. Tingkat suku bunga kontraktual rata-rata setahun / *c. Average annual contractual interest rate*

	31 Desember/*December* 2017	2016	
Rupiah			***Rupiah***
Tabungan	2,50%	7,38%	*Saving account*
Giro	2,44%	2,65%	*Current accounts*
Interbank call money	5,21%	6,52%	*Interbank call money*
Deposito berjangka	6,67%	7,23%	*Time deposits*
Mata uang asing			***Foreign currency***
Giro	0,54%	0,51%	*Current accounts*
Interbank call money	1,59%	1,23%	*Interbank call money*
Deposito berjangka	1,14%	1,08%	*Time deposits*

d. Berdasarkan jangka waktu / *d. By contract period*

	31 Desember/*December* 2017	2016	
≤ 1 bulan	1.920.580	3.863.884	*≤ 1 month*
> 1 - 3 bulan	2.311.940	339.274	*> 1 - 3 months*
> 3 - 12 bulan	2.525	2.525	*> 3 - 12 months*
	4.235.045	**4.205.683**	

15. PERPAJAKAN / *15. TAXATION*

a. Utang pajak penghasilan terdiri dari: / *a. Income tax payables consist of:*

	31 Desember/*December* 2017	2016	
Pajak penghasilan badan	151.888	246.870	*Corporate income tax*
Angsuran pajak penghasilan badan Pasal 25	22.180	4.455	*Installment for corporate income tax Article 25*
	174.068	**251.325**	

15. PERPAJAKAN (Lanjutan) / *15. TAXATION (Continued)*

b. Beban pajak terdiri dari : / *b. Tax expense consists of:*

	Untuk tahun berakhir 31 Desember/ *For the year ended 31 December*		
	2017	2016	
Beban pajak kini	332.490	310.111	*Current tax expense*
Beban pajak tangguhan - pembentukan dan pemulihan perbedaan temporer	(215.280)	(117.678)	*Deferred tax expense - origination and reversal of temporary differences*
	117.210	**192.433**	

c. Rekonsiliasi pajak penghasilan dengan laba sebelum pajak adalah sebagai berikut: / *c. Income tax expense is reconciled with profit before income tax as follows:*

	Untuk tahun berakhir 31 Desember/ *For the year ended 31 December*		
	2017	2016	
Laba sebelum pajak penghasilan	428.526	739.344	*Profit before income tax*
Tarif pajak	25%	25%	*Statutory tax rate*
	107.132	184.836	
Perbedaan permanen	10.078	7.597	*Non deductible expenses*
Beban pajak	117.210	192.433	*Income tax expense*

d. Aset (liabilitas) pajak tangguhan / *d. Deferred tax assets (liabilities)*

	Tahun yang berakhir 31 Desember 2017/ *Year ended 31 December 2017*				
	Saldo awal/ *Beginning balance*	Diakui pada laba rugi/ *Recognized in profit or loss*	Diakui pada pendapatan komprehensif lainnya/ *Recognized in other comprehensive income*	Saldo akhir/ *Ending balance*	
Aset tetap	(13.922)	(108)	-	(14.030)	*Fixed assets*
Penyisihan kerugian penurunan nilai atas aset keuangan	(34.791)	211.981	-	177.190	*Allowance for impairment losses on financial assets*
Bonus masih harus dibayar	15.516	755	-	16.271	*Accrued bonus*
Kewajiban imbalan pasca-kerja karyawan	11.168	2.064	682	13.914	*Post-employment benefits obligation*
Keuntungan yang belum direalisasi atas transaksi derivatif	(1.365)	588	-	(777)	*Unrealized gain on derivative transactions*
Kerugian yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	6.157	-	(6.822)	(665)	*Unrealized losses on available- for-sale securities*
	(17.237)	215.280	(6.140)	191.903	

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15. PERPAJAKAN (Lanjutan)

d. Aset (liabilitas) pajak tangguhan (Lanjutan)

15. TAXATION (Continued)

d. Deferred (liabilities) tax assets (Continued)

	Tahun yang berakhir 31 Desember 2016/ *Year ended 31 December 2016*				
	Saldo awal/ *Beginning balance*	Diakui pada laba rugi/ *Recognized in profit or loss*	Diakui pada pendapatan komprehensif lainnya/ *Recognized in other comprehensive income*	Saldo akhir/ *Ending balance*	
Aset tetap	(13.859)	(63)	-	(13.922)	*Fixed assets*
Penyisihan kerugian penurunan nilai atas aset keuangan	(144.081)	109.290	-	(34.791)	*Allowance for impairment losses on financial assets*
Bonus masih harus dibayar	12.949	2.567	-	15.516	*Accrued bonus*
Kewajiban imbalan pasca-kerja karyawan	8.851	2.446	(129)	11.168	*Post-employment benefits obligation*
Keuntungan yang belum direalisasi atas transaksi derivatif	(4.803)	3.438	-	(1.365)	*Unrealized gain on derivative transactions*
Kerugian yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	21.001	-	(14.844)	6.157	*Unrealized losses on available- for-sale securities*
	(119.942)	117.678	(14.973)	(17.237)	

Manajemen berpendapat bahwa aset pajak tangguhan yang timbul dari perbedaan temporer diperkirakan dapat direalisasikan pada periode mendatang.

Management believes that the deferred tax assets resulted from temporary differences can be realized in the next periods.

e. Sesuai peraturan perpajakan di Indonesia, Bank melaporkan/menyetorkan pajak-pajaknya berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan atau mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai peraturan yang berlaku.

e. Under the taxation laws of Indonesia, the Bank submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statue of limitation, under prevailing regulations.

16. PINJAMAN YANG DITERIMA

16. BORROWINGS

	31 Desember/*December* 2017	2016	
Rupiah			***Rupiah***
Pihak ketiga			*Third party*
PT Bank Central Asia Tbk	-	500.000	*PT Bank Central Asia Tbk*
Mata uang asing			***Foreign currencies***
Pihak ketiga			*Third party*
PT Bank Central Asia Tbk	1.502.116	-	*PT Bank Central Asia Tbk*
Citibank, N.A., Cabang Indonesia	678.375	673.625	*Citibank N.A., Indonesia Branch*
PT Bank UOB Indonesia	-	336.812	*PT Bank UOB Indonesia*
Pihak berelasi (Catatan 27)			*Related party (Note 27)*
Industrial and Commercial Bank of China Ltd., China	678.375	3.502.850	*Industrial and Commercial Bank of China Ltd., China*
	2.858.866	5.013.287	

16. PINJAMAN YANG DITERIMA (Lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, jatuh tempo dan suku bunga dari fasilitas pinjaman yang diterima adalah sebagai berikut:

16. BORROWINGS (Continued)

As of 31 December 2017 and 2016, the maturity dates and interest rates of outstanding borrowing facilities were as follow:

	Tanggal jatuh tempo/*Maturity date*		Suku bunga/*Interest rates*	
	2017	2016	2017	2016
PT Bank Central Asia Tbk	26 Mei/*May* - 11 Desember/*December* 2018	30 Maret/*March* 2017	2,12% - 2,44%	8,14% - 9,98%
Citibank N.A., Cabang Indonesia	28 Desember/ *December* 2018	22 Desember/ *December* 2017	2,44%	1,70%
Industrial and Commercial Bank of China Ltd., China	28 Desember/ *December* 2021	17 Februari/*February* - 13 Oktober/*October* 2017	2,64%	1,64% - 3,19%
PT Bank UOB Indonesia	-	30 Maret/*March* 2017	-	1,60%

17. EFEK-EFEK YANG DITERBITKAN

17. SECURITIES ISSUED

	31 Desember/*December*		
	2017	2016	
Pihak ketiga			*Third parties*
Utang wesel bayar jangka menengah (a):			***Medium-term notes payable (a):***
Nilai nominal	-	235.000	*Nominal value*
Dikurangi: biaya penerbitan wesel bayar jangka menengah ditangguhkan	-	(84)	*Less: deferred medium-term notes issuance cost*
	-	234.916	
Pihak berelasi (Catatan 27)			*Related parties (Notes 27)*
Obligasi yang diterbitkan (b):			***Bonds issued (b):***
Nilai nominal	6.783.750	6.736.250	*Nominal value*
Dikurangi: biaya penerbitan obligasi yang diterbitkan yang ditangguhkan	(109)	(1.496)	*Less: deferred bond issuance cost*
	6.783.641	6.734.754	
Total	**6.783.641**	**6.969.670**	***Total***

a. Utang wesel bayar jangka menengah

Pada bulan Mei 2014, Bank menerbitkan *Medium-Term Notes* I Seri B Bank ICBC Indonesia dengan jumlah pokok sebesar Rp 235.000, tingkat bunga tetap 10,6% per tahun, telah jatuh tempo pada tanggal 22 Mei 2017 dan telah dilunasi pada tanggal tersebut.

Bank menunjuk PT Bank Rakyat Indonesia (Persero) Tbk sebagai agen pemantauan dan Kustodian Sentral Efek Indonesia sebagai agen penyimpanan dan pembayaran untuk *Medium-Term Notes* sesuai dengan Akta Notaris Ir. Nanette Cahyanie Handari Adi Warsito, SH No. 80, tanggal 20 Mei 2014.

a. Medium-term notes payable

In May 2014, the Bank issued Medium-Term Notes Payable I Series B Bank ICBC Indonesia with a nominal value of Rp 235,000, fixed rate 10.6% p.a., matured on 22 May 2017 and has been fully repaid on that date.

The Bank appointed PT Bank Rakyat Indonesia (Persero) Tbk as monitoring agent and Kustodian Sentral Efek Indonesia as custodian and payment agent for the Medium-Term Notes, as stated in Notarial Deed No. 80, dated 20 May 2014, of Ir. Nanette Cahyanie Handari Adi Warsito, SH.

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17. EFEK-EFEK YANG DITERBITKAN (Lanjutan)

b. Obligasi yang diterbitkan

Pada tanggal 28 Januari 2015, Bank menerbitkan obligasi melalui penawaran tertutup kepada Industrial and Commercial Bank of China Ltd., China (Bank Induk) dengan jumlah pokok sebesar USD 500.000.000 (nilai penuh), dengan tingkat bunga mengambang menggunakan LIBOR 3 bulan + 1,50% per triwulan dan akan jatuh tempo pada tanggal 28 Januari 2018.

17. SECURITIES ISSUED (Continued)

b. Bonds issued

On 28 January 2015, the Bank issued bonds (floating rate notes) through private offering to Industrial and Commercial Bank of China Ltd., China (Parent Bank) with nominal value of USD 500,000,000 (full amount), floating rate 3 months LIBOR + 1.50% payable quarterly and the maturity date on 28 January 2018.

18. LIABILITAS LAIN-LAIN DAN BEBAN YANG MASIH HARUS DIBAYAR

18. OTHER LIABILITIES AND ACCRUED EXPENSES

	31 Desember/*December*		
	2017	2016	
Bunga masih harus dibayar	172.454	135.151	*Interest payable*
Provisi dan komisi ditangguhkan	80.548	118.871	*Deferred fees and commissions*
Bonus masih harus dibayar	65.602	62.064	*Accrued bonus*
Liabilitas imbalan kerja	55.656	44.671	*Obligation for employment benefits*
Pajak lainnya	23.519	20.850	*Other taxes*
Beban masih harus dibayar	16.499	12.254	*Accrued expenses*
Setoran jaminan	399	509	*Guarantee deposits*
Lain-lain	2.159	7.852	*Others*
	417.136	**402.022**	

Provisi dan komisi ditangguhkan merupakan pendapatan provisi dari fasilitas kredit yang belum dicairkan, L/C, SKBDN, dan garansi bank yang diamortisasi sesuai dengan jangka waktu.

Bunga masih harus dibayar merupakan beban bunga atas simpanan nasabah, simpanan dari bank-bank lain, pinjaman yang diterima, utang wesel bayar jangka menengah dan pinjaman subordinasi.

Setoran jaminan merupakan setoran jaminan nasabah terkait dengan penerbitan L/C dan Surat Kredit Berdokumentasi Dalam Negeri (SKBDN).

Beban masih harus dibayar berkenaan dengan pengadaan aset tetap dan transaksi *Letter of Credit* (L/C) yang belum diselesaikan.

Deferred fees and commissions represent fees and commission from undrawn loan facilities, L/C, SKBDN, and bank guarantees which are amortized during the period.

Interest payable represents interest expenses for deposits from customers, deposits from other banks, borrowings, medium-term notes payable and subordinated loan.

Guarantee deposits represent customers' guarantee deposits related to issuance of L/C and Domestic Letter of Credit (SKBDN).

Accrued expenses related to acquisition of fixed assets and Letter of Credit (L/C) transactions which are not yet settled.

19. PINJAMAN SUBORDINASI

	31 Desember/December 2017	31 Desember/December 2016	
Pinjaman subordinasi	1.153.238	1.145.163	*Subordinated loan*

Pada tanggal 28 September 2009, Bank memperoleh pinjaman subordinasi dari Industrial and Commercial Bank of China Ltd., China sebesar USD 25.000.000 (nilai penuh) dengan suku bunga sebesar suku bunga *LIBOR* 3 bulan + 50 *basis point*. Pinjaman subordinasi ini berjangka waktu 10 tahun dan jatuh tempo pada tanggal 30 September 2019.

Pada tanggal 25 April 2013, Bank memperoleh pinjaman subordinasi dari Industrial and Commercial Bank of China Ltd., China sebesar USD 60.000.000 (nilai penuh) dengan jangka waktu 10 tahun dan jatuh tempo pada tanggal 25 April 2023. Suku bunga pinjaman adalah sebesar suku bunga *LIBOR* 3 bulan + 100 *basis point*.

Untuk keperluan perhitungan rasio Kewajiban Penyediaan Modal Minimum (KPMM), pinjaman subordinasi di atas diperhitungkan sebagai bagian dari modal *Tier* 2.

On 28 September 2009, the Bank obtained a subordinated loan from Industrial and Commercial Bank of China Ltd., China amounting to USD 25,000,000 (full amount) at interest rate of 3 months LIBOR rate + 50 basis point. The subordinated loan has a term of 10 years and will mature on 30 September 2019.

On 25 April 2013, the Bank obtained a subordinated loan from Industrial and Commercial Bank of China Ltd., China amounting to USD 60,000,000 (full amount) with 10-years term and will mature on 25 April 2023. The interest rate of this loan is 3 months LIBOR rate + 100 basis point.

For the purpose of Capital Adequacy Ratio (CAR) calculation, the above subordinated loan is calculated as part of Tier 2 capital.

20. MODAL SAHAM

Berdasarkan Keputusan Pemegang Saham sebagai pengganti Rapat Umum Pemegang Saham (akta No. 14 tanggal 4 Juli 2017 dihadapan Dr. Irawan Soerodjo, S.H., M.Si., notaris di Jakarta), pemegang saham menyetujui peningkatan modal saham sebesar Rp 1.013.900 yang ditempatkan dan disetor penuh oleh Industrial and Commercial Bank of China Ltd. dan PT Intidana Wijaya masing-masing sebesar Rp 999.800 (19.996 lembar saham) dan Rp 14.100 (282 lembar saham - masih dalam proses persetujuan OJK).

Modal dasar Bank adalah sebesar Rp 6.000.000 (120.000 saham dengan nilai nominal Rp 50.000.000 (nilai penuh) per saham). Modal ditempatkan dan disetor penuh Bank adalah sebesar Rp 3.706.150 (74.123 saham dengan nilai nominal Rp 50.000.000 (nilai penuh) per saham) pada tanggal 31 Desember 2017. Modal ditempatkan dan disetor penuh Bank adalah sebesar Rp 2.692.250 (53.845 saham dengan nilai nominal Rp 50.000.000 (nilai penuh) per saham) pada tanggal 31 Desember 2016.

Jumlah modal ditempatkan dan disetor penuh pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

20. SHARE CAPITAL

Based on Decision Letter of Shareholders in Lieu of the Minutes of Meeting of General Meeting of Shareholders (deed of notary public No. 14 dated 4 July 2017 of Dr. Irawan Soerodjo, S.H., M.Si., a notary in Jakarta), the shareholders approved the increase in share capital of Rp 1,013,900 which was issued and paid-up by Industrial and Commercial Bank of China Ltd. and PT Intidana Wijaya amounted to Rp 999,800 (19,996 shares) and Rp 14,100 (282 shares - awaiting for the approval from OJK), respectively.

The Bank's authorized share capital amounted to Rp 6,000,000 (120,000 shares at nominal value of Rp 50,000,000 (full amount) per share). The Bank's issued and paid-up share capital amounted to Rp 3,706,150 (74,123 shares at nominal value of Rp 50,000,000 (full amount) per share) as of 31 December 2017. The Bank's issued and paid-up share capital amounted to Rp 2,692,250 (53,845 shares at nominal value of Rp 50,000,000 (full amount) per share) as of 31 December 2016.

The issued and fully paid up capital as of 31 December 2017 and 2016 were as follows:

	31 Desember/December 2017		
	Jumlah saham/ *Number of shares*	Persentase kepemilikan/ *Percentage of ownership (%)*	
Industrial and Commercial Bank of China Ltd.	73.091	98,61	*Industrial and Commercial Bank of China Ltd.*
PT Intidana Wijaya	1.032	1,39	*PT Intidana Wijaya*
	74.123	100,00	

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20. MODAL SAHAM (Lanjutan)

20. SHARE CAPITAL (Continued)

	31 Desember/*December* 2016		
	Jumlah saham/ *Number of shares*	Persentase kepemilikan/ *Percentage of ownership (%)*	
Industrial and Commercial Bank of China Ltd.	53.095	98,61	*Industrial and Commercial Bank of China Ltd.*
PT Intidana Wijaya	750	1,39	*PT Intidana Wijaya*
	53.845	100,00	

Pada tahun 2017, berdasarkan resolusi pemegang saham, pengganti Rapat Umum Pemegang Saham tanggal 25 Juli 2017 pemegang saham menyetujui untuk membukukan cadangan umum sebesar Rp 54.691.

In 2017, based on circular resolution of shareholders in lieu of the General Meeting of Shareholders dated 25 July 2017 the shareholders agreed to book general reserve amounting to Rp 54.691

Pada tahun 2016, berdasarkan resolusi pemegang saham, pengganti Rapat Umum Pemegang Saham tanggal 11 Agustus 2016, pemegang saham menyetujui untuk membukukan cadangan umum sebesar Rp 38.875.

In 2016, based on circular resolution of shareholders in lieu of the General Meeting of Shareholders dated on 11 August 2016, the shareholders agreed to book general reserve amounting to Rp 38,875.

21. MODAL DIBAYAR DIMUKA

21. ADVANCED CAPITAL

Pada tanggal 25 November 2015, salah satu pemegang saham Bank yaitu PT Intidana Wijaya menyetor di muka untuk setoran modal yang akan datang sejumlah Rp 15.500. Hal ini telah disetujui oleh Otoritas Jasa Keuangan melalui surat Otoritas Jasa Keuangan No. S-156/PB.32/2015 tanggal 23 Desember 2015.

On 25 November 2015, one of the Bank's shareholders, PT Intidana Wijaya, paid in advance for the future shares subscription amounting to Rp 15,500. This has been approved by Otoritas Jasa Keuangan in the letter of Otoritas Jasa Keuangan No. S-156/PB.32/2015 dated 23 December 2015.

Pada tanggal 21 Juni 2017, berdasarkan Keputusan Pemegang Saham sebagai pengganti Rapat Umum Pemegang Saham (akta No. 14 tanggal 4 Juli 2017 dihadapan Dr. Irawan Soerodjo, S.H., M.Si., notaris di Jakarta), modal dibayar dimuka ini telah diakui sebagai modal saham sebesar Rp 14.100 (Catatan 20) (masih dalam proses persetujuan OJK).

On 21 Juni 2017, based on the Decision Letter of Shareholders in Lieu of the Minutes of Meeting of General Meeting of Shareholders (deed of notary public No. 14 dated 4 July 2017 of Dr. Irawan Soerodjo, S.H., M.Si., a notary in Jakarta), the advanced capital has been recognized as share capital amounting to Rp 14,100 (Note 20) (awaiting for the approval from OJK).

Pada tanggal 22 Juni 2017, Bank memperoleh persetujuan dari Otoritas Jasa Keuangan dalam surat Otoritas Jasa Keuangan No. S-45/PB.32/2017 untuk melakukan pengembalian kelebihan modal dibayar dimuka sebesar Rp 1.400 kepada PT Intidana Wijaya.

On 22 June 2017, the Bank obtained approval from Otoritas Jasa Keuangan in the letter of Otoritas Jasa Keuangan No. S-45/PB.32/2017 to refund the excess of advanced capital amounting to Rp 1,400 to PT Intidana Wijaya.

22. PENDAPATAN BUNGA

22. INTEREST INCOME

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Kredit yang diberikan	2.587.936	2.309.649	*Loans*
Efek-efek untuk tujuan investasi	316.071	265.819	*Investment securities*
Penempatan pada Bank Indonesia dan bank-bank lain	89.920	53.503	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	14.248	122	*Securities purchased under agreement to resell*
Giro pada Bank Indonesia dan bank-bank lain	9.209	24.587	*Current accounts with Bank Indonesia and other banks*
	3.017.384	2.653.680	

23. BEBAN BUNGA / *23. INTEREST EXPENSE*

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Simpanan nasabah			*Deposits from customers*
Deposito berjangka	1.138.800	932.744	*Time deposits*
Giro	60.485	41.289	*Current accounts*
Tabungan	34.229	25.236	*Saving accounts*
Deposito *on call*	697	755	*Deposits on call*
Premi penjaminan dana pihak ketiga	58.717	52.982	*Premium on third party funds guarantee*
Efek-efek yang diterbitkan	210.959	186.682	*Securities issued*
Simpanan dari bank lain	106.607	103.331	*Deposit from other banks*
Pinjaman subordinasi dan pinjaman yang diterima	110.656	94.465	*Subordinated loan and borrowings*
Efek-efek yang dijual dengan janji dibeli kembali	1.415	2.321	*Securities sold under agreement to repurchase*
	1.722.565	**1.439.805**	

24. BEBAN KERUGIAN PENURUNAN NILAI ATAS ASET KEUANGAN - BERSIH / *24. ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET*

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Kredit yang diberikan (Catatan 10f)	783.417	380.145	*Loans (Note 10f)*
Giro pada bank-bank lain (Catatan 6)	-	2	*Current account with other banks (Note 6)*
	783.417	**380.147**	

25. BEBAN UMUM DAN ADMINISTRASI / *25. GENERAL AND ADMINISTRATIVE EXPENSES*

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Penyusutan aset tetap (Catatan 11)	46.333	49.874	*Depreciation of fixed assets (Note 11)*
Sewa	35.601	37.597	*Rent*
Komunikasi	14.105	10.981	*Communication*
Pendidikan dan pelatihan	12.408	16.770	*Educational and training*
Jasa profesional	11.024	10.084	*Professional fees*
Perbaikan dan pemeliharaan	9.099	8.654	*Repair and maintenance*
Perjalanan dinas	5.585	5.328	*Travel*
Listrik dan air	5.394	5.600	*Electricity and water*
Iklan dan promosi	5.121	7.328	*Advertising and promotion*
Representasi	2.237	3.252	*Representation*
Perlengkapan kantor	1.928	7.624	*Office supplies*
Transportasi	1.512	1.550	*Transportation*
Barang cetakan	1.310	1.673	*Printed materials*
Pajak dan perizinan	1.250	885	*Licenses and dues*
Lain-lain	10.649	18.354	*Others*
	163.556	**185.754**	

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26. BEBAN TENAGA KERJA / *26. PERSONNEL EXPENSES*

	2017	2016	
Gaji dan upah	211.062	218.417	*Salaries and wages*
Tunjangan hari raya dan bonus	61.047	63.915	*Festive allowances and bonus*
Imbalan kerja karyawan	7.256	6.819	*Employment benefits*
Iuran pensiun	6.077	6.151	*Pension contribution*
Tunjangan lain-lain	54.079	51.402	*Other allowances*
	339.521	346.704	

Berikut ini adalah beban tenaga kerja dan tunjangan-tunjangan untuk pengurus dan pejabat eksekutif:

Outlined below are salaries and other benefits for the Bank's management and executive officers:

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2017	2016	
Dewan Komisaris	2.360	2.103	*Board of Commissioners*
Direksi	36.251	31.496	*Board of Directors*
Lain-lain *)	67.057	67.345	*Others *)*
	105.668	100.944	

*) Termasuk pejabat eksekutif, komite audit, dan lain-lain.

*) *Including executive officers, audit committee, and others.*

27. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI / *27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES*

Transaksi dan saldo dengan pihak-pihak berelasi adalah sebagai berikut:

Transactions and balances with related parties are as follows:

	31 Desember/*December*		
	2017	2016	
Aset			***Assets***
Giro pada bank-bank lain (Catatan 6)	235.421	280.299	*Current accounts with other banks (Note 6)*
Penempatan pada Bank Indonesia dan bank-bank lain (Catatan 7)	2.601.096	46.480	*Placements with Bank Indonesia and others bank (Note 7)*
Aset derivatif	-	324	*Derivative assets*
Efek-efek untuk tujuan investasi (Catatan 9)	-	219.811	*Investment securities (Note 9)*
Kredit yang diberikan (Catatan 10)			*Loans receivable (Note 10)*
Direksi, Dewan Komisaris, dan Pejabat Eksekutif	9.845	13.576	*Directors, Board of Commissioners, and Executive Officers*
Jumlah aset dari pihak-pihak berelasi	2.846.362	560.490	*Total assets from related parties*
Persentase aset dari pihak-pihak berelasi terhadap jumlah aset	5,08%	1,15%	*Percentage of assets from related parties to total assets*
Liabilitas			***Liabilities***
Simpanan nasabah (Catatan 13)			*Deposits from customers (Note 13)*
Deposito berjangka	49.026	46.740	*Time deposits*
Tabungan	6.589	10.767	*Saving accounts*
Giro	2.406	1.237	*Current accounts*
	58.021	58.744	
Simpanan dari bank-bank lain (Catatan 14)			*Deposits from other banks (Note 14)*
Deposito berjangka	650	250	*Time deposits*
Interbank call money	2.279.340	808.350	*Interbank call money*
Giro	509	387	*Current account*
	2.280.499	808.987	
Liabilitas derivatif	-	1.693	*Derivative liabilities*
Liabilitas akseptasi (Catatan 8)	383.250	143.496	*Acceptance payables (Note 8)*
Pinjaman yang diterima (Catatan 16)	678.375	3.502.850	*Borrowings (Note 16)*
Efek-efek yang diterbitkan (Catatan 17)	6.783.641	6.734.754	*Securities issued (Note 17)*
Pinjaman subordinasi (Catatan 19)	1.153.238	1.145.163	*Subordinated loan (Note 19)*
Jumlah liabilitas kepada pihak-pihak berelasi	11.337.024	12.395.687	*Total liabilities to related parties*
Persentase liabilitas kepada pihak-pihak berelasi terhadap jumlah liabilitas	22,54%	28,05%	*Percentage of liabilities to related parties to total liabilities*

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27. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

	Untuk tahun berakhir 31 Desember/ For the year ended 31 December		
	2017	2016	
Pendapatan dan beban operasional			***Incomes and expenses from operations***
Pendapatan bunga	20.401	10.845	*Interest income*
Persentase pendapatan bunga dari pihak-pihak berelasi terhadap jumlah pendapatan bunga	0,68%	0,41%	*Percentage of interest income from related parties to total interest income*
Beban bunga	326.834	288.548	*Interest expense*
Persentase beban bunga kepada pihak-pihak berelasi terhadap jumlah beban bunga	18,97%	20,04%	*Percentage of interest expense to related parties to total interest expense*
Keuntungan transaksi penjualan fasilitas kredit	7.499	73.145	*Gains on sale of loan facilities*
Persentase terhadap pendapatan operasional lainnya	1,66%	16,52%	*Percentage to other operating income*

	31 Desember/December		
	2017	2016	
Komitmen dan kontinjensi (Catatan 28)			***Commitments and contingencies (Note 28)***
Fasilitas kredit yang diberikan yang belum digunakan	4.013	5.029	*Unused loan facilities*
Persentase liabilitas komitmen kepada pihak-pihak berelasi terhadap jumlah liabilitas komitmen	0,04%	0,09%	*Percentage of committed liabilities to related parties to total committed liabilities*
Bank garansi yang diterima	7.075.505	7.458.849	*Bank guarantees received*
Persentase tagihan kontinjensi kepada pihak-pihak berelasi terhadap jumlah tagihan kontinjensi	96,46%	97,28%	*Percentage of contingent receivables to related parties to total contingent receivables*

Bank memberikan kompensasi dan imbalan lain kepada Dewan Komisaris, Direksi, dan pejabat eksekutif untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016 sebagai berikut (Catatan 26):

The Bank provided compensation and other benefits for the Board of Commisioners, Board of Directors, and executive officers for the years ended 31 December 2017 and 2016 as follows (Note 26):

	2017	2016	
Kompensasi dan imbalan lainnya	105.668	100.944	*Compensation and other benefits*

Hubungan dengan pihak berelasi adalah sebagai berikut:

The relationship with related parties are as follows:

Pihak berelasi/ *Related parties*	**Sifat dari hubungan/ *Nature of relationship***	**Sifat dari transaksi/ *Nature of transaction***
Industrial and Commercial Bank of China Ltd., China	Entitas induk/*Parent entity*	Giro pada bank lain, liabilitas akseptasi, efek-efek untuk tujuan investasi, simpanan dari bank-bank lain, pinjaman yang diterima, surat berharga yang diterbitkan, pinjaman subordinasi, komitmen dan kontinjensi/*Current accounts with other banks, acceptance payables, investment securities, deposits from other banks, borrowings, securities issued, subordinated loan, commitments and contingencies*

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27. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Pihak berelasi/ *Related parties*	Sifat dari hubungan/ *Nature of relationship*	Sifat dari transaksi/ *Nature of transaction*
PT Intidana Wijaya	Pemegang saham/*Shareholder*	Simpanan nasabah/*Deposits from customer*
Industrial and Commercial Bank of China Ltd., New York Branch	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Giro pada bank lain/*Current accounts with other banks,*
Industrial and Commercial Bank of China Ltd., Frankfurt Branch	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Giro pada bank lain/*Current accounts with other banks*
Industrial and Commercial Bank of China Ltd., Singapore Branch	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Giro pada bank lain, penempatan pada bank-bank lain, derivatif/*Current accounts with other banks, placements with other banks, derivatives*
Industrial and Commercial Bank of China Ltd., Seoul Branch	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Komitmen dan kontinjensi/*Commitments and contingencies*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Giro pada bank lain, penempatan pada bank-bank lain, komitmen dan kontijensi/*Current accounts with other banks, placement with other banks, commitments and contingencies*
Bank of Communication Co. Ltd., China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Giro pada bank lain, liabilitas akseptasi, efek-efek untuk tujuan investasi, komitmen dan kontijensi/*Current accounts with other banks, acceptance payables, investment securities, commitments and contingencies*
Bank of China, China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Liabilitas akseptasi, efek-efek untuk tujuan investasi, komitmen dan kontijensi/ *Acceptance payables, investment securities, commitments and contingencies*
China Construction Bank, China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Liabilitas akseptasi, komitmen dan kontinjensi/ *Acceptance payables, commitments and contingencies*
China Citic Bank Corporation Ltd., China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Komitmen dan kontijensi/*commitments and contingencies*
Export Import Bank of China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Komitmen dan kontinjensi/*Commitments and contingencies*
Direksi, Dewan Komisaris, dan Pejabat Eksekutif/Board of Directors, Board of Commissioners, and Executive Officers	Manajemen dan karyawan kunci/ *Management and key employees*	Kredit yang diberikan, simpanan nasabah, komitmen dan kontinjensi/*Loans receivable, deposits from customers, commitments and contingencies*
PT BPR Dampit	Mempunyai pemegang saham yang sama/ *Having the same shareholder*	Simpanan dari bank-bank lain/*Deposits from other banks*
PT Bank China Construction Bank Indonesia Tbk.(dahulu/*previously* PT Bank Windu Kentjana International Tbk.)	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Simpanan dari bank-bank lain/*Deposits from other banks*
Industrial and Commercial Bank of China (Europe) SA, Amsterdam Branch	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Liabilitas akseptasi/*Acceptance payables*
Huarong Finance II Co., Ltd.,	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Efek-efek untuk tujuan investasi/*Investment securities*
China Guangfa Bank Co., Ltd., China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Efek-efek untuk tujuan investasi/*Investment securities*
Agricultural Bank of China Limited, China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Liabilitas akseptasi, efek-efek untuk tujuan investasi/*Acceptance payables, investment securities*
Industrial and Commercial Bank of China Ltd., cabang Sydney	Cabag luar negeri dan entitas induk/*Overseas branch of parent entity*	Giro pada bank lain/*Current accounts with other banks*
Industrial and Commercial Bank of China Ltd., cabang Tokyo	Cabang luar negeri dari entitas induk/*Overseas branch of parent entity*	Giro pada bank lain/*Current accounts with other banks*
Industrial and Commercial Bank of China Ltd., Australia branch	Cabang luar negeri dari entitas induk/*Overseas branch of parent entity*	Simpanan dari bank-bank lain/*Deposits from other banks*

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28. KOMITMEN DAN KONTINJENSI

28. COMMITMENTS AND CONTINGENCIES

	31 Desember/*December* 2017	2016	
Komitmen			***Commitments***
Pihak ketiga			*Third parties*
Liabilitas komitmen			*Committed liabilities*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	(726.454)	(1.014.818)	*Outstanding irrecoverable L/C and domestic L/C*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	(10.244.405)	(4.582.067)	*Unused loan facilities - committed*
Pihak berelasi (Catatan 27)			*Related parties (Note 27)*
Liabilitas komitmen			*Committed liabilities*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*			*Unused loan facilities - committed*
Direksi, Dewan Komisaris, dan Pejabat Eksekutif	(4.013)	(5.029)	*Directors, Board of Commissioners, and Executive Officers*
Komitmen	(10.974.872)	(5.601.914)	*Commitment*
Kontinjensi			***Contingencies***
Pihak ketiga			*Third parties*
Tagihan kontinjensi			*Contingent receivables*
Pendapatan bunga dalam penyelesaian	157.749	151.847	*Interest receivable on non-performing loans*
Garansi bank yang diterima	100.088	56.487	*Bank guarantees received*
Liabilitas kontinjensi			*Contingent liabilities*
Garansi bank dan *Standby L/C* yang diterbitkan	(4.486.597)	(5.892.898)	*Bank guarantees and Standby L/C issued*
	(4.228.760)	(5.684.564)	
Pihak berelasi (Catatan 27)			*Related parties (Note 27)*
Tagihan kontinjensi			*Contingent receivables*
Bank garansi yang diterima:			*Bank guarantees received:*
Industrial and Commercial Bank of China Ltd., China	5.413.007	5.802.810	*Industrial and Commercial Bank of China Ltd., China*
Export Import Bank of China	520.749	614.662	*Export Import Bank of China*
China Construction Bank, China	415.693	393.950	*China Construction Bank, China*
Bank of Communication Co. Ltd., China	368.576	365.995	*Bank of Communication Co. Ltd., China*
Bank of China, China	280.285	156.477	*Bank of China, China*
Industrial and Commercial Bank of China Ltd., Cabang Seoul	36.900	73.800	*Industrial and Commercial Bank of China Ltd., Seoul Branch*
China Citic Bank Corporation Ltd., China	40.295	40.013	*China Citic Bank Corporation Ltd., China*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	-	11.142	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
	7.075.505	7.458.849	
Kontinjensi - neto	2.846.745	1.774.285	*Contingencies - net*

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29. ASET DAN LIABILITAS KEUANGAN BERDASARKAN SISA UMUR JATUH TEMPO

Analisa jatuh tempo aset dan liabilitas keuangan (bukan untuk tujuan diperdagangkan) sebelum penyisihan kerugian penurunan nilai berdasarkan periode tersisa sampai dengan tanggal jatuh tempo kontraktual pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

29. FINANCIAL ASSETS AND LIABILITIES BASED ON REMAINING PERIOD TO MATURITY

The analysis of maturities of financial assets and liabilities (not for trading purposes) before allowances for impairment losses based on remaining period to contractual maturity as of 31 December 2017 and 2016 was as follows:

	2017							
	Nilai tercatat/ *Carrying amount*	Tidak mempunyai jatuh tempo kontraktual/ *No contractual maturity*	< 1 bulan/ *< 1 month*	1-3 bulan/ *1-3 months*	> 3-6 bulan/ *> 3-6months*	> 6-12 bulan/ *> 6-12months*	> 12 bulan/ *> 12 months*	
ASET								***ASSETS***
Kas	88.399	88.399	-	-	-	-	-	*Cash*
Giro pada Bank Indonesia	3.888.038	-	3.888.038	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.314.446	-	3.314.446	-	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.135.049	-	2.950.682	-	2.184.367	-	-	*Placements with Bank Indonesia and other banks*
Tagihan akseptasi	1.519.878	-	229.270	531.736	596.060	162.812	-	*Acceptance receivables*
Efek-efek untuk tujuan investasi	8.248.877	-	707.410	1.064.311	1.024.007	1.520.773	1.932.376	*Investment securities*
Kredit yang diberikan	35.664.332	-	669.311	881.046	864.695	5.680.575	27.568.705	*Loans receivable*
Aset lain-lain	243.300	-	238.326	-	-	-	4.974	*Other assets*
	56.102.319	88.399	11.997.483	2.477.093	4.669.129	7.364.160	29.506.055	
LIABILITAS								***LIABILITIES***
Liabilitas segera	(6.544)	(6.544)	-	-	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	(33.044.505)	-	(17.260.288)	(7.605.613)	(6.062.509)	(1.337.573)	(788.522)	*Deposits from customers*
Simpanan dari bank-bank lain	(4.235.045)	-	(1.952.560)	(923.190)	(1.356.750)	(2.525)	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	(88.979)	-	-	(88.979)	-	-	-	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	(1.519.878)	-	(229.270)	(531.736)	(596.060)	(162.812)	-	*Acceptance payables*
Pinjaman yang diterima	(2.858.866)	-	-	-	(484.554)	(1.695.937)	(678.375)	*Borrowings*
Efek-efek yang diterbitkan	(6.783.641)	-	(6.783.641)	-	-	-	-	*Securities issued*
Liabilitas lain-lain dan beban yang masih harus dibayar	(172.454)	-	(172.454)	-	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	(1.153.238)	-	-	-	-	-	(1.153.238)	*Subordinated loan*
	(49.863.150)	(6.544)	(26.398.233)	(9.149.518)	(8.499.873)	(3.198.847)	(2.620.135)	
Perbedaan jatuh tempo	6.239.169	81.855	(14.400.750)	(6.672.425)	(3.830.744)	4.165.313	26.885.920	***Maturity gap***

	2016							
	Nilai tercatat/ *Carrying amount*	Tidak mempunyai jatuh tempo kontraktual/ *No contractual maturity*	< 1 bulan/ *< 1 month*	1-3 bulan/ *1-3 months*	> 3-6 bulan/ *> 3-6months*	> 6-12 bulan/ *> 6-12months*	> 12 bulan/ *> 12 months*	
ASET								***ASSETS***
Kas	85.086	85.086	-	-	-	-	-	*Cash*
Giro pada Bank Indonesia	3.231.563	-	3.231.563	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	2.294.992	-	2.294.992	-	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	1.850.355	-	1.803.875	15.493	30.987	-	-	*Placements with Bank Indonesia and other banks*
Tagihan akseptasi	1.170.532	-	226.423	426.031	365.886	152.192	-	*Acceptance receivables*
Efek-efek untuk tujuan investasi	6.286.166	-	276.233	1.061.119	1.230.805	652.220	2.845.789	*Investment securities*
Kredit yang diberikan	33.452.644	-	1.208.416	1.141.457	1.215.980	6.655.089	23.231.692	*Loans receivable*
Aset lain-lain	251.158	-	246.301	-	-	-	4.857	*Other assets*
	48.622.496	85.086	9.287.803	2.664.100	2.843.658	7.659.511	26.082.338	

29. ASET DAN LIABILITAS BERDASARKAN SISA UMUR JATUH TEMPO (lanjutan)

29. FINANCIAL ASSETS AND LIABILITIES BASED ON REMAINING PERIOD TO MATURITY (continued)

	2016							
	Nilai tercatat/ *Carrying amount*	Tidak mempunyai jatuh tempo kontraktual/ *No contractual maturity*	< 1 bulan/ *< 1 month*	1-3 bulan/ *1-3 months*	> 3-6 bulan/ *> 3-6months*	> 6-12 bulan/ *> 6-12months*	> 12 bulan/ *> 12 months*	
LIABILITAS								***LIABILITIES***
Liabilitas segera	(2.000)	(2.000)	-	-	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	(24.748.652)	-	(16.684.003)	(5.666.512)	(1.066.676)	(1.095.780)	(35.681)	*Deposits from customers*
Simpanan dari bank-bank lain	(4.205.683)	-	(4.157.989)	(45.169)	-	(2.525)	-	*Deposits from other banks*
Efek-efek yang dijual dengan janji dibeli kembali	(263.690)	-	(263.690)	-	-	-	-	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	(1.170.532)	-	(225.423)	(434.224)	(365.886)	(143.999)	-	*Acceptance payables*
Pinjaman yang diterima	(5.013.287)	-	-	(1.779.887)	-	(2.559.775)	(673.625)	*Borrowings*
Efek-efek yang diterbitkan	(8.969.670)	-	-	-	(234.916)	-	(8.734.754)	*Securities issued*
Liabilitas lain-lain dan beban yang masih harus dibayar	(135.151)	-	(135.151)	-	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	(1.145.163)	-	-	-	-	-	(1.145.163)	*Subordinated loan*
	(43.653.828)	(2.000)	(21.667.256)	(7.925.792)	(1.667.478)	(3.802.079)	(9.589.223)	
Perbedaan jatuh tempo	4.968.668	83.086	(12.379.453)	(5.261.692)	1.176.180	3.857.432	17.493.115	***Maturity gap***

30. INSTRUMEN KEUANGAN

30. FINANCIAL INSTRUMENTS

a. Klasifikasi instrumen keuangan

Tabel di bawah ini menyajikan nilai tercatat aset keuangan dan liabilitas keuangan Bank berdasarkan klasifikasi masing-masing pada tanggal 31 Desember 2017 dan 2016 :

a. Classification of financial instruments

The table below sets out the carrying amount of the Bank's financial assets and financial liabilities based on their respective classification as of 31 December 2017 and 2016:

	2017						
	Diukur pada nilai wajar melalui laba rugi/ *Fair value through profit or loss*	Tersedia untuk dijual/ *Available-for-sale*	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	Dimiliki hingga jatuh tempo/ *Held-to-maturity*	Liabilitas keuangan lainnya/ *Other financial liabilities*	Jumlah nilai tercatat/ *Total carrying Amount*	
Aset keuangan							***Financial assets***
Kas	-	-	88.399	-	-	88.399	*Cash*
Giro pada Bank Indonesia	-	-	3.888.038	-	-	3.888.038	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	-	-	3.314.446	-	-	3.314.446	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	-	-	5.135.049	-	-	5.135.049	*Placements with Bank Indonesia and other banks*
Aset derivatif	5.980	-	-	-	-	5.980	*Derivative assets*
Tagihan akseptasi	-	-	1.519.878	-	-	1.519.878	*Acceptance receivables*
Efek-efek untuk tujuan investasi	-	4.738.775	172.229	1.337.873	-	6.248.877	*Investment securities*
Kredit yang diberikan	-	-	35.066.608	-	-	35.066.608	*Loans receivable*
Aset lain-lain	-	-	243.300	-	-	243.300	*Other assets*
	5.980	4.738.775	49.429.947	1.337.873	-	55.512.575	

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30. INSTRUMEN KEUANGAN (lanjutan)

a. Klasifikasi instrumen keuangan (lanjutan)

30. FINANCIAL INSTRUMENTS (continued)

a. Classification of financial instruments (continued)

	2017						
	Diukur pada nilai wajar melalui laba rugi/ *Fair value through profit or loss*	Tersedia untuk dijual/ *Available-for-sale*	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	Dimiliki hingga jatuh tempo/ *Held-to-maturity*	Liabilitas keuangan lainnya/ *Other financial liabilities*	Jumlah nilai tercatat/ *Total carrying amount*	
Liabilitas keuangan							*Financial liabilities*
Liabilitas segera	-	-	-	-	(6.544)	(6.544)	*Liabilities immediately payable*
Simpanan nasabah	-	-	-	-	(33.044.505)	(33.044.505)	*Deposits from Customers*
Simpanan dari bank-bank lain	-	-	-	-	(4.235.045)	(4.235.045)	*Deposits from other Banks*
Efek-efek yang dijual dengan janji dibeli kembali	-	-	-	-	(88.979)	(88.979)	*Securities sold under agreement to repurchase*
Liabilitas derivatif	(2.865)	-	-	-	-	(2.865)	*Derivative liabilities*
Liabilitas akseptasi	-	-	-	-	(1.519.878)	(1.519.878)	*Acceptance payables*
Pinjaman yang diterima	-	-	-	-	(2.858.866)	(2.858.866)	*Borrowings*
Efek-efek yang diterbitkan	-	-	-	-	(6.783.641)	(6.783.641)	*Securities issued*
Liabilitas lain-lain dan beban yang masih harus dibayar	-	-	-	-	(172.454)	(172.454)	*Other liabilities and accrued expenses*
Pinjaman subordinasi	-	-	-	-	(1.153.238)	(1.153.238)	*Subordinated loan*
	(2.865)	-	-	-	(49.863.150)	(49.866.015)	

	2016						
	Diukur pada nilai wajar melalui laba rugi/ *Fair value through profit or loss*	Tersedia untuk dijual/ *Available-for-sale*	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	Dimiliki hingga jatuh tempo/ *Held-to-maturity*	Liabilitas keuangan lainnya/ *Other financial liabilities*	Jumlah nilai tercatat/ *Total carrying Amount*	
Aset keuangan							*Financial assets*
Kas	-	-	85.086	-	-	85.086	*Cash*
Giro pada Bank Indonesia	-	-	3.231.563	-	-	3.231.563	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain - neto	-	-	2.294.992	-	-	2.294.992	*Current accounts with other banks - net*
Penempatan pada Bank Indonesia dan bank-bank lain	-	-	1.850.355	-	-	1.850.355	*Placements with Bank Indonesia and other banks*
Aset derivatif	10.963	-	-	-	-	10.963	*Derivative assets*
Tagihan akseptasi	-	-	1.170.532	-	-	1.170.532	*Acceptance receivales*
Efek-efek untuk tujuan investasi	-	4.659.956	671.216	954.994	-	6.286.166	*Investment securities*
Kredit yang diberikan - neto	-	-	33.031.655	-	-	33.031.655	*Loans receivable - net*
Aset lain-lain	-	-	251.158	-	-	251.158	*Other assets*
	10.963	4.659.956	42.586.557	954.994	-	48.212.470	
Liabilitas keuangan							*Financial liabilities*
Liabilitas segera	-	-	-	-	(2.000)	(2.000)	*Liabilities immediately payable*
Simpanan nasabah	-	-	-	-	(24.748.652)	(24.748.652)	*Deposits from Customers*
Simpanan dari bank-bank lain	-	-	-	-	(4.205.683)	(4.205.683)	*Deposits from other Banks*
Efek-efek yang dijual dengan janji dibeli kembali	-	-	-	-	(263.690)	(263.690)	*Securities sold under agreement to repurchase*
Liabilitas derivatif	(5.494)	-	-	-	-	(5.494)	*Derivative liabilities*
Liabilitas akseptasi	-	-	-	-	(1.170.532)	(1.170.532)	*Acceptance payables*
Pinjaman yang diterima	-	-	-	-	(5.013.287)	(5.013.287)	*Borrowings*
Efek-efek yang diterbitkan	-	-	-	-	(6.969.670)	(6.969.670)	*Securities issued*
Liabilitas lain-lain dan beban yan masih harus dibayar	-	-	-	-	(135.151)	(135.151)	*Other liabilities and accrued expenses*
Pinjaman subordinasi	-	-	-	-	(1.145.163)	(1.145.163)	*Subordinated loan*
	(5.494)	-	-	-	(43.653.828)	(43.659.322)	

30. INSTRUMEN KEUANGAN (lanjutan)

b. Nilai wajar instrumen keuangan

Model penilaian

Bank mengukur nilai wajar untuk instrumen keuangan yang diakui pada nilai wajar dengan menggunakan level hirarki berikut ini:

- Level 1: input yang berasal dari harga kuotasian (tanpa penyesuaian) dalam pasar aktif untuk instrumen yang identik yang dapat diakses Bank pada tanggal pengukuran.
- Level 2: input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi, baik secara langsung atau tidak langsung. Dalam kategori ini termasuk instrumen yang dinilai dengan menggunakan: harga kuotasian untuk instrumen yang serupa di pasar aktif; harga kuotasian untuk instrumen yang identik atau yang serupa di pasar yang tidak aktif; atau teknik penilaian lainnya dimana seluruh input signifikan dapat diobservasi secara langsung maupun tidak langsung dari data pasar.
- Level 3: input yang tidak dapat diobservasi. Dalam kategori ini termasuk semua instrumen dimana teknik penilaian menggunakan input yang tidak dapat diobservasi dan input yang tidak dapat diobservasi ini memberikan dampak signifikan terhadap penilaian instrumen. Termasuk dalam kategori ini adalah instrumen yang dinilai berdasarkan harga kuotasian untuk instrumen serupa yang memerlukan penyesuaian atau asumsi signifikan yang tidak dapat diobservasi untuk mencerminkan perbedaan diantara instrumen tersebut.

30. FINANCIAL INSTRUMENTS (continued)

b. Fair values of financial instruments

Valuation models

The Bank measures fair value for financial instruments recognized at fair value using the following hierarchy level:

- *Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.*
- *Level 2: inputs other than quoted prices included within Level 1 that are observable either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.*
- *Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.*

Instrumen keuangan yang diukur pada nilai wajar / ***Financial instrument measured at fair values***

	31 Desember/*December* 2017			
	Level/ *Level 1*	Level/ *Level 2*	Jumlah/ *Total*	
Aset keuangan / ***Financial assets***				
Efek-efek untuk tujuan investasi / *Investment securities*				
Tersedia untuk dijual / *Available-for sale*	1.076.550	3.662.215	4.738.775	
Aset derivatif / *Derivative assets*				
Diukur pada nilai wajar melalui laba rugi / *Fair value through profit or loss*	26	5.954	5.980	
Liabilitas keuangan / ***Financial liabilities***				
Liabilitas derivatif / *Derivative liabilities*				
Diukur pada nilai wajar melalui laba rugi / *Fair value through profit or loss*	(120)	(2.745)	(2.865)	

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30. INSTRUMEN KEUANGAN (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

30. FINANCIAL INSTRUMENTS (continued)

b. Fair values of financial instruments (continued)

	31 Desember/*December* 2016			
	Level/ *Level 1*	Level/ *Level 2*	Jumlah/ *Total*	
Aset keuangan				***Financial assets***
Efek-efek untuk tujuan investasi				*Investment securities*
Tersedia untuk dijual	1.604.267	3.055.689	4.659.956	*Available-for sale*
Aset derivatif				*Derivative assets*
Diukur pada nilai wajar melalui laba rugi	315	10.648	10.963	*Fair value through profit or loss*
Liabilitas keuangan				***Financial liabilities***
Liabilitas derivatif				*Derivative liabilities*
Diukur pada nilai wajar melalui laba rugi	(430)	(5.064)	(5.494)	*Fair value through profit or loss*

Nilai wajar efek-efek untuk tujuan investasi (tersedia untuk dijual) pada tanggal 31 Desember 2017 dan 2016 menggunakan harga kuotasian pasar, kecuali untuk nilai wajar obligasi korporasi yang penilaiannya ditentukan dengan teknik penilaian berdasarkan input yang dapat diobservasi.

The fair value of investment securities (available for-sale) as of 31 December 2017 and 2016 used quoted market prices, except corporate bonds which was determined using valuation technique based on observable inputs.

Nilai wajar instrumen derivatif atas *spot* pada tanggal 31 Desember 2017 dan 2016 menggunakan harga kuotasian pasar, kecuali untuk *swap* dan *forward* yang penilaiannya ditentukan dengan teknik penilaian berdasarkan input yang dapat diobservasi.

The fair value of spot as of 31 December 2017 and 2016 used quoted market prices, except for swap and forward which was determined using valuation techniques based on observable inputs.

Instrumen keuangan yang tidak diukur pada nilai wajar

Financial instruments not measured at fair value

Tabel di bawah ini menyajikan nilai wajar instrumen keuangan yang tidak diukur pada nilai wajar dan analisa atas instrumen keuangan tersebut sesuai dengan masing-masing level pada hirarki nilai wajar. Tabel ini tidak termasuk informasi nilai wajar untuk aset dan liabilitas keuangan yang tidak diukur pada nilai wajar jika nilai tercatatnya mendekati nilai wajarnya.

The following table sets out the fair values of financial instruments not measured at fair value and analysis on those financial instruments by level in the fair value hierarchy. The table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is as reasonable approximation of fair value.

	31 Desember/*31 December* 2017				
		Nilai wajar/*Fair value*			
	Jumlah nilai tercatat/ *Total carrying amount*	Level/ *Level 1*	Level/ *Level 2*	Level/ *Level 3*	Jumlah/ *Total*
Aset keuangan:					
Efek-efek untuk tujuan investasi					
Dimiliki hingga jatuh tempo	1.337.873	890.774	462.864	-	1.353.638
Kredit yang diberikan	35.068.608	-	-	34.525.049	34.525.049
	36.406.481	890.774	462.864	34.525.049	35.878.687
Liabilitas keuangan:					
Simpanan nasabah-deposito berjangka	(26.917.752)	-	(26.917.752)	-	(26.917.752)
Simpanan dari bank-bank lain-deposito berjangka dan *interbank call money*	(3.395.027)	-	(3.395.027)	-	(3.395.027)
	(30.312.779)	-	(30.312.779)	-	(30.312.779)

Financial assets:
Investment securities
Held-to-maturity
Loans receivable

Financial liabilities:
Deposits from customers-time deposits
Deposits from other banks-time deposits and interbank call money

30. INSTRUMEN KEUANGAN (lanjutan)

30. FINANCIAL INSTRUMENTS (continued)

b. Nilai wajar instrumen keuangan (lanjutan)

b. Fair values of financial instruments (continued)

	31 Desember/*31 December* 2016					
		Nilai wajar/*Fair value*				
	Jumlah nilai tercatat/ *Total carrying amount*	Level/ *Level 1*	Level/ *Level 2*	Level/ *Level 3*	Jumlah/ Total	
Aset keuangan:						***Financial assets:***
Efek-efek untuk tujuan investasi						*Investment securities*
Dimiliki hingga jatuh tempo	954.994	293.416	660.636	-	954.052	*Held-to-maturity*
Kredit yang diberikan	33.031.855	-	-	32.961.416	32.961.416	*Loans receivable*
	33.986.849	293.416	660.636	32.961.416	33.915.468	
Liabilitas keuangan:						***Financial liabilities:***
Simpanan nasabah-deposito berjangka	(19.504.190)	-	(19.504.190)	-	(19.504.190)	*Deposits from customers-time deposits*
Simpanan dari bank-bank lain-deposito berjangka dan *interbank call money*	(3.682.241)	-	(3.682.241)	-	(3.682.241)	*Deposits from other banks-time deposits and interbank call money*
Surat berharga yang diterbitkan-utang wesel bayar jangka menengah	(234.916)	-	(239.188)	-	(239.188)	*Securities issued-medium-term notes payable*
	(23.421.347)	-	(23.425.619)	-	(23.425.619)	

Sebagian besar dari instrumen keuangan yang tidak diukur pada nilai wajar, diukur pada biaya perolehan diamortisasi. Instrumen keuangan berikut ini merupakan instrumen keuangan jangka pendek (kurang dari satu tahun) atau yang ditinjau ulang menggunakan harga pasar secara berkala. Oleh karenanya, nilai wajar instrumen keuangan tersebut mendekati nilai tercatatnya.

Majority of the financial instrument not measured at fair value are measured at amortized cost. The following financial instruments represent financial instruments which are short term in nature (less than one year) or reprice to current market rates frequently. Therefore, the fair value of these financial instruments approximate to the carrying amount.

Aset keuangan:

- Kas
- Giro pada Bank Indonesia
- Giro pada bank-bank lain - neto
- Penempatan pada Bank Indonesia dan bank-bank lain
- Tagihan akseptasi
- Efek-efek untuk tujuan investasi (wesel ekspor)
- Bunga akan diterima dan setoran jaminan (bagian dari aset lain-lain)

Financial assets:

- *Cash*
- *Current account with Bank Indonesia*
- *Current account with other banks - net*
- *Placement with Bank Indonesia and other banks*
- *Acceptances receivable*
- *Investment securities (export bills)*
- *Interest receivables and security deposits (part of other assets)*

Liabilitas keuangan:

- Simpanan nasabah (giro, tabungan dan deposito *on call*)
- Simpanan dari bank-bank lain (giro dan tabungan)
- Surat berharga yang dijual dengan janji dibeli kembali
- Liabilitas akseptasi
- Pinjaman yang diterima
- Efek-efek yang diterbitkan (obligasi yang diterbitkan)
- Liabilitas segera

Financial liabilities:

- *Deposits from customers (current accounts, saving accounts and deposits on call)*
- *Deposits from other banks (current accounts and saving accounts)*
- *Securities sold under agreement to repurchase*
- *Acceptances Payable*
- *Borrowings*
- *Securities issued (bonds issued)*
- *Liabilities immediately payable*

Nilai wajar dari simpanan nasabah dan simpanan dari bank-bank lain tanpa jatuh tempo adalah jumlah yang terutang pada saat penarikan.

The fair value of deposits from customers and deposits from other Banks with no stated maturity is the amount repayable on demand.

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30. INSTRUMEN KEUANGAN (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

Pinjaman subordinasi tidak disertakan pada tabel di atas karena sifat dan tujuannya secara substansi merupakan modal Tier 2.

Perhitungan nilai wajar dilakukan hanya untuk kepentingan pengungkapan dan tidak berdampak pada pelaporan posisi atau kinerja keuangan Bank. Nilai wajar yang dihitung oleh Bank mungkin berbeda dengan jumlah aktual yang akan diterima/dibayar pada saat penyelesaian atau jatuh tempo instrumen keuangan. Mengingat kategori tertentu instrumen keuangan yang tidak diperdagangkan, maka terdapat pertimbangan manajemen dalam perhitungan nilai wajar.

31. STANDAR AKUNTANSI BARU

Beberapa standar akuntansi baru dan interpretasi telah diterbitkan, yang belum berlaku efektif untuk tahun yang berakhir 31 Desember 2017, dan belum diterapkan dalam penyusunan laporan keuangan ini. Bank sedang menganalisis potensi dampak atas penerapan standar-standar baru ini terhadap laporan keuangan Bank. Di antaranya, Pernyataan Standar Akuntansi Keuangan ("PSAK") berikut ini, yang akan berlaku efektif mulai tanggal 1 Januari 2020 mungkin membutuhkan aplikasi secara restrospektif berdasarkan PSAK No. 25, "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan":

- PSAK No. 71, "Instrumen Keuangan"

PSAK No. 71 menggantikan hampir semua pedoman di PSAK No. 55, "Instrumen Keuangan: Pengakuan dan Pengukuran". Dalam PSAK ini terdapat pedoman yang direvisi untuk klasifikasi dan pengukuran instrumen keuangan, metode kerugian kredit ekspektasian yang baru untuk menghitung penurunan nilai aset keuangan, dan ketentuan baru untuk akuntansi lindung nilai secara umum. PSAK ini tetap meneruskan pedoman untuk pengakuan dan penghentian pengakuan instrumen keuangan dari PSAK No. 55.

PSAK No. 71 berlaku efektif untuk periode tahunan yang dimulai pada atau setelah tanggal 1 Januari 2020 dengan penerapan dini diperkenankan. Penerapan secara retrospektif secara umum disyaratkan, kecuali untuk akuntansi lindung nilai. Untuk akuntasi lindung nilai, ketentuan secara umum adalah penerapan prospektif, dengan beberapa pengecualian. Penyajian kembali informasi komparatif tidak diwajibkan. Jika informasi komparatif tidak disajikan kembali, dampak kumulatif dicatat pada saldo awal ekuitas pada tanggal 1 Januari 2020.

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30. FINANCIAL INSTRUMENTS (continued)

b. Fair values of financial instruments (continued)

Subordinated loan is not included in the above table since the nature and purpose of this subordinated loan in substance contemplates Tier 2 capital.

The fair values calculated are for disclosure purposes only and do not have any impact on the Bank's reported financial performance or position. The fair values calculated by the Bank may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instruments. As certain categories of financial instruments are not traded, there is management judgement involved in calculating the fair values.

31. NEW ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been issued, that are not yet effective for the year ended 31 December 2017, and have not been applied in preparing these financial statements. The Bank is currently assessing the potential impact of adopting these new standards, on the financial statements of the Bank. Among them, the following Pernyataan Standar Akuntansi Keuangan ("PSAK"), which are effective on 1 January 2020, may require retrospective application under PSAK No. 25, "Accounting Policies, Changes in Accounting Estimates, and Errors":

- *PSAK No. 71, "Financial Instruments"*

PSAK No. 71 replaces most of the existing guidance in PSAK No. 55, "Financial Instruments: Recognition and Measurement". It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from PSAK No. 55.

PSAK No. 71 is effective for annual periods beginning on or after 1 January 2020, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2020.

31. STANDAR AKUNTANSI BARU (Lanjutan)

- PSAK No. 72, "Pendapatan dari Kontrak dengan Pelanggan"

  PSAK No. 72 menetapkan kerangka yang komprehensif untuk menentukan besaran pendapatan dan kapan pendapatan diakui. PSAK ini juga memperkenalkan pedoman baru untuk biaya, dimana biaya-biaya tertentu untuk memperoleh dan menyelesaikan kontrak dapat diakui sebagai aset jika kriteria tertentu terpenuhi.

  PSAK No. 72 berlaku efektif untuk periode tahunan yang dimulai pada atau setelah tanggal 1 Januari 2020 dengan penerapan dini diperkenankan. PSAK No. 72 menawarkan berbagai pilihan transisi termasuk penerapan retrospektif secara penuh dimana entitas dapat memilih untuk menerapkan standar untuk transaksi historis dan melakukan penyesuaian retrospektif untuk setiap informasi komparatif yang disajikan di laporan keuangan entitas pada tahun 2020. Ketika menerapkan metode penerapan retrospektif penuh, entitas juga dapat memilih menggunakan berbagai panduan praktis untuk mempermudah transisi.

- PSAK No. 73, "Sewa"

  PSAK No. 73 menggantikan PSAK No. 30, "Sewa". PSAK No. 73 meniadakan klasifikasi sewa yang terbagi menjadi sewa operasi maupun sewa pembiayaan untuk penyewa dan memperkenalkan model akuntansi tunggal untuk penyewa. Dalam menerapkan model baru, penyewa disyaratkan untuk mengakui aset hak-guna dan liabilitas sewa untuk semua sewa dengan jangka waktu lebih dari 12 bulan, kecuali sewa yang aset pendasarnya bernilai rendah. PSAK No. 73 secara substansial meneruskan persyaratan akuntansi untuk pesewa sesuai PSAK No. 30. Dengan demikian, pesewa tetap mengklasifikasikan sewa sebagai sewa operasi atau sewa pembiayaan, dan membukukan kedua jenis sewa ini dengan mengikuti model akuntansi sewa operasi dan sewa pembiayaan sesuai PSAK No. 30. Namun, PSAK No. 73 mensyaratkan pengungkapan yang lebih luas oleh pesewa.

31. NEW ACCOUNTING STANDARDS (Continued)

- *PSAK No. 72, "Revenue from Contracts with Customers"*

  PSAK No. 72 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognized as separate assets when specified criteria are met.

  PSAK No. 72 is effective for annual periods beginning on or after 1 January 2020, with early adoption permitted. PSAK No. 72 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2020 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

- *PSAK No. 73, "Leases"*

  PSAK No. 73 replaces PSAK No. 30, "Leases". PSAK No. 73 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognize right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. PSAK No. 73 substantially carries forward the lessor accounting requirements in PSAK No. 30. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the PSAK No. 30 operating lease and finance lease accounting models respectively. However, PSAK No. 73 requires more extensive disclosures to be provided by a lessor.

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31. STANDAR AKUNTANSI BARU (Lanjutan)

PSAK No. 73 berlaku efektif tanggal 1 Januari 2020 dengan penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK No. 72.

Pada tanggal penerbitan laporan keuangan ini, Bank belum menentukan besarnya dampak secara retrospektif, atas penerapan standar-standar ini di masa yang akan datang terhadap posisi keuangan dan hasil operasi Bank. Bank tidak berencana melakukan penerapan dini atas standar-standar ini.

31. NEW ACCOUNTING STANDARDS (Continued)

PSAK No. 73 is effective for annual periods beginning on or after 1 January 2020, with early adoption permitted if PSAK No. 72 is also applied.

As of the issuance of these financial statements, the Bank has not determined the extent of the retrospective impact that the future adoption on these standards will have on the Bank's financial position and operating results. The Bank does not plan to early adopt these standards.

32. REKLASIFIKASI AKUN

Beberapa jumlah komparatif dalam laporan posisi keuangan pada tanggal 31 Desember 2016 telah direklasifikasi agar sesuai dengan penyajian tahun ini. Perubahan ini merupakan reklasifikasi simpanan dari bank-bank lain menjadi pinjaman yang diterima untuk mencerminkan sifat dari transaksi tersebut.

32. RECLASSIFICATION OF ACCOUNTS

Certain comparative amounts in the statement of financial position as of 31 December 2016 have been reclassified to conform with the presentation. These changes culminated from the reclassification of deposits from other banks to borrowings to reflect the nature of the transaction.

Laporan posisi keuangan	Sebelum reklasifikasi/ *Before reclassification*	Reklasifikasi/ *Reclassification*	Setelah reklasifikasi/ *After reclassification*	*Statement of financial position*
Simpanan dari bank-bank lain	5.216.120	(1.010.437)	4.205.683	*Deposits from other banks*
Pinjaman yang diterima	4.002.850	1.010.437	5.013.287	*Borrowings*

KPMG

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Registered Public Accountants
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Laporan Auditor Independen

No.: L. 17 - 5112 – 18/III.28.021

Para Pemegang Saham,
Dewan Komisaris dan Direksi
PT Bank ICBC Indonesia:

Kami telah mengaudit laporan keuangan PT Bank ICBC Indonesia terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan catatan, yang berisi suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

No.: L. 17 - 5112 – 18/III.28.021

The Shareholders,
Board of Commissioners and Board of Directors
PT Bank ICBC Indonesia:

We have audited the accompanying financial statements of PT Bank ICBC Indonesia, which comprise the statement of financial position as of 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising 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 these 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 these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

KPMG

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan kami, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, kami 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 keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we 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.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opini

Menurut opini kami, laporan keuangan tersebut menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank ICBC Indonesia tanggal 31 Desember 2017, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PT Bank ICBC Indonesia as of 31 December 2017, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Kantor Akuntan Publik/*Registered Public Accountants*
Siddharta Widjaja & Rekan

Susanto, S.E., CPA
Izin Akuntan Publik/*Public Accountant License* No. AP. 0854

Jakarta, 28 Maret 2018.

Jakarta, 28 March 2018.